



Cornwall Rural Housing Association Limited



Annual Report 2019



INTRODUCTION

Welcome to CRHA's Annual Report for 2019.

In this report you will find:

- information about our performance during 2018/2019
- comparisons with the performance of other similar organisations
- an Executive Summary of the Residents' Satisfaction Survey carried out during 2018.

I hope you find the Annual Report interesting. If you would like to discuss anything in the Report, please feel free to write, email (peter@crha.org.uk) or telephone on 01208 892000.

With best wishes

A handwritten signature in black ink that reads "Peter Moore". The signature is written in a cursive style with a large initial 'P'.

Peter Moore

Chief Executive

CHAIR'S REPORT

Introduction

Over the last two years, Cornwall Rural Housing Association Limited (CRHA) has had a strong focus on moving from being an ad hoc deliverer of new affordable homes to an organisation which can plan and deliver a development programme. This report summarises our progress in achieving this ambition during 2018/19 as well as our performance more generally, including in the vital area of maintaining and improving services to current residents.

New Development Programme

The major challenge over the last year has been to progress possible site and development opportunities from initial enquiries into firm proposals which will meet a clear housing need and are financially viable. Around 40 sites have been drawn to our attention, mainly by Cornwall Council, agents and land owners, but inevitably during the assessment process some of the sites prove to be unsuitable or fall by the wayside for a variety of reasons. Nevertheless, real progress has been made and, by the end of the financial year, six homes had been purchased from a developer at Coads Green and offers had been made to purchase a further four homes at Ashton, one home at Mabe and land suitable for the construction of 12 homes at Wainhouse Corner. A number of other sites have been subject to detailed feasibility work and we are hopeful that some of these will come to fruition in the next year.

CRHA's business plan was reviewed in November and the target for delivery was rolled forward and increased from 80 new units to 97 units over the next five years. We are moving towards a situation where there is a pipeline of development opportunities to meet this target. However, all schemes depend on there being a subsidy of one sort or another to make them financially viable and the position has to be determined scheme by scheme at the time of financial commitment. At the moment there are opportunities to purchase completed homes provided by private developers to meet their obligations under Section 106 Agreements and there is some grant money available from Cornwall Council and Homes England but there can be no guarantees that this will continue over the five years of the programme.

In order to fund the new development programme it is estimated that we will need to raise approximately £10m of new private finance. CRHA has completed a

facility with Yorkshire Building Society for an initial loan of £5m which will help to fund the programme over the next two to three years.

One issue which the Board is closely monitoring is the costs of feasibility work to establish the viability of sites. Rural sites are invariably more expensive to develop than urban sites and we need to investigate potential costs before making a full financial commitment. However, a consequence of developing a programme is that multiple sites must be investigated and so CRHA are more at risk of abortive costs. Where difficult sites are being investigated at the request of partners we will expect them to share the risks of this work.

Finance

CRHA has always placed a high priority on prudent financial management and so we are pleased to report another successful year financially. The accounts show an operating surplus of £661,530 with revenue reserves of £2,822,786.

Serving Residents

CRHA has always been very proud of its high levels of tenant satisfaction and we were delighted when the results of our tenant survey in 2018 reaffirmed the previous surveys. Overall satisfaction with the services provided by CRHA was 95% and Acuity who carried out the survey said, 'In addition to the very high ratings, CRHA can also take considerable pride in the fact that the Association continues to build upon the very high ratings found in 2016, with the vast majority of measures in the service increasing over the last two years'. The main reason for these excellent results is the personalised, friendly and helpful service provided by the staff, and the Board continues to be very grateful to them all.

One area of customer service we have been seeking to upgrade is the provision of online access to services. In January 2019, a new digital portal was made available to enable residents to access information about their rent account and report repairs or other concerns online. At the time of writing, 98 residents had registered for online access to services and we will encourage residents to make full use of this facility.

Delivery of high performance in housing management and repairs and maintenance services across over 30 sites in Cornwall and on the Isles of Scilly is challenging. CRHA keeps a close eye on its performance relative to the south west benchmarking group of smaller housing associations and aims to reach or exceed

the average level. We have made good progress in reducing rent arrears and are pursuing improvements in repairs and void turnaround times.

Governance

In anticipation of future retirements from the Board, a recruitment process was undertaken early in 2019. Three new members were recruited, two of whom have joined the Board and the third will join in 2020. The two who have already joined are Marianna Baxter and Ian Ross. Marianna is a resident on the Lizard and is bringing essential tenant experience and perspective which we have been missing for the last two years. Ian has strong financial and senior management experience which is particularly valuable as we are losing the services of John Lander who has been Vice Chair for the last three years and is moving away from the area.

The Board continues to look closely at how it functions and areas for improvement. For example, we have been improving the approach to risk management with the annual update to the risk register now being based on the Regulator of Social Housing's Sector Risk Profile and higher risks are reported to every board meeting. Also during the year the Chair and Vice Chair of the Board and the Chief Executive met with their equivalents at Cornerstone Housing Association to share experiences and explore any good practices. There is always a danger of becoming too insular and the Board is keen to avoid this risk.

Conclusion

Operating environments for housing associations change frequently, politically and in other ways. There are always challenges and opportunities. CRHA has the advantage of being a small, flexible, financially sound organisation which seeks to respond quickly to new opportunities and adapt to changing circumstances. We will continue to be proactive in pursuing our development plans and maintain our commitment to continuous improvement in everything we do.



