



Cornwall Rural Housing  
Association Limited

# ANNUAL REPORT 2020/2021

“Above all we will continue to put our customers and the homes that they live in central to all that we do”

# INTRODUCTION

## WELCOME TO THE CRHA'S ANNUAL REPORT FOR 2021

Having only recently joined CRHA as Chief Executive, I have spent the summer getting to know the business, our customers, our people, and the partners that we work with.

I am really looking forward to the future and next chapter for CRHA building on the tremendous amount that has already been achieved in providing great customer service and good quality affordable homes that make a real difference to rural communities across Cornwall and the Isles of Scilly.

During the coming year we will be reviewing our priorities and plans for the future taking into account the region's unique housing crisis and other key issues affecting us such as the changing climate.

Above all we will continue to put our customers and the homes that they live in central to all that we do.

In this report you will find:

- **Information about our performance during 2020/2021**
- **Comparisons with the performance of other similar organisations**

I hope you find the Annual Report interesting. If you would like to discuss anything in the Report, please feel free to contact us at 01208 892000 or email [info@crha.org.uk](mailto:info@crha.org.uk).

With best wishes,

David W Bolton  
Chief Executive



Annual Report 2020/2021

# VALUE-FOR-MONEY

## VALUE-FOR-MONEY STATEMENT

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CRHA's approach to providing value for money has been set out in our previous annual reports which are available on our website at [www.crha.org.uk](http://www.crha.org.uk)

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.

We are now reporting on our achievements and plans using the following annual self-assessment which will be made available to customers, stakeholders and partners.

## VALUE-FOR-MONEY METRICS

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The table on P5 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 2020/2021 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.

## THE VALUE-FOR-MONEY METRICS DESCRIBED

VFM Metric	Description of Metric	CRHA 2021	CRHA 2020	SS 2020*
Reinvestment	Sets out the investment in properties (existing stock as well as new supply) as a percentage of the value of total properties held.	1.15%	3.47%	6.1%
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	0.0%	1.4%	1.3%
Gearing	How much of the adjusted assets are made up of debt and the degree of dependence on debt finance	33.2%	34.4%	33.8%
EBITDA MRI (Interest Cover)	A key indicator for liquidity and investment capacity. Measures level of surplus generated against interest payments	202%	150%	196.1%
Headline social housing cost per unit	The unit cost metric assesses the headline social housing cost per unit as defined by the regulators	£3,406	£3,492	£4,023
Operating margin - social	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	41.8%	38.9%	23.6%
Operating Margin -		33.8%	30.7%	21.5%
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	2.50%	2.26%	2.8%

\*Sector Scorecard 2020 Median values

## VALUE-FOR-MONEY METRICS

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)	19.15	25.8	31.43	33.81
Operating margin (social housing lettings)	19.1	28.01	31.79	41.85
EBITDA MRI (as a percentage of interest)	212	248	271	202
Gearing (RSH and Scorecard measure)	25.3	33.6	35.6	33.2
New supply delivered (Social housing units)	0	1.23	3.35	0
New supply delivered (Non-social housing units)	0	0	0	0
Reinvestment %	1.65	3.25	10.11	1.15
Return on Capital Employed (ROCE) %	1.92	2.5	2.88	2.5
Headline social housing cost per unit	4249	3529	2962	3406

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

	SWBM	CRHA
Percentage of rent collected	100.3	100.5
Overhead costs as a percentage of turnover	20.8	14.5



## CRHA PERFORMANCE COMPARISON

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

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

	Smaller HAs			CRHA
	Lower	Median	Upper	
Operating margin (overall)	7.63	20.6	27.4	33.81
Operating margin (social housing lettings)	10.8	20.83	28.97	41.85
EBITDA MRI (as a percentage of interest)	207	356	800	202
Gearing (RSH and Scorecard measure)	0	11.75	28.92	33.2
New supply delivered (Social housing units)	0	0	1.48	0
New supply delivered (Non-social housing units)	0	0	0	0
Reinvestment %	1.22	2.2	6.4	1.15
Return on Capital Employed (ROCE) %	1.75	2.7	3.8	2.5
Headline social housing cost per unit	6902	4847	3588	3406

	Smaller HAs	CRHA
Percentage of rent collected	100.3	100.5
Overhead costs as a percentage of turnover	16.7	14.5

# WHAT WE HAVE ACHIEVED IN THE 12 MONTHS TO 31/03/21

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 336 new build homes for rent and the shares retained in the 17 shared ownership homes. 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:

### 1.1 Increasing the numbers of stock in management

The development or acquisition of new housing stock can make better use of existing fixed cost overheads. We continue to review new homes development opportunities in collaboration with our agents and partners.

