

Rochdale Boroughwide Housing

Report and Financial Statements

For the year ended 31 March 2021

Community Benefit Society

Registration No: 31452R.

Registered Housing Provider No: 4607.

CONTENTS

	Page
Legal status	3
Administrative details	5
Chair's statement	7
Report of the Board of management	9
Value for money statement	18
Statement on risk management and internal control	28
Statement of the Board's responsibilities in respect of the accounts	31
Strategic report	32
Independent auditor's report to the members of Rochdale Boroughwide Housing Limited	50
Consolidated and Association statement of comprehensive income	53
Consolidated and Association statement of financial position	54
Consolidated and Association statement of changes in equity	55
Consolidated statement of cash flows	57
Notes to the financial statements	58

LEGAL STATUS

The society is registered with the Financial Conduct Authority under the Co-operative and Community Benefits Societies Act 2014 and is registered with the Regulator of Social Housing (RSH) as a social housing provider.

ADMINISTRATIVE DETAILS

RSH registration number	4607
FCA Registration Number	31452R
Registered office	Sandbrook House, Sandbrook Way, Rochdale, OL11 1RY

Executives and advisors

Board

** Attendance figures are for Board, Committee and Subsidiary Board attendance.*

Appointed Non-Executive Directors:

Paul Joyce (Chair of the People and Remuneration Committee and Deputy Chair) – Paul is a social research analyst. He previously worked as a research fellow at a number of north west universities. He is a sociologist who specialises in the understanding of risk management, health policy and the production of social value. Paul has a PhD from the University of Salford and a postgraduate qualification in social research methods and statistics from the University of Manchester.

Attendance 100%

Guy Millichamp (Chair of the Audit Committee) – Guy is the Director of Finance & Resources at Connect Housing based in West Yorkshire and was previously Finance Director for Yorkshire Housing. After training as an auditor, Guy has worked in the charity, education and housing sectors for nearly 30 years in a variety of financial management roles. The common thread has been a desire to make sure that each organisation is run in the best possible way, in order to deliver the best possible outcomes for the people that those organisations serve.

Attendance 94%

Mike Nuttall – Mike is a property professional and chartered surveyor with over 30 years of experience in both the public and private sector. He has been the Property Director for Brookhouse Group since 2004 and is a Director of two joint ventures in nearby Oldham. He has worked closely with a diverse range of stakeholders on major project delivery across the north west of England, including local authorities and Homes England - this has included the development of major mixed-use regeneration schemes on brownfield sites.

Attendance 93%

Luen Thompson is the Chief Executive at Forget Me Not Children's Hospice, a charity, which operates across West Yorkshire. The hospice provides help and support to children and their families including respite, end of life care and bereavement support. The service is regulated by CQC and has an outstanding rating. Much of Luen's work is related to income generation, given that the hospice only receives 4% of their running costs from the NHS. Luen was appointed to a second term of office commencing September 2018.

Attendance 100%

Alison Tumilty (Board Chair) – Having qualified as a Chartered Accountant with Ernst and Young in Manchester, Alison's early career was as a finance director in property and development including Unite plc and Manchester Airport Group. After studying for an Executive MBA, Alison became Deputy Chief Executive of Rathbone, a UK wide charity supporting disadvantaged young people to develop their employment and life skills through education. She moved into the housing sector in 2013 as Group Finance Director at Your Housing Group, a large, registered provider based in Warrington. Alison has held a number of non-executive roles in education, housing and the NHS. She believes passionately in the need for social housing, community development and regeneration.

Attendance 100%

**Rochdale Boroughwide Housing
Report and Financial Statements
For the year ended 31 March 2021**

Executives and advisors continued

Asrar Ul-Haq - Having graduated with an Honours Degree in Applied Sciences, Asrar joined the police service and served almost half his career in Rochdale gaining an understanding of the community he lives in. He is currently the Director of Armann Consultants Ltd, he is a member of the University of Manchester General Assembly and also a member of the Advisory Committee to the Lord Chancellor. Asrar was the recipient of a Home Office award for innovation and a national award for leadership. He was invited to sit on Her Majesty's Honours sub committees and sat on the steering committee for Cancer Research UK. He was also a parent Governor at Rochdale Sixth Form College. Asrar resigned on 12th February 2021.
Attendance 82%

Neil McInroy - is an economist and is at present the Senior Fellow for the Global Advancement of Community Wealth Building at the USA based think tank the Democracy Collaborative. He is also a Strategic Adviser to the Centre for Local Economic Strategies (CLES) - the UK national organisation for local economies, where he was previously the Chief Executive for 18 years. He is also at present seconded into the Scottish Government as an adviser within the economic development directorate. Neil has spent his working career committed to developing local economies and addressing poverty and injustices, and believes passionately in the power of collaboration, cooperation and the advancement of democratic ownership including cooperatives and mutuals. Appointed 19th May 2021.
Attendance N/A

Executive Directors:

Gareth Swarbrick (Chief Executive) – Gareth started his career with Oldham Council in 1989. He moved into housing management in 1990 and between 1996 and 2002 worked in Rochdale Council's Housing Strategy Unit. Gareth began working for RBH in 2002 and was appointed Chief Executive in December 2008 and from 2009 onwards led a process which culminated in the transformation of RBH into the UK's first tenant and employee-owned mutual housing society to which the Council transferred its 13,700 homes on 26 March 2012.
Attendance 100%

Nickie Hallard (Director of Resources and Deputy Chief Executive) – A qualified Management Accountant, Nickie joined RBH as Director of Resources in June 2009, having moved from Incommunities, Bradford's transfer housing association where she held the post of Financial Controller. Before moving into housing Nickie had a varied career in local government, retail and financial services.
Attendance 100%

Independent Committee Members:

Cliff Mills - Independent member of the People and Remuneration Committee – Cliff is a specialist in UK co-operative law. He writes constitutions and gives governance advice to co-operative and mutual organisations, both in the traditional co-operative sector, and more widely in the community and public sectors. He helped to design and set up the arrangements for RBH when it was established as a mutual. Cliff is Principal Associate in Mutuo, the mutuals consultancy, and he works with Anthony Collins Solicitors as a consultant on co-operative and mutual work.
Attendance 100%

Sharon Brown - Independent member of Audit Committee – Sharon is the Director of Assurance for Great Places Housing Group and leads on the governance, risk management and internal controls framework providing assurance in relation to regulatory compliance. She is also the strategic lead for compliance with all aspects of data protection legislation and colleague health and safety.
Attendance 50%

Siobhan Ryder - Independent member of Growth Committee – Siobhan Ryder is a senior Partnerships, New Business and Marketing Specialist with a background in housing construction, modular manufacturing and more recently working for a registered social landlord called Great Places Housing Group to deliver new build homes in communities across the North West and South Yorkshire. *Attendance 86%.*

Representative Body

Council Representatives

Wendy Cocks (until December 2020)
Sultan Ali (until March 2021)
Linda Robinson (until January 2021)
Carol Wardle (until March 2021)

Executives and advisors continued

Tenant Management Organisation Appointed Representatives

Lynne Brosnan – Turf Hill TMO (Chair of Representative Body)

Tenant Representatives

Frank Altham

Andrew Brown

Andrew Butterworth

Donna Chadwick

Shamroz Gull

Gemma Keogh (Resigned November 2020)

Andy Littlewood

Haroon Mirza

Sue O'Donovan

Donna Reeve (Resigned July 2020)

John Sekiwu (Resigned May 2020)

Jane Taylor

Mary Tomlinson

Sharon Worsley

4 Tenant Vacancies

Employee Representatives

Faizal Amin (Resigned July 2020)

David Bulcock (Resigned September 2020)

James Coutts (Co-opted February 2021)

Stephen Edwards

Jon Wenn (Co-opted February 2021)

Phil Worthington

6 Employee Vacancies

Chief Executive

Gareth Swarbrick

Executive Leadership Team

Nickie Hallard – Director of Resources and Deputy Chief Executive

Clare Tostevin – Director of Growth

Nadhia Khan – Director of Customer and Communities

Rowena Culshaw – Director of Transformation (Resigned February 2021)

Secretary

Stephen Wigley

Banker

NatWest,

Parklands, 3 De Havilland Way,

Horwich, Bolton,

BL6, 4YU

Funders

RBS

3rd Floor, Kirkstane House,

139 Vincent Street,

Glasgow,

G2 5JF

Santander

2 Triton Square,

Regent's Place,

London,

NW1 3AN.

Executives and advisors continued

Solicitors

RBH has an in-house legal team based in Sandbrook House. Where external advice is required, this will be obtained from the most appropriate legal providers.

Auditor

BDO LLP,
3 Hardman Street,
Spinningfields,
Manchester,
M3 3AT

Internal Auditor

RSM,
3 Hardman Street,
Manchester,
M3 3HF

CHAIR'S STATEMENT

2020/21 has been a year that none of us could have ever anticipated. Despite the challenges and great sadness, I am immensely proud of how RBH's mutuality has helped our tenants and employees come together to provide support to one another during these most difficult of times.

In Autumn 2020 we adopted our Together with Tenants commitments - shaped by conversations with hundreds of tenants and developed with a steering group of tenant members from across the Borough. Our commitments focus on the things our tenants have told us are important and set out how we all have a part to play to make sure that RBH is the best that it can be.

This year we also lived up to our value of "pioneering" with two firsts – the first Rochdale employer to become a full member of the Greater Manchester Good Employment Charter, and the first employer housing association in the entire country to be accredited as a Disability Confident Leader. We also celebrated seven years as an accredited Living Wage. These achievements showcase our wider commitment to the wellbeing of our employees – something that the pandemic has shown us has never been more important.

Signing up to the Good Employment Charter is part of our wider commitment to partnership working, not just in Rochdale Borough but across the whole of Greater Manchester. In March, our Chief Executive Gareth Swarbrick became the Greater Manchester Housing Providers lead for Social Value. Our work with suppliers to create social value in our communities is already an exemplar, and this new role will help make sure that we share our good practice across Greater Manchester.

This past year has shown just how much we can all achieve by working together. I want to highlight some of the support we've provided for our customers and communities over the past year. We made over 47,500 proactive welfare calls to our tenants to check on their wellbeing. Our money advice team held over 30,000 conversations with residents. Our pantry projects received over 7,500 visits, saving members over £150,000 on their groceries and preventing 45 tonnes of food waste heading to landfill. Our members awarded over £95,000 of funding to 21 local community projects. We maintained daily contact with our 980 independent living scheme tenants.

We have also worked closely with our community partners. The Veterans' Food Co helped us to provide meals to residents who were shielding or needed extra support; our ongoing work with HMR Circle helped us to combat social isolation amongst our older tenants; and working with Rochdale Borough Council we delivered 3,000 "keeping well at home" booklets to offer information and advice to residents who may be isolated at home.

As one of the Borough's largest employers and a key community anchor, it has never been more important to help residents to find work and improve their skills. We recruited four new apprentices and we're working with Hopwood Hall College to identify suitable placements for students undertaking the new T-Levels. Four more of our existing apprentices moved into permanent roles within RBH. As part of our regional partnership with Athena, we've created five new placements through the Kickstart scheme. Working with Upturn, a local social enterprise, we obtained funding from the Workers' Educational Association to support those who had lost their jobs during the pandemic - so far we've worked with 20 tenants and a third of those are on the route back to work. We've also signposted tenants to online courses to acquire new skills, and our flagship New Pioneers' Programme continues to provide tailored support to residents in Rochdale town centre as part of our wider regeneration commitment. We also introduced a new faster payment system to support local suppliers.

Our essential services continued to provide emergency and vital safety checks throughout the pandemic. We completed 25,000 emergency and urgent repairs and maintained 100% compliance with our requirements for both gas servicing and legionella testing. Our Neighbourhood Environment Team carried out over 80,000 jobs, keeping shared areas and green spaces clean and tidy. Our teams handled 120,000 calls from our tenants. 700 homes were let, 80% of which were let through virtual viewings. We completed repairs to 650 empty homes to make sure that they were ready to let again. In delivering all of this, our overriding priority has been the safety of our tenants and colleagues, which we have achieved by making changes to how we work.

At as the end of March 2021 we have just over 5,900 members, with 5,446 tenants' members (38.5%) and 460 employee members (80.0%). This reflects a slight decrease from 2020.

During the year, we invested £5.8m to upgrade our tenants' homes. This included providing new kitchens, bathrooms, windows and doors as well as new central heating systems.

CHAIR'S STATEMENT continued

Our commitment to building new homes continues and we were pleased to have been able to progress two schemes that started on site last year.

Our scheme at Great Howarth in Smallbridge completed in February 2021 and has provided 39 new homes (a combination of affordable rent, Rent to Buy and Shared Ownership). This scheme proved very popular, and all homes were sold or let very quickly.

Our ambitious regeneration plans in Rochdale town centre continue to develop and further progress has been made on the next phase at Lower Falinge which will provide 55 new homes for affordable rent. These homes are on track to be completed early in 2022. This phase also includes a new central park and play area – providing a new green heart for the neighbourhood.

We have secured grant funding for three sites through our strategic partnership with Great Places, and work has started on two of these developments.

The first scheme at Peel Lane, Heywood started on site at the end of 2020 and will provide 12 new homes for Affordable Rent. The second, which is a development on two adjacent sites at The Strand and Balderstone Road, continues our long-term investment in Kirkholt and will provide 52 homes for Affordable Rent.

Throughout this year we have continued to focus on delivering value for money for our tenants and ensuring that we remain financially secure. This is more important than ever at the current time. As a Community Benefit Society, any surpluses that we generate are reinvested back into the Society, for this year this means £12m to ensure that we have homes and services that remain fit for the future.

Behind these exciting initiatives we, of course, remain focused on being a good landlord. At March 2021, 85% % of our tenants were satisfied or very satisfied with the services that we deliver, up 4% on the previous year and we are confident that our plans will help sustain this increase. During the past year we launched our new online portal and website. Just under 40% of our tenants have already signed up and almost 30% are regular users. Over this year we are planning to work with tenants and other customers to increase the use of the portal and the range of services that can be accessed online.

Our commitment to our “Together” Corporate Strategy priorities of “Growing”, “Thriving” and “Improving” remains as strong as ever. In recognition of the impact of COVID-19 on both our business and our communities, the Representative Body approved a one-year extension of the current strategy. In relation to “Growing” we have focused on getting our new build programme back on track after some delays due to the pandemic and we will expand this programme as soon as the time is right. We continue to progress our regeneration programmes in central Rochdale. Both of these are key projects, aiming to provide the best possible quality, mix and choice of genuinely affordable homes to meet the needs of local people and for future generations. On “Thriving”, we are looking at what can learn from the amazing community response over the past year and as part of developing our new corporate strategy will be thinking about any additional support we can provide to our tenants, many of whom will face continued challenges over the coming year. As part of “Improving” we are working hard to reintroduce services in line with government safety guidelines and to clear our Covid repairs backlogs as quickly as possible.

Our ambitions for the future of RBH continue to grow and in January 2021, Board approved a plan to refinance, raising additional funding to invest in building safety works, decarbonisation, regeneration and more new homes. It is hoped that the new borrowing arrangements will be in place by later this year.

This year we will be developing our next Corporate Strategy, agreeing with our members our priorities for the next three years, and I am really looking forward to hearing everyone's views as we shape our future direction.

My personal thanks extend to all of our members, our Representative Body, our Board, our colleagues, tenants, and partners (in particular Rochdale Council) for their continued support. I am immensely proud to be part of our mutual society and of the invaluable support that our members have provided to one another throughout the year.

Alison Tumilty (Chair)



REPORT OF THE BOARD OF MANAGEMENT

NATURE OF BUSINESS

Activities

RBH's principal activity is the letting of social housing. RBH is a registered provider of social housing with the Regulator of Social Housing (RSH) and a Community Benefit Society. A stock transfer took place on 26th March 2012, whereby Rochdale Borough Council transferred 13,712 properties to RBH that were previously managed by the ALMO. RBH became a mutual housing society, owned by its tenant and employee members, on 26th June 2013.

Group Structure

The RBH Group includes the following subsidiaries:

Safeguard Solutions Limited (SSL) is a wholly owned subsidiary of RBH, with RBH having taken full control of the company in April 2017. It was incorporated on 2 October 2007 and commenced trading in 2009 with its main purpose being to provide security for our communities (company number 06387991). SSL has its own Board of directors who are responsible for agreeing the strategic direction of the Company within parameters set by RBH. Following a decision of the SSL Board in March 2020, subsequently ratified by RBH Board, SSL ceased trading on 30 November 2020, and was struck off from the Companies House Register on 10 August 2021.

RBH Professional Limited is a private company limited by shares with its own Board of directors, set up to undertake trading activities outside of RBH's charitable objectives in order to generate additional income to support work in our communities. It was incorporated on 12 October 2011 (company number 07807329) and completed its first trading activity during 2013-14.

The Board agreed that the company would cease trading during the 2015-16 financial year and become dormant and as such the company has not undertaken any projects in 2020-21.

RBH (Design and Build) Limited is a private company limited by shares with its own Board of directors, undertaking the design and build of new homes for RBH Limited. This subsidiary was incorporated on 23 December 2011 (company number 7891824). The Board met twice during the financial year. The RBH Board approved a recommendation for RBH (Design and Build) Limited to adopt its own Governance Statement on 10 March 2021. The RBH (Design and Build) Limited Board will review its compliance with its Governance Statement annually.

In 2020-21, 39 homes were completed at The Cottons, Smallbridge (22 Rent to Buy; 16 Shared Ownership and 1 Affordable Rent) and further schemes progressed at Lower Falinge Ph3 (55 homes) and Peel Lane (12 homes), The Strand Phase 2 & Balderstone Road (52 homes) during the year.

All group companies have banking arrangements during the financial year with NatWest Bank.

BDO are the external auditors of the group and all group subsidiaries except for RBH Professional Limited which does not require the audit. Audited accounts of SSL, RBH (Design & Build) Limited and unaudited accounts of RBH Professional Limited are submitted to Companies House.

REPORT OF THE BOARD OF MANAGEMENT continued

Description

The RBH Group has the following mix of homes in ownership and development:

	RBH Group		RBH Limited	
	2021	2020	2021	2020
Properties in development	119	94	119	94
General needs	11,593	11,654	11,593	11,654
Supported housing	968	968	968	968
Shared ownership	49	34	49	34
Non-social housing	1	1	1	1
Total	12,730	12,751	12,730	12,751

All homes are located in the borough of Rochdale. The homes are predominantly general needs and are 99.98% compliant with the Decent Homes Standard as defined by the Government.

Regulation

In common with other Registered Providers, RBH is regulated by the social housing regulator (The – Regulator of Social Housing - RSH). It is required to comply with the RSH's regulatory code.

The Regulatory Framework is based on the principle of co-regulation. RBH's unique model is well placed to ensure that there is collective responsibility between its members and Board for the quality-of-service delivery and meeting the standards. The model is grounded in the principles of openness and accountability which enables co-regulation to genuinely operate in the interests of tenants.

RBH undertakes a quarterly self-assessment of its own compliance with the 3 economic standards and the 4 consumer standards prescribed within the regulations. RBH has been rated by the RSH as G1, V2, which the Board considers appropriate given our social purpose.

The Regulator undertook the Annual Stability Check in December 2020 and the Regulator concluded that there is no evidence to indicate a change to the governance grading G1. However, they identified a potential issue in relation to compliance with the disclosure requirements for payments to Non-Executive Director's in RBHs Financial Statement up to 31 March 2020. A full review has taken place to identify where our internal controls can be strengthened to address the matter and actions have been implemented as a result.

In March 2021, RSH undertook its routine In Depth Assessment and confirmed the existing G1/V2 rating.

Certification of Compliance with RSH Governance and Financial Viability Standard

The RSH regulatory framework released in April 2015, has the following requirement:

2.8 Registered providers shall assess their compliance with the Governance and Financial Viability Standard at least once a year. Registered providers' Boards shall certify in their annual accounts their compliance with this Governance and Financial Viability Standard.

The Board receive quarterly updates on compliance against the Standards and undertook a full assessment at its meeting on the 2 June 2021. The Board is satisfied that the Society is compliant with the RSH's Governance and Financial Viability Standard.

REPORT OF THE BOARD OF MANAGEMENT continued

Employment of Disabled Colleagues

RBH is an inclusive organisation that seeks to harness the talents, knowledge, skills and insight that all people bring to the workplace. A corporate objective, captured within the People Strategy, is 'right job, right people'. Over 7 million people, that is 18% of the working population in the UK, has a disability. We know that in order to maximise our talent pool and be successful in our objective of having the right roles filled by the right people we need to attract disabled people into our workforce. Their lived experience enhances our knowledge and expertise of effective service provision thereby helping us to meet the needs of our tenants and residents. Further 83% of disabled people acquire their disability during their working lives and therefore by proactively supporting and enabling colleagues who develop a disability during employment we retain valuable skills, knowledge, experience and energy.

RBH is accredited as a Disability Confident Employer and was proud to become the first Housing Provider to achieve Disability Leader status in March 2020.

We:

(a) actively seek to attract and recruit disabled people into the opportunities available including jobs, apprenticeships, and work experience. This includes using our Disability Confident commitment to highlight to potential candidates that we are an inclusive employer;

(b) provide a fully inclusive and accessible recruitment process including engaging in positive action by offering an interview/assessment to any disabled applicant who meets the competencies measurable at application stage. We are flexible in our assessment processes adapting processes where possible to ensure disabled applicants can showcase their abilities. Examples include arranging additional time for undertaking assessments, allowing support workers to accompany the candidate at interview etc;

(c) promote a culture of inclusivity and belonging so that colleagues feel able to disclose any disability or long term health condition and can feel confident they will be supported. We regularly run 'Keeping the Conversation Live' events in conjunction with partners on inclusive topics. This training has included Sensory Disability, Neurodiversity, Dyslexia Awareness and Menopause. We actively promote our Employee Assistance Scheme as a means of accessing mental health support, including 24/7 counselling. This scheme also provides physiotherapy and access to other therapy services, quick access to consultants and access to GP's. We have an active team of Wellbeing Champions, trained in mental health first aid and work closely with an independent Occupational Health Specialist;

(d) provide read and write software to support colleagues with dyslexia and other related conditions;

(e) give appropriate support, where a colleague develops a disability whilst in employment. This includes a phased return to work, if the person has been absent, making adjustments to the workplace and exploring re-deployment opportunities, if they are unable to return to their previous role; and

(f) encourage disabled colleagues to be ambitious, undertake growth and development and seek progression. Work has already commenced on expanding the national 'See The Person' campaign, to ensure all colleagues understands the concept of being disabled by barriers and attitudes.