Neil Pendleton

Chair

OUR SERVICE STANDARDS

CRHA continues to meet the standards expected of a registered provider by:

- Setting rents that are affordable, and only increasing (or decreasing) rents annually in line with regulatory rules
- Allocating all homes according to its published Lettings Policy
- Letting its homes using assured tenancies, except in specified circumstances
- Minimising the number of its properties that are empty
- Maintaining a 24 hour responsive repairs service, with target times for action which reflect the urgency of the repair need
- Undertaking a stock improvement programme on our own properties each year



- Visiting all of our homes at least three times a year to maintain a personal face-to-face service, to ensure that communal areas and gardens are properly maintained and to identify any problems that need to be addressed

- Responding actively to protect our tenants against anti-social behaviour, and taking strong action against perpetrators
- Addressing any complaints as quickly as practicable in accordance with our published Complaints Policy
- Being open to working with other social housing organisations on local initiatives, where this can benefit our tenants

We recognise that there is always room for improvement, and we welcome the involvement of our residents in helping us to improve our performance.

VALUE FOR MONEY STATEMENT

Value for Money

Achieving value for money is about CRHA making a bigger difference by delivering as many quality homes and as much of the best support to communities that we possibly can with the resources available. We will do this mindful of the legitimate and sometimes competing interests of our key stakeholders: tenants, local communities, local partner organisations, taxpayers and funders.



CRHA's Value for Money Strategy can be summarised as:

- Being clear about what we do – our purpose, objectives and the value we produce.
- Recognising how the needs and aspirations of our stakeholders influences what we do.
- Recognising how the local and national context influences what we do.
- Doing the right things, with a business plan which focuses resources on the right activities by making informed choices to achieve our corporate priorities.
- Doing things right, to ensure efficient and effective delivery.
- Ensuring that we have the right physical and human assets at the right cost.
- Checking that we have delivered the right outcomes.
- Making a surplus for reinvestment in our social objectives.

CRHA's approach to the delivery of value for money is embedded within how we approach our daily work. Our Board of Management takes the lead on our approach to value for money by holding the executive team to account for performance.

The need to maximise value for money has long been central to CRHA's operations and remains a key part of our organisational culture. It was this culture that led CRHA to help establish a benchmarking club of smaller housing associations operating across the South West of England, which we use to compare our performance to other similar organisations and identify ways we can improve the way we deliver our services.

This annual self-assessment will be circulated to residents and those we work with to report our achievements.

Copies are also available on request from our registered office or it can be downloaded from our website - www.crha.org.uk.

Value for Money Metrics

The table below provides information to allow stakeholders to assess how CRHA is achieving value for money in delivering its purpose and objectives, in accordance with the Regulator of Social Housing's Value For Money Standard. The following table was published in CRHA's Financial Statements for 2018/2019 and shows the latest available information from the Sector Scorecard. We are committed to benchmark this information and although no comparative data was available when the Financial Statements were prepared the tables on the following pages benchmark against information that has since become available.

VFM Metric	Description of Metric	CRHA 2019	CRHA 2018	SS 2018*
Reinvestment	Sets out the investment in properties (existing stock as well as new supply) as a percentage of the value of total properties held	1.5%	4.9%	5.8%
New supply delivered - social housing	Sets out the number of new social housing units that have been acquired or developed in the year as a proportion of total social housing units owned at period end	0.6%	2.9%	1.0%
Gearing	How much of the adjusted assets are made up of debt and the degree of dependence on debt finance	32.4%	27.9%	35.1%
EBITDA MRI (Interest Cover)	A key indicator for liquidity and investment capacity. Measures level of surplus generated against interest payments	180%	177%	214%
Headline social housing cost per unit	The unit cost metric assesses the headline social housing cost per unit as defined by the regulators	£3,105	£3,450	£3,450
Operating margin - social housing lettings	The Operating Margin demonstrates the profitability of operating assets before exceptional expenses are taken into account, split into operating margin for social housing lettings only and operating margin overall	38.9%	41.3%	30.4%
Operating Margin - overall		30.9%	37.6%	27.9%
Return on Capital Employed (ROCE)	Compares operating surplus to total assets less current liabilities and is a common measure in the commercial sector to assess the efficient investment of capital resources	2.19%	3.70%	3.72%

*Sector Scorecard 2018 Median values

The following tables compare CRHA's performance with other members of the South West Benchmarking Group, which is a group of largely smaller housing associations working in the south west or in rural areas.

	SWBM			CRHA
	Lower	Median	Upper	
Operating margin (overall)	23.05	30.37	34.00	30.9
Operating margin (social housing lettings)	23.05	23.05	32.00	38.9
EBITDA MRI (as a percentage of interest)	153	193	258	180
Gearing (RSH and Scorecard measure)	23.6	29.63	35.00	32.4
New supply delivered (Social housing units)	0	0.3	1.0	0.6
New supply delivered (Non-social housing units)	0	0	0	0
Reinvestment %	1.42	1.51	3.09	1.5
Return on Capital Employed (ROCE) %	2.37	2.65	3.05	2.19
Headline social housing cost per unit (£)	3881	2907	2598	3105

	SWBM			CRHA
	Lower	Median	Upper	
Percentage of rent collected	99.59	100.46	101.23	101.25
Overhead costs as a percentage of turnover	20.30	17.65	15.00	17.72

The following tables compare CRHA's performance with other smaller housing associations operating throughout England.

	Smaller H.A.'s			CRHA
	Lower	Median	Upper	
Operating margin (overall)	11.30	22.06	30.86	30.9
Operating margin (social housing lettings)	13.10	23.27	32.81	38.9
EBITDA MRI (as a percentage of interest)	153	245	488	180
Gearing (RSH and Scorecard measure)	3.60	16.94	33.60	32.4
New supply delivered (Social housing units)	0	0	1.97	0.60
New supply delivered (Non-social housing units)	0	0	0	0
Reinvestment %	1.16	2.60	4.79	1.5
Return on Capital Employed (ROCE) %	1.90	2.86	4.13	2.19
Headline social housing cost per unit (£)	6339	4419	3282	3105

Other data that is compared with other providers includes information on rent collection and overhead costs as a percentage of turnover:

	Smaller H.A.'s			CRHA
	Lower	Median	Upper	
Percentage of rent collected	99.28	100.12	101.20	101.25
Overhead costs as a percentage of turnover	18.70	15.31	12.31	17.72

The following tables compare CRHA's performance with larger housing associations that participate in the HouseMark benchmarking service.

