



ANNUAL REPORT 2021 - 2022



Enhancing Lives and Communities
SCOTTISH BORDERS HOUSING ASSOCIATION





Chair's Welcome

Welcome to SBHA's Annual Report, highlighting major themes and achievements of the year 2021-22.

Robin Hill
Chair of SBHA's Board of Management



We entered the year in the midst of the Covid-19 pandemic but with great enthusiasm and optimism as the country showed strong signs of recovery, both socially and economically. The continued resilience of our Tenants, our communities and our people, inspired us to look ahead and reconsider our future service delivery.

We have re-aligned our Strategic Delivery plan to meet changing needs and expectations - refining and re-focussing with a strong emphasis on improving universal services, whilst ensuring specialist and more complex needs are met. This is underpinned by resetting our commitment in partnership with Scottish Borders Tenants Organisation (SBTO) to engaging with Tenants by implementing our Voices Together Strategy 2021-25.

Last Summer, we completed our first major re-financing since we were created in 2003, providing capacity to both maintain existing homes and invest in much needed new homes. I believe we have entered a new era as an organisation with plans for growth to enable us to strengthen our contribution to the lives of the people and the economy of the Scottish Borders.

We remain absolutely committed to improving the services we provide, enhancing our performance and empowering our people to make change happen, while keeping rents affordable. This is why we delivered a business plan that supported a below inflation rent increase for 2021-22.

Meanwhile, we continue to take significant steps to improve the energy efficiency of our homes and to reduce energy costs for Tenants. The current backdrop of rising inflation and the rising costs of living increases drive our ambitions as a community anchor organisation to do all we can to support people through these difficult times.

Uncertainty in the broader world, particularly the war in the Ukraine, impacts on us and we will continue to offer support and play our part in the Scottish Borders refugee regional response.

So, whilst the outlook is uncertain, we are ready to face and meet the challenges ahead.



SCOTTISH BORDERS
TENANTS
ORGANISATION

giving Tenants a voice



This combined Annual Report and Landlord Report provides information on our performance in 2021-22.

This report has been developed in consultation with Scottish Borders Tenants Organisation (SBTO), and we are keen to seek your views on the style, content and performance outcomes. Please send your feedback to our Tenant Engagement and Communications Team at communications@sbha.org.uk.

In this report, we show how we are performing in progressing towards achieving standards and outcomes set out in the **Scottish Social Housing Charter**. We include comparison data on how we performed in 2020-21 and Scottish averages (where available) to see how well we are performing compared to other Scottish social housing landlords.



shows an improvement in performance



indicates no improvement since last year

The Year's Main Events

Julia Mulloy
Chief Executive



As we emerged from the pandemic last year, housing remained at the heart of social and economic recovery and we aimed to place SBHA in the strongest position possible. Tenants shared their challenges, issues and priorities with us. We delivered a below inflation rent increase and ensured a rapid response to changing guidelines keeping Tenants and Teams safe.

The re-opening of our office and piloting a hybrid working model has enabled us to re-establish in-person contact in people's homes and around estates. Early remobilisation of our investment programmes, dealing with the repairs backlog and continued work on empty homes (despite lock-downs) to ensure the growing numbers of homeless people had a home, all reflect our team's commitment to doing their best to keep promises and deliver services. Once again we thank our Team for their commitment and willingness to adapt, continuing to put Tenants and customers first.

Throughout this report we illustrate the diverse quantity of work we have undertaken – from universal services including repairs, investment programmes and general advice to more specialist services such as financial inclusion and energy advice. It also highlights our early work on moving towards Net Zero targets, our progress on investing in energy efficiency and our work pioneering around innovation in construction such as embarking on a pilot for thermal imaging, exploring the re-purposing rows of garages into new homes and testing damp sensors to prevent damp and condensation issues.

We have seen demand for our homes increase this year and with the economic challenges our communities face, our plans to invest £35m in the delivery of our promise of 300 new homes by 2027 have been moved forward with the acquisition of new sites. So please be assured SBHA will, despite all that is happening in the world, continue to grow and improve to make a real difference to tenants and the communities we serve.

The Executive Team



Maria Lyle
Chief Operating Officer



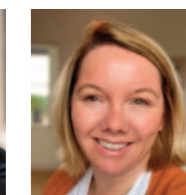
Henry Coyle
Director of
Customer Services



Carly Stewart
Director of
Finance



Caroline Purcell
Director of
Assets &
Property Services



Emma Garry
Director of
Development



Great Customer Experience

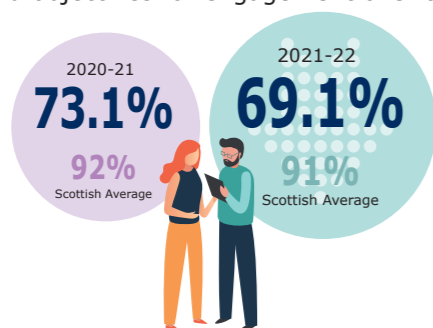
Tenant and Community Engagement

We remain committed to working together with Tenants and communities and ensuring they remain at the heart of everything we do.

Unfortunately, due to the impact of Covid, there was continued disruption to the services we provided in the year and our ability to carry out engagement events was limited. Unsurprisingly this impacted on Tenant satisfaction, and while satisfaction with the overall services provided remained fairly stable, Tenants who felt we were good at keeping them informed and were satisfied with the opportunities to participate in decision making reduced. We were disappointed to hear this but determined to improve.

In partnership with Tenants, we developed and launched our Voices Together Strategy in November 2021, setting out our priorities and objectives for engagement over the next 4 years.