### 1.2 Improving the quality of our homes

CRHA aims to provide value for its customers 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 carried out during 2020/2021 included:

- **Replacement of 21 central heating boilers.**
- **Replacement of 1 bathroom.**
- **Replacement UPVC windows & doors in 12 homes.**



### 1.3 Providing services

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CRHA has a long history of helping local people and communities provide their own solutions to meet housing need, such as:

#### ***St Minver Community Land Trust (CLT)***

CRHA supported the establishment and development of the CLT by providing advice and guidance through our CLT Project Manager. This support continued through the first phase of the CLT's successful community self-build scheme. For the second phase of the development CRHA assisted by providing 8 serviced self-build plots for the CLT in addition to CRHA's 4 rented homes. CRHA provided all of the development finance for the scheme and also assisted St Minver CLT with bridging finance.

#### ***St Just in Roseland CLT***

CRHA supported the establishment and development of St Just in Roseland CLT by providing advice and guidance through our CLT Project Manager. CRHA is currently working with the CLT on new development opportunities.

#### ***St Ewe Affordable Homes Limited (SEAHL)***

CRHA and SEAHL worked together on a joint development to provide two homes for rent via CRHA and 4 homes for sale via SEAHL.

#### ***St Goran Community Land Trust***

CRHA continues to provide management services to the CLT's five homes.

#### ***The Peninsula Trust***

CRHA provided advice and assistance to The Peninsula Trust to help with their application to achieve Registered Provider status.

#### ***Launceston Community Development Trust***

CRHA provided advice and assistance to Launceston CDT in connection with their plans to provide community led housing in Launceston.

#### ***Cornwall Community Land Trust***

CRHA established Cornwall CLT in 2007 as part of our successful Cornwall CLT Project.

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

## 2. SOCIAL RETURN ON INVESTMENT

The value generated by 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 2021.

### 2.1 Social value from provision of housing

For the year ended 31st March 2021 we were providing homes to nearly a thousand local people made up of affordable rent, shared ownership and discounted sale.

As well as generating an economic return for the Association in order to allow us to do more, the provision of a good quality affordable home particularly at the time of a housing crisis is the basis for a healthy and fulfilling life for individuals, families and local communities.

A stable, safe and affordable home provides the bedrock for individuals to grow and flourish contributing positively to education, employment, health outcomes and financial stability.

The provision of new homes also provides work for those involved in construction and property maintenance. There are also outcomes for the local community around each home. New homes can help sustain or revitalise an area,

local businesses benefit from increased custom and local schools can also benefit from an increase in additional pupil numbers.

### 2.2 Environmental returns

CRHA has installed renewable and other technologies in its homes in order to reduce its impact on the environment, tackle fuel poverty and reduce home running costs for customers. 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	5	1%

During the year ended 31st March 2021 CRHA received income of £23,633 from the photovoltaic panels installed on 21 homes at Delabole, £2,376 for installations on six homes at Grampound, £2,860 for 15 homes at The Lizard and £56 for the 8 homes at Poundstock. The “export tariff” (latest available figure is £2,122) was passed on to the residents of those properties, who also benefited from reduced energy costs. CRHA also carried out the following works during the year:

Older gas boilers replaced by more efficient ones	2
Older oil boilers replaced by more efficient ones	19
Older electric boilers replaced by more efficient ones	0

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

### 3. COSTS OF DELIVERING SERVICES

CRHA benchmarks the cost of providing our services with 14 other housing associations in the SW of England, known as the South West Benchmarking Group (SWBM). We also benchmark our performance with similar groups from across England and with HouseMark - a national performance benchmarking service showing data for the larger housing providers operating across England.

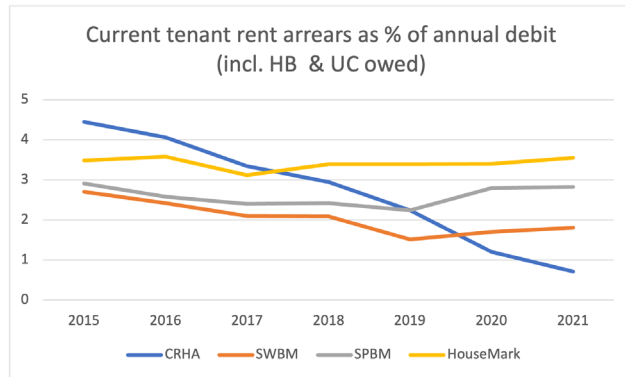


## 4. PERFORMANCE

CRHA collects performance data which is reported quarterly to the Board and on an annual basis to customers. A selection of key performance indicators as at 31st March 2021 along with a comparison with other organisations are shown later in this report.

