



# ANNUAL REPORT 2020 - 2021



Enhancing Lives and Communities  
SCOTTISH BORDERS HOUSING ASSOCIATION



# Chair statement

Welcome to SBHA's Annual Report, highlighting the key achievements and milestones of a truly extraordinary year.

Robin Hill  
Chair of SBHA's Board of Management



"Having been a Board member since February 2016, I was delighted to be elected Chair of SBHA Board of Management in September 2020. In this message to SBHA Tenants, Shareholders and the SBHA Team I'd like to reflect on my first year as Chair. Firstly, I'd like to thank my predecessor Simon Mountford, whose

leadership and dedication ensured that we were well-placed to meet the challenges of the past twelve months.

This period has placed a spotlight on the Housing Sector, and has made clear to us the vital role that we play in the communities we serve. This year we have:

- Maintained key services, including emergency repairs, safety checks and lettings for those in emergency housing need
- Built on customer insight, developing relationships with some of our most vulnerable customers to plan person-centred services and support

- Built on existing partnerships and forged new ones to create networks of support, building resilience within our communities
- Expanded on our digital offer, helping us stay connected while keeping Tenants, our Team members and our business safe
- Continued our new build programme, completing 4 new-build homes in Oxtou with another 18 on the way at sites in Kelso and Peebles.

We are of course proud to have accomplished so much, but as we return to a more normal way of life, the lessons learned over the past year stay with us, helping us to redefine our purpose. This has been a difficult time, but it is also a time of opportunity, of advances in digital technology, and of new partnerships and funding streams. As an economic lynchpin for the Borders, a key provider of homes and services and one of the region's largest employers, we will continue to play our part in its growth, for the benefit of our customers and communities."



SCOTTISH BORDERS  
**TENANTS ORGANISATION**

giving Tenants a voice



## This combined Annual Report and Landlord Report provides information on our performance in 2020-21.

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](mailto: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 2019-20 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



**The circumstances of the past year have required us to be agile as never before, ready to respond quickly to rapidly changing guidelines. We began the year in full lockdown, with many areas of service suspended and all office-based Team members working from home. We had to plan meticulously for the reintroduction of services as and when we were able to do so. Throughout, the safety of our Tenants and Teams has been paramount.**

The impact of the past 18 months cannot be overstated - in Scotland alone, there have been over 632k cases of covid-19 since the start of the pandemic and behind every case there has been a story.

The Housing Sector has played a vital role in supporting Tenants and people in housing need during the pandemic and we are immensely proud of the SBHA Team who have shown flexibility and resilience while playing their part - continuing to deliver services and protecting our most vulnerable Tenants during testing times.

Thank you to all Tenants who have worked with us throughout, showing patience and understanding, during what has surely been one of the most challenging periods any of us has faced.

And thank you to the members of SBHA's Board, whose guidance and expertise have never been more vital.

We have learned much - in some cases changes, such as advances in our use of digital technology and in our tailoring of services to the needs of individual customers, have been greatly accelerated. We have also improved communications across our services - providing assurance to Tenants about

what to expect and when. I am extremely proud of the way in which Team members have responded to all of these changes, allowing us to not just 'survive', but to grow and develop. We will continue to build on all that we've learned.

Challenges remain, with more people facing financial hardship or needing support as they age; with the further ramifications of Brexit beginning to be felt; and climate change looming over all as perhaps the defining challenge of the future. But we know that we can do more, and we look to the future from a position of strength, ready to meet these challenges and to keep improving outcomes for Tenants, residents and the neighbourhoods we serve.





# Great Customer Experience

## Tenant and Community Engagement

Tenants are at the heart of decision-making at SBHA, and we are determined to maximise opportunities for people to get involved and to have their voices heard, helping us to improve the services that we provide.

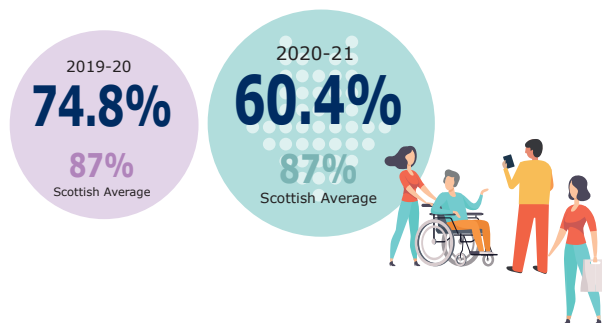
This commitment is underlined by the creation of our Tenant Engagement and Communication (TEC) Team, which has a remit to strengthen and diversify communication and opportunities for engagement. The creation of our new Tenant and Community Engagement Strategy is well underway and will provide a framework for this, offering opportunities for all and ensuring that everyone is able to participate at a level that suits them.

The landscape of Tenant engagement is changing, and we know that people expect to be able to participate whenever and wherever suits them. We aim to offer the widest possible variety of opportunities, from brief digital surveys and social media interaction to in-person events.

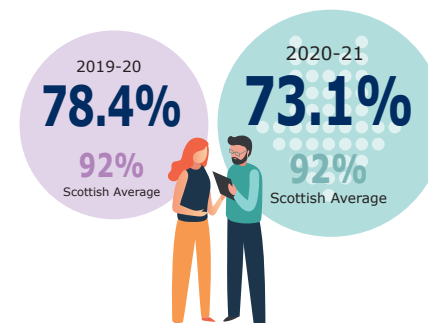
We continue to improve our digital offer to Tenants, as 87% of our Tenants are online, and many are telling us that they find this one of the most convenient way of being kept informed.

In 2020-21, while face-to-face meetings have been largely impossible, we have created more ways for Tenants to interact with us digitally, increasing the frequency of social media posts to help keep Tenants informed, introducing digital Q&As with SBHA Team members as well as information videos, and offering a new Customer Service channel in Facebook Messenger. Most recently, we have also begun offering video appointments through Near-Me.