2020/21 presented a new challenge with the emergence of Covid. It highlighted the strategic importance health and wellbeing, both within the workforce and in the communities we serve. Employees who could work from home were instructed to do so, in line with Government guidelines. Risk assessments were conducted for those who continued working in customer's homes and in the community. At times of greatest risk services were reduced to urgent and emergency only in order to keep our employees and customers safe. Anxiety about contracting the virus and the impact it would have on individuals and their families was prevalent in those continuing to deliver front line services, particularly repairs, while feelings of isolation and stress were experienced by those working from home causing poor mental health for some. Support to colleagues who struggled with their mental health became critically important to prevent this becoming a long term and debilitating condition. RBH introduced daily communication to keep colleagues updated and gave advice to managers to develop their skills to support their people during this time. We introduced Wellbeing Action Plans to facilitate positive conversations between managers and their people around wellbeing. Our Wellbeing Champions were available to support those colleagues who needed them, and we know this did prevent a number of situations deteriorating into absence from work. We set up a Covid Support Group which provided peer to peer support, which proved very effective. Information on healthy eating, exercise, managing drinking habits and managing stress was circulated regularly. In our Climate and

REPORT OF THE BOARD OF MANAGEMENT continued

Engagement Survey conducted in December 2020 positive responses on our approach to wellbeing and caring for our employees increased by 8%.

A further challenge of Covid was employees having the virus and developing long Covid. We are working to support some colleagues in this situation.

Engagement with Employees, Suppliers, Customers and others

Employee Engagement

In 2018 RBH created its Cultural Aspirations of Being Proud, Being Ambitious and Being Refreshing. These built on RBH existing positive culture and behaviours but focussed specifically on bringing the mission and RBH's mutuality to life. Being Proud captured the behaviours required for the delivery of 'great services' including taking personal satisfaction and striving to be excellent in what we do every day and taking responsibility collectively and individually. It also included our passion for creating 'great places to live and work' by stressing the importance of living up to our mutual heritage. Being Ambitious focussed on the behaviours for people to be successful, aiming high, being bold, self belief and making a difference. Finally, Being Refreshing underpinned all aspects of the mission reminding colleagues to be interested, open minded, curious and ask great questions to find great solutions. These Cultural Aspirations have been used in 1-1 meetings between employees and colleagues and in performance management discussions.

The Membership Strategy, approved by the Representative Body in July 2020 included a commitment to review the RBH values. This has been driven from the Mutuality Matters Conference that took place as part of RBH's five year birthday celebrations, the development of Together with Tenants and the COVID-19 response. The Representative Body have expressed a wish to test whether the current values of RBH are still relevant and meaningful. The review will seek the views of employees and tenants and will fully involve the Board and Leadership team.

Employees receive regular communications to ensure they are informed, involved and inspired. This includes a weekly email from the Chief Executive on a Monday, updating them with corporate news and updates. They also receive 'Five for Friday', a more general news e-mail at the end of the week. Workplace, a Facebook style forum enables individual employees to post their own news and views and is used by the Senior Management team to give and receive information, share achievements, and celebrate successes. Non-Executive Directors have access to this for information and comment.

The Executive Leadership Team meet with the two recognised trade unions bi-monthly at the Society's Consultation Group (SCG) to discuss proposed changes to structures, policies and working arrangements. Following discussion at SCG, the proposals are shared across the workforce and everyone is given the opportunity to comment. All comments receive feedback.

RBH has an Employee Forum which meets monthly and discusses all aspects of the employee experience. During Covid this Forum was particularly useful at sharing insights into how employees were feeling. We also conducted two 'Temperature Check' surveys, which we discussed with the Employee Forum to check and verify results and gain further insight.

Employee engagement was measured through an internal Climate and Engagement Survey in December 2020, the results of which were shared with colleagues and used to develop Directorate and Team Plans. 92% of employees reported being clear about RBH goals and 94% reported that they were clear about their role in achieving them. 89% of colleagues stated they are motivated by the work that they do with 91% confirming that they enjoy working for RBH. 93% were proud to work for RBH and 92% believe that RBH makes a positive difference to Rochdale and the people who live there. Ratings for managers were high, with 85% confirming that their manager inspires and motivates them and 91% agreeing that they felt able to ask their manager for help and support when needed. 92% confirmed that their manager spoke openly and honestly to them and 92% felt empowered to make decisions.

REPORT OF THE BOARD OF MANAGEMENT continued

Supplier Engagement

RBH's Board has responsibility for setting our Procurement Strategy. In support of our Together Corporate Strategy theme of Building Rochdale's Economy, a key objective within this is to seek, wherever feasible and financially viable to do so, to source products and services from local providers. In this way, RBH's purchasing power will positively influence the local economy by creating prosperity and employment opportunities. We encourage the use of local companies by

- Improving supplier pre-tender engagement, communication and resources including through 'Open Days';
- Providing assistance and guidance to local suppliers on how to do business with RBH;
- Making use of social media and local networks to advertise upcoming opportunities;
- Reducing the barriers faced by Small Medium Enterprises (SME's) by simplifying documentation;
- Breaking potentially large RBH requirements into smaller 'Lots' to encourage smaller local supplier's inclusion; and
- Including Social Value as a criteria of evaluation and performance, in addition to financial value and quality.

We also promote the Real Living Wage to suppliers and other local businesses and use our position as Rochdale's first member of the Greater Manchester Good Employment Charter to advocate best practice employment practices within our supply chain and beyond.

Customer Engagement

In July 2020 a new Customer Engagement Strategy was approved which was the start of a new approach to engaging with customers. This approach separated engagement from our membership offer in order that we could proactively engage with all customers in a meaningful way. It also builds on learning from the involvement of customers who have had cause to raise a complaint in our complaint resolution processes and feedback during our Together with Tenants Commitments. The new approach is much more inclusive, flexible and responsive.

In implementing the new strategy, we have

- recruited a new Customer Engagement Lead and Digital Engagement Lead to drive the strategy forward. Further a new post, that of Head of Customer Experience, has been agreed;
- hosted a series of conversations with colleagues to explore how the engagement strategy will be implemented in practice;
- hosted conversations with current involved customers to explain the newly adopted Engagement Strategy and agree the changes to be made as a result;
- commenced consultation with customers on what 'Great Services' look like, which will feed into the development of the next part of our Corporate Strategy and underpin the development of a new Customer Experience Strategy. In order to conduct this consultation, we have sought to engage customers and trained them to conduct workshops with their peers;
- established virtual monthly 'Lets Chat' session for customers to attend. These focus on a specific part of our service for the first part and then open into general feedback; and
- developed a digital campaign to encourage customers to use MyRBH, our new service portal.

In addition to the above, we launched our Together with Tenants Commitments in the Autumn of 2020. These commitments were shaped by conversations with 570 tenants that took place throughout the Summer of 2020. The project was led by an engaged tenant, which we believe was unique across the UK Housing sector and implemented through a steering group made up entirely of tenants. We are very proud of our commitments. They are very specific to RBH, reflecting our values and ethos. They highlight the difference our membership model makes in putting tenants at the heart of strategic decision making through their role in appointing Board Members and the equal value attributed to the Board's professional expertise and the tenant's lived experiences. The commitments are inclusive setting out how we all, tenants and employees, have a part to play in ensuring RBH is the best it can be. The Commitments were sent to all tenants and feedback on how we are delivering against them is monitored by the Board and Representative Body.

REPORT OF THE BOARD OF MANAGEMENT continued

Equality, Diversity and Inclusion

RBH has delivered its Equality, Diversity and Inclusion Plan as follows:

- Given regular Equality Diversity and Inclusion communications pieces across the society; celebrating difference, educating colleagues and providing support and guidance. A colleague has recently come forward to transition and stated that the inclusive messages by the organisation, specifically a series of three webinars during the Autumn on LGBTQ+, had given assurance of support and gave them the confidence to move forward;
- Continued with our programme of Keeping the Conversation Alive training and education sessions, open to all colleagues;
- Continued with our Menopause Support Group and Energy Angels, a peer to peer networking group developed from a Keeping the Conversation Alive session on Imposter Syndrome;
- Celebrated and continued to build on Disability Leader Status both internally and externally;
- Taken part in the Greater Manchester DICE (Disability, Inclusion, Community cohesion and Equality) Report and featured with a case study on our approach to disability;
- Developed & grown Wellbeing Champions, so they are even better placed to help support colleagues. This has included additional training, which proved very timely as the impacts of the pandemic became apparent;
- Developed a Wellbeing Strategy, following consultation with colleagues, managers, the Wellbeing Champions, Employee Forum and Representative Body;
- Supported the development of an inclusive culture which encourages a greater balance of successful BAME candidates. Along with 13 other Greater Manchester Housing Providers, RBH has taken part in a BAME reciprocal mentoring and change management scheme overseen by Manchester University. This has given a deep understanding into some of the barriers for BAME colleagues in being successful in their careers within the housing sector. RBH is moving forward on establishing an internal BAME networking group to support BAME colleagues and educate white colleagues as a direct result of learning from this programme; and
- Introduced and published ethnicity pay information. Our ethnicity pay gap is -4%. For every £1 that our white employees earn, on average our Black, Asian and minority ethnic (BAME) employees earn £1.04. This is significant. Unlike many organisations we do have BAME colleagues in senior roles, including a Director and two Heads of Service meaning that over 20% of our Senior Leadership Team is made up of employees from a BAME background. These individuals act as strong and influential role models not only within RBH, but across the Housing Sector. Published our Gender Pay Gap figures, despite the Government suspending the requirement to do so during the pandemic. Our gender pay gap is -6.5%. This means that on average, for every £1 earned by our male employees, on average our female employees earn £1.065. This demonstrates there is no glass ceiling for females at RBH. The Chair of our Board, the Chair of our elected Representative Body and 75% of both our Executive Leadership Team and Senior Leadership Team are female. We are also continuing to take steps to break down gender barriers across teams that have been traditionally occupied by a single gender - from encouraging more women to join our Repairs Team to recruiting men into our Independent Living Service.

The table below shows the Board of Directors Equality and Diversity Data

Ethnicity	White British 87.5%, Pakistani 12.5%
Gender	Female 37.5%, Male 62.5%
Age	45-54 50%, 55-64 50%
Sexual Orientation	Heterosexual / Straight 100%
Disability	Yes 25%, No 62.5%, Prefer not to say 12.5%
Religion or Belief	Christian 25%, Muslim 12.5%, None 50%, Other 12.5%

REPORT OF THE BOARD OF MANAGEMENT continued

Corporate Objectives and Strategy

RBH is owned and run by its members. Our Corporate Strategy is developed by tenant and employee members. In 2017 consultation started on the development of the current Corporate Strategy. This set out a vision for 2028 which was that RBH would

- have maximised the collective resources and expertise from our employees and tenants, through strong mutual trust and confidence, to deliver quality housing and associated services to customers across the borough of Rochdale;
- created an innovative and trusted brand, known for being an exemplar in employees and tenants working together to deliver successful outcomes; and
- be recognised as a mutual anchor within the borough of Rochdale using its role as an employer, purchaser and service deliverer to help build the local economy.

The Corporate Strategy 2018-21 was anticipated to have laid the foundations for this, with a review in 2021 to determine further work to achieve the vision through 2021-2024 and then 2024-2027. In the event however the global Covid pandemic significantly changed operations throughout 2020/21 and the current strategy was extended by a further twelve months. The impact of the pandemic, which disproportionately impacted on social housing communities, has meant that the anticipated review will be more forensic as RBH considers with its members how we best support our customers to adapt and positively emerge from this situation.

Delivery of the Corporate Strategy

Delivery of Year Three of our Corporate Strategy has been impacted by Covid. In some cases, plans have had to be put on hold while the resources and energy of the organisation has been focussed on continuing service delivery in Covid safe ways, while in other areas delivery has been accelerated. Our Town Centre Regeneration has for example been disrupted by the pandemic, along with the development of our Customer Sustainment Strategy but implementation of some parts of our Digital Strategy has been brought forward significantly in order to mitigate the impacts of the pandemic.

Growing Together

In difficult circumstances we are proud to have continued our commitment to bring new good quality, genuinely affordable homes of the right type, right tenure and right location to increase choices and meet the needs and aspirations of the people of Rochdale.

- **Direct development of new homes:** 64 new homes have been developed to date, along with 8 shops and The Strand hub. A further 119 new homes are under development with funding confirmed for another 15 due to start in 2021. Potential funding for a further 63 units has also been identified to start on site on 2021/22.
- **Town Centre Regeneration:** Progress on the Town Centre development has been problematic due to the lockdowns. Prior to the pandemic 100 households had been successfully supported to move with 73% of Mitchell Hey now empty. 90% of the re-housing blocks in Lower Falinge are empty.
- **Diversifying Tenure:** 41 homes for Shared Ownership, 22 homes under the Rent to Buy Scheme and 1 affordable rent have been completed so far.
- **Smart Investment in our homes:** All Independent Living Schemes have been appraised for financial/functional sustainability.

REPORT OF THE BOARD OF MANAGEMENT continued

Thriving Together

We have continued our commitment to make the borough of Rochdale a great place to live and age.

- **Offer for older People:** A new service model has been implemented, following a full consultation with residents. This includes partnership arrangements with Rochdale Council to provide an 'Out of Hours' Response Service.
- **Additional Extra Care Provision:** Agreement has been reached to deliver a new scheme in the Town Centre which will adhere to HAPPI design principles. These principles include good light, ventilation, spacious rooms and good storage. These principles have particular relevance to housing for older people as they offer an attractive alternative to the family home while also being adaptable to meet changing needs.
- **Housing Options for Older People (HOOP):** Service now in place.
- **Age Friendly Neighbourhoods:** Kirkholt was one of four areas in Greater Manchester to receive the Age Friendly Neighbourhood Award in February 2020.
- **Support to Sustain tenancies:** A new Tenancy Sustainment Strategy was delayed due to Covid. This is now scheduled to be in place in August 2021.
- **Participate in Greater Manchester Initiatives to prevent homelessness:** RBH has worked in partnership with Stepping Stone Projects to prevent homelessness by bringing additional homes into the borough with housing support. This work has the added benefit of increasing the sustainability of other homes.

Improving Together:

We know that to grow and help RBH communities, we must first ensure that we are a good landlord delivering good services which in turn create great places to live and work.

- **Bringing Mutuality to Life:** New Membership and Customer Engagement Strategies have been launched and are being delivered. RBH Governance structures have been updated to include a Mutual Governance Commission. A full review of the Representative Body has been conducted, focussing on what is important to tenants and employee members.
- **Achieving Quality Services:** The Refreshing Repairs Project has been completed and has delivered significant improvements in both employee engagement, which has increased by 18% and customer satisfaction, which has seen a 5% improvement. The Leadership Development Programme which underpinned this transformation has been submitted for a Princess Royal Training Award.
- **People Strategy:** RBH was the first UK Housing Provider to achieve Disability Confident Leader accreditation in March 2020 and RBH became the first Rochdale business to become a Member of the Greater Manchester Good Employment Charter. The Leadership Team has completed a Development Programme and re-branded as the Executive Leadership Team. A review of Reward, Recognition and Benefits led to a Two Year Pay deal and an increase in employee satisfaction with their pay and benefits of 12%. A new Wellbeing Strategy has been approved, consolidating the learning from Covid and a new more flexible approach to working being introduced, which is due to 'go live' on 2nd August 2021.
- **Accelerating Business transformation around Technology:** MyRBH, the customer portal was launched, along with a new website. The impact of Covid accelerated the roll out of laptops and mobile devices for employees to enable effective home working. This is being further enhanced with the implementation of Office365 and SharePoint. Responseye has also been launched to support remote inspections in customer's homes and we have been able to continue letting through digital sign up's.
- **Ensuring Financial Sustainability and Excellent Value for Money:** Rent collection has been strong during the pandemic and RBH has consistently had the highest rent collection rates across Greater Manchester. We have been approached by other registered providers to share good practise. Re-financing has commenced to fund future ambitions for the borough.

REPORT OF THE BOARD OF MANAGEMENT continued

Building Rochdale's Economy

RBH has continued to use its role as a leading community anchor and mutual employer to be more than just a landlord. Work has continued in contributing positively to sustainable employment, Apprenticeships, training and volunteering opportunities and we have maximised our impact through our procurement activities.

Work and Skills: Working within our Recruitment and Selection Policy, which gives a commitment to local recruitment, 68 of our new recruits since April 2018 (48%) live in the borough of Rochdale. Our Apprentice programme is now focussed on tenants and we have provided 5 placements under the Government's Kick Start scheme. We have continued to work with Upturn, with whom we secured £20k of funding to support people into work. 46 residents have secured work under this scheme and a further 243 have been supported towards work. The Rochdale Pioneers Programme, that supports the Regeneration Programme in the Town Centre is on track to achieve the milestone of 30 people engaged and supported towards work.

We provide an Enterprise Advisor to Hopwood Hall College who has worked with the College's Senior Leadership Team to develop a new Careers Strategy and enhance the careers provision for learners.

Maximising the impact of our Procurement: RBH teams have worked with our supply chain to obtain additional funding, resources and expertise for Rochdale voluntary and community groups. This included over £4,000 in donations to community projects. 49% of our business spend has been with Rochdale based organisations and a total of 61% has been with Greater Manchester based suppliers.

RBH VALUE FOR MONEY (VFM) STATEMENT 2020-21

Our approach to value for money

Value for Money is at the heart of our Corporate Strategy - Together. The Improving Together theme recognises that we need to change and improve the way we work with a clear focus on value for money. Each of the other themes in Together also link closely to our definition of VfM and VfM priorities that were developed in conjunction with the Representative Body to cover the life of our current Value for Money Strategy which can be found here:

<https://www.rbh.org.uk/about-us/governance/vfm/>

The table below sets out our approach to achieving each of our VfM priorities and how this links to the strategic themes within Together.

VFM Priority	Corporate Strategy themes
<p><u>High quality homes, goods and services</u></p> <p>VfM is always about finding a balance between quality and cost. RBH seeks to deliver a good quality standard when improving homes, purchasing goods, or when specifying a new service for example.</p>	<p><u>Growing and Improving</u></p> <p>The development of quality new homes and smart investment in existing homes is key to the growing theme.</p> <p>We will continue to get feedback from customers and will compare performance with other housing providers to ensure our customers are getting good value for money. We will prioritise the areas for improvement to ensure we are providing good quality core services that deliver value for money for our customers.</p>
<p><u>Financial considerations</u></p> <p>RBH monitors its cost position relative to its peers and sets savings targets in order to maintain that position as well as fund service improvements and 'Together' priorities. Any available surpluses generated through savings are re-invested in regeneration activity or service improvements</p>	<p><u>Improving</u></p> <p>Long term sustainability is central to the improving theme of Together and this can only be achieved by maintaining unit costs within benchmarked targets and ensuring the surpluses we generate are allocated towards our strategic priorities.</p>
<p><u>Local social and economic benefits</u></p> <p>As an anchor institution in our area, we have a role to play in the functioning of the economy and tackling of social issues where we operate. Many of the services that RBH delivers provide a much wider benefit to the Community and may save money for other public services. Our Social Value Strategy sets out our approach to driving social value, with a focus on creating community wealth. Through growing local skills, employment and supply chains we will contribute to the overall prosperity of the borough and its people.</p>	<p><u>Thriving and Building Rochdale's economy</u></p> <p>The Thriving theme includes our new offer for older people and a commitment to provide support to sustain tenancies for all our customers. Our role as a local anchor organisation includes a purchasing strategy that pro-actively contracts with local businesses, community and social enterprises. We will also contribute positively to sustainable employment for local people through apprenticeship, training and volunteering opportunities.</p> <p>Other activities that have a 'social impact' such as community wellbeing programmes including health, digital inclusion and community cohesion activity are also part of how we will help to build Rochdale's economy.</p>

RBH VALUE FOR MONEY (VFM) STATEMENT 2020-21 continued

VFM Priority	Corporate Strategy themes
<p><u>Environmental issues</u></p> <p>Our aspiration is for RBH to become increasingly environmentally considerate, and the key themes of our sustainability policy are to develop a culture of carbon literacy; reduce carbon emissions from our vehicle fleet; use new technologies to improve the energy performance of our homes and office locations (including the new Hub); help to reduce fuel poverty; and reduce waste.</p>	<p><u>Growing and Improving</u></p> <p>The growing theme is about the quality of new homes, and smart investment in existing homes. Quality in this context includes energy saving.</p> <p>Savings as part of improving includes energy efficiency measures for ourselves and for our customers.</p> <p>Our current Business Plan also includes works to meet the Decarbonisation requirement that all existing homes become carbon neutral by 2050.</p>

The VfM metrics

RBH is fully compliant with the RSH's Value for Money Standard. To demonstrate the progress we are making, we report performance against the seven VfM metrics defined by The Regulator of Social Housing, in the Standard. These metrics are included in our Financial Strategy targets as they closely align to the golden rules, which we use to manage our long-term financial planning to help us achieve financial sustainability. The Board has a clear understanding of our cost base and how that compares to other peer organisations in the context of the environment in which we operate and uses benchmarking information on costs and the other VfM metrics to set targets on an annual basis to feed into our business planning process.

As well as reporting on these VfM metrics, the RSH also expects Registered Providers to measure performance in achieving VfM in delivering their strategic objectives – RBH has therefore developed additional VfM measures to show how we are using our resources and assets to optimum effect in the delivery of Together.

The section below sets out our full set of 7 standard VfM metrics and RBH's additional measures, showing how they link back to Together. VfM Performance is shown for 2020/21 (against targets for the year where applicable); the previous three years; and the targets for the next 3 years are also included. RBH benchmarks its performance in relation to the 7 standard metrics using a peer group based on LSVTs in the North West with between 3,000 and 18,000 units. The peer group median figures in 2019/20 (the latest information available) is also shown. Where the COVID-19 pandemic has had an impact on our VfM performance against target, this is noted in the commentary for each metric.