	Housemark			CRHA
	Lower	Median	Upper	
Operating margin (overall)	20.60	27.20	32.30	30.9
Operating margin (social housing lettings)	22.17	29.22	34.20	38.9
EBITDA MRI (as a percentage of interest)	151	194	268	180
Gearing (RSH and Scorecard measure)	26.50	39.00	52.00	32.4
New supply delivered (Social housing units)	0.30	1.16	2.40	0.60
New supply delivered (Non-social housing units)	0	0	0.05	0
Reinvestment %	4.64	6.97	11.12	1.5
Return on Capital Employed (ROCE) %	2.65	3.60	4.79	2.19
Headline social housing cost per unit (£)	3987	3509	3125	3105

Other data that is compared with other providers includes information on rent collection and overhead costs as a percentage of turnover:

	Housemark			CRHA
	Lower	Median	Upper	
Percentage of rent collected	99.16	99.80	100.31	101.25
Overhead costs as a percentage of turnover	14.23	12.29	10.20	17.72

What we have achieved over the twelve months to 31st March 2019

Value for money is about making a bigger difference by delivering the best quality homes and services we possibly can with the resources available. We do this by delivering value through our assets and operations.

1. Financial return on assets

CRHA aims to invest in the right properties, to the right standard, in the right places, for the right costs, for the right return.

CRHA's assets are its stock of 332 new build homes for rent and the shares retained in the 16 shared ownership homes (numbers as at 31st March 2019). All of CRHA's homes (with the exception of the two homes bequeathed to us) have been constructed since 1988.

The financial return on these assets is generated primarily from the rental income less the costs of managing and maintaining the property and the interest costs from the loans used to develop the homes.

Any surplus generated by CRHA is re-invested to maintain existing stock and to generate new returns through providing new homes or new income streams. CRHA has been seeking to increase its financial returns in the following ways:

i) Increasing the numbers of stock in management

The development or acquisition of new housing stock can make better use of existing fixed cost overheads. However, the increasing cost of developing new housing together with the continuing reductions in public subsidy makes this ever more challenging.

During the year we have negotiated the acquisition of 10 homes for rent and 1 for shared ownership. 2 of those homes were completed and brought into management during 2018/2019 with a further 6 due to be completed during 2019/2020. We continue to work on a number of other schemes, both own-build and potential acquisitions, with our capacity to do so enhanced by the support provided by Cornwall Council from the Community Housing Fund.



ii) Improving the quality of our homes

CRHA aims to provide value for its residents by investing in our homes to make them more comfortable and affordable. We also aim to provide value by minimising and reducing the environmental impact of our homes.

The works we carried out during 2018/2019 included:

- replacement of kitchens in 7 homes
- replacement of 3 central heating boilers
- replacement of 4 bathrooms
- replacement UPVC windows & doors in 7 homes

iii) Providing services

CRHA has provided services and support to many of the community land trusts established in Cornwall following our successful Cornwall Community Land Trust Project.

During the year we continued to provide St Goran Community Land Trust with housing management services. We are pleased to be able to provide services and support to such an inspiring example of a community coming together to achieve something for the common good.

CRHA will continue to explore the feasibility of providing management and other services to the local community land trusts and we will respond positively to requests from new or existing community based groups for advice and support.

CRHA's Development Manager will help us enable and facilitate more community-led and community-based development, which may in turn help CRHA to derive value from the addition of new income streams.

2. Social Return on Investment



The value generated by the CRHA's activities is much wider than just financial returns. Our activities also generate social and environmental returns. We can report on the following social and environmental returns during the year ended 31st March 2019.

2.1 Social return from the provision of housing

For the year ended 31st March 2019 we were providing homes to around 480 adults and their dependents (estimated to be a total of over 725 individuals) in our 332 rented homes, and around 40 in the shared ownership and discounted sale homes we have developed.

As well as generating an economic return for the Association, the provision of affordable housing generates social returns in the form of outcomes for residents, the local community and the country as a whole.

Other organisations have identified the following as common positive outcomes for residents from the provision of a secure, affordable home:

- Independence
- Increased confidence
- More privacy
- Autonomy and control
- A sense of safety
- Psychological well-being
- Improved relationships
- Greater sense of community and belonging
- Reduction in need for other services, such as the NHS
- Increased chance of employment



The provision of new homes also provides work for those involved in developing the properties and providing services to those properties over their life.

There are also outcomes for the local community around each home. New homes can help sustain or revitalise an area, local businesses benefit from the trade from residents and local schools can benefit from additional pupils.

2.2 Environmental returns

CRHA has installed renewable and other technologies in its homes in order to reduce its impact on the environment and reduce running costs for residents.

The following table shows what is installed in our existing stock:

	No.	% of stock
Homes with ground source heat pumps	61	18%
Homes with solar water heating	22	7%
Homes with rainwater harvesting	26	8%
Homes with solar PV panels	50	15%
Homes with air source heat pumps	2	1%

During the year ended 31st March 2019 CRHA received income of £17,760 from the photovoltaic panels installed on 21 homes at Delabole, £2,460 for installations on 6 homes at Grampond, £2,337 for 15 homes at The Lizard and £44 for the 8 homes at Poundstock. The “export tariff” (latest available figure is £2,162) was passed on to the residents of those properties, who also benefited from reduced energy costs.

CRHA replaced older oil boilers with more efficient boilers in 3 homes during the year.

Although these works help to reduce environmental impact by lowering carbon emissions, the key driver will remain how best to reduce the running costs of the properties for the residents.