**Tenants satisfaction with opportunities to participate**

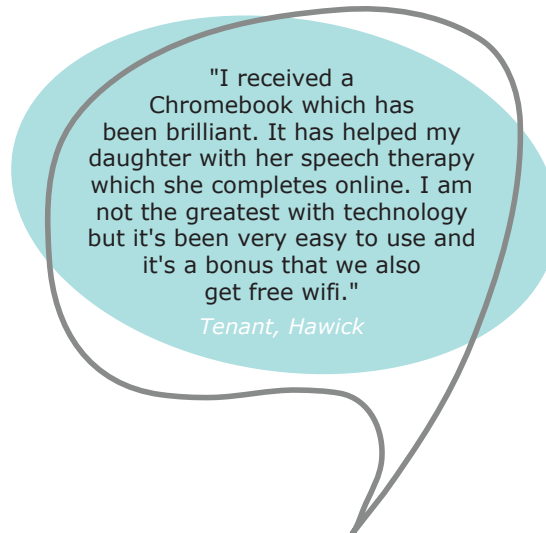


**Tenant satisfaction with keeping them informed**





We are committed to ensuring that no-one is left behind, and in the year through the Connecting Scotland programme we distributed devices to 191 Tenants, with our trained Digital Champions offering support to people to get online.



"I received a Chromebook which has been brilliant. It has helped my daughter with her speech therapy which she completes online. I am not the greatest with technology but it's been very easy to use and it's a bonus that we also get free wifi."

*Tenant, Hawick*

Scottish Borders Tenants Organisation, the independent umbrella group of SBHA Tenants, has a remit to represent the wider Tenant population to ensure that Tenants receive the best possible service from SBHA. The group continues to provide much-valued feedback and support, and we are delighted that they have been able to continue to meet digitally, holding their first online AGM in October 2020. As well as feedback on policies and strategies, SBTO helps to shape the future of housing by responding to local and national consultations. SBTO members develop their skills by engaging in training and events with the Tenants Participation Advisory Service (TPAS) Scotland and the Scottish Federation of Housing Associations (SFHA), as well as supporting local community and charity initiatives.

Scrutiny did not take place in 2020, but as a result of Scrutiny projects over the last five years, improvements have been recorded in Tenants' satisfaction with the condition of the home on moving in; satisfaction with the repairs service and with the quality of the home; call handling experience (part of the Scrutiny of Customer Services) has improved and the number of complaints about SBHA's Grounds Maintenance Service has decreased.

The popular Tenants calendar was again produced and sent to all Tenants in December 2020.

### Scottish Borders Tenants Organisation Members at 31st March 2021

Dominic Brookes	Kelso
Tracey Glover	Bowden
<i>(Joint Chairpersons)</i>	
Lyn Williams	Hawick
Margaret Graham	St Boswells
<i>(Joint Vice-Chairpersons)</i>	
Doris Charlton	Newcastleton
<i>(Treasurer)</i>	
Margaret Tills	Kelso
Angela Sulo	Bowden
Gordon Saunders	Fountainhall
Allen Tills	Kelso
David Elder	Peebles
Ella Elliot	Selkirk
Alan Frank	St Boswells
George Gilchrist	Innerleithen
Lynda Gilchrist	Innerleithen
Marlen Jones	Innerleithen
<i>(Hon Member)</i>	
Angela Barber	Innerleithen
<i>(Hon Member)</i>	

*Our thanks to  
Ralph Nichol, retiring Chair of SBTO*



# Great Customer Experience

## Supporting Tenants and tackling hardship during covid-19

During this challenging year, being able to stay in touch with Tenants and customers has been vitally important. Throughout covid-19 and the various levels of lockdown restrictions, we have proactively contacted Tenants to check on their welfare, making over 8,000 calls in the year. This allowed us to identify those Tenants who needed more support, and Tenants themselves told us that they greatly appreciated the reassurance of this contact.

The pandemic has proved a difficult and uncertain time for many of our Tenants, with many having to access Benefits for the first time. As at the end of March, 2,263 were in receipt of Universal Credit – up from 1,289 the previous year. SBHA's Financial Inclusion Service supported 814 Tenants in the year – an increase of 139 on the previous year – unlocking £338,000 worth of income. Through Scottish Borders council's crisis intervention Fund, we received £30,000 through which we were able to offer further support to Tenants in high arrears.

We also secured funding to help those in fuel debt. together with Scottish Borders Council and the three other local social landlords, we submitted a bid to the Scottish Government's Fuel Poverty Fund, and received a collective funding award of £450k. To date, 206 families have received help through this money to clear or substantially reduce fuel bill arrears. Our new Warm and Well Co-ordinator, appointed this year, provides specialist advice on affordable warmth, supporting people to make sustainable changes to help lower their fuel bills. In the coming year Team members

will be trained to advise Tenants on affordable warmth, mainstreaming this skill across the organisation.

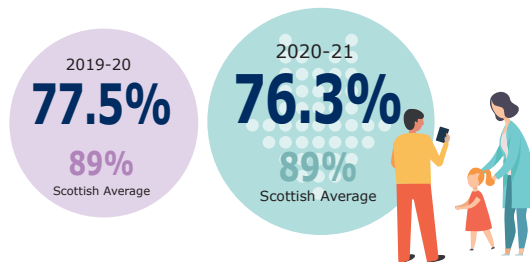
"I couldn't work due to coronavirus and had to apply for benefits for the first time with the help of SBHA. It's important, particularly for older people who might not be used to being online, to know that SBHA can help like this."

*Tenant, Peebles*

"Just a quick message to say thank you so much for the phone call today. I am currently shielding so this kind of contact is great - thank you so much."