**Rochdale Boroughwide Housing
Report and Financial Statements
For the year ended 31 March 2021**

RBH VALUE FOR MONEY (VFM) STATEMENT 2020-21 continued

Value for Money standard metrics	2017/18	2018/19	2019/20		2020/21		2021/22	2022/23	2023/24
	Actual	Actual	Peer Group Median	Actual	Target	Actual	Target	Target	Target
Together Theme: Growing									
% new supply delivered	0.27%	0.42%	1.00%	0.19%	0.52%	0.31%	0.10%	1.24%	1.34%
% gearing	26%	17%	48.60%	9%	8%	1%	17%	19%	23%
% Re-investment	9.30%	8.10%	9.70%	7.40%	13.30%	7.41%	18.50%	12.10%	14.40%
Together Theme: Improving									
Headline social housing cost per unit	£3,484	£3,337	£3,979	£3,583	£3,874	£3,568	£4,516	£4,754	£4,797
Operating margin - overall	29%	26%	15.70%	20%	22%	19%	11%	10%	13%
Operating margin - SH lettings only	27%	27%	18.60%	29%	28%	26%	21%	21%	24%
EBITDA MRI	248%	389%	139.60%	332%	462%	423%	123%	59%	-126%
Return on Capital Employed	3%	8%	4.00%	7%	8%	6%	4.70%	4.30%	4.60%
Together Theme: Thriving									
Wellbeing rating of customers accessing RBH support services (Wemwbs score)	26	26	N/A	Unable to complete survey	28	Unable to complete survey	28	-	-
Tenancy sustainment (based on reducing tenancy failure rate in first 6 months).	8.15%	4.86%	N/A	5.19%	3.00%	5.70%	3%	-	-
Together Theme: Improving									
% customer satisfaction as a landlord	84.80%	82%	87%	81%	86%	85%	88%	-	-
% tenants that believe their rent offer VFM	84.90%	80%	86%	81%	82%	86%	86%	-	-
% of customers registered online	-	-	N/A	-	50%	38%	50%	55%	60%
Together Theme: Building Rochdale's economy									
% employees paid (at least) living wage foundation level (GM social value pledge)	100%	100%	N/A	100%	100%	100%	100%	-	-
No. of residents supported into employment	11	Not reported	N/A	16	No target set	46	30	-	-
% spend with businesses based in Rochdale (GM social value pledge)	49%	45%	N/A	47%	47%	49%	49%	-	-
% spend with businesses based in GM (GM social value pledge)	Not reported	59%	N/A	60%	60%	61%	61%	-	-
Local Multiplier 3 (LM3)	£2.02	£1.73	N/A	£1.71	£1.71	£1.71	1.71	-	-

RBH VALUE FOR MONEY (VFM) STATEMENT 2020-21 continued

The standard Vfm metrics

% new supply delivered

Our Financial Strategy seeks to drive best value for money and use of resources by investing available savings in new build development activity. Investment decisions are made based on evidence and market intelligence to ensure that we have the right mix of homes in terms of type and tenure suitable for local market conditions, which meet the needs and aspirations of our customers, as well as building on and protecting RBH's financial viability.

39 homes at The Cottons, Smallbridge (22 Rent to Buy; 16 Shared Ownership and 1 Affordable Rent) were completed in 2020/21 and further schemes progressed at Lower Falinge Ph3 (55 homes) Peel Lane (12 homes) and The Strand Phase 2 Balderstone (52 homes) during the year. Performance for new supply delivered was 0.31 %.

Our contribution to new supply is consistently less than our peer group median up to 2019-20 and whilst the target for 2020-21 (0.52%) reflected the start of plans for more direct development of new homes as part of the Corporate Strategy the disruption caused by the COVID-19 pandemic did impact on scheme delivery.

The RBH Board has further ambitious plans for development reflecting our aspirations for Rochdale Town Centre regeneration and longer-term development goals. Our current business plan includes plans for 1,557 new homes over a 30-year time frame in areas that meet demand in relation to size, type, and location to ensure the long-term sustainability of our places. These homes include a mixture of affordable rent, shared ownership, rent to buy and 150 extra care units. It is forecast that new supply delivered will be 0.1%, 1.24%, and 1.34% for the next 3 years.

Gearing

At 9% in 2019/20 and 0.6% in 2020/21, our level of indebtedness is lower than our peers, which is in part due to the significant level of cash balances held by RBH at present which are deducted from loans outstanding loans in the calculation. This means however that we have additional capacity to borrow more, and a re-finance exercise is taking place in 2021 which will seek investment support for our plans for new build; regeneration; and to deliver on our commitment to zero carbon emissions by 2050. Our targets for the next 3 years are increasing from 17% in 2021-22 to 23% in 2023/24.

Re-investment

RBH continues to generate significant surpluses and strengthen our balance sheet and in 2020/21 we re-invested 7.41% of the total value of our housing assets in this way. The level of re-investment in major repairs and new build was however less than our target (13.3%) due mainly the adverse impact of national and local lockdowns resulting in development scheme delays and the re-profiling of Investment Programme schemes for internal works to future years.

RBH's result for 2019-20 of 7.4% was lower than median for our peer group (9.7%). This could in part be due to peer group members who are still within early years of transfer and therefore still in their post transfer decent standard investment programme; and due to some providers having significant programmes of replacement cladding and other investment in fire safety measures.

In addition to this, whilst RBH's Together Strategy is clearly set on projects that will increase our % re-investment, we are also seeking to invest in Thriving and Transformation whereas, other RPs, operating in a different housing market context may choose to direct all their resources towards development and so may have a consistently higher figure than RBH.

There remains an annual programme of capital works to maintain the decent standard of c£7m, however in order to understand the performance of the assets and to consider the long-term sustainability of our investment decisions in our neighbourhoods, we calculate financial (NPV) and sustainability indicators to build up a comprehensive profile of the performance of each neighbourhood. Based on the outputs from our model, recommendations are made to the Board on options for marginal and poor performers and plans implemented accordingly as part of the wider Regeneration and Investment Programmes.

As stated above, RBH's new build programme will grow over the coming years and investment in fire safety measures and de-carbonisation will also impact this indicator. In respect of the latter, our approved Business Plan includes an assumption of £17k per home for carbon reduction retrofitting measures.

Our approach in targeting carbon reduction will be in line with our wider asset performance approach as well as learning from the demonstrator pilots on what measures have the most positive impact for different types of homes.

Our re-investment targets for the next 3 years represent an increase on 2020/21 at 18.5%, 12.1%, and 14.4% respectively.

RBH VALUE FOR MONEY (VFM) STATEMENT 2020-21 continued

Social Housing Headline Cost per Unit

RBH's headline cost per unit for 2020/21 of £3,568 is an improvement against target (£3,874) and a marginal reduction on the previous year. Despite our plans to invest further in our key strategic priorities – the Central Rochdale Regeneration (CRR) project and Digital Transformation Programme – during the year the impact of the pandemic slowed expenditure right down. Our headline cost per unit figure is also lower than projected because the number of homes at year end is higher than originally forecast, again due to the pandemic which has reduced the number of PRTB/RTA sales; caused delays to development schemes; and resulted in demolition work not taking place. Board approved a re-stated budget in April 2021 which incorporated plans for the re-phasing of expenditure over the next few years to 'catch up' following the impact of COVID-19 in 2020/21. Headline unit cost targets for the next 3 years are £4,516, £4,754, and £4,797.

For 2019/20, we benchmark favourably with our peer group, but it is extremely difficult to assess why some of our peer's costs are so much higher.

Although comparisons with peers are distorted because several of them have experienced exceptional costs in the post Grenfell period (unlike RBH up to 2019/20), it is not possible to extract these costs to get a comparable position. Our headline unit costs had fallen from 2016/17 to 2018/19 because of efficiency savings achieved following the 4-year rent cut, though investment in the Central Rochdale Regeneration project and Digital Transformation had been projected to increase by above inflation in 2020/21, before the pandemic intervened.

Over the next few years from 2021-22, as well as regeneration and transformation, our business plan includes investment in fire safety measures and de-carbonisation which is one of the reasons why our targets are significantly higher than current performance together with reduction of homes due to demolition and sales. Looking further ahead, the Together Strategy will start to replace the loss of unit numbers and the Transformation Programme will deliver significant efficiencies and further efficiencies will be delivered to enable us to maintain our Golden Rule of maintaining unit costs as number of homes reduce.

Operating Margin

Our overall 2020/21 operating margin was 19%, slightly less than the target of 22% and the social housing lettings figure came under target by 2%. These figures are lower due to impairment of £0.374m in Regeneration costs and the pension adjustment however still represent sound operational efficiency, ensuring we can continue to support a development programme; investment in existing homes; and regeneration activity.

For 2019/20, we benchmark favourably with our peer group, but it is extremely difficult to assess why our peer's profits are so much lower.

Over the next 3 years, our target operating profits are lower than current performance at 11%, 10% and 13% overall and 21%, 21% and 24% for social lettings only. This is due to the investment into fire safety works and planned regeneration works which would fall outside of business as usual costs.

EBITDA MRI

EBITDA MRI is an abbreviation of earnings before tax, interest, depreciation and amortisation including an adjustment for capitalised maintenance costs. RBH is generating surpluses that cover interest costs by a comfortable margin and we compare well with our peers. This was 332% in 19/20 against a peer average of 140% and 423% slightly less than target of 462% in 20/21. Again, this is due to a £0.4m impairment adjustment and includes the pension adjustment however still represents operational efficiency.

This measure will be influenced over the next few years by reducing surpluses as a result of rent loss through demolitions and continuing RTB sales. There will also be increased capital maintenance works relating to fire safety, de-carbonisation and the regeneration programme in the first few years of our Business Plan which will impact this metric significantly. The targets for the next 3 years are 123%, 59% and -126%. Despite a negative target in year 3, RBH's 30 year business plan is considered robust and demonstrates financial sustainability into the future. The reason for this target is simply due to a high concentration of capital maintenance required within that year.

RBH VALUE FOR MONEY (VFM) STATEMENT 2020-21 continued

Return on capital employed (ROCE)

ROCE is calculated as operating surplus divided by total assets less current liabilities. At 7%, RBH's performance is the above our peer group median in 2019/20. In 2020/21 our figure of 6% is slightly less than the target of 8% due to the £0.4m impairment adjustment. This still means we are generating a reasonable return on the use of our capital and debt. Going forward, this metric is influenced by reducing surpluses in the early years of our business plan from April 2021, whilst the value of RBH's assets increase. This is evidenced in slightly lower targets of 5%, 4% and 5% over the next 3 years.

Our additional Vfm metrics

Together Theme: Thriving

We are measuring **wellbeing** of Independent Living Scheme (ILS) customers using the Wemwbs wellbeing score. This is a scoring system developed by Edinburgh and Warwick Universities and is used nationally across sectors. The target for 2020/21 was 28 which is 'good' on a scale of Excellent, Good, Average, Below Average and Poor. The disruption caused by the COVID-19 pandemic has meant the survey has not been completed for last year, as it was not an appropriate time to be sending out a paper-based questionnaire which usually requires face to face support.

From the start of the pandemic, we have been supporting independent living scheme tenants with daily calls, befriending chats from the Living Well service for people who request them, and activity packs. We have also recommissioned HMR Circle who are a Rochdale based organisation with a focus on preventing isolation. A new structure for the service is being implemented following consultation with customers and the target the Board have agreed for the wellbeing score for 2021/22 is again 28.

The definition for our measure of **Tenancy sustainment** is terminations where the tenancy lasted less than 6 months as a % of all terminations. The actual for 2020/21 is 5.7% (an increase of 0.5% from performance for the previous year), against a target of 3%. COVID-19 has played a large part in this target fluctuating widely throughout the year. The large peaks can be correlated with periods of lockdown being lifted and the majority of termination reasons have shown that people have moved to get more support, be that from family and friends or via independent living scheme type accommodation. As colleagues can carry out home visits again, they will be able to signpost tenants who are struggling, to support services and assist in sustaining their tenancies. The target Board have agreed for 2021/22 is again 3%.

Together Theme: Improving

Since 2019/20 we have used a STAR tracker survey of around 100 tenants each month so that we can react to feedback more quickly and use it in the improvement of our services. Overall **customer satisfaction** with all landlord services at 81% in 2019/20 was somewhat lower than the median figure for our peer group (87%) however we have ended 2020/21 4% higher at 85%, just below our target of 86%. Comments through the year suggest that customers have understood the challenges we have faced over the last 12 months during the pandemic and have appreciated the efforts we have put in, particularly in respect of the welfare calls in the early part of the year. Both Grounds Maintenance and Repairs and Maintenance have seen big increases in satisfaction (c6% and c5% respectively) which has impacted on overall satisfaction. The new target for overall satisfaction of 88% reflects our continued focus on improving services to customers.

The **percentage of tenants who believe their rent offers Vfm** has also significantly increased from the previous year, up 5 percentage points to 86%, well above our target of 82% which had been reduced as 2020/21 was the first year after the 4-year rent freeze. Customers are obviously content with the rent they are paying and consider it value for money. Our analysis shows that there is no difference here between people who are paying social rent and those paying affordable rent. In 2019/20 our score at 81% was 5% below the peer group median.

Our Digital Strategy projects an increase in **customer transactions using online channels** which will be achieved by progressively moving services online, and away from traditionally more expensive customer contact channels such as phone, email and face-to-face. We will also implement a range of digital inclusion initiatives in order to drive increased adoption of online usage amongst our customers.

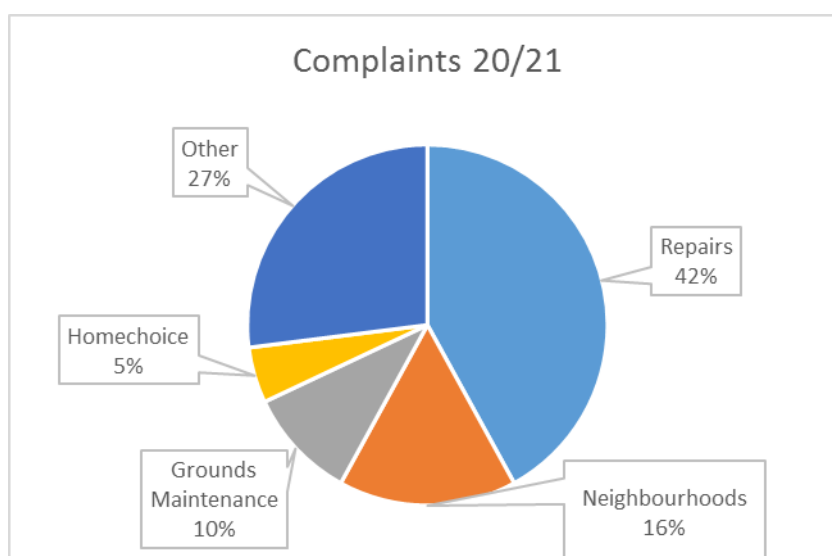
Following the development of the new website and online portal in 2020/21, the % of customers registered online is 38%. We anticipate a further rise to 50% in 2021-22, increasing to 55% in 2022-23 and then 60% the year after.

RBH VALUE FOR MONEY (VFM) STATEMENT 2020-21 continued

Complaints

We welcome feedback, good or bad, on any of the services we provide and commit to using it to improve our services. When things go wrong, we will provide advice and support and get them resolved as quickly as possible. We analyse complaints, look for trends and make changes where possible to improve our services and policies. We include a summary of our performance for 2020/21 below:

- 783 complaints were received in 2020/21
- A year on year increase of 45%
- 60% of Stage 1 complaints were responded to within target
- 70% of Stage 2 complaints were responded to within target
- Average time to resolve Stage 1 complaints was 15 working days
- Average time to resolve Stage 2 complaints was 14 working days



We continue to use our Customer Relationship Management System (CRM) for managing customer feedback and have made further improvements to help us improve our performance in relation to individual complaints handling and for capturing how we learn from complaints. The examples below illustrate how we try to do this.

1. In response to the findings of a complaint we have developed further training for Enforcement Team members, to include awareness of mental health and the impact this can have especially when experiencing anti-social behaviour.
2. In response to several complaints about the gas heating service during the cold snap in February, we have reviewed our response to the increase in demand and are making a number of changes as a result including - actively monitoring upcoming cold weather events and redeploying gas engineers from the servicing team to the responsive team; providing information for tenants showing how they can be proactive and prevent their condensation pipes from freezing.
3. Reviewing the information provided to new tenants about asbestos that might be present in the home, and training for the new tenants' team to raise awareness of asbestos.
4. Contact centre advisors now employ improved questioning techniques to better diagnose repair requests – this as a result of a gas heating complaint where the boiler was leaking as well as not working but was put on a 48hr priority.

RBH VALUE FOR MONEY (VFM) STATEMENT 2020-21 continued

Together Theme: Building Rochdale's Economy

RBH is proud to be a Living Wage employer and to champion the issue with others. This year we were a featured employer during National Living Wage Week, and our Head of People, Culture and Communications took part in a Living Wage Foundation roundtable event to announce the new rates alongside key political influences Andy Burnham and Steve Rotherham. In addition to the event RBH's story and commitment to the Real Living Wage was featured in the national publicity, including a quote from one of our apprentices who spoke about the value of Living Wage to him and his family, "I was extremely lucky to gain an Apprenticeship with RBH. With the Living Wage I am financially secure and that shows in my attitude and wellbeing. I can come into work fresh and ready for the tasks at hand without a worry, and I truly believe it shows in my productivity." John Taylor, Electrical Apprentice. In addition to our long-standing status as an accredited Living Wage Employer, we are proud that this year we also reach member status for the Greater Manchester Good Employment Charter. The charter sets out seven characteristics of good employment – achieving member status means we have demonstrated that we meet all these standards and can now start working towards the highest tier of the charter "advocate" status.

Supporting tenants into work

In 2020/21 we supported 46 local residents into employment and an additional 243 residents accessed support to help them get closer to the labour market. This figure combines our wide range of work and skills activity from training, work experience placements provided directly and through our supply chain, apprenticeship and training positions and work with partner agencies to provide bespoke employment support for RBH tenants, especially those impacted by COVID-19.

This year we are proud to have welcomed 4 new business apprentices to RBH. Recruitment for our apprentice vacancies was impacted by COVID-19 and social distancing restrictions – not only delaying the timeline by approximately 6 months but also fundamentally changing the way we delivered the process. This year the opportunities were ringfenced to RBH tenants due to changes in the job market adversely impacting RBH communities. Taking this approach meant utilising different advertising techniques to attract candidates to the roles making wide use of digital channels, contacts through partnership agencies and word of mouth. We were able to recruit to all apprentice roles and as additional social value we identified two candidates through the process who were good matches for other roles within the society.

We also attracted funding for new work placements for Rochdale young people. The Greater Manchester Housing Partnership, under the Athena body, submitted a successful bid to host 106 placements for young people under the Governments Kick Start Scheme. RBH was successful in securing the funding for our 5 proposed placements. Each placement will last 6 months and be paid the Real Living Wage in line with our accreditation. We are working within the partnership to provide wrap around employability support to give the candidates the best possible chance at securing longer term employment at the end of the placement.

Since May 2020, RBH has been working in partnership with Upturn Enterprise who were successful in securing £20k European Social Fund (ESF) funding to offer individual employment support to RBH tenants impacted by COVID-19. The project offers tailored support to help move participants back into employment, training or self-employment by offering individual, bespoke, person-centred coaching and group sessions, with a particular focus on preparing participants for digital recruitment methods adopted by employer's post COVID-19.

Tenants can access support with CVs, job applications, preparing for online interviews, training and qualifications and are linked into other external employment support services or RBH employment. As of March 31st, 17 RBH tenants had accessed the programme and 8 have been supported into employment.

Buying local

A key element of our Procurement Strategy is to deliver social value and one of the ways we do this is by looking to procure goods and services locally. The measures for % procurement spend in Rochdale and the Greater Manchester areas have both increased slightly from the previous year.

To 49% and 61% respectively now totalling £20.5m

The way money spent is retained in the Rochdale Borough bringing added benefits, is measured by a calculation called Local Multiplier 3 (LM3). The calculation tracks how our employees and local suppliers spend their money in Rochdale and calculates how much money is put back into the local economy. Our LM3 score for 2020/21 was £1.71.

£1 spent with RBH = £0.71 spent in the Rochdale economy

RBH VALUE FOR MONEY (VFM) STATEMENT 2020-21 continued

We also work with our supply chain to deliver initiatives that benefit RBH tenants and Rochdale communities. The lockdown restrictions have made this especially challenging, but we have still been able to broker opportunities. Highlights include:

- Work experience at Hopwood Court & Woodvale: as part of the social value commitment on this contract, RBH and Connolly Ltd identified that there was opportunity to offer safe and meaningful work experience for young people starting out on their career in the construction industry. Working with Hopwood Hall College, the partnership provided work experience opportunities to females who want to pursue a career in construction. Two students were selected for the opportunity, both Rochdale residents, one an RBH tenant. It was their first real life experience in their chosen profession, and they made an excellent impression with the Connolly team who were impressed by their work ethic, genuine passion and excellent team working.
- Turf Hill Community Centre is getting an entire internal repaint by our supplier A R Bagnalls as their social value commitment on the Turf Hill external painting contract. Following a site visit the contractor identified an opportunity to improve the accessibility of the centre for visitors with dementia, by selecting differentiating paint colours for doors and architraves which help with navigation. The preparation work has been completed already and painting is being completed alongside contract works.
- Donations of funding equivalent to in excess of £7k, for food and even face masks to various projects across Rochdale borough.

How are we doing in relation to Vfm?

In summary these Vfm metrics tell a story of an organisation that is resilient to economic challenges and is in a strong position to complete the next stage of delivering on its strategic priorities. RBH is an organisation that:

- Has met its targets for headline cost per unit and operating margin in 2020/21 and can therefore demonstrate sound operational efficiency despite the financial impact of COVID-19. Surpluses have fluctuated through the year but are broadly in line with budget. Some activity has been deferred but this has been re-phased, and we will 'catch up' during 2021-22.
- Has significant financial capacity which we are seeking to manage to ensure long-term viability. Whilst we are currently below our peers in terms of delivery of new supply and levels of re-investment our 2021-22 Business Plan includes ambitious plans for regeneration in Rochdale; for building new and investing in improved homes across a range of tenures and for substantial investment to meet our legal commitments on fire safety and de-carbonisation. We built 39 new homes in 2020/21 but are committed to increasing the % new supply significantly and has the funds in place to meet this commitment.
- Is working hard to optimise our financial capacity. Whilst in the short-term our plans will reduce operating margin and increase costs; over the longer term our margins are projected to increase as we replace homes lost through sales and demolitions and as we achieve efficiencies.
- Can show a good track record of delivering efficiencies in the past which has maintained our unit costs whilst the number of homes has been reducing. Cost saving targets are built into our 2021-22 Business Plan to ensure that this remains the case. Significant efficiencies will be delivered through our Digital Transformation programme over the next 3 years following investment in a new website and online portal.
- Is focused on improving outcomes for customers through high quality services. We are continuing for example to implement our new offer for Older People linked to the thriving theme of the Corporate Strategy and developed through extensive consultation with residents. The service has been re-designed to improve the service customers want to receive in line with the payments they make, therefore providing improved value for money. In 2020/21, overall satisfaction with RBH as a landlord increased by 4% on the previous year to 85%; and the % of tenants that believe their rent offers value for money, increased by 5% to 86%.
- Has a clear understanding of the performance of its assets and considers the long-term sustainability of our investment decisions in our neighbourhoods, by calculating financial (NPV) and sustainability indicators to build up a comprehensive profile of the performance of each neighbourhood. Homes are grouped into categories and investment is prioritised accordingly:

Category	Parameters	Number of Homes
Good	£9,000 and above	9,917
Marginal	Zero to £9,000	1,875
Poor	Below zero	811

RBH VALUE FOR MONEY (VFM) STATEMENT 2020-21 continued

The figures above are based on the stock as at 1st April 2020 (12,603).