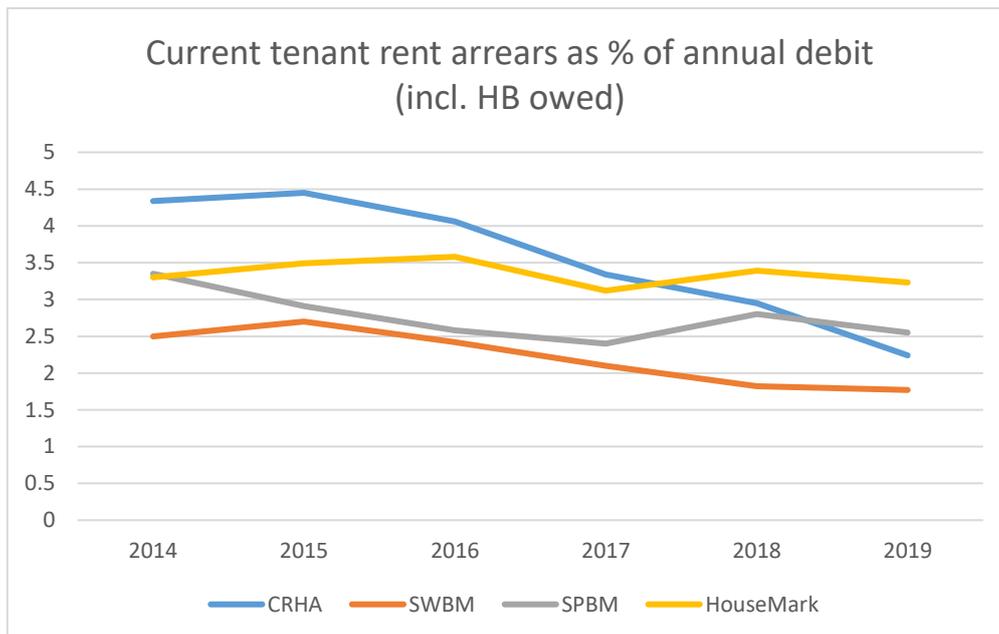
3. Costs of delivering services

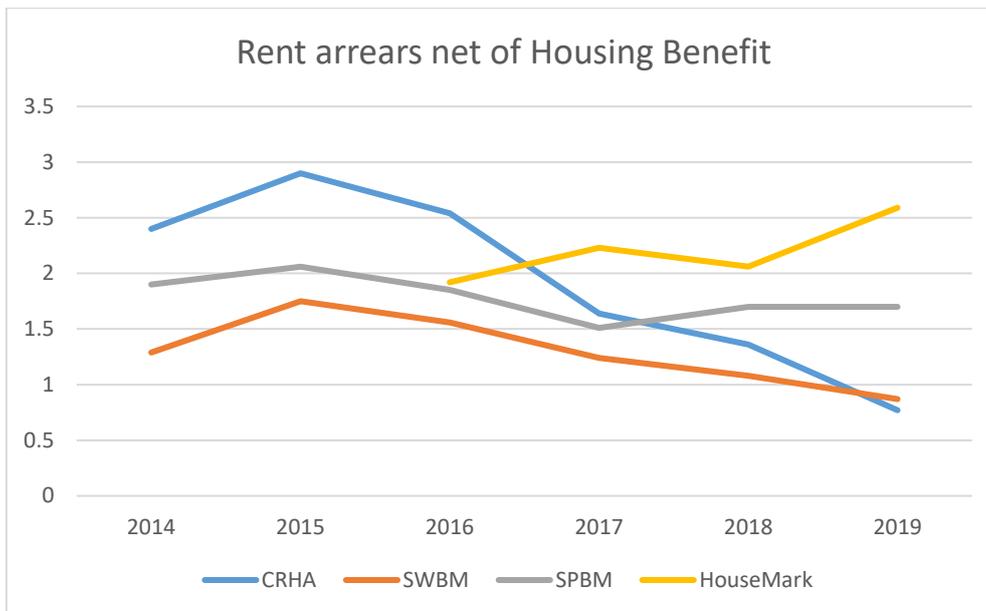
CRHA benchmarks the cost of providing our services with a group of other housing associations mainly working in the South West of England, known as the South West Benchmarking Group (SWBM). We also benchmark our performance with similar groups of smaller housing associations from across England and with HouseMark - a national performance benchmarking service showing data for the larger housing providers operating across England.

4. Performance

CRHA collects performance data which is reported quarterly to the Board of Management and on an annual basis to tenants. A selection of key performance indicators as at 31st March 2019 along with a comparison with other organisations are shown later in this report.

It is clear that the current economic situation is causing difficulties for many CRHA residents, a substantial number of whom are in relatively low-paid employment. This has led to an increase in the number of tenants experiencing difficulties in paying their rent regularly. CRHA's approach is to try and work with tenants who fall into arrears so that they maintain their tenancies and are not made homeless. Our aim is to maintain this approach while bringing the general arrears percentage figure more in to line with the SWBM average. We are pleased to report progress in this area with CRHA's gross arrears (including amounts owed by Housing Benefit) reducing to 2.24% and arrears net of amounts due from Housing Benefit reducing to 0.77%.





5. Treasury management

In the year ended 31st March 2019 CRHA paid interest totaling £422,641. CRHA's average interest rate over all borrowings was 4.00%. During the year CRHA successfully completed a new loan facility of £5 million which will finance the provision of new homes.



Improvement plans

It is our intention to develop our Value for Money strategy and set out our plans for improvement to maximise the value we deliver from our resources in future editions of this annual self-assessment.

(a) Increasing returns through new business

CRHA's rental income stream has been increased by the acquisition of 2 homes.

All of the new homes provided by CRHA will deliver financial, social and environmental returns.

(b) Increase commercial awareness in our staff

In order to improve business effectiveness we will aim to raise and embed commercial and social awareness throughout the organisation. We aim to get to a position where all employees are commercially and socially aware so that opportunities to recognise and develop new ways of working and deliver more value are not missed.