We work very closely with customers experiencing financial and other difficulties in order to support them to maintain their tenancies and ultimately prevent homelessness. Relatedly, CRHA's gross arrears (including amounts owed by Housing Benefit and Universal Credit) have further reduced from 1.20% to 0.71%.

During the year we helped nine households to reduce their rent arrears by making nine successful requests on behalf of tenants for payments of discretionary housing benefit payment. The total amount awarded was £3,925.76, an average of around £436 per tenant.



## 5. TREASURY MANAGEMENT

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In the year ended March 31 2021 CRHA paid interest of £353,380. Average interest over all borrowings was 3.25%.

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.

### 5.1 Increasing returns through new business

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

### 5.2 Increase commercial awareness in our staff

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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 taken.

## 5.3 Social Value

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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 measure social value 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.

### 5.4 More effective working

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We will continue to improve the efficiency and effectiveness of our processes and ways of working. One of the key ways we plan to do this is to review the effectiveness and use of technology and digital platforms to ensure that we are delivering services in a cost effective way which makes it easy for customers to access them.

CRHA introduced an online portal in 2019 which allows tenants to access information about their tenancy, view their rent account and report repairs at a time that is convenient for them. Take up has been encouraging, with 52.08% of CRHA's tenants having registered to use the service as at 31st March 2021.

We welcome feedback on  
this annual report.

Please email us at [info@crha.org.uk](mailto:info@crha.org.uk)  
or alternatively call us on  
01208 892000

| Your views matter

## MANAGEMENT AND STAFFING

### BOARD OF MANAGEMENT

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. Membership as at 2nd September 2021.

Chair: Adam Hackett  
 Vice Chair: Frances Firmin  
 Regina Farrell  
 Rachel Fisher  
 Gary Lucas (from 23rd November 2020)  
 Roger Orchard  
 Maurice Vella

### STAFF

Staff	2021	2020
Full-time	8	8
Part-time	0	0

Chief Executive David Bolton (appointed Aug. 1, 2021)  
 Finance Manager Marie Merryfield  
 Housing Officer Angie Morrissey  
 Maintenance Officer Ben Ashfold  
 Finance & Office Administrator Tanya Clement  
 Clerical Officer Sharon Fether  
 Clerical Officer Wendy Shinner  
 Development Manager Alyn Shott

## HOW WE ARE PERFORMING

This section provides information about how CRHA performed in the year ending March 2021.

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 2020).

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**

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**

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

### **HouseMark**

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



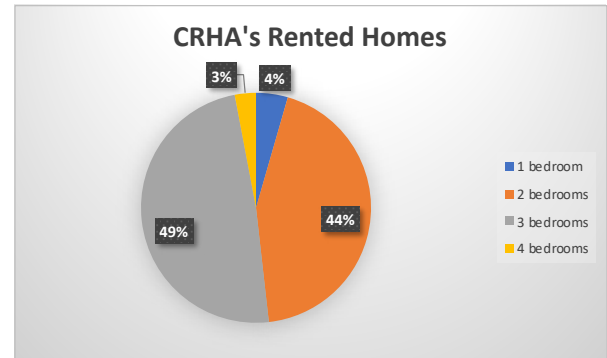


## CRHA HOMES IN CORNWALL & THE ISLES OF SCILLY

CRHA homes in Cornwall & Isles of Scilly

Homes for rent	2021
1 bedroom	15
2 bedrooms	147
3 bedrooms	164
4 bedrooms	10
Total	336

Shared ownership homes	2021
2 bedrooms	10
3 bedrooms	6
4 bedrooms	1
Total	17



## CRHA ON THE ISLES OF SCILLY

### Social Rent:

Size of homes	No.	Average weekly social rent March 2021	Average weekly social rent March 2020
Two bedroom bungalow	3	£114.21	£113.22
Two bedroom house	7	£114.12	£112.00
Three bedroom house	15	£126.32	£122.99
<b>Total</b>	<b>25</b>	<b>£121.45</b>	<b>£118.74</b>