For example, to address the quality and mix of flats at Lower Falinge and College Bank which is a key part of our Corporate Strategy.

- Remains focussed on Rochdale and as a key anchor organisation in the borough is committed to building the local economy. Through our strong values as a mutual organisation, we continue to deliver on our Social Value Strategy and in 2020/21 have improved upon our VfM measures to support local people into work and to buy local.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Risk Management

The Directors acknowledge their ultimate responsibility for ensuring that the society has in place a framework for managing exposure to strategic and operational risks. RBH's Risk Management Strategy is designed to identify, analyse and treat all risks and lead to risk management being embedded into the RBH's culture. Regular reports on all significant risks faced by the society are received by the Audit Committee. The Board also receives a Risk report for consideration as a standing item at each meeting.

The strategy is reviewed by Audit Committee and Board annually to ensure it remains fit for purpose. The RBH (Design and Build) Board has its own risk register which is reviewed every time the subsidiary's Board meets. The second subsidiary, Safeguard Solutions Ltd ceased trading on 30th November 2020, and it is the intention to strike off the company from the Companies House Register in 2021.

Risk underpins the business planning process with a risk identification and analysis session being undertaken with all areas of the society. The output from these sessions is then used to challenge and update the existing risk registers. These are then reviewed and updated throughout the year by the Risk and Compliance Group which meets on a quarterly basis. The Risk and Compliance Group is attended by Executive Leadership Team members, Heads of Service, Strategic Leads and Corporate risk owners, though all areas of the business are encouraged to review and challenge the registers and RSH Standards compliance trackers.

2020/21 was the third year of a 3 year contract with our internal auditors RSM with the option of then extending for a further 2 years which has been activated. This follows on from a previous 3 year contract with RSM meaning that at the end of this current contract we will have been with RSM for a total of 8 years. Use of their online reporting tools, 4 Action and 4 Risk, is now fully embedded.

Internal Control

It is the Directors' responsibility to establish and maintain systems of internal control that are appropriate to the various business environments in which it operates. These controls are designed to give reasonable assurance with respect to:

- The reliability of financial information used within the society or for publication;
 - The maintenance of proper accounting records;
 - The safeguarding of assets against unauthorised use or disposal;
 - Preventing and/or detecting fraudulent activity;
 - Ensuring safe working practices are in place and are being implemented;
 - Ensuring compliance with regulatory standards and statutory duties such as gas safety, data protection and asbestos legislation; and
 - Business continuity and our ability to maintain core business processes in the event of unforeseen circumstances.
- The appropriate management of risk across all areas of the society.

Such systems can only provide reasonable and not absolute assurance against material financial misstatement or loss.

Key elements include ensuring that:

- Formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authorities, which allow the monitoring of controls and restrict the unauthorised use of the society's assets;
- Experienced and suitably qualified employees take responsibility for important business functions;
- An Organisational Performance Review has been established to maintain standards of performance;
- Forecasts and budgets are prepared which allow the Board and Management to monitor the key business risks and financial objectives and progress towards financial plans set for the year and the medium term;
- Regular management accounts are prepared promptly, providing relevant, reliable and up-to-date financial and other information and significant variances from budgets are investigated as appropriate;
- All significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures through relevant committees comprising Board members and others;
- The Directors review reports from management, from internal auditors, from the external auditors and from their own Audit Committee to provide reasonable assurance that the control procedures are in place and are being followed. The Internal Auditors make regular reports to the Board via the Audit Committee; and
- Formal procedures have been established for instituting appropriate action to correct weaknesses identified from the above reports.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL continued

A series of framework systems enable RBH to provide a higher level of internal control and assurance on areas of core business. These are:

- Assets and Liabilities Register – this is an integral part of the assurance required to demonstrate compliance with the RSH Governance and Viability Standard.
- Contracts Register – a subset of the Asset and Liabilities Register, this register contains all of RBH’s current contracts and expired contracts over a 12 month period to provide an indication on the type and level of spend within the organisation. The register enables management to ensure value for money is being achieved and to conduct contract performance evaluations within three months of contract expiration.
- Law Legislation and Regulation (LLR) Register – is used to provide assurance that RBH remains compliant with all relevant law, legislation and regulation. This Register will continue to be used to ensure policy leads fully incorporate legislative requirements into RBH policy.
- The Corporate, Operational and Fraud Risk Registers identify the key risks facing the society, existing mitigating actions which are designed to effectively reduce the risk and future actions required to maintain control of the risk.

An internal control statement is submitted quarterly to the Executive Leadership Team to provide assurance that the Society’s internal controls are operating effectively. Each assurance area reports against the three lines of defence.

RBH’s comprehensive set of policies and procedures also includes data protection, whistleblowing, health and safety, complaints handling and Register of Interests for Board members and employees.

All policies and procedures are monitored to ensure they are relevant and up to date. A key role of our Internal Auditors RSM is to then test and highlight weaknesses in these.

Internal Audit

During 2020-21 our internal audit facility was provided by RSM.

The Internal Audit function is outsourced for a number of reasons, most notably;

- We can focus our attention on core business activities.
- It is easier and more cost effective to buy in the services of an expert than it is to recruit and employ an expert.
- Specialist consultancy firms can give a range of skills that you won’t find in one person. For example, you may not only need an accountant but also an information technology or human resources expert.
- By outsourcing the Audit Committee and Board can ensure independence and objectivity.
- The relationship can be easily monitored via a service level agreement.

RSM’s annual report for 2020-21 concluded, for the fourth year running that, based on the work completed, ‘the organisation has an adequate and effective framework for risk management, governance and internal control. However, our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective’.

Any weakness that is highlighted is reported back to the Executive Leadership Team and the Audit Committee and addressed accordingly.

During 2020/21, 3 recommendations rated as high were identified, 10 medium management actions and 30 low management actions.

During 2020/21 RSM also undertook 2 follow up audits. The purpose of which is to verify that recommendations have been completed. RBH achieved a 100% implementation rate at the first follow up, with 19 out of 19 recommendations completed or superseded and verified. At the second follow up RBH achieved a 92% implementation rate with 12 out of 13 actions completed. The Final Annual Report details the level of assurance for each audit; the assurance levels achieved were 4 with Substantial Assurance, 3 with Reasonable Assurance, and 2 with Partial Assurance in addition to 1 advisory audit.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL continued

External Audit

BDO LLP provides audit services to the RBH Group in accordance with International Standards on Auditing (UK) ("ISAS (UK)"). Following a tender exercise in 2017, BDO were awarded an initial three year contract beginning in 2017-18 which was approved by the Representative body on 27 September 2017. This has been extended for 12 months to cover 2020-21.

STATEMENT OF THE BOARD'S RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Board members' responsibilities

The Board members are responsible for preparing the report of the Board and the financial statements in accordance with applicable law and regulations.

Co-operative and Community Benefit Society law and social housing legislation require the Board members to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

In preparing these financial statements, the Board members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice: Accounting by registered social housing providers 2018 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and association will continue in business.

The Board members are responsible for keeping adequate accounting records that are sufficient to show and explain the group and association's transactions and disclose with reasonable accuracy at any time the financial position of the group and association and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019. They are also responsible for safeguarding the assets of the group and association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board is responsible for ensuring that the report of the Board is prepared in accordance with the Statement of Recommended Practice: Accounting by registered social housing providers 2018.

Financial statements are published on the group and association's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the group and association's website is the responsibility of the Board members. The Board members' responsibility also extends to the ongoing integrity of the financial statements contained therein.

DISCLOSURE OF INFORMATION TO AUDITORS

The Board of Directors who held office at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which the Group's auditors are unaware; and each Director has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

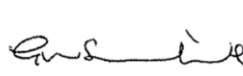
The report of the Board of Management was approved on 18 August 2021 and signed on its behalf by:



Stephen Wigley
Secretary
31 August 2021



Alison Tumilty
Chair of the Board
31 August 2021



Gareth Swarbrick
Chief Executive
31 August 2021

STRATEGIC REPORT

Governance Arrangements

Since becoming a mutual on 26th June 2013 two bodies have been responsible for governance and strategic direction of the society. The first is the Representative Body, comprised of 15 elected tenant members, 8 elected employee members, and nominated Representatives from Tenant Management Organisations and 4 from our key partner Rochdale Council.

The second is the Board of Directors, which is made up of 6 Non-Executive Directors and two Executive Directors (Chief Executive and the Director of Resources).

Since mutualisation the members of the Representative Body and the Non-Executive members of the Board are entitled to recover reasonable expenses incurred. On 30th March 2017 the Representative Body approved a decision to remunerate the Board Chair position commencing on the date of the 2017 Annual Members Meeting and in December 2019 they approved remuneration for the Non-Executive Directors effective from September 2019. The Representative Body are not remunerated.

Whilst the Board is legally responsible for the overall control of the affairs of the society, including the monitoring of performance of all its functions and determination of resources to meet its financial and other obligations; the Representative Body is responsible for representing members and the wider interests of the community by offering a strategic framework for the Board of Directors to operate within, and by holding the Board of Directors accountable.

The Representatives and Board of Directors of the society are set out on pages 3 to 6. This includes details of members' professional skills and experience, any additional responsibilities within their respective body and attendance.

The Board

The Board of RBH is committed to the delivery of high quality housing services to its customers, and RBH's aims, and objectives embrace the key principles of good governance, i.e. openness, honesty, and responsibility. On 3rd June 2015 the Board adopted the National Housing Federation 2015 Code of Governance, and subsequently adopted the National Housing Federations 2020 Code of Governance on 10 March 2021.

Both the Board and employee structures have been developed to ensure that there is an informed and effective decision making process within the Society. The membership of the Board of Directors is listed at the start of these financial statements.

The key Board responsibilities include:

- Having overall control of the affairs of the Society;
- Ensuring compliance with the objects, purposes, values, vision and corporate strategy of the Society;
- Ensuring the solvency and financial strength of the Society;
- Setting and maintaining a framework of delegation and internal control;
- Monitoring the performance of all the Society's functions;
- Determination of resources to meet the Society's financial and other obligations; and
- Living the values of the society.

The Board of Directors met 5 times in 2020-21, held 6 Special Meetings and one Strategic Away Day on 8 July 2021. There was one joint session with the Representative Body in April 2020.

The Board of Directors are:

	Meetings attended
Asrar Ul-Haq (Resigned February 2021)	3/4
Luen Thompson (Growth Committee Chair)	5/5
Gareth Swarbrick (RBH Chief Executive)	5/5
Nickie Hallard (RBH Deputy Chief Executive)	5/5
Alison Tumilty (Board Chair)	5/5
Guy Millichamp (Audit Committee Chair)	5/5
Paul Joyce (People & Remuneration Committee Chair)	5/5
Mike Nuttall	5/5

Profiles of the current Board Members can be found on pages 3 and 4.

STRATEGIC REPORT continued

In 2020-2021 the Board made the following critical decisions:

- Approved the new Treasury Strategy, including the decision to refinance, which ensures that there is financial sustainability and excellent value for money. It also supports development and investment decisions that ensure we deliver the right mix and quality of homes;
- Approved the Business Plan and Subsidiary Business Plans which support the delivery of the Corporate Strategy;

In 2020/21 the Board have approved:

- 64 new homes to start on site- 52 homes in Kirkholt, Rochdale and 12 homes in Heywood, Rochdale;
- Site acquisitions in Central Rochdale- RSPCA, Redcross Street and Redcross Mill, Redcross Street;
- Investment in College Bank as part of the future refinancing and business planning process;
- The framework for bidding for grant funding under the Homes England 2021-2026 Affordable Homes Programme, including revised development assumptions;
- Vision to deliver an Older Persons HAPPI scheme in Rochdale Town Centre as part of the regeneration proposals;
- Approved a new Data Strategy which sets out RBH's approach to strategically maximise the value of our data in order to achieve RBH's vision of People succeeding together;
- Reviewed the performance of homes and assets to ensure the long term future of homes in terms of investment and neighbourhood regeneration;
- Approved the adoption of Rent Flexibilities which will optimise the financial contribution made from existing homes to increase capacity to fund the development of new products and services to customers;
- Approved the Board and Committee Member Development and Induction Programmes which provides an all round package of continuous learning to ensure its Members are able to understand the organisation, the environment in which it operates and their role in making the organisation a success;
- Approved the Health and Safety Framework which ensures that all risks facing the organisation are identified and effectively managed by the Board;
- Approved a new Performance and Customer Voice Dashboard which ensures that customer views are heard at every level of RBH and helps to inform strategic decision making for improving services, delivering value for money and to bring about lasting change for customers; and
- Approved a Wellbeing Strategy and nominated a Wellbeing Sponsor from the Board which enables RBH to meet its objective of 'People succeeding together to create great places to live and work.

Three committees assist the Board: the Audit Committee, the Growth Committee and the People and Remuneration Committee. There is also a Mutual Governance Commission which is made up of the Chairs and Vice Chairs of the Board and Representative Body and the Secretary. Terms of reference for the committees and commission were reviewed as part of the review of the Mutual Governance Excellence Framework in March 2021.

Audit Committee

This committee provides the facility for Non-Executive Directors to meet the society's external auditors to discuss their report on the annual accounts and also to review the scope and results of the internal audit work programme. The committee also monitors and advises the Board of Directors on compliance with the Society's Risk Management Strategy Action Plan.

The committee must have a minimum of 3 Non-Executive Directors members and up to 2 independent members with full voting rights. Executive Directors, the Chair of the Board, Representatives and Employees cannot serve on the committee.

The Audit Committee met 4 times in 2020-21.

Sitting on the Audit Committee are:

	Meetings Attended
• Guy Millichamp (Chair)	4/4
• Luen Thompson	3/3
• Paul Joyce	4/4
• Sharon Brown	2/4
• Asrar Ul-Haq	0/0

STRATEGIC REPORT continued

Profiles of the current Committee Members can be found on pages 3 to 5. Luen Thompson resigned from the Audit Committee in November 2020 and was replaced with Asrar Ul-Haq who subsequently resigned in February 2021 without attending a meeting.

The Audit Committee's responsibilities include:

Oversight of the RBH Group as a whole, and carry out the duties below for the parent and subsidiaries:

- Financial Reporting: To monitor the integrity of the annual financial statements, interim reports and any formal announcements relating to the Society's financial performance before presenting to the Board;
- Internal Audit: To agree and monitor a programme of internal audits for the society to ensure that internal controls management is aligned to key business processes and drives both service improvement and increased efficiency;
- External Audit: To monitor the performance and effectiveness of the external audit function including their independence and objectivity;
- Risk: To lead for the Group on all risk management issues including the regular review of the effectiveness of the Risk Management Framework and to ensure risk management processes are aligned to key business processes and drive both service improvement and increased efficiency;
- To ensure that appropriate insurance and business continuity arrangements are in place; and
- To regularly consider compliance with regulatory requirements and all cases of non-compliance.

In 2020-21 it made the following critical decisions:

- Approved the insurance programme and the extension of the external audit contract.
- They reviewed the Compliance and Assurance Framework as well as monitoring of the rent setting and data quality action plans.
- The Committee conducted a series of risk challenges on key corporate risks from the risk register and satisfied itself there was sufficient controls and assurance in place across the Society.

Growth Committee

The Growth Committee was established in May 2018 to provide guidance and oversight of RBH's ambitious development programme. The Committee met 5 times during 2020-2021 as well as 2 Special meetings with the Board of Directors.

The committee must have a minimum of 2 Non-Executive Directors members. Executive Directors, Representatives and Employees cannot serve on the committee.

Sitting on the Committee are:

	Meetings Attended
• Luen Tompson (Chair)	4/4
• Alison Tumilty	3/3
• Guy Millichamp	4/5
• Siobhan Ryder	4/5
• Mike Nuttall	4/5

Alison Tumilty resigned from the Growth Committee on 12 August 2020.

The Growth Committee's responsibilities include:

- Considering the strategic fit of new development opportunities;
- Providing assurance on the financial viability of the overall development programme and regeneration proposals within the parameters of the RBH Business Plan;
- Ensuring a clear scheme of delegation is in place to enable the Executive Leadership Team and Director of Growth to appraise and approve individual schemes and activity within the development and regeneration programme;
- Approving the overall development programme and significant schemes in line with the scheme of delegation;
- Advising the Board of Directors on delivery contracts and funding opportunities with Homes England, relevant Government Departments and other such agencies; and
- Advising the Board of Directors on public and private funding opportunities in relation to regeneration and development.

Profiles of the current committee members can be found on pages 3 to 5.

STRATEGIC REPORT continued

In 2020-21, it made the following critical decisions:

- Approved the Older People Offer for Rochdale Town Centre;
- Recommended the Affordable Homes Programme 2021 to 2026 and associated development assumptions for Board approval;
- Recommended the Equity Assistance Scheme for Board approval;
- Monitored the development schemes and pipeline to ensure RBH has sufficient sites available to deliver its development aspirations; and
- Monitored the regeneration of central Rochdale including approving the acquisition of a site and partner development.

HR and Governance / People and Remuneration Committee

After 31st March 2020, the HR and Governance Committee was split into the People and Remuneration Committee and the Mutual Governance Commission. The People and Remuneration Committee considers strategic employee matters and makes recommendations to the Board in respect of remuneration, variations to the authorised establishment and significant amendments to conditions of service.

The committee must have a minimum of 3 members of which a minimum of 2 must be Non-Executive Directors and up to 2 Independent Members with full voting rights. Executive Directors, the Chair of the Board, Representatives and Employees cannot serve on the committee.

The HR and Governance/People and Remuneration Committee met 3 times in 2020-2021.

Sitting on the People and Remuneration Committee are:

	Meetings Attended
• Paul Joyce (Chair)	3/3
• Asrar Ul-Haq	2/3
• Mike Nuttall	1/1
• Cliff Mills (Independent Member)	3/3

Mike Nuttall was appointed in November 2020 and Asrar Ul-Haq resigned in February 2021.

The People and Remuneration Committee's responsibilities include:

- To consider employment issues within the parameters of the scheme of delegation relating to the Society;
- Determine the high level principles of employee and Executive Leadership terms and conditions and the strategic approach to Pay and Reward;
- To consider and approve cross-organisational restructures;
- To consider and approve the People Strategy and any related policies;
- To recommend the process for the appraisal of the Chief Executive and to have oversight of the process;
- To make a recommendation for the Board's consideration on the contractual terms and remuneration of the Executive Leadership Team (excluding the Chief Executive);
- To approve significant changes to employee terms, conditions and benefit structure; and
- To review the Society's Code of Conduct for Employees to ensure that it is aligned to the culture and values of the Society.

Profiles of the current committee members can be found on pages 3 to 5.

In 2020-2021 it made the following critical decisions:

- Action monitoring of the Equality and Diversity Strategy and oversight of People Strategy;
- Received regular updates on Equality and Diversity and activities;
- Reviewed and noted the conclusion of the 2020 local negotiations and approved the pay review for 2021;
- Received regular strategic overviews of any structure changes;
- Received regular updates on the Pandemic and actions taken to ensure the wellbeing of employees; and
- Received regular updates on employee absences and HR matters.

STRATEGIC REPORT continued

Mutual Governance Commission

The Mutual Governance Commission met 6 times in 2020-2021

Sitting on the Mutual Governance Commission are:

	Meetings Attended
• Stephen Wigley (Chair and Secretary)	6/6
• Alison Tumilty (Board Chair)	6/6
• Paul Joyce (Board Deputy Chair)	6/6
• Lynne Brosnan (Representative Body Chair)	6/6
• Stephen Edwards (Interim Representative Body Deputy Chair)	2/2
• Sharon Worsley (Representative Body Deputy Chair)	3/3
• Sue O'Donovan (Representative Body Deputy Chair)	0/1

Stephen Edwards was the Interim Representative Body Deputy Chair until October 2020. Sharon Worsley and Sue O'Donovan were appointed as Joint Deputy Chairs in December 2020 and share the responsibilities and attendance at the Commission.

The Commission consists of 5 members including the Secretary, the Chairs and Deputy Chairs of the Board and Representative Body.

The Mutual Governance Commission responsibilities include:

- To lead work on behalf of the Representative Body and the Board to ensure that the Society maintains the highest standards of governance and learns from best practice from all sectors;
- To develop, recommend for approval and monitor the Society's Mutual Governance Excellence Framework (MGEF);
- To review and recommend any changes to the Rules put forward by the Members;
- Oversee Non-Executive Director recruitment, inductions, training and succession planning;
- Oversee Representative Body election process, induction and training programmes;
- Oversee effectiveness reviews and appraisal processes; and
- Review compliance against the NHF Code of Governance and any remedial action plan.

Profiles of the current Commission members can be found on pages 3 to 5.

In 2020-21, it considered the following:

- The approach for the delivery of the annual Effectiveness Review process;
- Monitoring of the actions arising from the effectiveness review;
- The Board and Representative Body Induction and Training Programmes;
- The approach to the annual Non-Executive Director appraisal framework;
- Updates from the Regulator of Social Housing and IDA Readiness;
- The adoption of the new National Housing Federation's 2020 Code of Governance;
- Review of the Mutual Governance Excellence Framework for recommendation to the Board and Representative Body; and
- Increasing diversity on the Board and Representative Body.

Governance of Committees

To ensure the Board maintain sufficient oversight of committee and commission business, a minimum of 3 Non-Executive Directors are required to sit on the People and Remuneration and Audit Committees respectively. Minutes and Agenda Packs from all committee, commission and subsidiary meetings are available to Board Members via a secure portal. Board meetings receive a written reporting in summary from each meeting and verbal updates of key issues are provided by the Chairs. This provides an opportunity for the Board to receive assurance and oversight of the key business activities of the Governing Bodies activities.

Representative Body

The Representative Body forms part of RBH's governance structure along with the Board and is the elected body which represents members and the wider community in RBH's decision making process. The composition of the Representative Body is listed on pages 4 to 5.

STRATEGIC REPORT continued

The Representative Body met 7 times in 2020-21, had three special meetings and held one joint session with the Board. The Representatives responsibilities include:

- Appointing and removing the Chair of the Board of Directors and the other Non-executive Directors;
- Approving the Society's corporate strategy and policy framework;
- Monitoring the performance of the Society and the Board of Directors against the corporate strategy; and
- Establishing, maintaining and monitoring progress of the Membership Strategy.

In 2020-21 it made the following critical decisions:

- Approved the re-appointments of Alison Tumilty, Guy Millichamp and Paul Joyce for a period of 12 months to the Board;
- Approved the co-option of two employee members James Coutts and Jonathan Wenn;
- Nominated Representative Body Corporate Strategy Champions;
- Approved the extension of the Corporate Strategy for a further year due to the COVID-19 pandemic;
- Appointed BDO LLP as RBH's external auditor for a further year;
- Approved the Membership Strategy;
- Approved the Representative Body Induction and Training Programme;
- Approved the annual report to Members to be presented at the Annual Members Meeting;
- Received a Social Value presentation and update of activities;
- Approved changes to the Mutual Governance Excellence Framework; and
- Reviewed the effectiveness review outcomes.