*Tenant, Hawick*

**Tenant satisfaction with SBHA's overall service**



### **Tailored services**

The increased contact with many of our harder-to-reach customers has in many cases led to improved relationships, with Tenants who might previously have been reluctant to engage now recognising that SBHA is here to help. We are building on this to improve the way in which we tailor services. Drawing on the customer insight obtained through regular contact with some of our most vulnerable Tenants, we are creating a framework to target services by neighbourhood to those most in need. Through early intervention, we will continue to improve relationships, increasing satisfaction and improving tenancy sustainment.

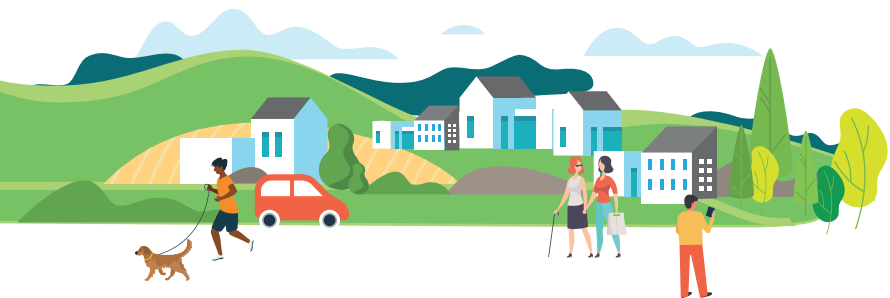
We are committed to ensuring that Tenants are able to live independently at each stage of life. During the year we carried out 48 adaptations to Tenants' homes, costing £49,119. Our recently-launched Ageing Well Strategy builds on this commitment, aiming to provide support to an ageing population by exploring options for additional assistance, as well as new types of housing and assistive technology to ensure that all of our Tenants have a suitable housing option for life. We are now working with partners to implement this.

### **Tackling housing need**

Throughout the various stages of lockdown, we continued to let homes to those in emergency housing need, introducing new procedures such as virtual home viewings and electronic sign-ups to keep applicants and Team members safe. Since 2019, we have worked with Scottish Borders Council to offer homes directly to homeless applicants, without the need for them to bid on available homes. We continued to use this method through lockdown, widening it to include those leaving hospital as well as those fleeing domestic abuse. In this way, we were able to provide homes quickly to those in greatest need.

During the year we worked to improve the quality of pre-tenancy advice offered to applicants, to ensure that we were able to match people's needs with suitable homes, helping to improve tenancy sustainment. The support offered through support calls to those in financial difficulty also helped to reduce abandonments over the period, meaning that at the end of March 2021, we had only 32 empty homes – our best ever performance against this indicator.





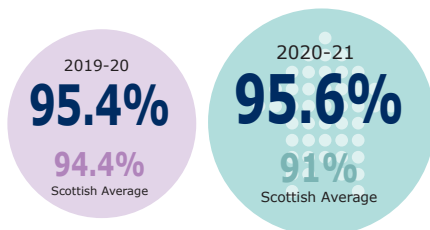
# Great Places

## Tenant safety

We are committed to ensuring that Tenants are safe in their homes. While some services had to be suspended during lockdown periods, we have continued to provide an emergency repair service throughout, with enhanced social distancing, hygiene and communication protocols in place to ensure safety and provide reassurance.



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



Essential safety checks continued throughout lockdown. Through close communication with Tenants, we were able to complete almost all gas safety checks by the anniversary date. We made good progress in the year towards upgrading fire detection systems in homes to LD2 standard in line with the Scottish Government requirement to have all homes meet this standard by February 2022: 82% of our homes have now been upgraded – up from 60% last year.

Our new Tenant Health and Safety Handbook, published at the end of the financial year, sets out the many ways in which SBHA works to keep Tenants safe, while providing advice on what Tenants themselves can do to support this.

## Asset Management Strategy

Our new Asset Management Strategy was approved in February. This document sets the strategic direction and provides an action plan for how we will deliver our key strategic objectives in relation to our assets – how we will deliver great places, affordable warmth, the part we will play in the economic recovery of the region and how we will interact with partners to do so.

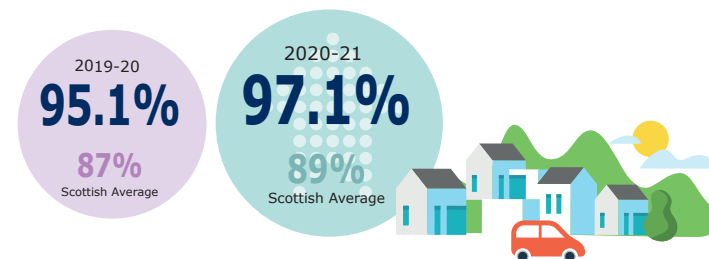
## Investment in homes

The events of the past year have underlined the importance of having a warm and affordable home.

We have continued to make progress against the Scottish Housing Quality Standard, with 95.6% of our homes now meeting the Standard. We will continue to deliver on our investment commitments in Tenants' homes.

Despite covid-19 restrictions, we continued to improve the energy efficiency of Tenants' homes. 97.1% of SBHA homes now meet the Scottish Government's Energy Efficiency Standard for Social Housing. This is a significant journey from 2015-16, when 31.5% met the Standard. £15.9m has since been invested in making SBHA homes easier and more affordable to heat. In 2020 we secured £546,279 of Eco Funding, which will enable us to invest in affordable warmth measures in Tenants' homes. We are now developing our Sustainability Strategy, planning towards future improvements in affordable warmth to meet the EESSH 2 target of 2032, as well as contributing to the Scottish Government's targets of net zero carbon by 2045.

### Homes meeting the Energy Efficiency Standard for Social Housing (EESSH)



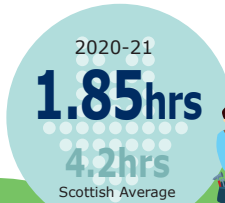
## Your repairs service

We know that a responsive and reliable repairs service is vitally important to Tenants.