### Affordable Rent:

Size of homes	No.	Average weekly affordable rent March 2021	Average weekly affordable rent March 2020
One bedroom bungalow	1	£103.47	£100.75
Two bedroom bungalow	1	£130.54	£127.11
<b>Total</b>	<b>2</b>	<b>£117.01</b>	<b>£113.93</b>

Total number of homes on the Isles of Scilly – 27

Number of lettings made on the Isles of Scilly during 2020/21 - 0

## CRHA IN CORNWALL

### Social Rent:

Size of homes	No.	Average weekly social rent March 2021	Average weekly social rent March 2020
One bedroom bungalow	2	£72.72	£70.81
One bedroom house (with study)	4	£87.82	£85.51
Two bedroom house	63	£96.20	£93.77
Two bedroom bungalow	40	£97.94	£95.30
Two bedroom flat	18	£93.63	£91.04
Three bedroom house	134	£109.42	£106.70
Three bedroom bungalow	2	£127.67	£124.31
Four bedroom house	8	£123.37	£120.13
<b>Total</b>	<b>271</b>	<b>£103.56</b>	<b>£100.92</b>

## CRHA IN CORNWALL (CONTD.)

Affordable Rent:

Size of homes	No.	Average weekly affordable rent March 2021	Average weekly affordable rent March 2020
One bedroom house (with study)	8	£102.61	£99.61
Two bedroom house	14	£115.54	£113.86
Two bedroom bungalow	1	£103.78	£101.05
Three bedroom house	13	£128.67	£125.80
Four bedroom house	2	£147.68	£143.80
Total	38	£118.69	£116.18