The Representative Body is accountable to the members of the society through the elections process. At the Annual Members Meeting held on 16 September 2020, Members approved a number of recommendations to changes to the Rules including:

- The extension of the terms for Representatives who were due to retire in 2020 to 2021;
- The ability for the Representative Body to co-opt up to three Representatives to fill vacancies up to the Annual Member Meeting in 2021;
- To extend the terms office of Non-Executive Directors who were due for re-appointment in 2020 for a further term up to the Annual Members Meeting in 2021;
- The ability Representative Body meetings to be held remotely; and
- The ability for Members Meetings to be held remotely.

During the 2020-21 period, the Representative Body had a number of working groups and task and finish groups. All groups reported back to the Representative Body.

Communications Working Group

The working group met 3 times in 2020-2021. The Communications Working Group's membership is open to all Representatives but as a minimum must have 2 Employee and 2 Tenant Representatives. Unless directly delegated responsibility by the Representative Body, the working group does not take decisions usually reserved for the Representative Body.

Instead, it progresses work between Representative Body meetings which is subsequently reported back to and decided on by the Representative Body.

The Communication Working Group's responsibilities include:

- To facilitate two way communication with members;
- To assist with the effective implementation of the communication elements of the Membership Strategy;
- Set the content for the Membership Newsletter and other communications to members or about membership to ensure a focus on mutuality, RBH values, the Pledge to Members and the Representative Body as the owner of communications;
- Develop the Annual Report to members on behalf of the Representative Body; and
- Carry out periodic reviews of the membership and Representative Body pages of the RBH website.

STRATEGIC REPORT continued

In 2020-21 it worked on the Communications during the COVID-19 Pandemic.

The Communications Working Group came to a close in July 2020 and was replaced with the Membership and Communications Working Group.

Membership and Communications Working Group

The Working Group met 3 times in 2020-21. The Membership and Communications working group's membership is open to all Representatives but as a minimum should have 2 Employee and 2 Tenant Representatives present. The working group does not take decisions usually reserved for the Representative Body, instead, it progresses work between Representative Body meetings which is subsequently reported back to and decided on by the Representative Body.

The Membership and Communication Working Group's responsibilities include:

- Reflect and evaluate the extent to which RBH is living up to its mutuality and values;
- Receive plans and proposals in regard to the delivery of the Membership Strategy, make suggestions and generate ideas;
- Receive monitoring and evaluation data;
- Agree reports, the Membership Dashboard and recommendations to the Representative Body in regard to the Membership Strategy for decision;
- Oversee effective communications between the Representative Body and the Members and seek feedback from members, ensuring they are accessible, timely and in plain language;
- Develop the Annual Report to members, including key messages, and submit to the Representative Body for approval;
- Support the development of the programme and event outline for the Annual Members Meeting;
- Agree communications for the Representative Body Elections;
- Set the content for communications to members to ensure a focus on mutuality and RBH values; and
- Carry out periodic reviews of the membership and Representative Body pages of the RBH website and relevant social media.

In 2020-21 it worked on the following important issues:

- Helped shape the plan for the Mutual Celebration;
- Assisted in the development of the Annual Report to Members;
- Began work on refreshing the RBH Branding; and
- Started to shape the Annual Members Meeting.

Nominations Committee

The Committee met 2 times in 2020-21. The Nominations Committee consists of 4 Representatives and the Chair of the Board of Directors.

The Nominations Committee's responsibilities include:

- To undertake the timely recruitment of Non-executive Directors (NeDs) to maintain a suitable skill mix across the Board and to have NeDs that reflect our community;
- The committee may appoint a chair, who is not the chair of the Board;
- To consider the Chair of the Board's and Chief Executive's assessment of the requirements for the NeD to be appointed;
- To consider the assessments of the requirements submitted by Representatives who are not on the committee;
- To take part in the necessary training to enable the Nominations Committee to operate effectively as a recruitment body;
- To agree the timetable and approach for filling the position of NeD is sufficiently and widely advertised and is value for money;
- Agree the exact presentation of the NeD role profile so that the key attributes are most prominent;
- To agree the content of the job adverts to ensure the right tone is being put across to potential applicants;
- To authorise direct approaches to potential candidates;
- To shortlist applications against pre-determined criteria set by the Representative Body working with the Board;
- Agree assessment framework and conduct the selection process; and
- To make recommendations to the Representative Body on the appointment of the new Non-executive Director.

STRATEGIC REPORT continued

In 2020-21 it worked on the timetable for recruitment and re-appointments.

Support and Development Working Group

The Working Group was developed in February 2021 and has met 2 times in 2020-21. The Support and Development working group's membership must be no less than 3 Representatives from the Tenant or Employee constituents. The group must have a minimum of 1 Tenant and 1 Employee Representative.

The Support and Development Working Group's responsibilities include:

- Consider requests and approve spending;
- Provide regular reports to the Representative Body;
- Manage the Support and Development Budget; and
- Submit, for information, written minutes of meetings to the Representative Body.

In 2020-21 it worked on the following important issues:

- Process for managing the Support and Development Budget;
- Proforma for development and training opportunities.

RBH Membership

Members are separated into 2 constituencies: tenants and employees. Members have access to information, a voice in the Society and the opportunity to play a representative role in its governance.

	<i>Start of year</i>		<i>End of year</i>	
	<i>No.</i>	<i>%</i>	<i>No.</i>	<i>%</i>
<i>Tenant members</i>	5,755	40.1	5,446	38.5
<i>Employee members</i>	437	75.5	460	80.0

Remuneration

The Representative Body have determined that, together with the Board Chair, Non-Executive Directors, are to be remunerated and additionally are permitted to claim expenses in line with the policy which is approved and reviewed annually by them. The Chair currently receives remuneration of £11k per annum, with the figure being reviewed annually. The Non- Executive Directors currently receive £4k per annum, which is subject to an annual review. The Representative Body carried out a review of remuneration levels at its meeting in August 2020 using benchmarking data from other similar sized housing associations and agreed that the current remuneration levels were consistent and are proportionate to RBHs' size, complexity and in line with sector norms. Full disclosure of Non-Executive Director remuneration is included in note 12.

Executive Leadership Team

The Chief Executive, the Deputy Chief Executive (Director of Resources) and three other directors (who are not Board members) make up the society's Executive Leadership Team and act as executives within the authority delegated by the Board. The Director of Transformation resigned February 2021, reducing the executive team by 1 member. The Executive Leadership Team is set out on page 5.

Insurance policies are in place, which indemnifies Board members and employees against liability when acting for the Society. RBH has procured a new Directors & Officers Liability cover through the broker Gallagher, underwritten by Nexus after the withdrawal of the NHF cover. This cover provides an indemnity limit of £1M.

The Board's Non-Executive Directors have responsibility for the remuneration of its Executive Members and appointing the Chief Executive. Terms, conditions, and remuneration were reviewed by the HR and Governance Committee in 2018 as well as remuneration levels in 2019 as part of the Local Negotiations. Notice periods are three months for the Executive Directors and six months for the Chief Executive.

The Chief Executive, the Deputy Chief Executive (Director of Resources) and Director of Growth are members of the Greater Manchester Pension Fund, a defined benefit (final salary) pension scheme. The Director of Transformation (now resigned) and Director of Customer and Community are members of the Royal London Pension Scheme, which is a Defined Contribution Scheme. They participate in the scheme on the same terms as other employees and the Society contributes to the scheme on behalf of its employees.

STRATEGIC REPORT continued

Payments including pension contributions for the Executive Leadership Team members in the period to 31st March 2021 totalled £654k (period to 31st March 2020: £559k).

Performance related increments have been introduced for the Executive Leadership Team this last year and holiday allowances for executives have been adjusted so that all employees regardless of grade have an allowance of 30 days, plus 5 days after 5 years of service. The Executive terms of employment are consistent with standard RBH contracts.

Other executive terms of employment are consistent with standard RBH contracts.

Further details of the Executive Leadership Team members' remuneration packages are included in note 12 to the audited financial statements.

Code of Governance

RBH adopted the National Housing Federation's 2015 Code of Governance. This code was chosen as being the most relevant as it is tailored to the housing sector.

As outlined in the Regulation Section on page 10, the Regulator undertook an Annual Stability Check in December 2020 and the Regulator identified a potential issue in relation to compliance with the disclosure requirements for payments to Non-Executive Director's in RBHs Financial Statement up to 31 March 2020. For the period 2020 to 2021, RBH complied with all the provisions of the Code.

The Board at its meeting 10 March 2021, adopted the 2020 National Housing Federations Code of Governance with effect from 1st April 2021 and approved the recommendations and action plan. An Internal Audit against RBHs compliance with the new Code and provisions is being carried out in May 2021 and any resultant actions will be monitored by the Mutual Governance Commission and the Board will review compliance against the provisions at its meeting in May 2022.

Employees

The permanent average headcount between April 2020 and March 2021 was 551. There were 53 new starters and 59 leavers in the year, of which 24 were resignations and 14 were retirements, 1 ill health retirement. There were 8 redundancies, 3 dismissals, 7 end of temporary contract and 2 deaths in service.

During the year RBH became the first business in Rochdale to achieve Member Status in the Greater Manchester Good Employment Charter.

During the year there were also re-structures to facilitate the implementation of a new Engagement Strategy, the Transformation Team and RBH withdrawal from the monitoring of Rochdale Councils CCTV.

There were two 'Temperature Check' surveys taken throughout the pandemic, one in June 2020 and one in August. In June 70% of employees were concerned about friends and family, 51% were concerned about contracting the virus and 41% were struggling with social isolation. On the most positive side 47% reported that they were enjoying increased flexibility around their work, 45% were appreciative of not having to commute and 39% felt they had developed and learnt, specifically in regard to using new technologies. 89% feel well supported by RBH during this time, with 88% feeling well supported by their Managers and 87% feeling well connected to and supported by their teams. 91% felt the daily updates from the Executive Leadership Team were helpful. 93% were proud of the support RBH had given customers during the pandemic and 90% were proud of the support RBH had offered its employees.

In September the results had dropped slightly but, in the Climate, and Engagement Survey in December 2020 results were strong with 92% of employees reporting that they were proud to work for RBH and 90% confirming that they enjoy working for RBH. 92% believe that RBH makes a positive difference to the borough of Rochdale and the people who live there and 84% were excited and positive about the future.

Impact of COVID-19 pandemic

The World Health Organisation classed COVID-19 as a pandemic on 11th March 2020. Throughout 2020/21 the UK Government have introduced a series of measures to address the impact in the UK including lockdowns and as a result RBH adopted several measures to ensure the safety of tenants, employees and business partners throughout this time. We undertook the following:

- With the social distancing measures, major component replacements such as kitchens and bathrooms were postponed, and non-emergency repairs were stopped during lockdown periods and only re-commenced when it was safe to do so in line with Government guidelines;

STRATEGIC REPORT continued

- All construction on our development schemes was halted for a period in line with Government recommendations to protect our employees and business partners;
- Continued with our programme of Gas safety checks, wherever possible, balancing the risks of carbon monoxide poisoning against the need to protect residents and colleagues from COVID-19;
- Provided regular contact with Older and Vulnerable people to ensure that they had access to food and required medicines;
- Provided guidance to those residents who faced financial difficulties; and
- All colleagues adopted working from home. Where colleagues were not able to work from home, they were re-deployed where appropriate to provide support to other areas of the organisation.

These measures, inevitably, had an impact on the performance of the organisation in several areas:

- The impact of the pandemic affected PRTB and RTA sales during the year, however we completed all 16 Shared ownership sales and let all 22 Rent to Buy homes as planned;
- Maintenance expenditure and component replacement was under budget in the first quarter of 2020/21 and whilst some work started on reducing the backlog of routine non-urgent repairs additional resources have been budgeted for in 2021-22 to complete the 'catch up';
- Expenditure on PPE increased to ensure the safety of those colleagues that do need to enter residents' properties;
- A limited number of employees who we were not able to re-deploy were furloughed, however we have not accessed the Government's Coronavirus Job Retention Scheme; and
- We reviewed our provision for doubtful debts in the light of the impact of financial hardship that COVID-19 has had on certain groups of our tenants and kept the position under constant review however performance has stayed within targets.

The impact on global markets has had the potential to affect other areas which are outside of our control, including asset values in respect of our defined benefit pension scheme; and property valuations with the possibility of a breach in our covenants with RBS/Santander. All these issues have been considered as part of the Board's going concern assessment, which is set out below.

Going concern

The RBH Board made its assessment of going concern in June 2021 and confirmed this at the date of signing. RBH has a robust and stress tested Business Plan in place, including consideration of a scenario around the impact of COVID-19 on our cash flows. The scenario is a worst-case base and would require a small number of mitigations but would not 'break the plan'.

Our Treasury Strategy supports the Business Plan. All the key measures in the plan show RBH is in a strong financial position with headroom for all loan covenants. The plan also benefits from a high level of headroom in terms of cash balances and new finance will be required by year 4, for which a re-finance exercise is underway. Re-phasing of works would mitigate not achieving this carve-out and is also detailed in the stress testing. The going concern assessment includes a particular focus on:

- Rent collection and bad debt provision
- Property valuation and impairment
- Pension valuation
- Properties for sale
- Properties under construction

After due consideration, the Board is confident that RBH has sufficient resources to continue to operate into the foreseeable future and it has therefore prepared these financial statements on a going concern basis.

STRATEGIC REPORT continued

Operating Performance in the period

Performance is reported to Board and Representative Body throughout the year. In 2020/21 performance reporting was aligned to the third year of the Together Corporate Strategy. The key indicators are summarised in the table below.

TOGETHER KPI DASHBOARD - QTR 4 2020/21	2020/21 Target	2020/21 Actual	Status
% of customers satisfied with the overall service provided by RBH (STAR survey)	86%	85%	
% of customers satisfied that their rent provides value for money (STAR survey)	82%	86%	
Net Promoter Score (STAR survey)	33%	46%	
% of tenants who are RBH members (Target is for year-end)	40%	38%	
% of employees who are RBH members (Target is for year-end)	90%	82%	
Average number of days sickness absence per employee (projected for the year)	<10	9.7	
Rent collection (excl arrears brought forward)	100%	101%	
Rent arrears of former tenants as a % of rent due (excl rent loss due to empty homes)	3%	2.7%	
Rent Arrears of Current Tenants	4.5%	4.6%	
% of repair appointments made that are kept	97%	96%	
% of repair jobs that are completed right first time	96.5%	98%	
Rent loss from empty homes	<1.1%	1.9%	
Average number of days to relet homes (excl time spent in major works or not available for letting)	27	50	
Controllable tenancy turnover (excludes terminations due to death)	5%	4.3%	
% of terminations where tenancy length is less than 6 mths	3.0%	5.7%	

Overall customer satisfaction with all landlord services at 85% is an increase of 4% over last year but just below target. Feedback from customers suggests that they have understood the challenges faced over the last 12 months and that they have appreciated the efforts made to deliver services, particularly the welfare calls in the early part of the year. This satisfaction is also reflected in our Net Promoter Score which has seen an increase of 14% over the year. This compares favourably with the sector average which is -9.4% and a UK average score across all sectors of 21% (last published results January 2021).

STRATEGIC REPORT continued

Both Grounds Maintenance and Repairs and Maintenance have seen big increases in satisfaction (c. 6% and c. 5% respectively) which has impacted on overall satisfaction.

The percentage of customers who are satisfied that their rent provides value for money has seen a good improvement, ending the year well above target at 86%, a 5% increase on last year's figure. We dropped the target this year as it was the year of the first rent increase after the 4 year rent freeze. Analysis done shows that there is no difference here between people who are paying social rent and those paying affordable rent.

Employee absence through sickness in 2020/21 averaged 9.7 days per employee, against a target of less than 10 days. Sickness was high in April at 12.4 days due to coronavirus but steadily declined throughout the year to September to average 8 days. We have seen an increase in recent months to finish on 9.7 for the year. Over the past 12 months there has also been an increase in mental health related cases.

We have seen an increase in employee engagement with 80% of employees who are now RBH members compared to 75.5% last year. This is in part due to the new Membership Strategy and in response to Covid-19 lockdown a new approach to employee inductions have been put in place. To make our membership more meaningful, one to one virtual inductions have been conducted from August 2020 to March 2021.

Rent income services have faced a particularly challenging year with customers on lowest incomes losing jobs or being furloughed resulting in a significant number of new claimants for benefits. In addition, restrictions placed on legal enforcement has made delivering the service difficult. Despite these challenges, we have continued to focus on supporting customers to pay their rent and maximise their income. With additional investment into our Money Advice Service, we have been able to support customers to claim an extra £1.3m of benefits, an increase of £476k on the previous year. In addition, customers were assisted in claiming an additional £0.5m in respect of water charges.

The success of our Money Advice Service is partly reflected in the year end rent arrears performance which was at 4.6% which is only slightly above the target of 4.5%. Not surprisingly, rent collection has dropped slightly to 101% (103% the previous year) but is above target and still a good performance.

Rent loss has been impacted by COVID-19 lockdown letting restrictions which prevented any lettings from taking place for a ten week period during the first lockdown. This issue was further compounded by properties taking longer to relet as a result of a national shortage of materials and the continued impact of COVID-19 on our own workforce and on external contractors. Controllable Tenancy turnover has reduced by 2% since last year, largely because of COVID-19 restrictions which prevented people from moving and also due to a reluctance to move during lockdown.

In terms of repairs appointments made and kept our overall performance for the year was 96.6% which is a slight reduction on last year. Despite the challenges faced with repeated lockdowns, the team continued to focus on improving performance. Additional resources have been allocated to deal with the backlog of repairs that have built up during lockdown periods.

Pleasingly, 'Right First Time' has increased by nearly 3% since last year. The target has continually been hit since July 2020 and is successfully being maintained through continually analysing data to better understand performance so that processes can be improved. This has led to for example, improving and tailoring van stocks to the individual needs of our trades teams and also managers challenging the need for follow on work to improve the overall customer experience.

On re-let times, we have ended the year at 50.4 days. As with the rent loss this has been impacted heavily by Covid restrictions and lockdowns. The Apr20-Mar21 figure less Covid currently works out to 27.7 days based on 282 standard relets. We've also seen an indirect impact from Covid in relation to demand for ILS, increased major work requirements and delays due to contractor availability and staffing levels. This has been a particularly difficult year for the sector.

As with other measures, COVID-19 has played a large part in tenancy terminations that lasted less than 6 months fluctuating widely throughout the year. The large peaks can be correlated with periods of lockdown being lifted & the majority of termination reasons have shown that people have moved to get more support, be that from family & friends or via ILS/Residential type accommodation. Once officers can carry out home visits again, they will be able to signpost tenants who are struggling, to support services & assist in sustaining their tenancies.

STRATEGIC REPORT continued

Financial Review of the year

Financial Results for the year ended 31st March 2021

The RBH Group financial result for the year ended 31st March 2021 was an operating surplus of £14m. This figure reflects the impact of accounting for retirement benefits in accordance with Financial Reporting Standard (FRS) 102.

The operating surplus would be £16m were these items not applied.

	RBH Group		RBH Limited	
	2021	2020	2021	2020
	£000	£000	£000	£000
Operating Surplus pre FRS 102 pensions adjustment	16,281	19,566	16,486	19,196
Less:				
FRS 102 pension charges	(1,788)	(3,181)	(1,788)	(3,181)
Adjusted Operating Surplus	14,493	16,385	14,698	16,015

This RBH Group surplus of £16m (before FRS 102 pension adjustments) is an adverse variation of £0.6M against the original budget. The most significant movements relate to the cost delays due to COVID-19, offset by impairment of land assembly acquisitions. The full statement of financial position is shown on page 54. The key highlight is the significant investment in our existing properties, together with new build development and increased cash balances, which will support the delivery of our Corporate Strategy intentions.

Financial Measures

In line with The Charter for Social Housing Residents, RBH's performance in relation to the three financial measures of administrative costs and executive remuneration are as follows:

Theme	Measures	£
Executive Remuneration	Chief Executive salary per property	11.41
	Executive Remuneration per property	45.16
Efficiency and Effectiveness	Management costs per property	1,037.00

Pension costs

RBH has Admitted Body Status in the Local Government Pension Scheme (LGPS), a defined benefit final salary pension scheme. The LGPS is a multi-employer scheme with more than one participating employer. The scheme is administered by Greater Manchester Pension Fund (GMPF). RBH contributed to the scheme on behalf of its members. In order to cover the liability in relation to employees joining since Transfer, a bond is in place funded through RBH's loan facility.

From the 1 January 2017 new employees were not admitted to the GMPF. New employees were admitted to the Royal London pension scheme which is a Defined Contribution Scheme. This is a qualifying pension scheme, which means it meets or exceeds the government's standards.

The scheme complies with the relevant provisions of the Pension Schemes Act 1993, the Pensions Act 1995, the Pensions Act 2004 and the Pensions Act 2008. In addition, RBH has 2 employees who are not on RBH's terms and conditions and therefore we also operate the NEST scheme for these employees.

Capital structure and treasury policy

The control of Treasury Management at RBH has three constituent parts: policy, strategy and procedures. Responsibility for the implementation and monitoring of the Treasury Management Manual rests with the Director of Resources with overview by the Board. The Treasury Strategy is reviewed annually in line with the Business Plan with an additional review halfway through the year.

The loan facility as at the 31 March 2021 is £65m with £40m having been drawn down. This is detailed in note 22. These loans are all on a fixed rate. In addition to this, RBH has an extra £2.4m debt relating to former Brighter Horizons homes.

RBH are currently seeking a re-finance to fund activities in the Business Plan and achieve value for money. This is expected to be finalised by October 2021.

STRATEGIC REPORT continued

Financial risk management objectives and policies

Credit Risk

Income generated through rent and other charges is vital to the ability to deliver the priorities within our new corporate strategy 'Together'. RBH is committed to arrears prevention by working with members to promote a rent payment culture. The Rent and Payments Team works closely with the RBH teams and other agencies to help customers to sustain their tenancies. The COVID-19 pandemic has had a significant impact on this work throughout 2020/21.

Counterparty Risk

Surpluses are invested in approved UK institutions, which fall within the scope of the Treasury Policy. Cash Balances at the year-end were invested with NatWest Bank, the Public Sector Deposit Fund and Aberdeen Standard Investments (ASI) Limited. ASI Limited were sourced as an additional investment facility to manage counterparty risk during the year.

Interest Rate Risk

In respect of borrowings RBH seeks to minimise risk and by ensuring that its borrowings contain a balanced mix of fixed and variable interest rate structures where possible with target for fixed debt meeting a minimum of 60%. At the year-end all the £40m was at a fixed rate under the loan facility.