Tenant satisfaction with keeping them informed



We have made good early progress on delivering our plan to achieve this. We recruited our new Tenant & Community Engagement Facilitator to deliver more engagement activities and provide dedicated support to Tenants to get involved.

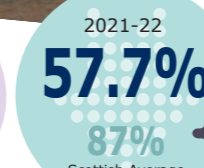
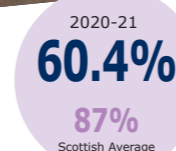
With more Tenants now on-line (87%), we expanded our digital channels of engagement, offering video calls to Tenants using "Near Me"; enhanced our use of text messaging to keep Tenants informed of appointments; and extended our use of social media, branching out into Instagram and piloting a local community Facebook interactive group for Langlee residents in Galashiels to share ideas and discuss neighbourhood solutions. We plan to refresh our website in the coming year to provide more interactive communication.

We appreciate not everyone wants or has the means to to engage with us digitally. We will continue to provide support through our Digital Champions to help Tenants get on-line should they choose.

In the coming year, we will seek to maximise our customer insight data to enable us to engage with Tenants using their preferred method of communication. We will also increase our community engagement events to ensure everyone has a voice.



Tenants satisfaction with opportunities to participate



Scottish Borders Tenants Organisation

Our engagement activities are delivered in partnership with Scottish Borders Tenants Organisation (SBTO), the "umbrella" Tenants representative group for SBHA's Tenants.

SBTO is a valued and vital partner in the delivery of SBHA's Strategic & Business Plan commitments in this Strategic Plan. Funded and supported primarily through SBHA, SBTO's remit is to seek, represent and take forward Tenants' views in and to ensure that Tenants get the best possible service. They also support the development of Registered Tenant Organisations (RTOs) and deliver Tenant Scrutiny of the services we provide.

In the year, SBTO reviewed and consulted on 11 SBHA policies; helped develop 3 key SBHA strategies setting the future direction of SBHA; and carried out a scrutiny exercise of SBHA's complaints handling, providing recommendations for improvement.

Scottish Borders Tenants Organisation Members at 31st March 2022

Dominic Brookes (Chair)	Kelso
Margaret Graham (Vice Chair)	St Boswells
Allen Tills	Kelso
Tracey Glover	Bowden
Gordon Saunders	Fountainhall
George Gilchrist	Innerleithen
Lynda Gilchrist	Innerleithen
Tiffany Ward	Galashiels
Doris Charlton	Newcastleton
Alan Frank	St Boswells
Ella Elliot	Selkirk
Marlen Jones (Hon Member)	Innerleithen
Angela Barber (Hon Member)	Innerleithen
Angela Sulo (Hon Member)	Bowden

Our thanks to Tracey Glover, who stood down as Chair to take up a position on the Board, and to David Elder and Lyn Williams, who both offered their resignations during the year.



Great Customer Experience

Supporting people

Building on the work we undertook last year, we have continued to develop stronger connections with many vulnerable Tenants through increased contact and support. During the year, we piloted our Wellbeing Framework to identify those in need of support and strengthening links to specialist support providers to access relevant support. We are now widening this to all new Tenants to help them maintain their wellbeing and support them to sustain their tenancy.

We were delighted to partner with the social enterprise, the Wise Group and the other local RSLs to offer a new employability service to Tenants and their households at the start of the year. The Borders Employment Advice and Mentoring (BEAM) Project works with out-of-work Tenants to help tackle barriers to employment, providing coaching, digital tools and specialist help to get ready for work. To date, this valued Project has received over 89 referrals, helped over 50 people and supported 22 into employment.

With the cost of living increasing and energy prices soaring, we appreciate that this is a worrying time for many Tenants. Over 2,680 Tenants were in receipt of Universal Credit at the end of the year, up 606 (27%) compared to the previous year.



"I'm so thankful for all the help the team has given me. I had lost faith in my ability to find work, or to go further with my education. Since starting my placement, I feel valued. I feel like part of a team."

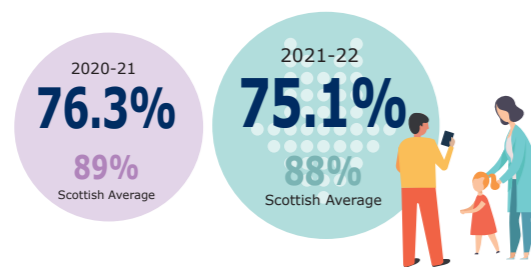
This year, we helped over 820 people with budgeting and benefits advice through our dedicated Financial Inclusion Service, generating £401,000 income for Tenants.

Some Tenants required more direct help during the year and our Tenant Hardship Fund provided emergency payments to Tenants in extreme poverty to buy food and top up their meter. We secured a total of £107,000 from the Scottish Government's Tenant Hardship Fund, helping 70 Tenants clear rent debt due to Covid.

Our Warm and Well energy advice service helped a further 1,188 Tenants reduce energy bills and fuel debt. Working with the other local RSLs, we successfully accessed £100,000 for 127 Tenants pay off debt to energy suppliers. Recognising the valuable benefits to Tenants that this project brings, we were delighted to have been awarded an additional year's funding from the Scottish Government's Investing In Communities Fund and a further £150,000 from the Fuel Poverty Fund to help reduce energy debt in 2022-23.

We will continue to work creatively and collaboratively to signpost and source help for Tenants.

Tenant satisfaction with SBHA's overall service



Meeting housing need

Everyone deserves a safe, secure and affordable home, and demand for social housing in the Scottish Borders remains high.

Last year, we let 508 homes including 207 to homeless households; 91 lets to existing Tenants and 210 to applicants from our housing list. In addition, we supported SBC in the provision of temporary accommodation, demonstrating our continued commitment to the Scottish Borders Rapid Rehousing Transition Plan.