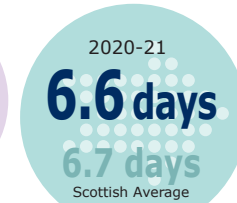
During the year we carried out a total of 11,670 repairs, a decrease from 14,711 in the previous year. This reduction in repairs was due to lockdown, during which we were unable to carry out non-emergency repairs. When restrictions eased, we had to address the backlogs of repairs reported before and during lockdowns, which impacted on delivery timescales. Our repairs service continues to perform well against Scottish averages, with our time to respond to emergency repairs consistently quicker than the average for the rest of Scotland, despite the challenges of operating across a wide geographical area.



### Average time taken to complete emergency repairs

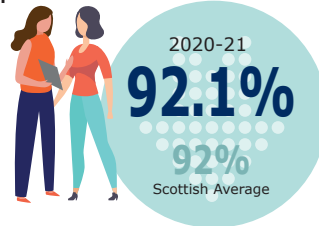
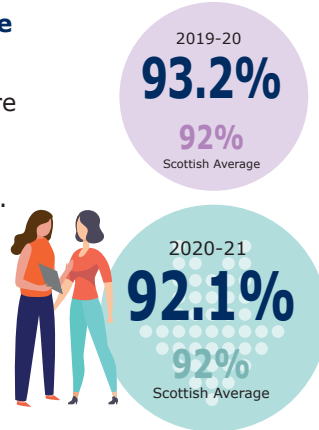


### Average time taken to complete non-emergency repairs



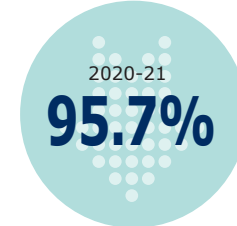
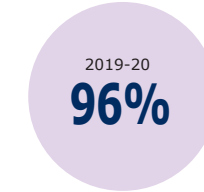
### Repairs completed right first time

It is important that we respond not only quickly, but efficiently. Our figure for repairs completed right first time remains stable and compares favourably with the Scottish average. Recognising that this is important to Tenants, we will work to keep improving on this.



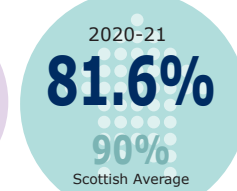
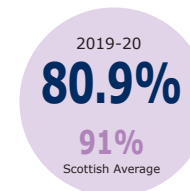
### Repairs appointments made and kept

While this is not an indicator required by the Scottish Housing Regulator, Tenants have indicated that this is important to them, so we continue to report it and to work to improve on it. Our performance on this remains stable and this year we have improved communication to Tenants on repairs, providing assurance and minimising inconvenience.



### Tenant satisfaction with repairs service

Despite the restrictions on the repairs service this year, there has been an increase in the percentage of Tenants satisfied with the repairs service. However, this is still below the Scottish average and we will continue to work on improving this.



### Increasing housing supply

We continue to play our part in increasing the supply of affordable housing in the Borders, and this year delivered four new family homes in Oxton - the first new homes SBHA has built featuring energy-efficient air source heating to allow Tenants to heat their homes economically as well as reducing the impact on the environment. Meanwhile, work continues on our developments in Kelso and Peebles, which will deliver a further 18 quality affordable homes.

### Working to improve neighbourhoods

Grounds maintenance services were able to resume after the first lockdown, with grass-cutting taking place around blocks to enable Tenants to make use of outside space.

Security of the home is vitally important to Tenants and, working with owner occupiers and other landlords where necessary, we have undertaken an installation programme of Martec security doors.

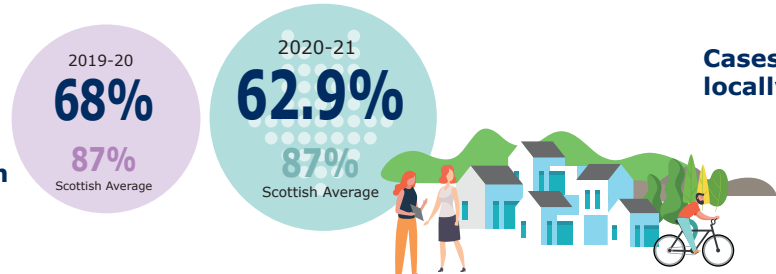
Tenant satisfaction with SBHA's contribution to management of the neighbourhood remains a challenge. To begin tackling this we have agreed a 5-year environmental improvement plan, to address block improvements, roads, footpaths and boundary walls.

During the year we received 329 reports of anti-social behaviour. This was an increase of 14.6% on the number of reported incidents the previous year. We know that the very unusual circumstances of the year have tended to exacerbate existing issues, and we are continuing to work with partners as well as Tenants and residents to address this.

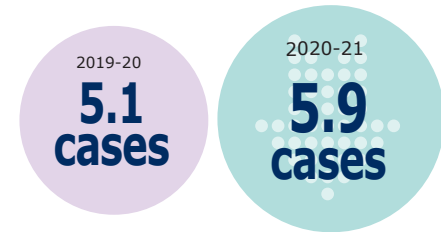


A new Martec door

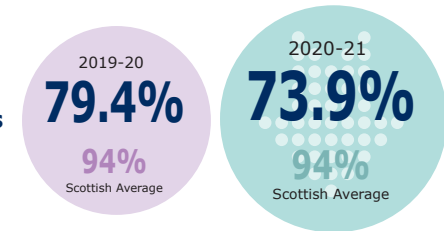
**Tenant satisfaction with SBHA's contribution to the management of the neighbourhood they live in**