Liquidity Risk

RBH has a cash balance of £41.4m (2020: £29m) at the year-end (Note 26). The cash balance has increased during the year due to delays in activities as a result of the pandemic and in readiness for the significant investment planned as part of the Rochdale town centre regeneration. Cash balances for the Group at year-end are £41.5m (2020: £29.3m).

The £65m facility is fully secured and provides sufficient funds for the next 18 months from the date of signing these financial statements. This provides an undrawn facility of £25m alongside an overdraft facility of £500k.

Currency Risk

RBH borrows only in sterling and so does not have any currency risk.

Business Plan

RBH produce an annual 30-year plan which requires the approval of the Board and is sent to our funders RBS and Santander for information. The 2021-22 Business Plan will form our Financial Forecast Return to the RSH in 2021.

The 2021-22 Business Plan continues to reflect the significant investment in the Rochdale Town Centre regeneration and makes a provision for de-carbonisation.

Donations

The RBH (D & B) Board agreed to make Gift Aid charitable donations to RBH, representing the surplus for the year in 2020-21 of £129k.

Principal risks and uncertainties facing the society.

RBH recognises that managing risk is a critical element in achieving its aims and objectives. The Risk Management Strategy and Policy is reviewed and approved on an annual basis by both the Audit Committee and the Board. This document sets out how RBH will identify, manage and monitor risks.

The corporate risk register is reviewed on a quarterly basis by the Risk and Compliance Group, which is attended by Executive Leadership Team members, Heads of Service, Strategic Leads and Corporate risk owners. Risk management is now an established part of business planning process with risk identification and analysis sessions being carried out on an annual basis.

In addition to helping embed risk management within the society and develop a culture of risk awareness, these sessions also allow employees from all areas of the business to feed into the process.

STRATEGIC REPORT continued

The risk summary below considers the key risks identified, prioritised by residual score. The second column illustrates the existing Board risk appetite for each risk. For most of the key risks included the Board take a “balanced” approach to risk (a tolerated score of 9); however, for risks linked to development a more “opportunistic” approach is taken (the tolerated score increases to 12) whereas in relation to matters of compliance an adverse approach to risk is adopted (the tolerated score reduces to 6).

Where the residual risk scores exceed the risk appetite, these are illustrated as red in the centre column. The recorded secondary assurance is based on the evidence provided to demonstrate that mitigating actions are being delivered, as assessed by the Risk and Compliance team.

We have treated Brexit and its’ potential associated future impacts as part of our ongoing planning and scenario testing, with such impacts considered within the existing risks. It continues to be discussed as part of our corporate risk considerations as part of Audit Committee and Board meetings.

The principal uncertainty facing the association continues to be the impact of the ongoing global COVID-19 outbreak, and what this means moving forwards. The Board and executive team continue to monitor the impacts on RBH, it’s tenants and colleagues and regularly review predictions about those potential global impacts which will impact on our future service delivery. While the ongoing nature of the situation means it is not possible to accurately quantify the financial impact, the association is in a good financial position to help manage this risk. Steps continue to be taken on an ongoing basis, to minimise the impact on RBH activities and the effect this may have on the organisation’s residents and stakeholders. Infrastructure is in place to allow colleagues to work remotely, and our key priority is to ensure, as far as possible, that our housing services are still available when needed.

**Rochdale Boroughwide Housing
Report and Financial Statements
For the year ended 31 March 2021**

Risk Title	Key impacts	Key current actions	Residual Risk (Impact x Likelihood)	Board Risk appetite	Assurance level
Insufficient resources to support the masterplan options for investment at College Bank	Unsustainable neighbourhoods (Central Rochdale highest risk) due to clusters of empty homes Empty Home rent loss Increased Bad Debt Negative NPV Lack of Political support Unable to secure future private sector developer partner	Work on-going as part of refinancing and new business plan. Refinancing hoped to be in place by Oct 2021. Refinancing business plan approved by Board on 20th Jan 21. Continuing to identify and explore external funding opportunities to support the project Town centre high levels masterplan in place with preferred options for investment and proposals in place to shape direction and next steps.	5x5 Extreme (25)	12	Substantial
Delivery strategy for Central Rochdale regeneration proposals unable to be delivered in part or whole	Reputational impact Criticism from stakeholders Cost - need to return grants etc. Impact on tenants	Central Rochdale People and Place Steering Group. Refinancing business plan and aspirations support delivery of preferred options Monthly reporting and monitoring of progress on rehousing and leasehold buyback compared to targets.	3x3 Medium (9)	12	Substantial
RBH Business Plan is negatively affected by reduced income collection	Increase in rent arrears Increase in Former Tenant Arrears Increase in bad debt Impact on 30 year business plan	Bad Debt Calculation and Projection determined through collaborative work between Finance & Income Services Annual review of methods of payment, to ensure continuous improvement and to maximise income collection. Action plans from any issues identified in the monthly Bad Debts Assumption meetings 'Using Data to Improve Performance' project to be carried out by December 2021. Calendar for Arrears Action. An annual full plan of campaigns for Income Services Performance management framework in place monitored by Quality Board	3x3 Medium (9)	9	Measures are adequate and some further work may be required
Unable to recruit and retain employees with high demand skills and expertise	Inability to deliver core services Inability to deliver Corporate Strategy priorities Additional pressure on existing employee teams	Benchmarking of salaries against other local Housing Associations Horizon scanning for potential skills shortages in the market Organisational Performance review, including succession planning	3x3 Medium (9)		

**Rochdale Boroughwide Housing
Report and Financial Statements
For the year ended 31 March 2021**

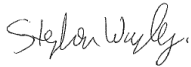
	Rising costs to retain or attract key skills Inability to retain key leadership team members and difficulties in attracting suitably experienced leaders.			9	Substantial
Management and maintenance cost saving targets not delivered	Do not deliver VFM cost saving targets leading to knock on effect on other budgets. Additional costs to RBH Impact on ability to deliver other services	Business planning and corporate strategy planning processes include identifying and monitoring potential cost savings Savings delivery progress reported to ELT and Board VFM Strategy to deliver efficiency savings Delivery against cost saving target for 2021-22 to be monitored via forecasting process	3x3 Medium (9)	9	Substantial
Failure to effectively embed Safeguarding reporting responsibilities resulting in harm to RBH customers and RBH reputation	Risk to vulnerable individual Bad publicity Regulator involvement Possible civil claim and prosecution Serious case review	Eyes Wide Open facility encourages early reporting of concerns. Housing specific LITMOS training has been developed and rolled out. RBH are members of and represented on the Rochdale Borough Safeguarding Adults and Safeguarding Childrens Partnership which provides advance warning of pending changes to legislation. Safeguarding referral mechanisms in place. Monitored and reviewed through the Strategic Safeguarding Group	3x3 Medium (9)	9	Substantial
A national or international event that has a mid-long term impact on RBH's ability to deliver services	Inability to provide core services particularly for vulnerable customers Death of customers Death of employees /contractors Worst case scenario - complete breakdown in service delivery Huge financial implications Possible civil litigation	Ongoing Incident Management Team meetings to implement Emergency/Business Continuity Planning – contingency arrangements Operational risks in place to address employee shortages, supply chain issues etc. Monitor KRIs World Health Organisation pandemic alerts. Health horizon scanning Social and political events	3x3 Medium (9)	9	Substantial

STRATEGIC REPORT continued

Note – Board Risk appetite

Red –the risk exceeds the appetite; Amber the risk matches the appetite; Green means the risk is within the appetite.
Where assurance is green, this means substantial assurance is provided.

The Board confirms that the form and content of this strategic report has been prepared in accordance with the 2018 SORP for Registered Social Housing Providers.



Stephen Wigley
Secretary
31 August 2021



Alison Tumilty
Chair of the Board
31 August 2021



Gareth Swarbrick
Chief Executive
31 August 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROCHDALE BOROUGHWIDE HOUSING LIMITED FOR THE YEAR ENDED 31 March 2021

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Association's affairs as at 31 March 2021 and of the Group's and the Association's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

We have audited the financial statements of Rochdale Boroughwide Housing Limited ("the Association") and its subsidiaries ("the Group") for the year ended 31 March 2021 which comprise the consolidated and Association statement of comprehensive income, the consolidated and Association statement of financial position, the consolidated and Association statement of changes in equity, the consolidated statement of cash flow and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the board members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and of the Association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the board with respect to going concern are described in the relevant sections of this report.

Other information

The board are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information including the Strategic Report, Report of the Board of Management, Statement of the Boards Responsibilities for the Report and Financial Statements and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where we are required by the Co-operative or Community Benefit Societies Act 2014 or the Housing and Regeneration Act 2008 to report to you if, in our opinion:

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROCHDALE BOROUGHWIDE HOUSING LIMITED FOR THE YEAR ENDED 31 MARCH 2020 (Continued)

- the information given in the Report of the Board for the financial year for which the financial statements are prepared is not consistent with the financial statements;
- adequate accounting records have not been kept by the parent Association; or
- a satisfactory system of control has not been maintained over transactions; or
- the parent Association financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the board

As explained more fully in the board members responsibilities statement set out on page 31, the board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the board members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the board are responsible for assessing the Group and the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board either intend to liquidate the Group or the Association or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the Group and the sector in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to their registration with the Regulator of Social Housing, and we considered the extent to which non-compliance might have a material effect on the Group Financial Statements or their continued operation. We also considered those laws and regulations that have a direct impact on the financial statements such as compliance with the Accounting Direction for Private Registered Providers of Social Housing and tax legislation.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates.

The audit procedures to address the risks identified included:

- Challenging assumptions made by management in their significant accounting estimates in particular in relation to the defined benefit pension liability and provision against rent arrears;
- Identifying and testing journal entries, in particular any journal entries posted from staff members with privilege access rights, journals posted by key management, journals posted and journals posted after the year end;
- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC and the Regulator of Social Housing.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROCHDALE BOROUGHWIDE HOUSING LIMITED FOR THE YEAR ENDED 31 MARCH 2021 (Continued)

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the members of the Association, as a body, in accordance with in accordance with the Housing and Regeneration Act 2008 and the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
HELEN KNOWLES
DAED9B91914A4A7...

BDO LLP
Statutory Auditor
Manchester
United Kingdom

07 September 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Rochdale Boroughwide Housing
Report and Financial Statements
For the year ended 31 March 2021

CONSOLIDATED AND ASSOCIATION STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2021

		RBH Group		RBH Limited	
	Note	2021	2020	2021	2020
		£'000	£'000	£'000	£'000
Turnover	2, 3	57,476	58,273	57,648	58,474
Operating costs	2, 3	(46,670)	(45,999)	(46,637)	(46,570)
Surplus on sale of fixed assets	6	3,687	4,111	3,687	4,111
Operating surplus		14,493	16,385	14,698	16,015
Investment income		-	-	129	67
Interest receivable	7	61	165	61	164
Interest payable and similar charges	8	(2,197)	(2,622)	(2,197)	(2,622)
Other finance cost	9	(248)	(637)	(248)	(637)
Dividend in specie received from subsidiary	10	-	-	213	-
Surplus before taxation	5	12,109	13,291	12,656	12,987
Taxation on surplus on ordinary activities	14	-	-	-	-
Surplus for the financial year		12,109	13,291	12,656	12,987
Actuarial gains on defined benefit pension scheme	13	644	18,804	644	18,804
Total comprehensive income for the year		12,753	32,095	13,300	31,791

All amounts relate to continuing activities.

The notes on pages 58 to 84 form part of these financial statements.

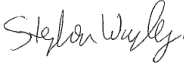
**Rochdale Boroughwide Housing
Report and Financial Statements
For the year ended 31 March 2021**

CONSOLIDATED AND ASSOCIATION STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021


	Note	RBH Group		RBH Limited	
		2021	2020	2021	2020
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible fixed assets - housing properties	15a,b	155,674	149,918	156,933	150,763
Tangible fixed assets- other	15c	2,885	2,279	2,885	2,279
Total tangible fixed assets		158,559	152,197	159,818	153,042
Current assets					
Properties held for sale	18	-	634	-	634
Stock	19	563	472	563	472
Debtors: received within one year	20	14,199	11,606	14,143	11,962
Debtors: due in more than one year	20	54,813	61,939	54,813	61,939
Cash at bank and in hand		41,489	29,322	41,429	28,959
Total Current assets		111,064	103,973	110,948	103,966
Creditors: amounts falling due within one year	21	(19,222)	(13,698)	(19,316)	(14,039)
Net current assets		91,842	90,275	91,632	89,927
Total assets less current liabilities		250,401	242,472	251,450	242,969
Creditors: amounts falling due after more than one year	22	(57,573)	(56,652)	(57,573)	(56,652)
Provisions for liabilities	25	(12)	(23)	(12)	(18)
Refurbishment provision	24	(54,813)	(61,939)	(54,813)	(61,939)
Pension liability	13	(11,306)	(9,914)	(11,306)	(9,914)
Net assets		126,697	113,944	127,746	114,446
Capital and reserves					
Pension reserve	13	(11,306)	(9,914)	(11,306)	(9,914)
Income and expenditure reserve		138,003	123,858	139,052	124,360
		126,697	113,944	127,746	114,446

The notes on pages 58 to 84 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board on 18 August 2021 and signed on its behalf by:


Stephen Wigley
Secretary
31 August 2021


Alison Tumilty
Chair of the Board
31 August 2021


Gareth Swarbrick
Chief Executive
31 August 2021

Rochdale Boroughwide Housing
Report and Financial Statements
For the year ended 31 March 2021

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

Group	Income and Expenditure Reserve	Pension Reserve	Designated Reserve	Total
	£'000	£'000	£'000	£'000
At 31st March 2020	123,882	(9,914)	(24)	113,944
Surplus for the year	12,109	-	-	12,109
Actuarial gain relating to pension scheme (Note 13)	-	644	-	644
Other comprehensive loss for the year	-	644	-	644
Transfer from Pension Reserve	2,036	(2,036)	-	-
At 31 March 2021	138,027	(11,306)	(24)	126,697

Group	Income and Expenditure Reserve	Pension Reserve	Designated Reserve	Total
	£'000	£'000	£'000	£'000
At 31st March 2019	106,773	(24,900)	(24)	81,849
Surplus for the year	13,291	-	-	13,291
Actuarial gain relating to pension scheme (Note 13)	-	18,804		18,804
Other comprehensive income for the year	-	18,804	-	18,804
Transfer from Pension Reserve	3,818	(3,818)	-	-
At 31 March 2020	123,882	(9,914)	(24)	113,944

The notes on pages 58 to 84 form part of these financial statements.

**Rochdale Boroughwide Housing
Report and Financial Statements
For the year ended 31 March 2021**

ASSOCIATION STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

RBH Limited	Income and Expenditure Reserve	Pension Reserve	Designated Reserve	Total
	£'000	£'000	£'000	£'000
At 31st March 2020	124,384	(9,914)	(24)	114,446
Surplus for the year	12,656	-	-	12,656
Actuarial gain relating to pension scheme (Note 13)	-	644	-	644
Other comprehensive loss for the year	-	644	-	644
Transfer from Pension Reserve	2,036	(2,036)	-	-
At 31 March 2021	139,076	(11,306)	(24)	127,746

RBH Limited	Income and Expenditure Reserve	Pension Reserve	Designated Reserve	Total
	£'000	£'000	£'000	£'000
At 31st March 2019	107,579	(24,900)	(24)	82,655
Surplus for the year	12,987	-	-	12,987
Actuarial gain relating to pension scheme (Note 13)	-	18,804	-	18,804
Other comprehensive income for the year	-	18,804	-	18,804
Transfer from Pension Reserve	3,818	(3,818)	-	-
At 31 March 2020	124,384	(9,914)	(24)	114,446

The notes on pages 58 to 84 form part of these financial statements.

**Rochdale Boroughwide Housing
Report and Financial Statements
For the year ended 31 March 2021**

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

	Notes	RBH Group	
		2021	2020
		£'000	£'000
Cash flows from operating activities			
Surplus for the financial year		12,109	13,291
<i>Adjustments for:</i>			
Surplus on the sale of fixed assets	6	(3,687)	(4,111)
Depreciation of housing properties	5	4,598	4,198
Depreciation of other fixed assets	5	594	507
Impairment	3	374	-
Amortised grant	23	(218)	(140)
Increase in stocks		(91)	(148)
Decrease in debtors		5,167	4,270
Decrease in creditors and provisions		(6,599)	(5,618)
Difference between net pension expense and cash contribution		1,788	3,181
Interest received	7	(61)	(165)
Interest payable and other finance costs		2,445	2,769
Net cash generated from operating activities		16,419	18,034
Cash flows from investing activities			
Purchase of tangible fixed assets		(9,942)	(12,038)
Proceeds from sale of tangible fixed assets		4,615	5,498
Receipt of grant	23	3,263	1,039
Interest received		61	802
Net cash from investing activities		(2,003)	(4,699)
Cash flows from financing activities			
Interest paid		(2,133)	(2,622)
New loans		23	-
Repayment of loans		(139)	-
Net cash used in financing activities		(2,249)	(2,622)
Net increase in cash and cash equivalents		12,167	10,713
Cash and cash equivalents at beginning of the year		29,322	18,609
Cash and cash equivalents at end of the year		41,489	29,322

The notes on pages 58 to 84 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1 Principal Accounting policies

Basis of accounting

The financial statements have been prepared in accordance with applicable law and UK accounting standards (United Kingdom Generally Accepted Accounting Practice) which for Rochdale Boroughwide Housing (RBH) includes the Cooperative and Community Benefit Societies Act 2014 (and related group accounts regulations); the Housing and Regeneration Act 2008; FRS 102 “the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland”; the Statement of Recommended Practice (SORP) for Registered Social Housing Providers 2018; and, the Accounting Direction for Private Registered Providers of Social Housing 2019.

The accounts are prepared under the historic cost and going concern basis as specified in the accounting policies below.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies.

Going Concern

The board reviewed the association’s revised forecasts, 30 year business plan and a Going Concern Assessment in June 2021 and were content that these long-term plans were affordable and that the accounts should be prepared on a going concern basis.

RBH has a robust and stress tested Business Plan in place, including consideration of a scenario around the impact of COVID-19 on our cash flows. The scenario is a worst-case base and would require a small number of mitigations but would not ‘break the plan’.

Although the Government has started ease the lockdown, the impacts of COVID are still ongoing and uncertain and outside of our control. We continue to manage cash flows and review financial stability as matters progress.

Rent collection has been higher than projected at the start of the year and although there were initially delays on repairs, asset management and development schemes, activities on such projects have now started to progress. Employees continue to work from home as RBH launch its new Smart Working initiative.

At 31 March 2021, RBH had a cash balance of £41.4m with an additional secured undrawn facility of £25m and no use of overdraft. Cash flows are updated daily and 12 week cash flows are monitored by the Executive Leadership Team and 3 yearly cash flows by Board at regular intervals. This is enhanced by monthly rolling forecasts and management accounts which enable RBH to monitor costs and trends continuously. The Board also have sight of this on a quarterly basis.

RBH also have a positive reserve of £127m which provides further assurance.

Our Treasury Strategy supports the Business Plan and all the key measures and loan covenants in the plan show RBH is in a strong financial position. The plan also benefits from a high level of headroom in terms of cash balances and new finance will be required by year 4, for which a re-finance exercise is underway. Re-phasing of works would mitigate not achieving this carve-out and is also detailed in the stress testing. The going concern assessment includes a particular focus on:

- Rent collection and bad debt provision
- Property valuation and impairment
- Pension valuation
- Properties for sale
- Properties under construction

After due consideration, the Board is confident that RBH has sufficient resources to continue to operate into the foreseeable future and it has therefore prepared these financial statements on a going concern basis.

Parent company disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No statement of cash flows has been presented for the parent company; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

The following principal accounting policies have been applied:

1 Principal Accounting policies continued

Basis of Consolidation

The financial statements are group statements and have been prepared by consolidating the results of the subsidiary undertakings within the RBH Group. Intercompany transactions and balances between group companies are therefore eliminated in full. All financial statements are made up to 31 March 2021.

Turnover

Turnover comprises rental income receivable in the year, and other services included at the invoiced value (excluding VAT) of goods and services supplied in the year; revenue grants receivable in the year, amortisation of social housing and other grants, proceeds from the sale of land and property, including first tranche sale of shared ownership properties and other income from operating activities.

Rental income is recognised from the point when properties under development reach practical completion and are formally let, income from the sales of properties is recognised at the point of legal completion of the sale.

Income from first tranche sales of shared ownership property and sales of properties built for sale is recognised at the point of legal completion of the sale.

Value added tax

The majority of group turnover relates to rental income, which is exempt from VAT, however a small proportion of income is subject to VAT and this gives rise to small amount of VAT recovery.

The majority of RBH expenditure is subject to VAT and will be shown gross where such VAT is not recoverable from HMRC. In relation to the VAT Shelter, a provision is created which represents RBH's obligation to carry out refurbishment works which is set out in the Works Agreement with Rochdale Council. This will be written down as work to housing properties is actually undertaken. There is a corresponding long term debtor recognised on the statement of financial position which is written down in line with the provision.

Pensions

RBH is an admitted body within the Greater Manchester Pension Fund (GMPF), a funded multi-employer defined benefit scheme. Scheme assets are measured at fair values. Scheme liabilities are measured on an actuarial basis using the projected unit method and are discounted at appropriate high quality corporate bond rates.

The net surplus or deficit is presented separately from other net assets on the statement of financial position. A net surplus is recognised only to the extent that it is recoverable by the group.

The current service cost and costs from settlements and curtailments are charged against operating profit. Past service costs are recognised as the benefits accrue. Interest on the scheme liabilities and the expected return on scheme assets are included net in other finance costs. Actuarial gains and losses are reported in the statement of comprehensive income.

From the 1 January 2017 RBH also has a defined contribution scheme which is administered by Royal London. Following the closure of the scheme to new entrants, RBH procured Royal London to provide its alternative Defined Contribution scheme. All new employees and those being auto-enrolled, now go into this scheme, which currently has 170 members. In addition, RBH has 2 employees who are not on RBH's terms and conditions and therefore we also operate the NEST scheme for these employees.

Fixed Assets and depreciation

Housing Properties

The cost of housing land and property includes the cost of acquiring land and buildings, development costs, directly attributable administration costs and expenditure incurred in respect of improvements which comprise the modernisation and extension of existing properties.

Expenditure on major refurbishment to properties is capitalised where the works increase the net rental stream over the life property. An increase in the net rental stream may arise through an increase in the net rental income, a reduction in future maintenance costs, or a subsequent extension in the life of the property. All other repair and replacement expenditure is charged to the Statement of Comprehensive Income. There is a de-minimis limit for capitalisation of £2,000.