As a partner in the Scottish Borders Housing First programme led by the Cyrenians, we welcome the integrated approach to break the cycle of homelessness for people with complex needs. This programme has provided settled accommodation and personalized support to 10 people this year and expect to support a further 20 in the coming year.

Our 16+ Transitions Project, in partnership with Scottish Borders Council, through which we support young people leaving care to live independently tenancies, continues to provide significant positive change and outcomes for young care leavers in the Scottish Borders. SBHA and SBC have committed a further 3 years' funding to the Project.

Our performance in the letting of empty homes has significantly improved in the year with the average days taken to re-let reducing to 34 days and at lowest levels over the last 5 years. Satisfaction with the standard of the home at time when moving in is high at 95%, a significant improvement compared to last year. Focus will continue in the coming year to achieve continuous improvement in this area.

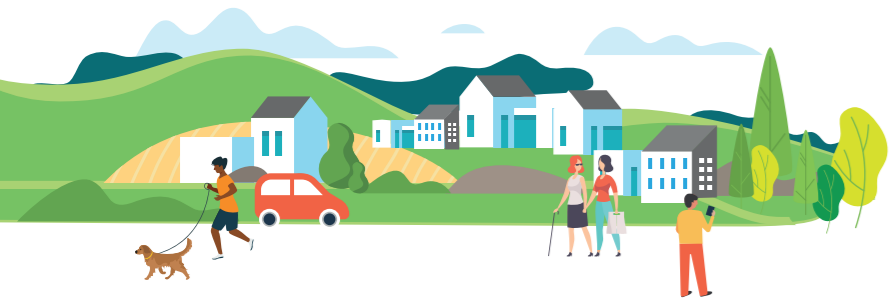
Complaints handling

Complaints provide valuable feedback to allow us to keep improving services. We received a total of 284 complaints in the year which is lower than pre-Covid levels and the time taken to respond has also improved.

Following a Tenant Scrutiny exercise undertaken by SBTO's Customer Audit Team in Summer 2021, we have improved our approach to complaints handling, providing clarity on guidance for making a complaint, as well as publishing complaints performance data quarterly in the Tenant newsletter and on SBHA's website.

Refresher complaints handling to Teams has embedded the process of recording lessons learned from complaints. We hope to see an improvement in Complaints performance as a result of these actions.





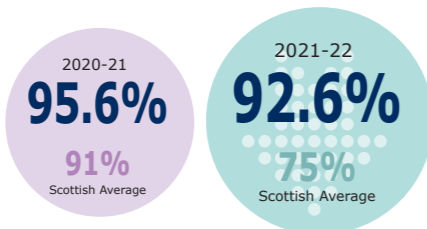
Great Places

Quality and energy-efficient homes

Creating safe, affordable warm homes is a key objective of our Asset Management Strategy.

Almost 98% of SBHA homes now meet the Scottish Government's Energy Efficiency Standard for Social Housing, and we commissioned Changeworks to carry out an assessment on the work required to meet EESSH2 by the deadline of 2032, giving us baseline information to allow planning. With a focus on fabric-first, we fitted 247 sets of windows, 674 doors and installed 304 heating systems in the year.

 **Homes meeting Scottish Housing Quality Standard (SHQS)**



Home Safety

Tenant safety is of paramount importance to us. Following the launch of our new Tenant Health and Safety Manual developed in partnership with Tenants, we worked with Tenants to design campaigns to promote health and safety throughout the year.

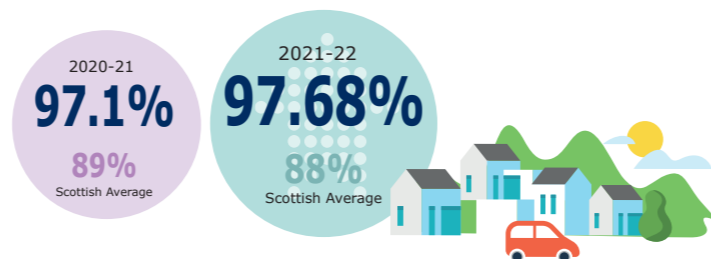
Our work to engage with Tenants and promote the importance of essential safety checks during the year, ensured we were able to maintain a very high level of compliance on Tenant safety, including the new standard for fire detection and electrical safety.



In the year, all Gas Safety checks were carried out by the anniversary date, and 99.13% of homes had a valid EICR by the end of March 2022. At year end, more than 99% of SBHA homes had been fitted with new, interlinking LD2 fire detection systems.

As well as empowering Tenants to take steps to reduce energy usage and helping them to reduce bills where possible, we are exploring innovative new technologies to assess heating system efficiency and piloting damp sensors to detect and prevent issues in the home. Currently at pilot stage, these technologies should allow us to identify where improvements or remedial works are required, and if successful will be rolled out more widely. For the longer term we are exploring renewable technologies with a view to having properties generate their own power to improve affordable warmth.

Homes meeting the Energy Efficiency Standard for Social Housing (EESH)



Contributing to the local economy

The construction sector faced major challenges 2021-22 in the availability of tradespeople and the supply of materials, through the effects of Covid and Brexit. To alleviate this, we are engaged with local contractors to encourage them to bid for work and understand our future plans. This underlines our commitment to support the recovery and growth of the Scottish Borders economy.

We have plans to develop and grow our Property Services team, for the future, to deliver excellent services to Tenants and provide good quality homes. To support this and to maximise opportunity, we have created three new trades apprenticeships.