(c) Establishing new ways of capturing CRHA's Social Return On Investment (SROI)

Building on our understanding of the many successful outcomes that result from the housing CRHA provides, we will seek to improve the way in which we capture this information to help more effectively demonstrate the difference that CRHA is making to people's lives and the value for money our service delivers for individuals and the wider community.

However, we need to be realistic about the resources we have at our disposal so that measurement of impact does not detract from the delivery of services. We will keep under review the tools that are available for us to measure the impact of our investments and engage with the organisations with whom we work in order to share best practice and develop new structures for data collection.

(d) More effective working

We will continue to improve the efficiency and effectiveness of our processes. One of the key ways we plan to do this is to review the effectiveness and use information technology to ensure that we are delivering services in a cost effective way which makes it easy for residents to access them. During 2018/2019 we introduced an online portal which gives residents the opportunity to check rent balances, report repairs and amend personal information. We intend to develop this service to ensure it is of continuing value to residents.

(e) Improving our performance

CRHA regularly reviews key performance indicator targets and has participated in the Sector Scorecard pilot to measure and compare efficiencies across a range of social housing providers.

Your views matter



We welcome feedback on this assessment. If you have any questions regarding anything in the assessment please direct them to Peter Moore, our Chief Executive, at peter@crha.org.uk

BOARD OF MANAGEMENT

(membership as at 31st March 2019)

Cornwall Rural Housing Association is run by a voluntary Board of Management. The Board is elected by the shareholding members of the Association at the Annual General Meeting.

Chair:	Neil Pendleton
Vice-Chair:	John Lander
	Marianna Baxter
	Deborah Clark
	Frances Firmin
	Rachel Fisher
	Roger Orchard
	Ian Ross
	Alan Stanhope
	Maurice Vella

STAFF

Staff	2019	2018
Full-time	8	<i>7</i>
Part-time	0	<i>0</i>

Chief Executive:	Peter Moore
Finance Officer:	Marie Merryfield
Housing Officer:	Angie Morrissey
Maintenance Officer:	Ben Ashfold
Office Manager:	Andrea Barrett
Clerical Officer:	Beverley Brumstead
Clerical Officer:	Sharon Fether
Development Manager:	Alyn Shott

HOW WE ARE PERFORMING

This section provides information about how CRHA performed in the year ending March 2019.

The tables include a number of performance indicators showing CRHA's performance over the last year. To put these figures in context, we have also included CRHA's performance for the previous year (ending March 2018).

Where possible we have also included additional tables showing how our performance compares with other social housing providers. We have tried to compare our performance with smaller organisations working across the South West, as well as with smaller organisations working across England and also with larger housing providers.

SWBM

- stands for the South West Benchmarking group. This is a group of smaller housing providers operating in the South West, including CRHA, who work together to try and help improve each other's performance.

SPBM

- includes data from all of the members of SWBM plus data from smaller housing providers operating across England.

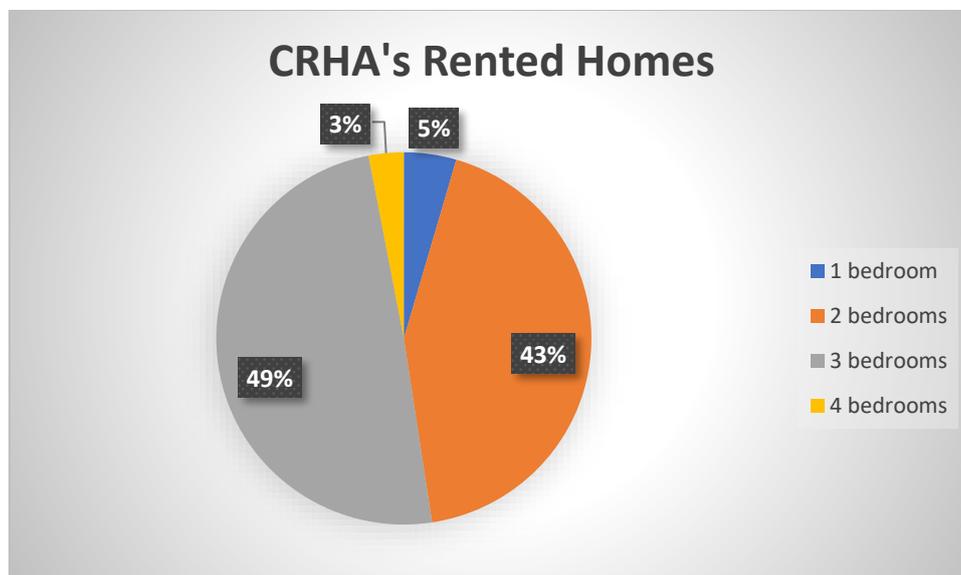
HouseMark

- is a national performance benchmarking service showing data for the larger housing providers operating across England.



CRHA homes in Cornwall & Isles of Scilly

Homes for rent	2019
1 bedroom	15
2 bedrooms	143
3 bedrooms	164
4 bedrooms	10
Total	332



Shared ownership homes	2019
2 bedrooms	10
3 bedrooms	5
4 bedrooms	1
Total	16

CRHA on the Isles of Scilly

Social Rent:

Size of homes	No.	Average weekly social rent March 2019	<i>Average weekly social rent March 2018</i>
Two bedroom bungalow	3	£111.88	<i>£112.44</i>
Two bedroom house	7	£112.13	<i>£113.26</i>
Three bedroom house	15	£124.24	<i>£125.58</i>
Total	25	£119.30	<i>£120.55</i>

Affordable Rent:

Size of homes	No.	Average weekly affordable rent March 2019	<i>Average weekly affordable rent March 2018</i>
One bedroom bungalow	1	£101.77	<i>£102.80</i>
Two bedroom bungalow	1	£128.39	<i>£129.69</i>
Total	2	£115.08	<i>£116.25</i>



Total number of homes on the Isles of Scilly - 27

Number of lettings made on the Isles of Scilly during 2018/19 - 0

CRHA in Cornwall

Social Rent:

Size of homes	No.	Average weekly social rent March 2019	<i>Average weekly social rent March 2018</i>
One bedroom bungalow	2	£71.53	<i>£72.25</i>
One bedroom house (with study)	4	£86.38	<i>£86.58</i>
Two bedroom house	63	£94.43	<i>£95.19</i>
Two bedroom bungalow	40	£96.24	<i>£96.92</i>
Two bedroom flat	18	£91.96	<i>£92.77</i>
Three bedroom house	134	£107.34	<i>£108.48</i>
Three bedroom bungalow	2	£125.57	<i>£126.83</i>
Four bedroom house	8	£121.34	<i>£122.56</i>
Total	271	£101.75	<i>£102.60</i>

Affordable Rent:

Size of homes	No.	Average weekly affordable rent March 2019	<i>Average weekly affordable rent March 2018</i>
One bedroom house (with study)	8	£100.13	<i>£101.14</i>
Two bedroom house	10	£110.22	<i>£110.59</i>
Two bedroom bungalow	1	£102.07	<i>£103.10</i>
Three bedroom house	13	£125.56	<i>£126.83</i>
Four bedroom house	2	£145.25	<i>£146.72</i>
Total	34	£115.53	<i>£116.08</i>

Total number of homes in Cornwall – 305

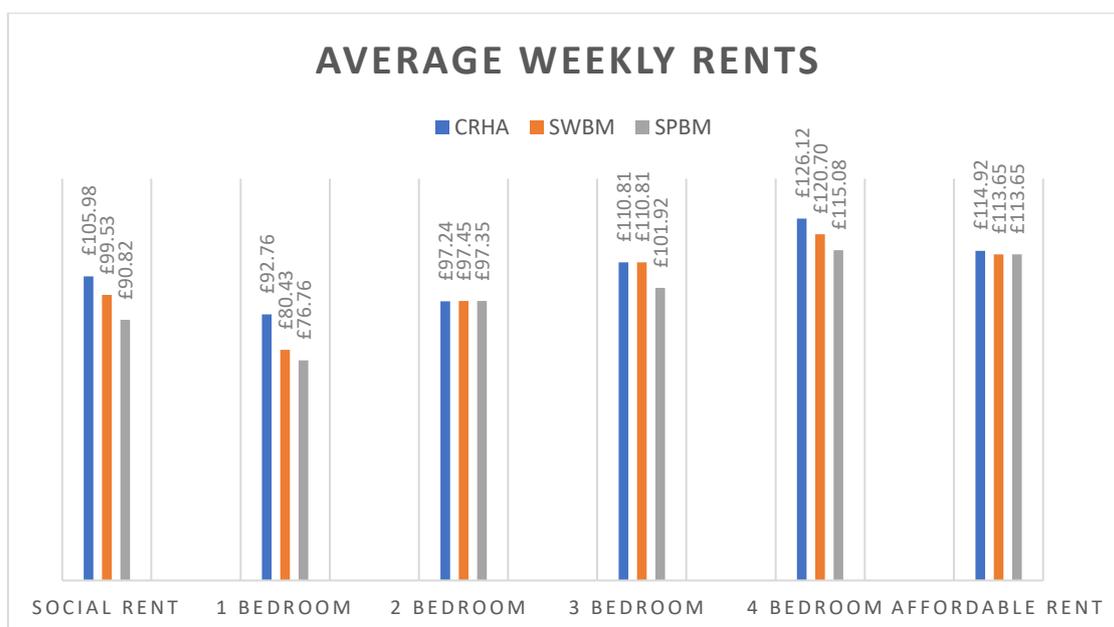
Number of lettings in Cornwall during 2018/2019 - 13

Rents (all properties):

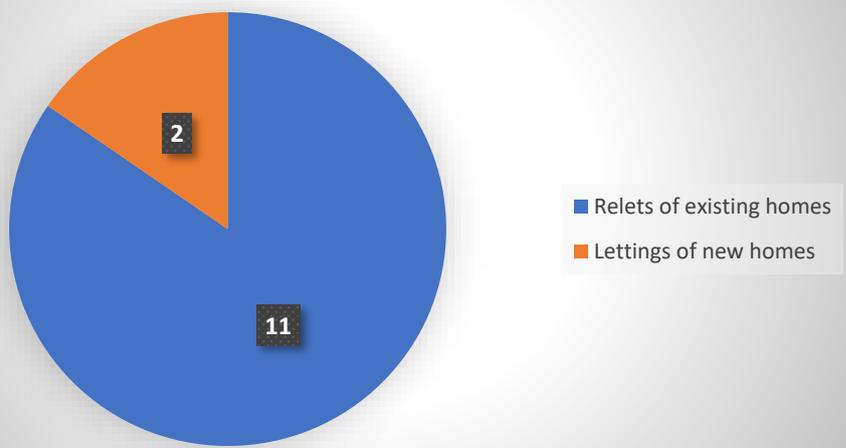
Average weekly rents on assured tenancies	2019		2018	
	No.	Average weekly rent	No.	Average weekly rent
One bedroom	15	£92.76	15	£93.51
Two bedrooms	143	£97.24	143	£98.04
Three bedrooms	164	£110.81	162	£111.53
Four bedrooms	10	£126.12	10	£127.39