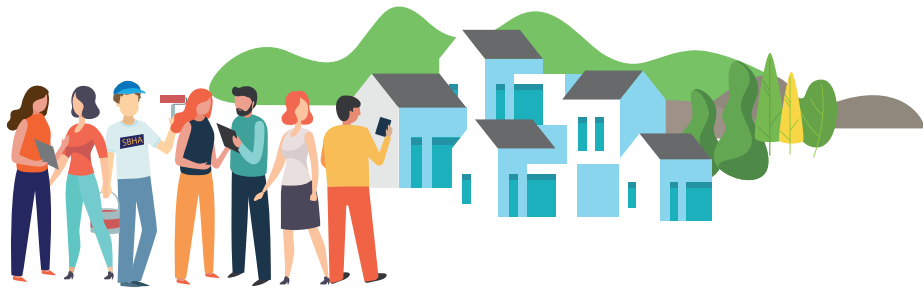
**Anti-social behaviour cases reported for every 100 homes**



**Cases resolved within locally agreed target times**







# One Team

## Supporting our people through the pandemic

The year 2020-21 has presented the SBHA Team with unique challenges. With office-based team members adapting to online working from home and trades team members adopting new, greatly enhanced safety protocols, there has been much to learn and incorporate into working practices. The response of our people to these challenges has been exceptional, bringing us closer than ever to the goal of being One Team.

During lockdown 'Bitesize' information sessions were organised to help the Team build links with voluntary and statutory sectors - for example, the Food Train food shopping service, and local community hubs - to help them source and signpost appropriate support for customers, and also to help them access support themselves where needed.

Some Team members also took up the opportunity to volunteer with, or raise money for, these organisations, demonstrating great flexibility and commitment to supporting our Tenants and communities through circumstances that have been extremely challenging for many.

The Healthy Living Group has continued to play a key role in supporting Team members through the pandemic, organising fitness challenges and fun get-togethers to support physical and mental well-being.



## Awards and recognition

In order to protect jobs and future services, we made the difficult decision to furlough some Team members. We worked hard to ensure our Team remained safe, connected and resilient throughout the year, providing wellbeing support and clear direction during ever-changing times. We are proud to be an accredited Living Wage Employer and to have retained our Silver award from Investors in People at the end of the year.

## Positive change and modernisation

During the year we have taken the opportunity to think about what we could do differently, modernising the way we work in line with a changing world. SBHA is now largely paperless; this is more efficient, more secure and is helping us to deliver on our commitment to reduce our environmental impact. Our IT team has accelerated our digital transformation, strengthening and modernising our IT infrastructure, introducing Office 365 and enhancing our cyber security to new levels. Our Future Working Group has sought feedback from across the organisation and is considering how we can further apply all that we've learned to move forward into more modern working models.





SBHA Team members volunteered with local charities, including the Food Train

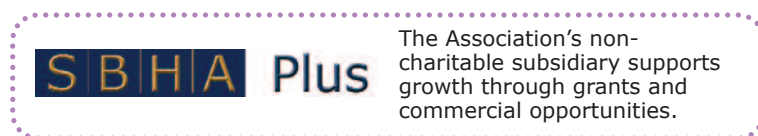
# Good Governance

## Good governance

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 Customer Board comprises 4 Board Members and 3 Independent Members. The Board of Management has collective responsibility for setting and overseeing the strategic direction, business and financial plans of SBHA and managing risk.

The Board is responsible for ensuring compliance with statutory and regulatory requirements, including the Scottish Housing Regulator’s regulatory framework, and its leadership and guidance have been instrumental to SBHA’s ability to meet the challenges of recent times.

The Board is required to submit an Annual Assurance Statement to the SHR on SBHA's compliance with requirements and standards, which this year again includes a statement of assurance on SBHA’s management of the risks around covid-19. The 2021 Assurance Statement is available in this report on page 15.



## Members of SBHA’s Board of Management as at 31st March 2021

<b>Chair</b>	Robin Hill	Appointed Member	<i>Joined 24th February 2016</i>
<b>Vice Chair</b>	Philippa Brosnan	Elected Member	<i>Joined 20th October 2017</i>
<b>Members</b>	Ian Macdonald	Elected Member	<i>Joined 18th December 2000</i>
	John Paton-Day	Elected Member	<i>Joined 12th September 2019</i>
	Simon Mountford	Elected Member	<i>Joined 25th June 2012</i>
	Eric Glass	Appointed Member	<i>Joined 3rd December 2021</i>
	Ian McDonald	Appointed Member	<i>Joined 20th October 2017</i>
	Michael Levack	Appointed member	<i>Joined 30th May 2019</i>
	Gordon Saunders	Elected Tenant Member	<i>Joined 3rd December 2021</i>
	Angela Sulo	Elected Tenant Member	<i>Joined 20th October 2017</i>
	Allen Tills	Elected Tenant Member	<i>Joined 21st September 2017</i>
	Michael Grieve	Elected Tenant Member	<i>Joined 16th September 2013</i>

## Members of the Customer Board (excluding Board nominees)

<b>Convener</b>	Angela Sulo	<b>Members</b>	Julie Black David Cressey
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## Members of the Audit & Compliance Sub-Committee (excluding Board nominees)

<b>Convener</b>	Ian McDonald	<b>Member</b>	<i>Vacant</i>
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## 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 3 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 (2020-21).

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 1 & 3 and determined our approach is effective and efficient.

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.

In considering our compliance with our legal and regulatory requirements in 2021, we have taken account of the considerable impact of the covid-19 pandemic and consequent

business, economic and social disruption. We have complied with the temporary changes to legislation and continue to follow national and local policy and requirements e.g. in respect of health and safety, physical distancing, travel, office opening, use of PPE, application of Test and Protect requirements and indoor gatherings.

We are confident that the measures that we have put in place and the contingency planning that we have implemented have ensured that we are able to continue to meet our responsibilities to our Tenants, service users, regulators and funders. Where we have adopted revised standards of service delivery, we have communicated changes clearly to our Tenants and are maintaining the necessary records to ensure a smooth resumption of normal service levels when possible.