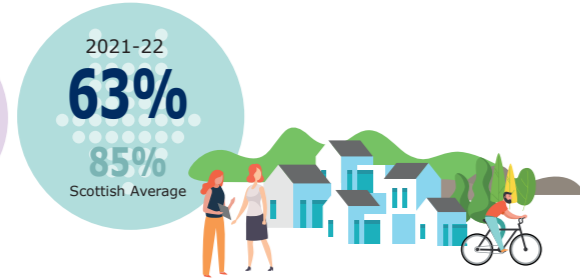
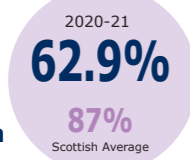
New homes

Escalating housing costs in the private rented and home ownership makes it essential to increase the number of affordable homes. In re-financing last year we sought to ensure the resources to deliver 300 new homes by 2027. We welcomed 4 families into new homes in the village of Oxton. Working in partnership with the Community Council and Scottish Borders Council wider benefits have been generated for this small community as part of the build, including improvements to the adjacent Council-owned play-park and groundworks for a new community hub. Developments are also in progress in Peebles and Kelso.

Our purchase of land in Hawick and Selkirk towards the end of last year, alongside a partnership with a developer to provide new homes in Lauder will enable us to establish a pipeline of 70 future homes in the early years of our programme. Innovations such as Garages to Homes – our project in partnership with Berwickshire Housing Association to turn rows of garages into homes for older people or those with limited mobility; and options appraisals of converting blocks of flats into houses in Newtown St Boswells, reflect our commitment to making better use of our land and resources to meet housing need.



Tenant satisfaction with SBHA's contribution to the management of the neighbourhood they live in



Management of Neighbourhoods

Tenant satisfaction with the management of neighbourhoods remains relatively comparable to last year, however, the level of Tenants reporting that they are satisfied with the neighbourhood as a place to live is significantly higher at 80%. As Covid restrictions eased in the year, our Community Teams increased visibility on estates and in communities and have recommenced regular estate walkabouts.

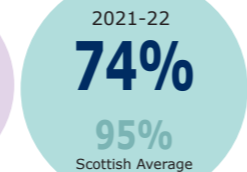
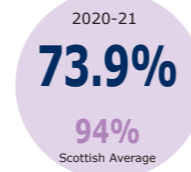
We believe all Tenants should feel safe in their neighbourhoods. We continued our programmes to improve security and appearance in communal stairwells in 2021-22; installing high specification Martec communal security doors, improving stair lighting and continuing our stair painting programme. We also installed domestic floodgates at Tenants homes in areas most at risk from flooding. Reports of anti-social behaviour reduced and almost 3 in every 4 cases reported were resolved in the year with tenancy sustainment continuing to increase.

In the coming year, in partnership with SBTO, we plan to review our Neighbourhood Standard, review our Anti-social Behaviour Policy and carry out Tenant Scrutiny of the existing standards to help inform future improvements.

Anti-social behaviour cases reported for every 100 homes



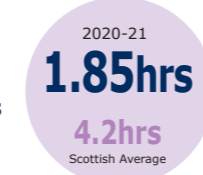
Cases resolved within locally agreed target times



Your repairs service

During the year we carried out a total of 14,544 repairs, an increase of 2,874 repairs compared to the previous year. This was mainly due to the remobilisation of non-emergency routine repairs, which had been suspended in compliance with Covid restrictions in the year. Due to the resultant backlog, compounded by pressures on the material supply chain and the availability of contractor resource (joinery and roofing in particular), the average length of time taken to complete repairs increased slightly compared to last year. Compared to the national average, the time taken to complete emergency repairs is slightly longer, however, emergency repairs were completed well ahead of the Scottish average times.

Average time taken to complete emergency repairs



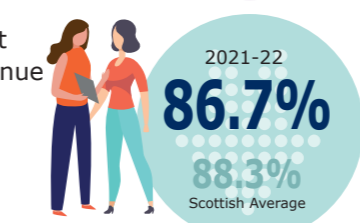
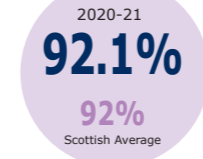
Average time taken to complete non-emergency repairs



Repairs completed right first time

The backlog of repairs in the year has had an impact on our ability to complete repairs right first time.

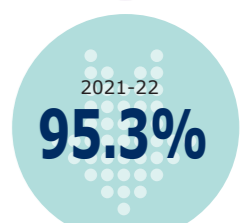
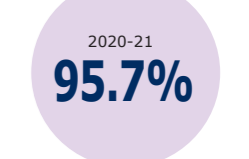
Although below target, it has improved considerably throughout the year. We expect this will continue to improve in the coming year.



Repairs appointments made and kept

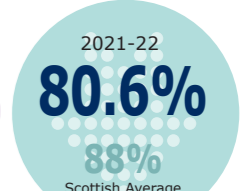
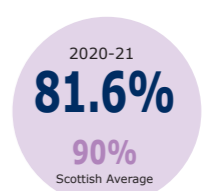
Although no longer monitored nationally by the Scottish Housing Regulator, we recognise that keeping repairs appointments is important to Tenants.

Similarly to other measures of the repairs service, performance in keeping appointments has reduced due to the backlog in repairs and the resultant volume to address. Improvement was seen in the last quarter of the year, however, and we expect this to continue improving in the coming year.



Tenant satisfaction with repairs service

Despite the pressures on the repairs service described above, levels of satisfaction remained relatively stable with four in five Tenants advising they were satisfied with the service received and over half advising they were very satisfied. Unsurprisingly, given the operating environment and restrictions to the service in the year, Tenants were least happy with the not being able to make an appointment and most happy with the attitude of the workers. The aspects of the repair service that Tenants were least happy with were the ability. With the pressures on this service easing, we will continue to focus on improving satisfaction in the coming year.