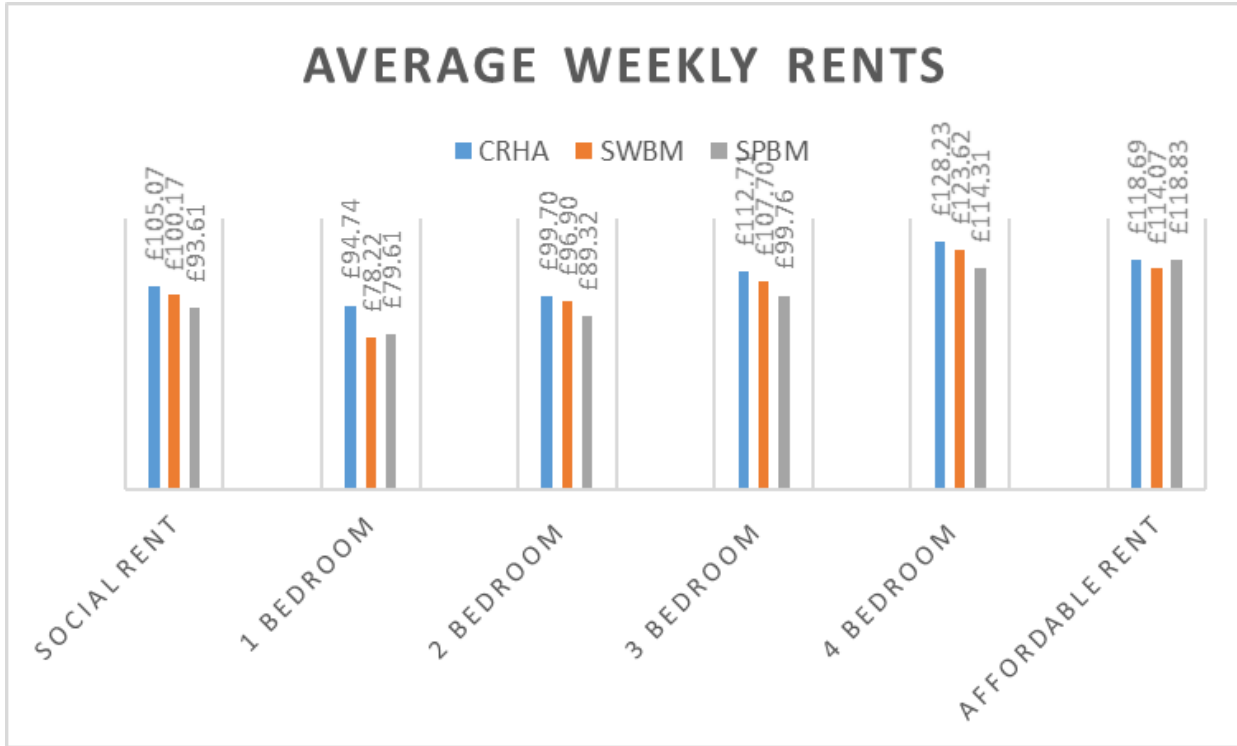
Total number of homes in Cornwall – 309

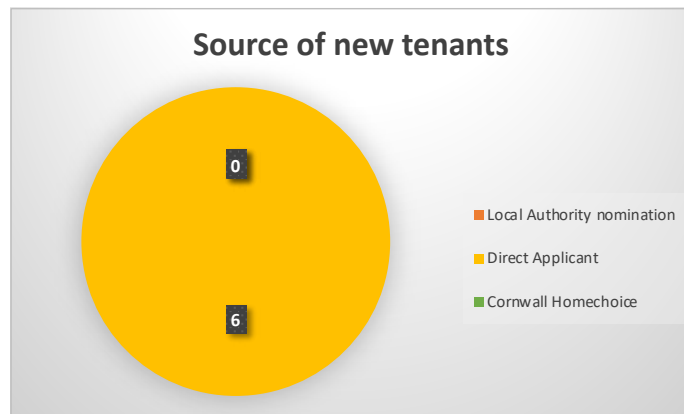
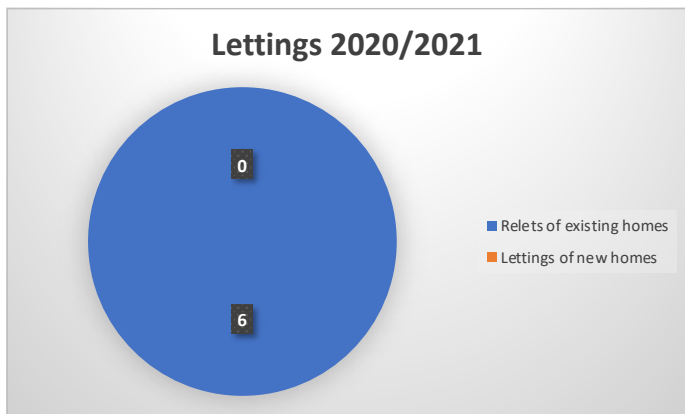
Number of lettings in Cornwall during 2020/2021 - 6

## RENTS (ALL PROPERTIES)

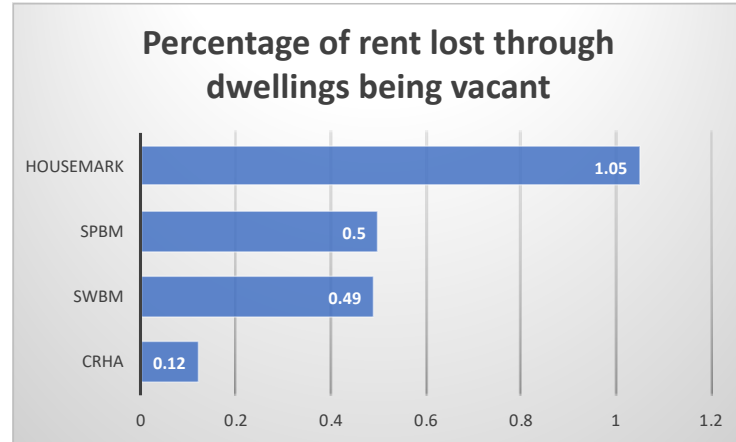
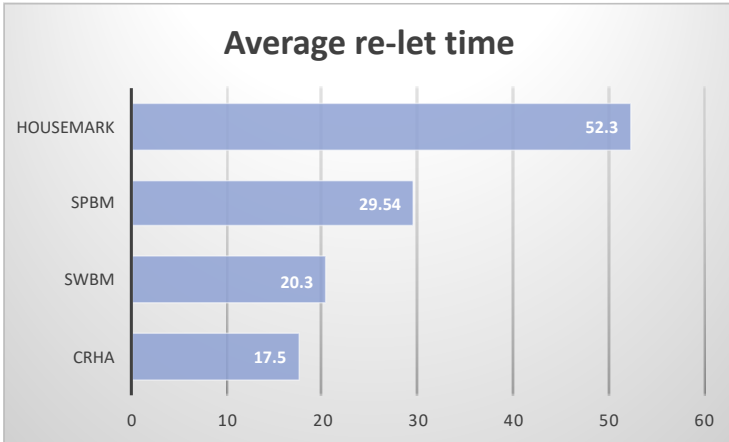
Average weekly rents on assured tenancies	2021		2020	
	No.	Average weekly rent	No.	Average weekly rent
One bedroom	15	£94.74	15	£92.08
Two bedrooms	147	£99.70	143	£97.31
Three bedrooms	164	£112.71	164	£109.92
Four bedrooms	10	£128.23	10	£124.86
Average change in assured rents	2020/2021	2019/2020		
	2.53%	-0.54%		