1 Principal Accounting policies continued

Housing properties continued

Housing properties in the course of construction, excluding the estimated cost of the element of shared ownership properties expected to be sold in the first tranche, are included in tangible fixed assets- housing properties and held at cost less any impairment, and are transferred to completed properties when ready for letting.

When housing properties are developed for sale to another social landlord, the cost is dealt with in current asset under housing properties and stock for sale.

Gains and losses on disposals of housing properties are determined by comparing the proceeds with the carrying amount and incidental costs of sales and recognised within gain/loss on disposal of fixed assets in the statement of comprehensive income.

Where land has been acquired for regeneration, on completion of ownership, the land will be held under Other Assets - Land until such time it's future use is confirmed. The carrying value is assessed for impairment each year in line with FRS102.

Capitalised interest

Finance costs are not capitalised. This is in accordance with RBH's Capitalisation Policy.

Development Costs

Development costs are capitalised as a fee percentage on works costs.

Donated Land

Land donated by local authorities and others is added to cost at the market value of the land at the time of donation. Where the donation is from a public body the difference between the value and cost is added to other grants, otherwise it is treated as income. Assets under construction are stated at cost and transferred to completed properties when ready for letting.

General repairs

All other expenditure incurred in respect of general repairs to the housing stock will be charged to the statement of comprehensive income in the year it is incurred.

Depreciation

Housing land and property is split between land, structure and other major components that are expected to require replacement over time with substantially different economic lives.

Land is not depreciated on account over its indefinite useful economic life.

The portion of shared ownership property retained or expected to be retained is not depreciated on account of the high residual value. Neither the depreciable amount nor the expected annual depreciation charge for such assets is considered material, individually or in aggregate.

Assets in the course of construction are not depreciated until they are completed and ready for use to ensure that they are depreciated only in periods in which economic benefits are expected to be consumed.

Housing properties are split between the structure and the major components which require periodic replacement. The costs of replacement or restoration of these components are capitalised and depreciated over the determined average useful economic life on a straight-line basis as follows:

Depreciation Rates

Component	Depreciation Period
Buildings (General)	100 years
Cladding	60 years
Roofs	50 years
Windows	40 years
Doors	40 years
Bathrooms	30 years
Lifts	30 years
Central heating distribution systems	30 years
Other heating systems	30 years
Rewires	30 years
Renewable energy	25 years
Kitchens	20 years
Boiler	15 years
Alarm systems	15 years

1 Principal Accounting policies continued

Depreciation continued

Depreciation begins from the month following installation, and a full months' depreciation will be charged in the month of disposal.

Following the issue of Initial Demolition Notices to some of the blocks in College Bank and Lower Falinge depreciation on these blocks has been accelerated to the date of their expected demolition.

Other tangible fixed assets

Other tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefit to the group. The carrying amount of the replacement part is recognised. Repairs and maintenance are charged to the Statement of Comprehensive Income during the period in which they are incurred.

Depreciation is calculated on a straight line basis on the cost of other tangible fixed assets to write them down to their estimated residual values over their expected useful lives.

Asset	Depreciation period
Offices	3-5 years
Fixtures & fittings	3-5 years
Plant & Machinery	Various
IT Systems	3-5 years
Assets under construction	Not depreciated
Land	Not depreciated

Impairment

The housing property portfolio of the Group is assessed for indicators of impairment at each accounting date. Where indicators are identified then a detailed assessment is undertaken to compare the carrying amount of assets or cash generating units for which impairment is indicated to their recoverable amounts.

The Group looks at the net realisable value when considering the recoverable amount for the purposes of impairment assessment. The recoverable amount is taken to be higher of the fair value less cost to sell or value in use of an asset cash generating unit.

RBH deem that neighbourhoods are cash generating units. The assessment of value in use may involve considerations of the service potential of the assets or cash generating units concerned or the present value of future cash flows to be derived from them appropriately adjusted to account for any restrictions on their use. No properties have been valued at VIU SP. Other fixed assets and land are reviewed for impairment if there is an indication that impairment may have occurred. Where there is evidence of impairment, fixed assets are written down to their recoverable amount. Any such write down will be charged to the operating surplus.

Where land has been acquired for regeneration, on completion of ownership the carrying value is accessed against the market value and impaired as appropriate. The carrying value is assessed for impairment each year in line with FRS102.

Social Housing Grant and other government grants

Grants received in relation to assets are accounted for using the accrual model set out in FRS 102 and the Housing SORP 2018. The grant is carried as deferred income in the statement of financial position and released to turnover on a systematic basis over the useful economic lives of the asset for which it was received. In accordance with Housing SORP 2018 the useful economic life of the housing property structure has been selected.

Where social housing grant (SHG) funded property is sold, the grant becomes recyclable and is transferred to a recycled capital grant fund until it is reinvested in a replacement property. If there is no requirement to recycle or repay the grant on disposal of the assets any unamortised grant remaining within creditors is released and recognised as turnover in the statement of comprehensive income.

Grants relating to revenue are recognised in income and expenditure over the same period as the expenditure to which they relate once performance related conditions have been met. Grants due from government organisations or received in advance are included as current assets or liabilities.

1 Principal Accounting policies continued

Shared Ownership Properties

Shared ownership properties are split proportionally between current and fixed assets based on the element relating to first tranche sales. The first tranche proportion is classed as a current asset and the remaining element is classed as a fixed asset and included in housing properties at cost less any provisions needed for depreciation or impairment and are valued at lower of cost and net realisable value.

Leased Assets

Rentals payable under operating leases are charged to the statement of comprehensive income on a straight-line basis over the lease term.

Stocks

Stocks are stated at the lower of cost and net realisable value and are issued on a First in First out (FIFO) basis. Cost comprises of materials, direct labour and direct development overheads.

Properties Held For Sale

Properties developed for outright sale are included in current assets as they are intended to be sold, at the lower of cost or estimated selling price less costs to complete and sell.

An assessment of whether there is any impairment is made at each reporting date. Where an impairment loss is identified, it is immediately recognised in the statement of consolidated income.

Taxation

No corporation tax is payable on the surpluses of charitable activities of RBH since transfer, as it has charitable status.

Cash and cash equivalents

Cash and cash equivalents in the Group's Consolidated Statement of Financial Position consists of cash at bank, in hand, deposits and short-term investments with an original maturity of three months or less.

Management charges

RBH Group subsidiary companies do not have any employees and therefore management charges are made on an arm's length basis to them for services provided by RBH, in accordance with an Intra Group Agreement. Management charges consist mainly of Finance, IT, Legal and Company Secretarial services.

Sale of housing properties

The surplus or deficit arising from disposal of properties under the Preserved Right to Buy (PRTB) legislation and other property disposals are disclosed on the face of the statement of comprehensive income. The surplus or deficit is net of any sums payable to Rochdale Council under the terms of the Transfer Agreement.

Refurbishment Provision

Properties are acquired from local authorities for a consideration equivalent to their current market value plus the cost of bringing them into a good state of repair. Immediately prior to the transfer, the local authority contracts with the association to carry out these refurbishment works for a fixed sum, equal to the expected cost of the required work. The terms of the local authorities' undertaking to refurbish/repair the properties and the terms of the contract with the association are essentially similar; in particular, the price is fixed, and no time limit imposed. Subcontractors are subsequently employed to carry out the work over a number of years.

The underlying substance of the transactions is reflected on a gross basis; recognising the contractual position of the association which has both an asset for which it has paid (the local authorities' obligation to perform the refurbishment) and a legal obligation to complete the works under the refurbishment contract. These assets and liabilities are recognised in the statement of financial position within debtors and provisions respectively.

1 Principal Accounting policies continued

Bad debts and write offs

RBH make a prudent provision for bad debts based on the age of the debt in accordance with the following tables as recommended by the Chartered Institute of Public Finance and Accountancy.

Current Tenants	Age of Debt	% Provision
	0-4 Weeks	0%
	4-13 Weeks	10%
	13-26 Weeks	25%
	26-39 Weeks	50%
	39-52 Weeks	75%
	52 > Weeks	95%
Former Tenants		
	All	99%

In addition, outstanding debts are reviewed on an individual basis and additional provisions to those shown in the above table are applied where appropriate. Any write offs, deemed to be uncollectable by the Income Recovery Team are approved in accordance with the Scheme of Delegation.

Service charges

Our service charges are defined as variable service charges. This means that charges raised reflect the cost of service delivery. RBH complies fully with the legislative regime controlling the imposition of service charges. RBH will limit the amount of any charge raised to costs, which have been reasonably incurred as contained within the Landlord & Tenant Act 1985 Section 19.

RBH have an obligation for extensive consultation with tenants before major works or long term contracts are entered into. The regime is contained in the Landlord and Tenant Act 1985 Sections 18 to 30 (as amended) and Service Charges (Consultation Requirements) Regulations 2003.

Variable service charges are calculated annually on the basis of the previous year's cost of service (April to March) plus estimates for some of the costs that RBH will not know. Once the financial year has ended, RBH will check the amount that was spent on delivering the service and adjust the following years charge with the surplus or deficit between the actual and estimated costs. The service charge calculation will be applied to rent accounts and charged over a 48-week period.

Debtors and Creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded initially at transaction price less attributable transaction cost. Subsequent to initial recognition they are measured at the undiscounted value of amounts expected to be received. Any losses arising from impairment are recognised in the income statement in other operating expenses.

Financial Instruments

Financial assets and liabilities are recognised when the group becomes a party to the contractual provisions of the instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all its liabilities.

Finance costs

Financial costs are charged to profit or loss over the term of the debt using the effective interest rate method so that the amount charged is a constant rate on the carrying amount. Issue cost are initially recognised as a reduction in the proceeds of the association capital instrument.

1 Principal Accounting policies continued

Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, key judgements have been made in respect of the following:

- whether there are indicators of impairment of the group's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit. The members have considered the measurement basis to determine the recoverable amount of assets where there are indicators of impairment based on EUV-SH or depreciated replacement cost. The members have also considered impairment based on their assumptions to define cash or asset generating units.
- the anticipated costs to complete on a development scheme based on anticipated construction cost, effective rate of interest on loans during the construction period, legal costs and other costs. Based on the costs to complete, RBH then determine the recoverability of the cost of properties developed for outright sale and/or land held for sale. This judgement is also based on the best estimate of sales value based on economic conditions within the area of development.
- the critical underlying assumptions in relation to the estimate of the pension defined benefit scheme obligation such as standard rates of inflation, mortality, discount rate and anticipated future salary increases. Variations in these assumptions have the ability to significantly influence the value of the liability recorded and annual defined benefit expense.
- whether leases entered into by the group either as a lessor or a lessee are operating leases or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

Other key sources of estimation uncertainty

- **Tangible fixed assets (see note 15)**
Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

For housing property assets, the assets are broken down into components based on management's assessment of the properties. Individual useful economic lives are assigned to these components.

- **Rentals and other debtors (see note 20)**
The estimate for receivables relates to the recoverability of the balances outstanding at year end. A review is performed on an individual debtor basis to consider whether each debt is recoverable.

**Rochdale Boroughwide Housing
Report and Financial Statements
For the year ended 31 March 2021**

2 Particulars of turnover, cost of sales, operating costs and operating surplus

Continuing activities

RBH Group (2021)	Turnover	Operating costs	Operating surplus
	£'000	£'000	£'000
Social housing lettings (Note 3)	50,709	(37,752)	12,957
Other social housing activities			
First Tranche Low Cost Home Ownership Sales	1,842	(1,699)	143
Support services	157	(19)	138
Garages	419	(242)	177
Shops	395	(3)	392
Homeless Contract with RBC	2,008	(1,920)	88
United Utilities commission	801	(1,037)	(236)
Regeneration	-	(2,801)	(2,801)
Other	514	(794)	(280)
Non-social housing activities			
Leaseholders	236	(176)	60
Other	395	(227)	168
	57,476	(46,670)	10,806

RBH Group (2020)	Turnover	Operating costs	Operating surplus
	£'000	£'000	£'000
Social housing lettings (Note 3)	51,735	(37,150)	14,585
Other social housing activities			
First Tranche Low Cost Home Ownership Sales	1,399	(1,279)	120
Support services	309	(493)	(184)
Garages	446	(20)	426
Shops	252	(6)	246
Homeless Contract with RBC	1,939	(1,895)	44
United Utilities commission	876	(876)	-
Regeneration	-	(2,743)	(2,743)
Other	621	(1,254)	(633)
Non-social housing activities			
Leaseholders	160	(155)	5
Other	536	(128)	408
	58,273	(45,999)	12,274

**Rochdale Boroughwide Housing
Report and Financial Statements
For the year ended 31 March 2021**

2 Particulars of turnover, cost of sales, operating costs and operating surplus

Continuing activities

RBH Limited (2021)	Turnover	Operating costs	Operating surplus
	£'000	£'000	£'000
Social housing lettings (Note 3)	51,064	(37,752)	13,312
Other social housing activities			
First Tranche Low Cost Home Ownership Sales	1,842	(1,699)	143
Support services	157	(19)	138
Garages	419	(242)	177
Shops	395	(3)	392
Homeless Contract with RBC	2,008	(1,920)	88
United Utilities commission	801	(1,037)	(236)
Regeneration	-	(2,801)	(2,801)
Other	514	(794)	(280)
Non-social housing activities			
Leaseholders	236	(176)	60
Other	212	(194)	18
	57,648	(46,637)	11,011

RBH Limited (2020)	Turnover	Operating costs	Operating surplus
	£'000	£'000	£'000
Social housing lettings (Note 3)	52,220	(37,150)	15,070
Other social housing activities			
First Tranche Low Cost Home Ownership Sales	1,399	(1,279)	120
Support services	309	(493)	(184)
Garages	446	(20)	426
Shops	252	(6)	246
Homeless Contract with RBC	1,939	(1,895)	44
United Utilities commission	876	(876)	-
Regeneration	-	(2,743)	(2,743)
Other	621	(1,254)	(633)
Non-social housing activities			
Leaseholders	160	(155)	5
Other	252	(699)	(447)
	58,474	(46,570)	11,904

**Rochdale Boroughwide Housing
Report and Financial Statements
For the year ended 31 March 2021**

3 Particulars of income and expenditure from social housing lettings

RBH Group (2021)	General needs	Supported housing	2021 Total	2020 Total
	£'000	£'000	£'000	£'000
INCOME				
Rent receivable net of identifiable service charges	42,612	3,186	45,798	46,473
Service charge income	2,703	2,197	4,900	5,222
Amortised government grants	207	11	218	140
Other revenue grants	14	-	14	4
Other	146	(12)	134	(104)
Turnover from social housing lettings	45,682	5,382	51,064	51,735
EXPENDITURE				
Management	(10,896)	(1,222)	(12,118)	(13,323)
Service charge costs	(2,810)	(1,881)	(4,691)	(4,686)
Routine maintenance	(9,471)	(785)	(10,256)	(9,734)
Planned maintenance	(1,934)	(161)	(2,095)	(1,681)
Major repairs expenditure	(2,124)	(177)	(2,301)	(2,366)
Bad debts	(705)	(20)	(725)	(655)
Depreciation of housing properties	(3,992)	(606)	(4,598)	(4,197)
Depreciation of other fixed assets	(546)	(48)	(594)	(508)
Impairment	(374)	-	(374)	-
Operating costs on social housing lettings	(32,852)	(4,900)	(37,752)	(37,150)
Operating surplus on social housing lettings	12,830	482	13,312	14,585
Empty Homes losses	712	113	825	514
RBH Limited (2021)	General needs	Supported housing	2021 Total	2020 Total
	£'000	£'000	£'000	£'000
INCOME				
Rent receivable net of identifiable service charges	42,612	3,186	45,798	46,793
Service charge income	2,703	2,197	4,900	5,222
Amortised government grants	126	11	137	140
Other revenue grants	14	-	14	4
Other	227	(12)	215	381
Turnover from social housing lettings	45,682	5,382	51,064	52,540
EXPENDITURE				
Management	(10,896)	(1,222)	(12,118)	(13,323)
Service charge costs	(2,810)	(1,881)	(4,691)	(4,686)
Routine maintenance	(9,471)	(785)	(10,256)	(9,734)
Planned maintenance	(1,934)	(161)	(2,095)	(1,681)
Major repairs expenditure	(2,124)	(177)	(2,301)	(2,366)
Bad debts	(705)	(20)	(725)	(655)
Depreciation of housing properties	(3,992)	(606)	(4,598)	(4,197)
Depreciation of other fixed assets	(546)	(48)	(594)	(508)
Impairment	(374)	-	(374)	-
Operating costs on social housing lettings	(32,852)	(4,900)	(37,752)	(37,150)
Operating surplus on social housing lettings	12,830	482	13,312	15,390
Empty Homes losses	712	113	825	514

**Rochdale Boroughwide Housing
Report and Financial Statements
For the year ended 31 March 2021**

4 Accommodation in management and development

At the end of the year accommodation in management for each class of accommodation was as follows (RBH Group and RBH Limited):

			2021	2020
	Owned and Managed	Managed not Owned	Total Owned and Managed	Total Owned and Managed
Social housing				
General Needs – Social Rent	10,615	-	10,615	10,697
General Needs – Affordable Rent	978	11	989	970
Supported housing and housing for older people	968	-	968	968
Low cost homeownership	49	-	49	34
Sub-total social housing	12,610	11	12,621	12,669
Non-social housing				
Non-social rented	1	34	35	35
Total	12,611	45	12,656	12,704
Properties under construction	119	-	119	94

Reconciliation of unit numbers

	General Needs – Social Rent	General Needs – Affordable Rent	Supported housing and housing for older people	Low cost home ownership	Other	Total
Opening unit numbers	10,697	970	968	34	35	12,704
New homes into management	-	23	-	16	-	39
Other gains	17	1	-	-	-	18
Sales – open market	(7)	(2)	-	-	-	(9)
Sales to tenants - Freehold	(78)	(6)	-	-	-	(84)
Sales to tenants - Leasehold	(12)	-	-	-	-	(12)
Demolitions	-	-	-	-	-	-
Movement within categories	(2)	3	-	(1)	-	-
Net change in stock	(82)	19	-	15	-	(48)
Closing unit numbers	10,615	989	968	49	35	12,656

5 Surplus on ordinary activities before taxation

The operating surplus is arrived at after charging:

	RBH Group		RBH Limited	
	2021	2020	2021	2020
	£000	£000	£000	£000
Depreciation of housing properties	4,598	4,198	4,598	4,198
Depreciation of other tangible fixed assets	594	507	594	507
Impairment of SSL investment	-	-	-	469
Operating lease rentals				
- Premises leases	342	391	342	391
- Vehicles	626	406	626	406
Auditors' remuneration				
- External auditors – in their capacity as auditors	28	27	23	20
- External auditors – for non audit services	3	6	3	6
- Internal auditors	56	57	56	57

6 Surplus on sale of fixed assets

	RBH Group		RBH Limited	
	2021	2020	2021	2020
	£000	£000	£000	£000
Disposal proceeds	5,304	6,734	5,304	6,734
Cost of sales	(928)	(1,211)	(928)	(1,211)
Claw back costs to Rochdale Council	(689)	(1,412)	(689)	(1,412)
Surplus	3,687	4,111	3,687	4,111

The surplus from the sale of 1st tranche shared ownership homes is included in the operating surplus and reported in **note 2**.

7 Interest receivable and other income

	RBH Group		RBH Limited	
	2021	2020	2021	2020
	£000	£000	£000	£000
Interest receivable on short term deposits	61	165	61	164

8 Interest payable and similar charges

	RBH Group		RBH Limited	
	2021	2020	2021	2020
	£000	£000	£000	£000
Interest payable on long term loans	1,826	2,026	1,826	2,026
Loan Finance issue costs	70	70	70	70
Other finance costs	301	337	301	337
Loan Re-measurement	-	189	-	189
Total	2,197	2,622	2,197	2,622

Loan re-measurement £189K relates to a non-cash adjustment made as a result of a loan modification, blend and extend, completed in September 2019.

9 Other Finance costs

	RBH Group		RBH Limited	
	2021	2020	2021	2020
	£000	£000	£000	£000
Interest income on plan assets	3,002	3,423	3,002	3,423
Interest cost on obligations	(3,250)	(4,060)	(3,250)	(4,060)
Pension finance costs (Note 13)	(248)	(637)	(248)	(637)

10 Dividend in specie received from subsidiary

	RBH Group		RBH Limited	
	2021	2020	2021	2020
	£000	£000	£000	£000
Dividend received from subsidiary	-	-	213	-

This relates to waiver of an intra-group debt from SSL shown as dividend payment in SSL and dividend in specie in RBH.

11 Employees

Average monthly number of employees expressed as full-time equivalents:

Employee Numbers:	RBH Group		RBH Limited	
	2021	2020	2021	2020
Housing management	243	250	243	250
Housing maintenance	179	184	179	184
Administrative and Clerical	129	111	129	111
Total	551	545	551	545

Full time equivalents are calculated based on a standard working week of 36.25 hours.

Employee costs:	RBH Group		RBH Limited	
	2021	2020	2021	2020
	£000	£000	£000	£000
Wages and salaries	16,255	15,602	16,255	15,602
Social security costs	1,542	1,462	1,542	1,462
Other pension costs	2,404	2,310	2,404	2,310
Total	20,201	19,374	20,201	19,374

The majority of the society's employees are members of the Greater Manchester Pension Fund (GMPF). Further information on the scheme is in **note 13**. Since the GMPF was closed to new entrants from 1st January 2017, new employees and those being auto-enrolled have been admitted to a defined contribution scheme administered by the Royal London Scheme. In addition, RBH has 2 employees who are not on RBH's terms and conditions and therefore we also operate the NEST scheme for these employees.

12 Board members and executive directors

The remuneration paid to the Board members and executive directors of RBH (including the Executive Leadership Team) was as follows

	2021	2020
	£000	£000
Aggregate emoluments payable to Chair of the Board, other Board members and Executive Leadership Team (including pension contributions)	685	580
Pension contributions in the year amounted to:	85	68

The Chair was remunerated £11k for the year (2020: £11k) and other Board members received a total of £20k (2020: £10k). Expenses paid to board members in total were £1k (2020: £3k).

	2021	2020
	£000	£000
Alison Timilty (Chair)	11	11
Paul Joyce	4	2
Asrar Ul-Haq (Left February 2021)	4	2
Luen Thompson	4	2
Guy Millichamp	4	2
Mike Nuttall	4	2
Gareth Swarbrick	170	158
Nickie Hallard	124	113
Clare Tostevin	121	108
Nadhia Khan	107	90
Rowena Culshaw (Left February 2021)	132	90
	685	580

The emoluments of the directors include £144k (Chief Executive – the highest paid director) and £105k (Deputy Chief Executive and Director of Resources), excluding pension contributions (2020: £134k and £96k respectively). The pension contributions for the Chief Executive as the highest paid director are £26k (2020: £24k).