One Team

Agile Teams

Our Teams remained agile throughout the year, adjusting to the changing operating environment admirably in order to ensure that Tenant services were remobilised effectively and efficiently.

In the year, we continued to invest in our People, providing them with learning and development opportunities to acquire new skills for the future, such as greener technology, digital skills and carbon reduction.

We are delighted to have retained Investors in People Silver accreditation in the year and the findings of this are helping to inform our People Strategy.

We continued to support our Teams' wellbeing, providing them with free access to our Employee Assistance Programme for confidential support and advice. Our Healthy Living Group and the Employee Strategy Group have delivered a series of activities aimed at positive mental and physical health.

Equalities, Diversity & Inclusion

We strengthened our approach to equalities, inclusion and diversity, providing awareness training to our Team and establishing a cohort of Equalities Champions from a cross-section of SBHA. We are proud to be a Disability Confident and accredited Living Wage employer.

In the coming year, we will develop our Equalities, Diversity and Inclusion Strategy, building on our commitments to empower and promote social and economic inclusion for all.



Future workforce

Like many businesses, the Covid-19 pandemic has brought a change in the way we deliver our services and how our people work.

In collaboration with the team, we introduced our pilot hybrid working model, expanding on our flexible working offer and greater flexibility to engage with Tenants in communities.

We also revised our organisational structure, setting out plans to ensure our Team are equipped for the future to meet changing demands and ready to embrace growth opportunities.

As a major employer in the Scottish Borders, we recognise the contribution we make to the regional economy and remain committed to providing workplace learning and job opportunities for young people. This year, we created 7 new employment opportunities including modern apprenticeships work placements and graduate work experience.



Good Governance

SBHA's Board of Management

SBHA is governed by its Board of Management, consisting of up to 12 members – 8 elected (of which 4 are SBHA Tenants) and 4 appointed. Governance is supported by 3 Sub-Committees (Audit and Compliance, the Customer Board and Remuneration and Nominations).

The Board of Management has collective responsibility for setting and overseeing the strategic direction, business and financial plans of SBHA and managing risk, in compliance with the Scottish Housing Regulator's Regulatory Framework.

In the year, the Board revised SBHA's Rules in accordance with the Scottish Federation of Housing Associations (SFHA) Model Rules and these were adopted following approval by SBHA's shareholding members at the Special General Meeting in September 2021. The Board also reviewed its Code of Conduct and carried out its annual Member Appraisal and Skills Audit which provided assurance that the Board has a diverse range of skills, experience and knowledge for effective governance.

The Board's 2022 Annual Assurance Statement to the SHR on SBHA's compliance with requirements and standards. The 2022 Assurance Statement is available in this report on page 15.



Members of SBHA's Board of Management as at 31st March 2022

Chair	Robin Hill	Appointed Member	Joined 24th February 2016
Vice Chair	Philippa Brosnan	Elected Non-Tenant Member	Joined 28th March 2019
Members	Allen Tills	Elected Tenant Member	Joined 21st September 2017
	Tracey Glover	Elected Tenant Member	Joined 8th September 2021
	Gordon Saunders	Elected Tenant Member	Joined 3rd December 2021
	Ian McDonald	Appointed Member	Joined 20th October 2017
	Michael Levack	Appointed Member	Joined 30th May 2019
	Eric Glass	Appointed Member	Joined 3rd December 2021
	John Paton-Day	Elected Non-Tenant Member	Joined 12th September 2019
	David Cressey	Elected Non-Tenant Member	Joined 8th September 2021

Members of the Customer Board (excluding Board nominees)

Convener	Michael Levack	Members	Allen Tills David Cressey Ian Macdonald Julie Black
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Members of the Audit & Compliance Sub-Committee (excluding Board nominees)

Convener	Ian McDonald	Member	Gordon Saunders Eric Glass Philippa Brosnan
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Our grateful thanks to Ian Macdonald, Michael Grieve, Angela Sulo and Simon Mountford who stepped down as Board Members in 2021 - having collectively served a staggering 41 years on the Board. We are pleased that Ian Macdonald continues to serve on the Customer Board.

2022 Annual Assurance Statement



On behalf of SBHA's Board of Management, I confirm that we have appropriate assurance that SBHA complies with:

- all relevant regulatory requirements set out in chapter 3 of the Regulatory Framework
- all relevant legislative duties
- the Standards of Governance and Financial Management
- all relevant standards and outcomes in the Scottish Social Housing Charter

The Board of Management is satisfied that, to the best of our knowledge, SBHA is compliant with the requirements of Chapter Three of the Regulatory Framework and the Regulatory Standards of Governance and Financial Management. We have gained this assurance from a review of a comprehensive bank of evidence and from our ongoing oversight and scrutiny of SBHA's affairs throughout the year (2021-22).

The evidence bank combines reports, policies, advice and information which the Board monitors and oversees on an ongoing basis throughout the year to provide continuous assurance that SBHA is compliant. Additionally, the evidence bank incorporates relevant documents and information that contribute to our assurance and which form the structure of SBHA's business and governance activities. For additional assurance, our Internal Auditors carried out an assessment of Standards 2 & 4 and determined our approach is effective with a robust evidence bank to support assurance.

In assessing the evidence, we have adopted an improvement focus which has resulted in the creation of an Action Plan which we have begun to implement and will continue to progress during the course of the year. We have reviewed the identified actions in the improvement action plan and are satisfied that all are intended to deliver effective improvement and that none are material to our current compliance with the Framework.

In reviewing our compliance with the Regulatory Framework, we are assured that we are working towards having appropriate systems in place for the collection of equalities data. We are assured that we are working towards using this data to take account of equality and human rights issues in our decisions, policy-making and day-to-day service delivery.