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. Due to the continued impact of covid-19, in 2020-21 we were unable to attain access to 9 properties to carry out gas safety checks within the 12-month anniversary date of certification (an additional 2 since last year's Assurance Statement) due to the Tenants not being willing to provide access because of their fears of potential transmission of the coronavirus. We worked with these Tenants to reassure them of the safety measures and precautions we take and all our properties now have a valid gas safety certificate.

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 2021 to sign and submit this Assurance Statement to the Scottish housing regulator. This Assurance Statement was published on our website on the same date that it was submitted to the SHR.

Robin Hill  
*Chair of SBHA's Board of Management*



# Resilient Business

## How we ensure rent levels remain affordable

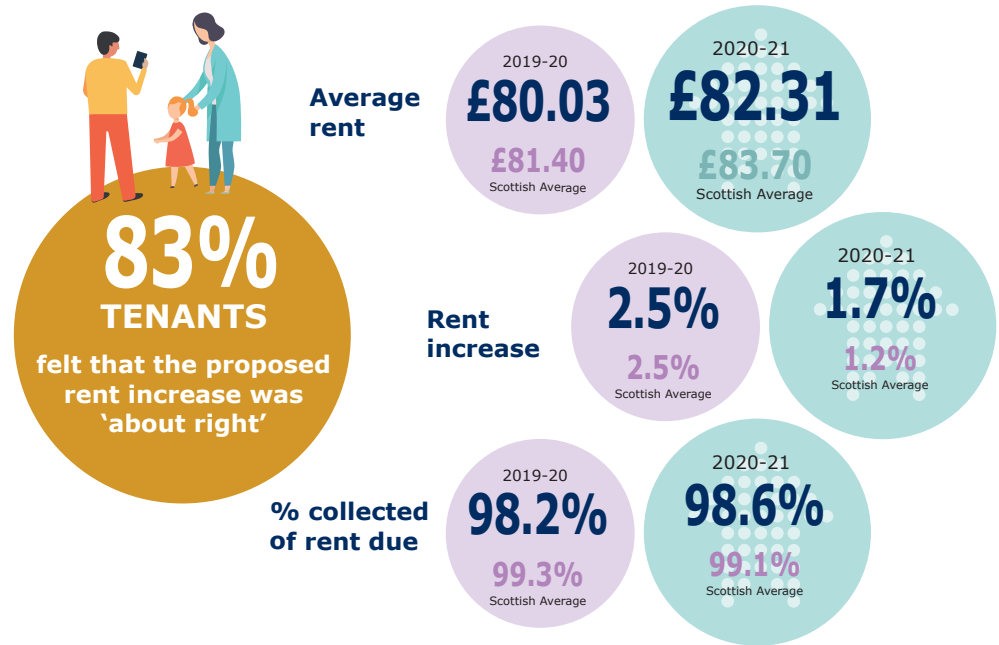
Value for money is key to resilient business and we remain focused on ensuring that we maintain the appropriate balance between quality and price to allow us to keep rents at affordable levels. Each year, we consult with Tenants on proposed future rent levels.

## Consulting on rent affordability and levels.

In the past year it has been more important than ever to ensure that we are doing all we can to maintain our rents at affordable levels. In January 2020 we consulted with more than 300 Tenants to ask them how they felt about the rent they pay.

Our original Business Plan assumed a rent increase of 3% from April 2021, but following Tenants' feedback, we applied a lower-level rent increase of 1.7%.

This small increase allows us to maintain the balance of affordability with investment in homes, communities and services.





Resilient Business – growth. New, energy-efficient homes at Tweed Court, Kelso

## Value for Money

We have continued our value for money journey by using our HouseMark membership to benchmark costs, and the results below compare our 2019-20 costs with 22 other similar size housing associations across Scotland and the North of England. This information allows for 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 our Tenants, maximise rent collected and reduce rent loss through empty homes. Budgets were put in place to support this achievement by reducing patch sizes during the rollout of Universal Credit, but turnover has resulted in costs reducing.



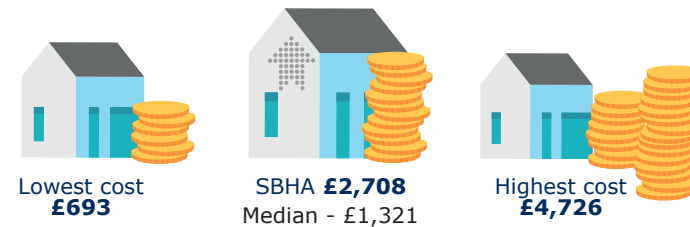
### Response and Empty Homes £ per household

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 higher than sector averages. Mainly delivered by SBHA's in-house Property Services Team, activities will continue to ensure this is achieved at best value.



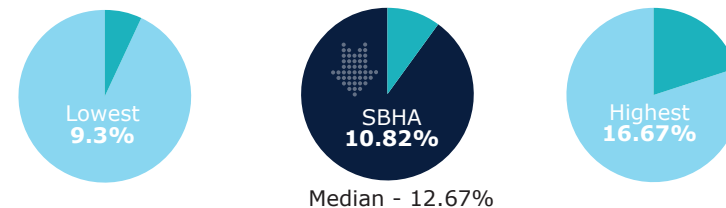
### Major Works and Cyclical Maintenance £ per household

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 decrease 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.