## RENTS (ALL PROPERTIES COMPARISON)





Three CRHA tenants transferred between properties





## CUSTOMER SATISFACTION

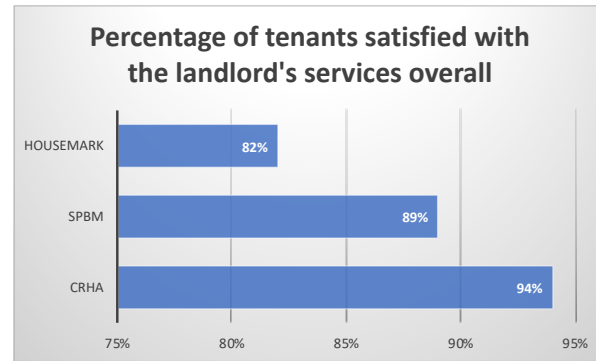
We carried out our most recent survey of customers in April 2021 with over 200 customers responding and providing feedback.

Over nine out of ten customers are satisfied with the services provided by CRHA (94%), 85% of customers are satisfied with the quality of their home and 86% of customers satisfied with their repairs service.

90% of customers are either satisfied or very satisfied with their most recent customer experience and 93% of customers believe that we keep them informed on things that might affect them.

The 'My CRHA' customer portal is popular with the vast majority of customers finding the portal easy to use with a good range of services.

Some home improvements, neighbourhood and fuel poverty were raised as issues by some respondents. We will follow up on this feedback.



### **Net Promoter Score**

According to the Net Promoter Score, 79% of residents are very loyal and happy to promote CRHA to friends and family and are “promoters”. Only 7% 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 is 72, four lower than the 2018 Net Promoter Score of 76. The chart below gives a comparison with the HouseMark averages for 50 landlords. CRHA is 43 above the median.

Net promoter	All residents
CRHA	72
Upper quartile	45
Median	29
Lower quartile	16
Number organisations	50

## FINANCIAL INFORMATION 2020/2021

### Income and Expenditure for the year ended 31 March 2021

	2021	2020
	£	£
Income:	2,242,271	2,271,316
Less repairs and operating costs:	(1,484,190)	(1,574,285)
Gives an operating surplus of:	758,081	697,031
Plus interest we received:	1,514	2,029
Less interest and similar charges payable:	(357,380)	(449,208)
Gives a surplus (deficit) on ordinary activities of:	402,215	249,852
Actuarial gain/(loss) in respect of pension schemes	(135,000)	199,000
Total comprehensive income for the year	267,215	448,852

## FINANCIAL INFORMATION 2020/2021

### Statement of Changes in Reserves for the year ended 31 March 2021

	Revenue reserve
	£
As at 1 April 2020	3,271,638
Surplus for the year	402,215
Actuarial gain/(loss) in respect of pension schemes	(135,000)
As at 31 March 2021	3,583,853
	Revenue reserve
	£
At 1 April 2019	2,822,786
Surplus for the year	249,852
Initial recognition of multi-employer defined benefit scheme (SHPS)	199,000
As at March 2020	3,271,638

## FINANCIAL INFORMATION 2020/2021

### Statement of financial position as at 31 March 2021

What we own	2021 £	2020 £
Cost of our investment in houses	30,198,650	30,356,972
Investment in other property & equipment	235,455	244,944
	30,434,105	30,601,916
Cash we have and money we are owed less bills not paid	(131,463)	233,579
Total assets less current liabilities	30,302,642	30,835,495
How we fund it		
Long term borrowing & other liabilities	(26,502,757)	(27,413,822)
Defined pension liability	(261,000)	(150,000)
Net assets	3,538,885	3,271,673
Called up share capital	32	35
Revenue reserve	3,538,853	3,271,638
Total reserves	3,538,885	3,271,673

The above financial information represents an extract from the audited Financial Statements for the year ended 31 March 2021. Copies of the full Financial Statements for the year ended 31 March 2021 are available on written request to the Secretary at the Registered Office of the Association.

Cornwall Rural Housing Association

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Facebook: <http://www.facebook.com/CornwallRuralHA>

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