We are confident that, taking account of the current economic and social environments, we continue to meet our responsibilities to our tenants, service users, regulators and funders. Where we have adopted revised standards of service delivery, we are communicating these changes clearly to Tenants. We are confident that we have successfully resumed normal service levels, subject only to external supply constraints.

Our tenants' safety is paramount, and we are assured that robust plans and programmes are in place to meet our legal responsibilities as a landlord and manage risks. During 2021-22, 100% of gas safety checks were completed within the 12-month anniversary date of certification. At the end of March 2022, 99.13% of our homes had a valid electrical EICR. Of the 0.87% (49) homes that did not, this was as result of the no access being provided. We worked with the tenants concerned and since year end, the number outstanding has reduced to 0.26% (15). We will continue to work with the tenants to ensure that the small remaining outstanding number are complete as quickly as possible and expect to have these all completed by Q3 2022.

We recognise that we are required to notify the SHR of any changes in our compliance during the course of the year and are assured that we have effective arrangements in place to do so.

As Chair, I was authorised by the Board on 8th September 2022 to sign and submit this Assurance Statement to the Scottish Housing Regulator. This Assurance Statement is being published on our website on the same date that it is submitted to the SHR.

Robin Hill
Chair of SBHA's Board of Management



Resilient Business

How we ensure rent levels remain affordable

Each year, we consult with Tenants on proposed rent levels for the following financial year.

In recent times it has been more important than ever to make sure our rents remain affordable. In January 2021 we spoke to nearly 300 Tenants, listening to their feedback on the rent they pay whilst promoting access to our Financial Inclusion Service for individual advice.

Our Business Plan had assumed a rent increase this year of Consumer Price Index (CPI) plus 1%, but as CPI was 4.2%, this would have meant an increase of 5.2%. Listening to Tenant feedback, we kept the required rent increase as low as possible and below-inflation at 3.8% (CPI less 0.4%).

This small increase allows us to maintain the balance between quality of goods and services and value for money for Tenants.



Value for Money

We have continued our value for money journey by using our HouseMark membership to benchmark costs, and the results below compares our 2021-22 costs with 22 other similar size housing associations across Scotland and the North of England. This information supports effective decision making on how to allocate resources to get the right balance between performance, quality and cost. Below shows SBHA costs compared with the highest and lowest peer group costs.

Housing Management £ per household

Costs have reduced and remain below the median. The strategy is to provide a balance of resource in order to support Tenants, maximise rent collection and reduce rent loss through empty homes. Budgets are in place to support this achievement by reducing patch sizes from the rollout of Universal Credit and through the pandemic this approach supported wider engagement.



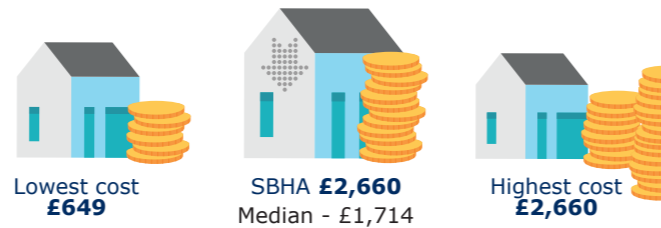
Response and Empty Homes £ per household

SBHA's strategy is to reduce costs in this area, which are higher by nature, increasing cyclical maintenance to give better value. SBHA's high property investments are helping to reduce repair volumes. However, repairs required when homes become empty remain high. Mainly delivered by SBHA's in-house Property Services, activities will continue to ensure this is achieved at best value. 2021-22 costs across construction increased and repair backlogs from the pandemic were addressed.



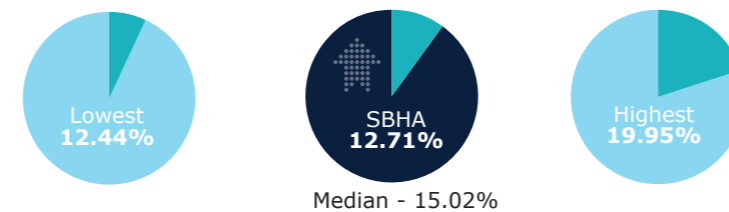
Major Works and Cyclical Maintenance £ per household

This shows our high level of investment in modernising homes as projected. Cyclical programmes are increasing which reduce the need for costlier reactive maintenance. Higher costs in this area are also attributable to safety checks such as gas, due to ever improving standards.



Overheads % of adjusted turnover

These are the costs incurred in keeping the business going. This highlights a slight increase in the year and costs remain below the median. Re-procuring services and goods in this area and simplifying our processes using IT, supporting SBHA's digital shift, will keep costs lower.



* Median - The median is the middle figure rather than an average, this ensures that landlords with either very high, or very low costs do not skew the figures in one direction.