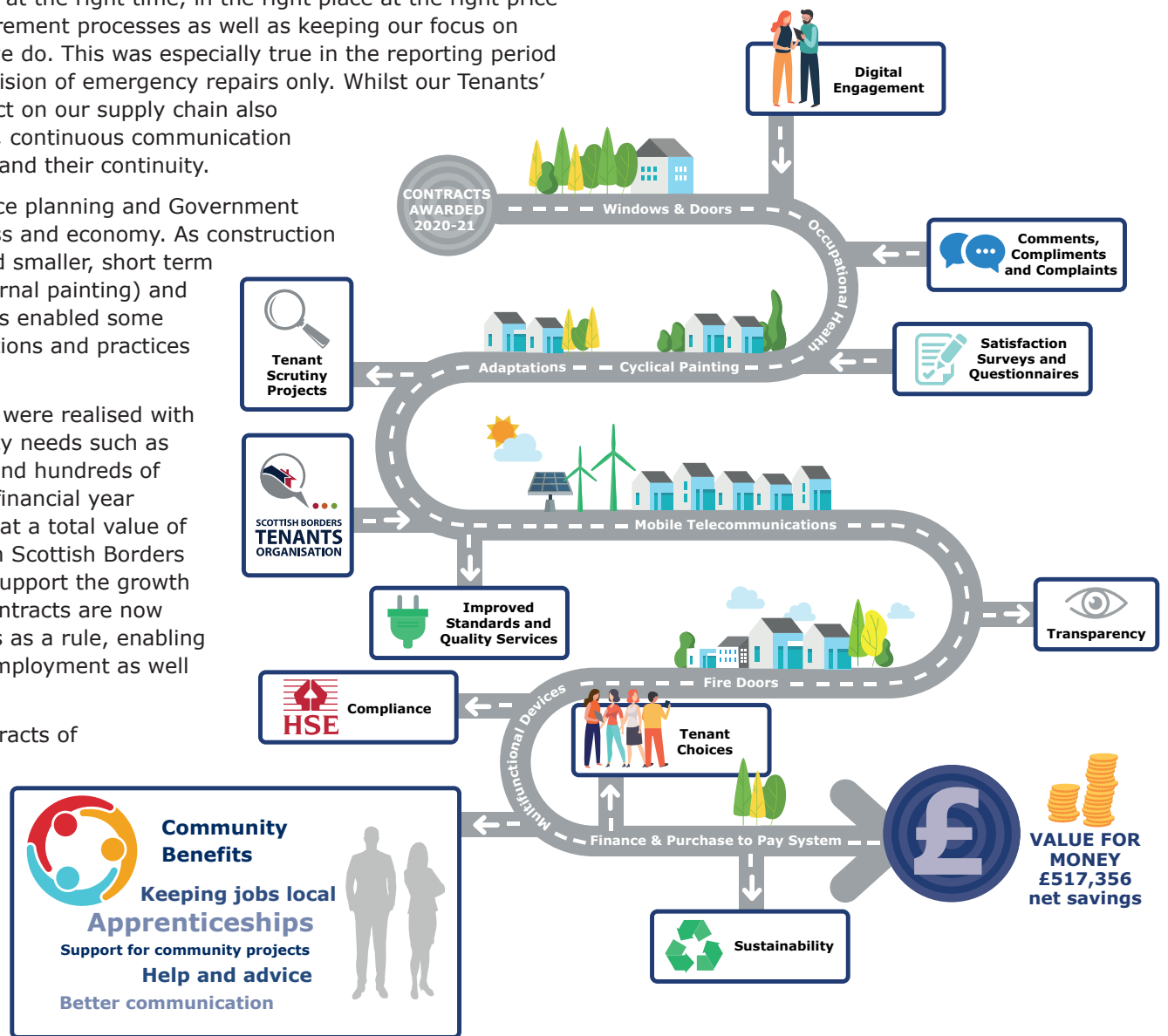
## Procuring best value, delivering quality, maintaining savings

Providing the right goods/services or works at the right time, in the right place at the right price is the fundamental principle of SBHA Procurement processes as well as keeping our focus on Tenants' needs at the heart of everything we do. This was especially true in the reporting period as the global pandemic resulted in the provision of emergency repairs only. Whilst our Tenants' welfare was our primary concern, the impact on our supply chain also required supporting and, where practicable, continuous communication lines were kept open to protect businesses and their continuity.

Continuous monitoring of budgets, workforce planning and Government guidance assisted all aspects of our business and economy. As construction and outdoors work restrictions were relaxed smaller, short term contracts were let to enhance estates (external painting) and the benefit from using longer term contracts enabled some contractors to return to safe working conditions and practices (construction and ground maintenance).

Other benefits of the longer term approach were realised with contributions from contractors to community needs such as Food Banks, Cash for Kids, the Food Train and hundreds of selection boxes being donated. During the financial year 2020-21, SBHA procured 13 new contracts at a total value of £4,239,764. We have also collaborated with Scottish Borders council to build on community wealth and support the growth of our regional economy. Sub-contractor contracts are now being awarded to Borders based businesses as a rule, enabling local income growth and opportunities of employment as well as value for money on our doorstep.

Over the next two years we will award contracts of approximately £14m, and we will continue to ensure we work with our Tenants to create quality homes which are affordable to heat and affordable to live in, with 17 of our longer term contracts due to be extended during the same two year period. The future procurements will focus on collaboration with others to deliver social value impacts and benefits, securing our regional economy and thriving communities.





# Financial Highlights

SBHA's financial stability and ability to meet funding covenants is underpinned by prudent business planning, with the financial risks and implications of the covid-19 pandemic being continually assessed and monitored, with plans adjusted in the short and medium term.

Annual turnover increased by 3.7% to £24.76m during the year, with rental income increasing by 2.5%. Rent loss due to empty homes increased for operational lettable homes due to the pandemic lockdowns and restrictions, however ended the year with an encouragingly low number of empty properties when letting services were opened up in the last quarter. Income was boosted by claiming the coronavirus Job Retention Scheme grant to offset costs and safeguard jobs, where no service or income was being achieved.

Operating costs reduced by 12% in comparison with the previous year. The pandemic impacted on the ability to fully carry out reactive, planned and cyclical maintenance which accounts for the reduction. It is important to note that the costs are delayed rather than a saving. It is anticipated that repair volumes will increase as a result of this in 2021-22 and planned programmes totalling £4m will be carried forward. Other overhead costs were controlled as part of strategies to mitigate the potential impact of the pandemic.