Average change in assured rents	2018/2019	2017/2018
	-0.55%	1.62%

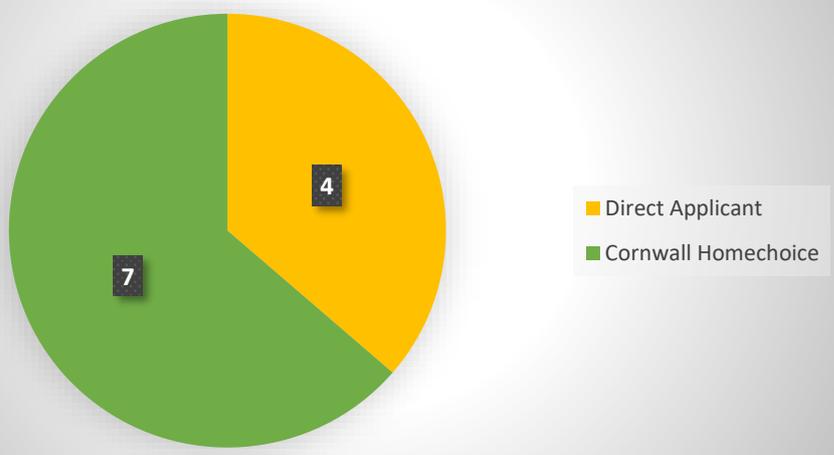
Rents - Comparison

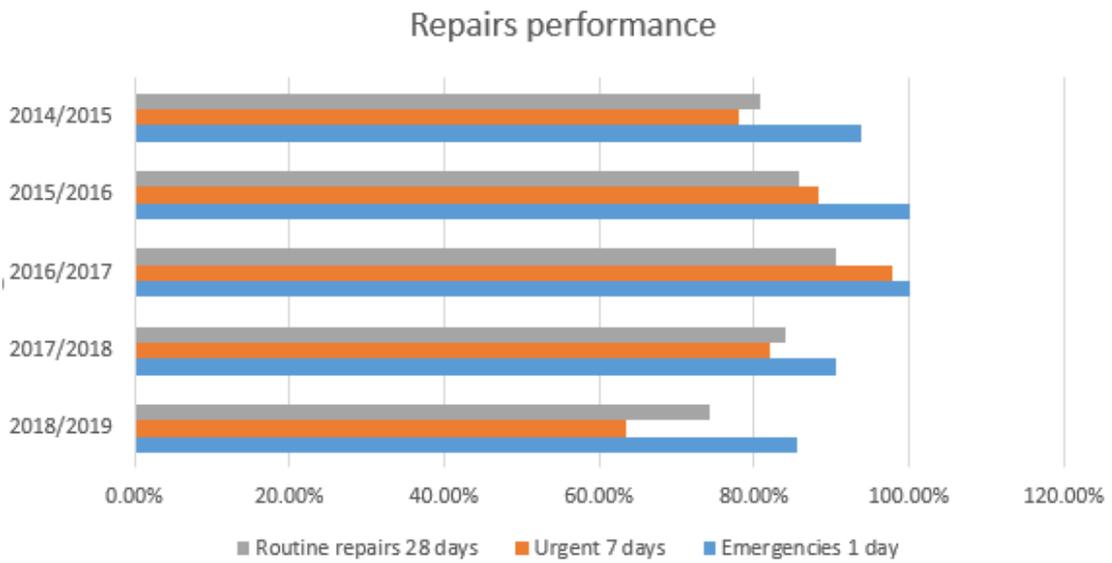
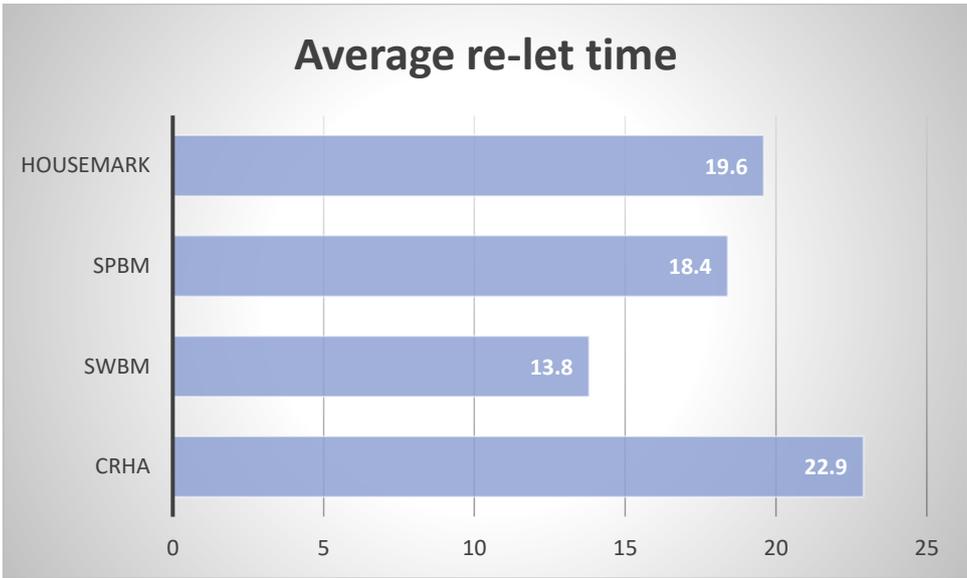


Lettings 2018/2019



Source of new tenants





Tenant Satisfaction

Cornwall Rural Housing Association (CRHA) commissioned Acuity to carry out a residents' satisfaction survey. All residents were included in the postal survey, which took place between April and May 2018.

Of the 330 residents, 171 responded giving a response rate of 52%. The survey found very high levels of satisfaction with the Association, with many ratings higher than two years ago.

The results from the 2018 survey demonstrated that the majority of residents (95%) were highly satisfied with the Association and that for many indicators satisfaction was higher than in the previous survey.