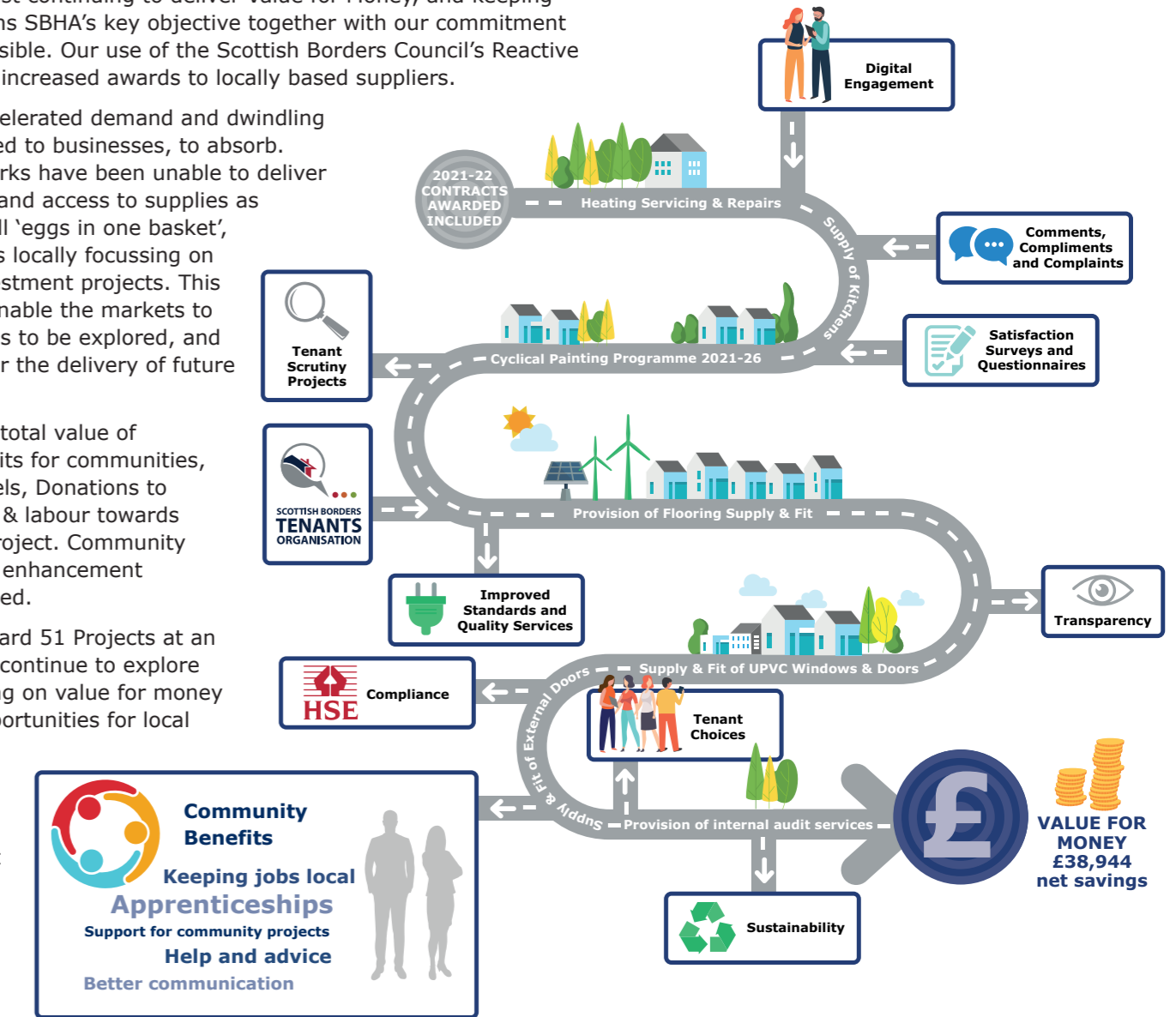
Procuring best value, delivering quality, maintaining savings

Procuring Goods Services and Works whilst continuing to deliver Value for Money, and keeping Tenants' needs as our top priority, remains SBHA's key objective together with our commitment to supporting local businesses where possible. Our use of the Scottish Borders Council's Reactive Repairs and Maintenance framework has increased awards to locally based suppliers.

As our contractors and suppliers face accelerated demand and dwindling supplies, costs are rising and being passed to businesses, to absorb. Meanwhile, as a result, national frameworks have been unable to deliver the level of certainty of value for money and access to supplies as in previous years. To reduce the risk of all 'eggs in one basket', SBHA have procured short term contracts locally focussing on day to day maintenance and smaller investment projects. This short term (1 to 2 years) approach will enable the markets to settle, allowing collaborative opportunities to be explored, and local contractor experience to increase for the delivery of future programmes of work.

SBHA procured 11 new contracts, with a total value of £10,275,533, these included wider benefits for communities, via donations to, for example, Food Parcels, Donations to Christmas Charity for Children, Materials & labour towards Love Langlee Community Environment Project. Community fund cash donations £1,250. Community enhancement projects; Supporting the Burnfoot foodshed.

Over the next two years SBHA aim to award 51 Projects at an estimated value of £32,168,831. We will continue to explore opportunities for collaboration, capitalising on value for money for Tenants, as well as creating more opportunities for local business, helping to build community wealth and support the recovery and growth of the Scottish Borders economy. Sustainability and working with suppliers to reduce our impact on the environment will also feature highly as we work towards targets for Zero Carbon in Scotland.





Financial Highlights

SBHA's financial stability and ability to meet funding covenants is underpinned by prudent long term business planning, with financial risks and implications post-pandemic being continually assessed and monitored.

Annual turnover increased by 1.7% to £25.25m during the year, with rental income increasing by 1.7%. Coming out of the pandemic lockdowns and restrictions, the year started with a low number of empty properties. Good performance through reduced re-let times and a lower volume, meant rent loss due to empty homes decreased to historically low levels for lettable homes. Rent collection remained at the same level as the previous year, with a continued focus on supporting tenants to maximise income through financial inclusion services and crisis intervention and fuel poverty funds.

Operating costs increased by 13.2%, returning to a level similar to pre-pandemic. Reactive maintenance spend increased due to greater repair volumes as a result of services re-opening in full and back logs being addressed. Planned programmes were re-started and in cash terms, investment increased by £3m in comparison to the previous year. The backdrop of construction sector shortages in labour and material availability, as well as

and material availability, as well as inflationary cost pressures, impacted on the ability to deliver full programmes, with £2m slipping into 2022-23.