Rent collection was slightly higher than the previous year, with the teams focussing on engaging and supporting Tenants at the earliest opportunity, including a record number of referrals for SBHA's Financial inclusion Services. By the year end, the number of Tenants in receipt of universal credit had almost doubled to 2,263 and support was provided to access to Crisis Intervention and Fuel Poverty funds.

This year, the non-cash loss on disposal of fixed assets was £500k less than the previous year with the loss on components being replaced reducing from £721k to £249k. The majority of components replaced with a net book value were heating systems as part of SBHA's EESSH Strategy. Proceeds from unlettable properties sold at market value are retained in lieu of future grant for new build.

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.

**Total Rent  
arrears as  
% of gross  
rental income**

2019-20  
**6.18%**

5.81%  
Scottish Average

2020-21  
**6.65%**

6.14%  
Scottish Average

**Empty homes  
rent loss as a  
% of rental  
income**

2019-20  
**1.26%**

0.92%  
Scottish Average

2020-21  
**1.75%**

1.37%  
Scottish Average

**Average days  
to re-let an  
empty home**

2019-20  
**40 days**

32 days  
Scottish Average

2020-21  
**63 days**

56.3 days  
Scottish Average



## STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 MARCH 2021

	2021	2020
	£	
<b>Turnover</b>	<b>24,755,826</b>	<b>23,864,119</b>
Operating Expenditure	(17,113,630)	(19,424,681)
(Loss) on disposal of property, plant and equipment	(247,930)	(763,461)
<b>Operating Surplus</b>	<b>7,394,266</b>	<b>3,675,977</b>
Interest receivable	22,250	38,400
Interest payable and financing costs	(1,559,726)	(1,673,913)
<b>Surplus for the year</b>	<b>5,856,790</b>	<b>2,040,464</b>
Actuarial (loss) in respect of Pension Schemes	(2,443,000)	1,393,000
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>3,413,790</b>	<b>3,433,464</b>

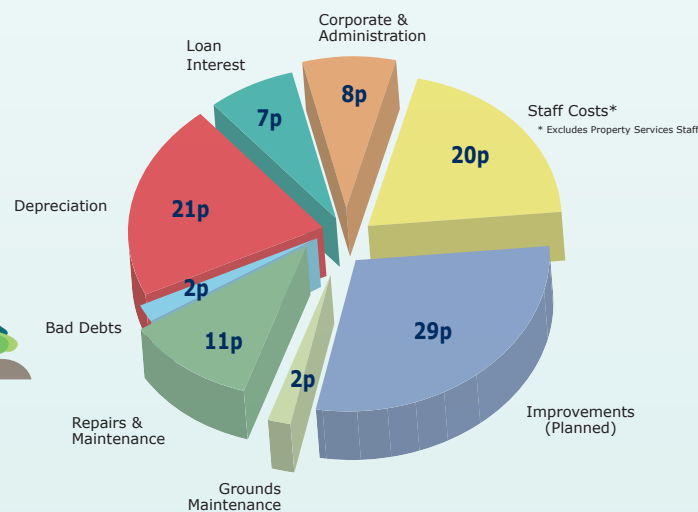
Guide to the Accounts

Income from rents and other services we provide  
Cost of running SBHA including money spent on  
improvements to homes

Interest earned on cash we invest

Interest paid on money we borrow

How each pound is spent



## STATEMENT OF FINANCIAL POSITION as at 31 MARCH 2021

	2021	2020
	£	£
<b>Fixed Assets</b>		
Intangible Assets	230,677	106,778
Housing Properties – Depreciated Costs	75,246,571	74,438,222
Other Fixed Assets	1,773,359	1,904,109
Investment in Subsidiary Company	1	1
	<u>77,250,608</u>	<u>76,449,110</u>
<b>Current Assets</b>		
Properties held for sale	-	27,725
Stock	226,005	218,081
Trade and Other Debtors	1,968,743	2,308,897
Cash and Cash Equivalents	21,539,422	15,436,726
	<u>23,733,990</u>	<u>17,991,429</u>
<b>Current Liabilities</b>		
Creditors:		
Amounts falling due within one year	(4,193,846)	(6,782,907)
Net Current Assets	<u>19,540,144</u>	<u>11,208,522</u>
<b>Total Assets less Current Liabilities</b>	<u>96,790,752</u>	<u>87,657,632</u>

	2021	2020
	£	£
Creditors:		
Amounts falling due after more than one year	(45,818,037)	(42,839,693)
<b>Pension Liabilities:</b>		
Defined Benefit Pension Liability	(3,247,000)	(506,000)
	<u>(49,065,037)</u>	<u>(43,345,693)</u>
<b>Total Net Assets</b>	<u>47,725,715</u>	<u>44,311,939</u>
<b>Reserves</b>		
Unrestricted Reserve	50,972,557	44,817,767
Pension Reserve	(3,247,000)	(506,000)
Share Capital	158	172
<b>Total Reserves</b>	<u>47,725,715</u>	<u>44,311,939</u>



The figures shown in this report are an extract of SBHA's Report and Financial Statement for the year ending 31st March 2021. 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 [www.sbha.org.uk](http://www.sbha.org.uk)



## Enhancing Lives and Communities

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### Galashiels Office

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### Hawick Office

West Port, Hawick TD9 0BG

[www.sbha.org.uk](http://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](mailto:communications@sbha.org.uk)  
[www.sbto.org.uk](http://www.sbto.org.uk)



See our homes to rent  
[www.sbhomechoice.org.uk](http://www.sbhomechoice.org.uk)

**External Auditors**  
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Chartered Accountants  
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Edinburgh  
EH3 9QG

**Internal Auditors\***  
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25 Bothwell Street  
Glasgow  
G2 6NL

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

**Banker/Funder\***  
Lloyds Bank plc  
3rd Floor  
25 Gresham Street  
London  
EC2V 7HN

*\* as at the 31st March 2021*