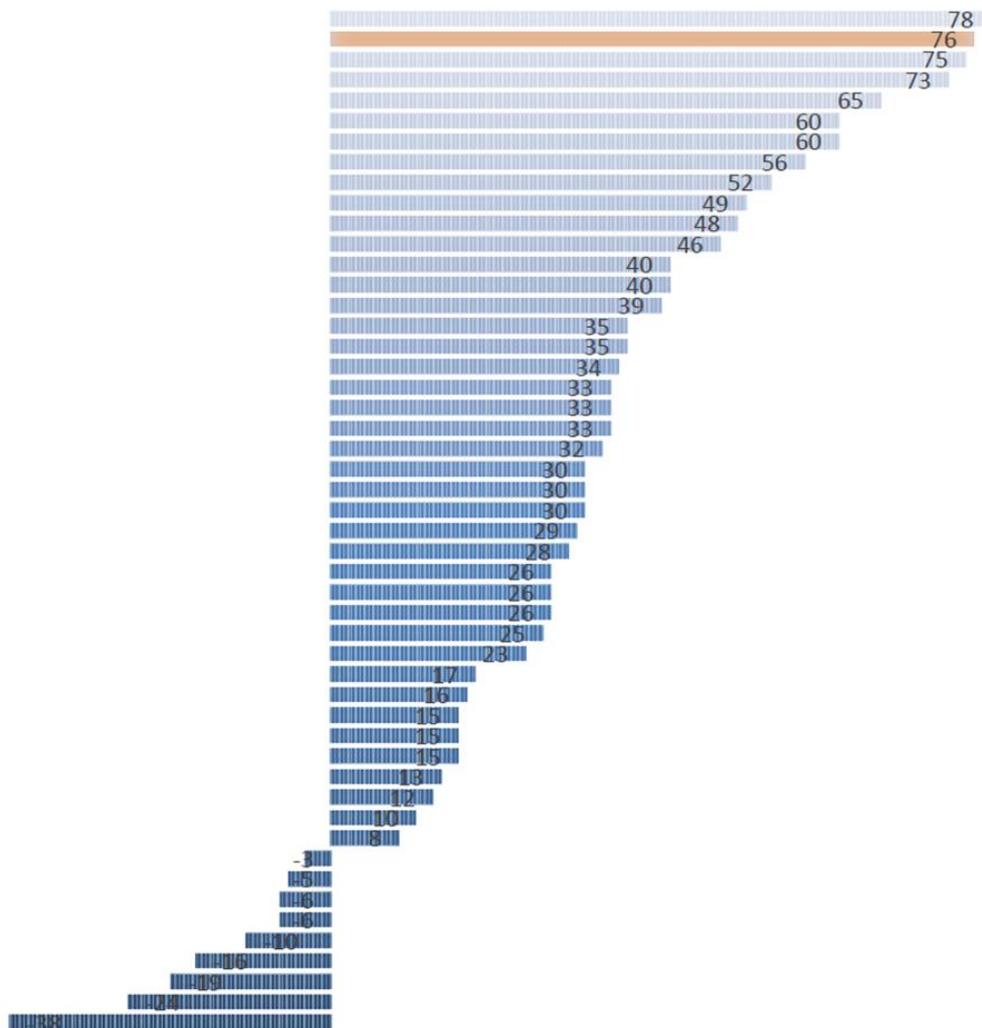
The results of the survey were reported in a Resident Satisfaction Summary Report which is available on our website at www.crha.org.uk.

During the year the Board decided that it would now carry out Tenant Satisfaction Surveys every three years rather than every two years.

Net Promoter Score

As part of the survey CRHA assessed the extent to which residents' expectations are being met by way of asking a 'net promoter' question on the likelihood of the resident to recommend CRHA to family or friends. According to the Net Promoter Score, 81% of residents were very loyal and happy to promote CRHA to friends and family and are "promoters". Only 5% of residents are "detractors", who are likely to have negative views about CRHA and 14% are currently "passive" and could be persuaded one way or the other.

The Net Promoter Score for CRHA was 76, 14 higher than the 2016 Net Promoter Score of 62. The chart below gives a comparison with landlords who have used Acuity in the last three years. CRHAs has a very strong performance, even when compared to other small HAs – with the second highest score recorded. (CRHA's NPS is shown in orange).



Financial Information 2018/2019

Income and Expenditure for the year ended 31 March 2019

	2019 £	2018 £
Income:	2,139,763	3,017,592
Less repairs and operating costs:	(1,478,233)	(1,883,315)
Gives an operating surplus of:	661,530	1,134,277
Plus interest we received:	2,026	1,685
Less interest and similar charges payable:	(429,641)	(420,483)
Gives a surplus (deficit) on ordinary activities of:	233,915	715,479
Initial recognition of multi-employer defined benefit scheme (SHPS)	(122,974)	
Actuarial (loss)/gain in respect of pension schemes	(66,000)	
Total comprehensive income for the year	44,941	715,479

Statement of Changes in Reserves for the year ended 31 March 2019

	Revenue reserve £
At 1 April 2018	2,777,845
Surplus for the year	233,915
Actuarial (loss)/gain in respect of pension schemes	(66,000)
Initial recognition of multi-employer defined benefit scheme (SHPS)	(122,974)
As at 31 March 2019	<u>2,822,786</u>

	Revenue reserve £
At 1 April 2017	2,062,366
Surplus for the year	715,479
As at March 2018	<u>2,777,845</u>

Balance Sheet as at 31 March 2019	2019 £	2018 £
<u>What we own</u>		
Cost of our investment in houses	29,800,669	29,897,999
Investment in other property & equipment	252,742	255,048
	30,053,411	30,153,047
Cash we have and money we are owed less bills not paid	176,445	416,338
Total assets less current liabilities	30,229,856	30,569,385
<u>How we fund it</u>		
Long term borrowing & other liabilities	(27,053,035)	(27,791,504)
Defined pension liability	(354,000)	
Net assets	2,822,821	2,777,881
Called up share capital	35	36
Revenue reserve	2,822,786	2,777,845
Total reserves	2,822,821	2,777,881

The above financial information represents an extract from the audited Financial Statements for the year ended 31 March 2019. Copies of the full Financial Statements for the year ended 31 March 2019 are available on written request to the Secretary at the Registered Office of the Association.

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Cornwall Rural Housing Association Limited is a registered society under the Co-operative and Community Benefit Societies Act 2014 (Registered Number: 24935R)