This year the net loss on disposal of fixed assets was up by £266k, mainly due to the loss on components being replaced increasing. The majority of components replaced with a net book value were due to being replaced in line with SBHA's 6-year investment programme.

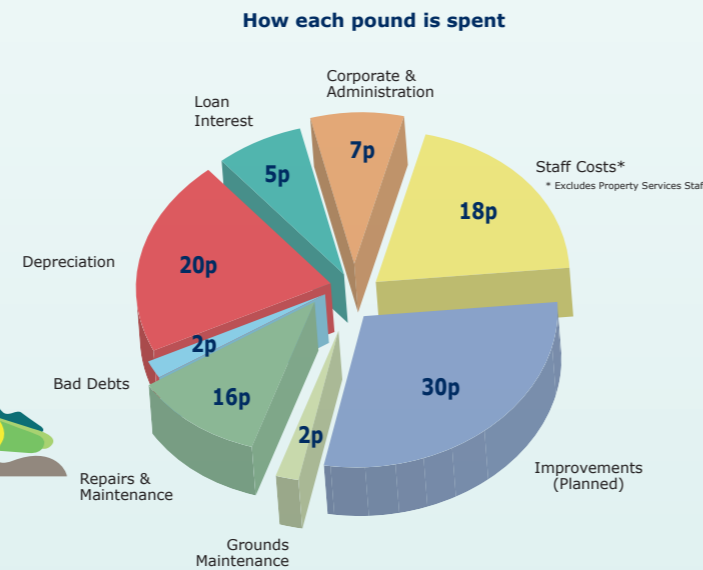
A full refinance in the year to fund aspirations for Development growth was completed. The new £58m facility provides a good fit with SBHA's cashflow profile, including the flexibility of a 10-year revolving credit facility to match the Development plan profile. The deal secured long term lower costs of borrowing and required one-off breakage costs of £5.3m in relation to existing fixed term loans, stated in interest and financing costs.

Non-cash fluctuations occur in accounting for liabilities due to participation in the Local Government Pension Scheme. Measures were taken in 2013 to mitigate the future cash impact of pension deficits.



STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 MARCH 2022

	2022	2021	Guide to the Accounts
	£		
Turnover	25,246,054	24,755,826	
Operating Expenditure	(19,113,636)	(17,113,630)	<i>Income from rents and other services we provide</i>
(Loss) on disposal of property, plant and equipment	(513,620)	(247,930)	<i>Cost of running SBHA including money spent on improvements to homes</i>
Operating Surplus	5,598,798	7,394,266	
Interest receivable	12,143	22,250	<i>Interest earned on cash we invest</i>
Interest payable and financing costs	(6,584,040)	(1,559,726)	<i>Interest paid on money we borrow</i>
Surplus for the year	(973,099)	5,856,790	
Actuarial (loss) in respect of Pension Schemes	3,562,000	(2,443,000)	
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	2,588,901	3,413,790	



STATEMENT OF FINANCIAL POSITION as at 31 MARCH 2022

	2022	2021
	£	£
Fixed Assets		
Intangible Assets	473,914	230,677
Housing Properties – Depreciated Costs	76,513,318	75,246,571
Other Fixed Assets	1,728,257	1,773,359
Investment in Subsidiary Company	1	1
	<u>78,715,490</u>	<u>77,250,608</u>
Current Assets		
Properties held for sale	-	-
Stock	183,464	226,005
Trade and Other Debtors	2,352,824	1,968,743
Cash and Cash Equivalents	16,888,773	21,539,422
	<u>19,425,061</u>	<u>23,733,990</u>
Current Liabilities		
Creditors:		
Amounts falling due within one year	5,581,268)	(4,193,846)
Net Current Assets	<u>13,843,793</u>	<u>19,540,144</u>
Total Assets less Current Liabilities	<u>92,559,283</u>	<u>96,790,752</u>

	2022	2021
	£	£
Creditors:		
Amounts falling due after more than one year	(42,244,667)	(45,818,037)
Pension Liabilities:		
Defined Benefit Pension Liability	-	(3,247,000)
	<u>(42,244,667)</u>	<u>(49,065,037)</u>
Total Net Assets	<u>50,314,616</u>	<u>47,725,715</u>
Reserves		
Unrestricted Reserve	50,314,458	50,972,557
Restricted Reserve	-	-
Pension Reserve	-	(3,247,000)
Share Capital	158	158
Total Reserves	<u>50,314,616</u>	<u>47,725,715</u>



The figures shown in this report are an extract of SBHA's Report and Financial Statement for the year ending 31st March 2022. This statement reflects Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice for registered social landlords. Copies of the full accounts are available on our website at www.sbha.org.uk



Enhancing Lives and Communities

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Hawick Office

West Port, Hawick TD9 0BG

www.sbha.org.uk



Talk to Scottish Borders Tenants Organisation about the range of opportunities to get involved – get in touch via the Tenant Engagement and Communication Team at **01750 724444** or email communications@sbha.org.uk
www.sbto.org.uk



See our homes to rent
www.sbhomechoice.org.uk

External Auditors
RSM UK Audit LLP
Chartered Accountants
First Floor Quay 2
139 Fountainbridge
Edinburgh
EH3 9QG

Internal Auditors*
TIAA Ltd
Artillery House
Fort Fareham
Newgate Lane
Fareham
Hants
PO14 1AH

Solicitors
Harper Macleod
The Ca'd'oro
45 Gordon Street
Glasgow
G1 3PE

Banker/Funder*
Royal Bank of Scotland,
36 St Andrew Square,
Edinburgh,
EH2 2YB

** as at the 31st March 2022*