The Chief Executive is a normal member of the Greater Manchester Pension Fund. He is an ordinary member of the pension scheme and no enhanced or special terms apply. The society does not make any further contribution to an individual pension arrangement for the Chief Executive.

12 Board members and executive directors continued

The remuneration paid to employees (including executive management) earning over £60,000 upwards:

	2021	2020
Including pension contributions	No.	No.
£60k - £70k	2	3
£70k - £80k	5	5
£80k - £90k	-	-
£90k - £100k	2	2
£100k - £110k	1	1
£110k - £120k	-	1
£120k - £130k	-	-
£130k - £140k	1	-
£140k - £150k	-	-
£150k - £160k	1	1

13 Greater Manchester Pension Fund (Group and RBH Limited)

RBH participates in the Greater Manchester Local Government Pension Scheme (LGPS), a multi-employer funded defined benefit scheme where contributions payable is held in a trust separately for RBH.

Valuations are performed by a qualified actuary, using the projected unit credit method as required by Accounting Standards. The results of the last formal actuarial valuation have been projected forward from this point using approximate methods. The potential impact of the McCloud judgement is included in the results set out below.

RBH is an Admitted Body and has an Admission Agreement with Greater Manchester Pension Fund in its own right. The employers' contributions to the Pension Fund for the period ended 31st March 2021 were £2.225M (2020: £2.165M).

Financial assumptions

	31 March 2021	31 March 2020
	%per annum	%per annum
Discount rate	2.0	2.3
Future salary increases	2.6	2.7
Future pension increases	2.6	1.9

Mortality assumptions

Life expectancy is based on the funds VitaCurves with future improvements in line with the CMI 2020 model, an allowance for smoothing of recent mortality experience and long term rates of 1.5% p.a. for males and females.

Under the mortality assumptions used, the future life expectancy at the age of 65 is as follows:

	2021	2020
Current Pensioners	No. of years	No. of years
Males	19.9	20.5
Females	22.8	23.1
Future Pensioners		
Males	20.8	22.0
Females	24.4	25.0

Commutation

An allowance is included for future retirements to elect to take 55% of the maximum additional tax-free cash up to HMRC limits for pre-April 2008 service and 60% of the maximum tax-free cash for post-April 2008 service.

**Rochdale Boroughwide Housing
Report and Financial Statements
For the year ended 31 March 2021**

13 Greater Manchester Pension Fund continued

Analysis of the amount charged/(credited) to the statement of comprehensive income:

Year ended 31 March	2021	2020
	£000	£000
Expected return on employer assets	(3,002)	(3,423)
Interest cost	3,250	4,060
Total charged to other finance costs (Note 9)	248	637
Current service cost	3,839	5,279
Losses on Curtailments and Settlements	174	67
Total charged to administrative expenses	4,013	5,346
Total charge recorded in the statement of comprehensive income	4,261	5,983

Analysis of re-measurements recognised in other comprehensive income

Year ended 31 March	2021	2020
	£000	£000
Actual return less expected return on pension scheme assets	25,991	(15,216)
Changes in assumptions underlying the present value of the scheme's liabilities	(25,347)	34,020
Actuarial gain recognised in other comprehensive income	644	18,804
Cumulative Actuarial gains	10,676	10,032

Amounts recognised in the statement of financial position

Net pension liability at 31 March	2021	2020
	£000	£000
Fair value of employer assets (bid value)	159,611	130,573
Present value of funded liabilities	(170,917)	(140,487)
Net liability recognised in the statement of financial position	(11,306)	(9,914)

Reconciliation of defined benefit obligation

	2021	2020
	£000	£000
Opening defined benefit obligation	140,487	167,196
Current service cost	3,839	5,279
Interest cost	3,250	4,060
Contributions by members	753	776
Actuarial gains/(loss)	25,347	(34,020)
Losses on Curtailments	174	67
Estimated Benefits paid	(2,933)	(2,871)
Closing defined benefit obligation	170,917	140,487

The service cost figures include an allowance for administration expenses of 0.3% (2020: 0.3%) of payroll.

Reconciliation of fair value of employer assets

	2021	2020
	£000	£000
Opening fair value of employer assets	130,573	142,296
Expected return on assets	3,002	3,423
Contribution by members	753	776
Contribution by employer	2,225	2,165
Actuarial gains/(losses)	25,991	(15,216)
Benefits paid	(2,933)	(2,871)
Closing fair value of employer assets	159,611	130,573

**Rochdale Boroughwide Housing
Report and Financial Statements
For the year ended 31 March 2021**

13 Greater Manchester Pension Fund continued

Major categories of plan assets as a percentage of total plan assets

	2021	2020
	%	%
Equities	72	66
Bonds	12	17
Properties	7	8
Cash	9	9

Amounts for the current and previous four accounting periods

	2021	2020	2019	2018	2017
	£000	£000	£000	£000	£000
Fair value of employer assets	159,611	130,573	142,296	131,496	126,531
Present value of defined benefit obligation	(170,917)	(140,487)	(167,196)	(145,649)	(140,874)
Deficit on scheme	(11,306)	(9,914)	(24,900)	(14,153)	(14,343)
Experience gains/(losses) on assets	25,991	(15,216)	6,247	558	19,837
Experience gains on liabilities	-	-	-	-	5,213

Sensitivity analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in assumptions at year ended 31 March 2021	Approximate % Increase to employer liability	Approximate monetary amount £000
0.5% decrease in real discount rate	11	20,533
0.5% increase in salary increase rate	1	2,386
0.5% increase in pension increase rate	10	17,677

Projected pension expense for the year ended 31 March 2022

	£000	% of pay
Projected current service cost	(5,106)	(44.6)
Expected return on employer assets	3,205	28.0
Interest on obligation	(3,463)	(30.2)
Total	(5,364)	(46.8)

Employer's contributions for the year ended 31 March 2022 are estimated to be approximately £2,079,000.

14 Taxation (Group)

	2021	2020
	£000	£000
Current tax	-	-
UK corporation tax on surplus for the year	-	-
Total tax charge	-	-

The group did not incur a tax charge in the year as RBH Limited has been granted exemption from taxation under Section 505 of the Income and Corporation Taxes Act 1988 because of its charitable status. The trading subsidiary RBH (D&B) Ltd made a qualifying charitable donation to RBH Limited to eliminate any taxable profits.

15a Tangible fixed assets - housing properties (RBH Group)

	Held for Letting			Shared Ownership			Non-Social Properties	TOTAL
	Completed £'000	Under Construction £'000	Total £'000	Completed £'000	Under Construction £'000	Total £'000	£'000	£'000
COST								
At 1 April 2020	157,773	5,106	162,879	2,340	-	2,340	3,437	168,656
Additions	236	4,997	5,233	-	-	-	-	5,233
Capitalisation of Components	-	5,784	5,784	-	-	-	-	5,784
Disposals	(998)	-	(998)	-	-	-	-	(998)
Transfers	6,095	(7,341)	(1,246)	1,244	-	1,244	2	-
Transfers – Land from Other	-	200	200	-	-	-	-	200
At 31 March 2021	163,106	8,746	171,852	3,584	-	3,584	3,439	178,875
DEPRECIATION								
At 1 April 2020	18,655	-	18,655	7	-	7	76	18,738
Charge for the Year	4,523	-	4,523	28	-	28	47	4,598
Disposals	(135)	-	(135)	-	-	-	-	(135)
At 31st March 2021	23,043	-	23,043	35	-	35	123	23,201
NET BOOK VALUE								
At 31st March 2021	140,063	8,746	148,809	3,549	-	3,549	3,316	155,674
At 31st March 2020	139,118	5,106	144,224	2,333	-	2,333	3,361	149,918

The group considers each separate housing property scheme in its fixed asset register to represent separate cash generating units (CGU's) when assessing for impairment in accordance with the requirements of FRS 102 and SORP 2018. During the current year, the group and association have recognised an impairment loss of £Nil (2020: £Nil) in respect of general needs housing. As part of the Town Centre Masterplan Initial Demolition Notices were issued in July 2018 to tenants in some blocks within the Lower Falinge neighbourhood. As a result of this, depreciation on these assets and components was accelerated to reflect estimated demolition dates. The transfer of land from other fixed asset relates to the Strand development scheme, which is currently under construction.

15b Tangible fixed assets – housing properties (RBH)

	Held for Letting			Shared Ownership			Non-Social Properties	TOTAL
	Completed £'000	Under Construction £'000	Total £'000	Completed £'000	Under Construction £'000	Total £'000	£'000	£'000
COST								
At 1 April 2020	157,869	5,893	163,762	2,340	-	2,340	3,437	169,539
Additions	237	5,410	5,647	-	-	-	-	5,647
Capitalisation of Components	-	5,784	5,784	-	-	-	-	5,784
Disposals	(998)	-	(998)	-	-	-	-	(998)
Transfers	6,095	(7,341)	(1,246)	1,243	-	1,243	3	-
Transfers – Land from Other	-	200	200	-	-	-	-	200
At 31 March 2021	163,203	9,946	173,149	3,583	-	3,583	3,440	180,172
DEPRECIATION								
At 1 April 2020	18,694	-	18,694	6	-	6	76	18,776
Charge for the Year	4,523	-	4,523	28	-	28	47	4,598
Disposals	(135)	-	(135)	-	-	-	-	(135)
At 31st March 2021	23,082	-	23,082	34	-	34	123	23,239
NET BOOK VALUE								
At 31 st March 2021	140,121	9,946	150,067	3,549	-	3,549	3,317	156,933
At 31 st March 2020	139,175	5,893	145,068	2,334	-	2,334	3,361	150,763

The transfer of land from other fixed asset relates to the Strand development scheme, which is currently under construction.

15c Tangible fixed assets – other (RBH Group and RBH Limited)

	Offices	Plant & Machinery	Fixtures & Fittings	IT Systems	F&F & IT Assets under Construction	Land	TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
COST							
At 1 April 2020	778	64	338	2,632	911	200	4,923
Additions	-	-	-	-	1,124	650	1,774
Transfers	-	-	-	1,385	(1,385)	-	-
Transfers – Land to Development	-	-	-	-	-	(200)	(200)
Impairment	-	-	-	-	-	(374)	(374)
Disposals	-	-	-	-	-	-	-
At 31 March 2021	778	64	338	4,017	650	276	6,123
DEPRECIATION							
At 1 April 2020	481	64	182	1,917	-	-	2,644
Charge for the Year	124	-	16	454	-	-	594
Disposals	-	-	-	-	-	-	-
At 31st March 2021	605	64	198	2,371	-	-	3,238
NET BOOK VALUE							
At 31st March 2021	173	-	140	1,646	650	276	2,885
At 31st March 2020	297	-	156	715	911	200	2,279

The transfer of land to fixed asset housing properties relates to the Strand development scheme, which is currently under construction.

Housing

Report and Financial Statements
For the year ended 31 March 2021

16 Improvements to Housing Properties

	RBH Group		RBH Limited	
	31/3/2021	31/3/2020	31/3/2021	31/3/2020
	£000	£000	£000	£000
Improvements to existing properties capitalised	5,784	5,801	5,784	5,801
Major repairs expenditure to statement of comprehensive income	2,301	2,366	2,301	2,366
	8,085	8,167	8,085	8,167

17 Capital commitments

	31/3/2021	31/3/2020
Capital expenditure	£000	£000
Expenditure contracted for but not provided in the accounts	17,191	11,798
Expenditure authorised by the board, but not contracted	-	-
	17,191	11,798
RBH expects these to be financed by:		
Committed Loan Facilities	17,191	11,798
	17,191	11,798

18 Properties for sale

	RBH Group		RBH Limited	
	31/3/2021	31/3/2020	31/3/2021	31/3/2020
	£000	£000	£000	£000
Completed properties	-	634	-	634

19 Stock

	RBH Group		RBH Limited	
	31/3/2021	31/3/2020	31/3/2021	31/3/2020
	£000	£000	£000	£000
Materials in stock	563	472	563	472

The replacement cost of stock is not materially different from the carrying value of stock in both the current and prior year.

**Rochdale Boroughwide Housing
Report and Financial Statements
For the year ended 31 March 2021**

20 Debtors

	RBH Group		RBH Limited	
	31/3/2021	31/3/2020	31/3/2021	31/3/2020
	£000	£000	£000	£000
Due within one year				
Rent and service charges arrears	4,165	5,002	4,165	5,002
Less: provision for bad and doubtful debts	(3,277)	(3,393)	(3,277)	(3,393)
	888	1,609	888	1,609
Other debtors				
Other debtors	3,090	1,333	3,038	1,622
Taxation - VAT	452	175	452	175
Short-term refurbishment obligation (Note 24)	8,744	7,402	8,744	7,402
Prepayments and accrued income	1,025	1,087	969	967
Amounts owed by group undertakings	-	-	52	187
	14,199	11,606	14,143	11,962
Due in more than one year				
Refurbishment obligation (Note 24)	54,813	61,939	54,813	61,939
Total debtors	69,012	73,545	68,956	73,901

Amounts owed by Group undertakings are interest free and due on demand.

Other debtors include amount for Toad Lane (£746k) and RSPCA (£1,400k) to acquire lands, as the legal title of these purchases has not been transferred to RBH as at year end.

21 Creditors: Due within one year

	RBH Group		RBH Limited	
	31/3/2021	31/3/2020	31/3/2021	31/3/2020
	£000	£000	£000	£000
Loans and overdrafts	2,118	117	2,118	117
Trade Creditors	2,031	2,048	1,920	1,756
Rent and service charges received in advance	48	97	48	97
Taxation and social security	405	45	416	38
Deferred capital grant (Note 23)	212	205	212	205
Accruals and deferred income	5,664	3,784	5,669	4,310
Short term refurbishment provision	8,744	7,402	8,744	7,402
Amounts owed to Group undertakings	-	-	189	114
Total	19,222	13,698	19,316	14,039

Amounts owed by Group undertakings are due on demand and interest.

22 Creditors: Amounts falling due after more than one year

	RBH Group		RBH Limited	
	31/3/2021	31/3/2020	31/3/2021	31/3/2020
	£000	£000	£000	£000
Loans repayable:				
Due between one and two years	2,124	2,122	2,124	2,122
Due between two and five years	6,419	6,410	6,419	6,410
Due in five years or more	31,752	33,950	31,752	33,950
	40,295	42,482	40,295	42,482
Loan arrangement fees	(391)	(461)	(391)	(461)
Loan re-measurement	189	189	189	189
Total loans	40,093	42,210	40,093	42,210
Deferred capital grant (Note 23)	17,480	14,442	17,480	14,442
Total	57,573	56,652	57,573	56,652

The loan re-measurement of £189K relates to a non-cash adjustment made as a result of a loan modification, blend and extend, completed in September 2019.

Loans are secured by specific charges on the housing properties of the group. The loans bear interest at fixed rates ranging from 4.0% to 4.5% or annuity rates ranging from 4.24% to 5.25%.

23 Deferred Capital Grant

	RBH Group		RBH Limited	
	31/3/2021	31/3/2020	31/3/2021	31/3/2020
	£'000	£'000	£'000	£'000
At 1 April 2020	14,647	13,748	14,647	13,748
Grants received during the year	3,263	1,039	3,263	1,039
Released to income during the year	(218)	(140)	(218)	(140)
At 31 March 2021	17,692	14,647	17,692	14,647
Amounts due in less than one year	212	205	212	205
Amounts due in greater than one year	17,480	14,442	17,480	14,442
Total	17,692	14,647	17,692	14,647

24 Refurbishment Provision

	RBH Group		RBH Limited	
	31/3/2021	31/3/2020	31/3/2021	31/3/2020
	£000	£000	£000	£000
At 1 April 2020	69,341	75,142	69,341	75,142
Improvement expenditure (Note 16)	(5,784)	(5,801)	(5,784)	(5,801)
Release of provision	-	-	-	-
At 31 March 2021	63,557	69,341	63,557	69,341
Short-term	8,744	7,402	8,744	7,402
Long-term	54,813	61,939	54,813	61,939
	63,557	69,341	63,557	69,341

This provision represents RBH's liability to carry out refurbishment works included in the Works Agreement with Rochdale Council. It will be written off when the work to housing properties is actually undertaken for the life of the VAT Share Agreement with Rochdale Council. This agreement ends on 31st March 2027. This is also recognised as a debtor (see note 20). During 2018/19 there was a release of £385m from the Refurbishment provision so that the remaining provision matched the Investment Programme capital spend for the remaining life of the VAT share agreement with Rochdale Borough Council. This agreement ends on the 31 March 2027.

25 Provision for liabilities

	RBH Group		RBH Limited	
	31/3/2021	31/3/2020	31/3/2021	31/3/2020
	£000	£000	£000	£000
At 1st April 2020	23	82	18	77
Amounts provided during the year	12	18	12	18
Utilised during the year	(23)	(77)	(18)	(77)
Released in year	-	-	-	-
Provisions at 31st March 2021	12	23	12	18

26 Financial instruments

The RBH Group and RBH Limited financial instruments may be analysed as follows:

	RBH Group		RBH Limited	
	31/3/2021	31/3/2020	31/3/2021	31/3/2020
	£'000	£'000	£'000	£'000
Financial assets				
Financial assets measured at historical cost				
Trade receivables	888	1,609	888	1,609
Other receivables	3,090	1,332	3,038	1,621
Cash and cash equivalents	41,489	29,322	41,429	28,959
Total financial assets	45,467	32,263	45,355	31,189
Financial liabilities				
Financial liabilities measured at amortised cost				
Loan's payable	42,413	42,599	42,413	42,599
Financial liabilities measured at historical cost				
Trade creditors	2,031	2,048	1,920	1,756
Other creditors	5,664	3,784	5,669	4,310
Total financial liabilities at historical cost	7,695	5,832	7,589	6,066

27 Leasing commitments

At the end of the year RBH (Group and Ltd) had minimum lease payments under non-cancellable operating leases as set out below:

	Year ended 31/3/2021	Year ended 31/3/2020
	£000	£000
Land and buildings amount payable:		
Not later than 1 year	342	391
Later than 1 year and not later than 5 years	301	1,495
Later than 5 years	2	589
	645	2,475
Other amounts payable:		
Not later than 1 year	626	406
Later than 1 year and not later than 5 years	1,724	68
Later than 5 years	-	-
	2,350	474

28 Reserves

Income and Expenditure Reserve

The Income and Expenditure Reserve includes the accumulated profits and losses arising from the statement of comprehensive income and certain items from the Statement of Changes in Equity attributable to equity shareholders net of distributions.

Pension Reserve

The Pension Reserve includes the accumulated actuarial gains and losses from the defined benefit scheme net of any amounts transferred to the income and expenditure reserve.

29 Contingent liabilities

There are no contingent liabilities at 31 March 2021 (2020: Nil).

30 Related parties

All transactions with group subsidiaries are calculated in line with the Group Transfer Pricing Policy and are therefore on an arms-length basis.

Executive and Senior Management - Chief Executive, Gareth Swarbrick is a director of Rochdale Housing Initiative, a housing partnership company which brings together registered providers of social housing in the borough. He remains a director of RBH Professional Limited. He receives no remuneration for either of these positions.

Clare Tostevin – Director of Growth, is a director of RBH Design and Build, having been appointed in October 2018, and a director of SSL, having been appointed in November 2018. She is the Chair of Southway Housing Trust since 2020. She receives no remuneration for this position.

Nadhia Khan – Director of Customer and Communities, is a director of SSL, having been appointed in March 2021. She is a Board Member of Care Housing Association since February 2020 and is the Chair of its Audit Committee. She receives no remuneration for either of these positions.

Luen Thompson is an RBH Non-Executive Director and is also appointed as a director of SSL, having been appointed in November 2018.

Representative Body - As set out in the Rules of RBH, being an employee or tenant of RBH does not represent an interest in itself for business of the Representative Body. This includes those nominated from the tenant management organisations.

30 Related parties continued

Transactions with non-regulated entities

The association provides management services and other services to its subsidiaries. The association also receives charges from its subsidiaries. The quantum and basis of those charges is set out below.

	Management charges		Other charges	
	2021	2020	2021	2020
Recharges to association from subsidiaries:	£'000	£'000	£'000	£'000
Safegard Solutions Limited	-	50	-	196
RBH (Design & Build) Limited	195	239	5,952	6,128
	195	289	5,952	6,324

	Management charges		Other charges	
	2021	2020	2021	2020
Recharges by association to subsidiaries:	£'000	£'000	£'000	£'000
Safegard Solutions Limited	-	-	-	-
RBH (Design & Build) Limited	-	-	6,282	6,437
	-	-	6,282	6,437

At 31/3/21, there were no recharges outstanding. (2020: £Nil)

Intra-group management fees

Intra-group management fees are receivable by the association from subsidiaries to cover the running costs the association incurs on behalf of managing its subsidiaries. The management fee is calculated on a department basis, with varying methods of allocation. The costs are apportioned as follows:

Department	By Reference to
Finance	Employee Time
Human Resources	Employee Time
Information Technology	Employee Time
Governance	Fixed Sum
Legal	Fixed Sum

Other Intra Group Charges

Other intra-group charges which are payable to the association from subsidiaries relate to employee recharges and gift aid payments.

31 Fixed asset investments

Subsidiary undertakings, associated undertakings and other investments

The principal undertakings in which RBH Limited's interest at the year-end is 20% or more are as follows:

Name	Country of incorporation or registration	Proportion of voting rights and share capital held	Nature of business	Registered Address
RBH Professional Limited	England	100%	Management Services	Sandbrook House, Sandbrook Way, Rochdale, OL11 1RY
RBH (Design & Build) Limited	England	100%	Construction	Sandbrook House, Sandbrook Way, Rochdale, OL11 1RY
Safeguard Solutions Limited	England	100%	Security systems	Sandbrook House, Sandbrook Way, Rochdale, OL11 1RY

Investment in RBH professional Limited

RBH Professional was made dormant during the 2015-16 financial year. RBH maintains an investment of £1 (2020:£1) in RBH Professional Limited.

Investment in Safeguard Solutions Limited

RBH purchased the 50% shareholding held by Securecom Ltd on the 3 April 2017 and as such SSL is a 100% wholly owned subsidiary of RBH Ltd at 31st March 2021.

RBH Limited	2021	2020
	£'000	£'000
Cost		
At 1 st April 2020	-	469
Impairment of Investment	-	(469)
At 31 March 2021	-	-

SSL ceased trading on 30th November 2020 and the request to have the company struck-off from the Companies House register was made on 18 May 2021. The process to strike -off the company as to date has been completed. Company house confirmed the company was dissolved on 10 August 2021.

32 Net Debt reconciliation

	1/4/2020	Cash flows	31/3/2021
	£000	£000	£000
Cash at bank and in hand	29,322	12,167	41,489
Obligations under finance leases	(2,949)	(46)	(2,995)
Bank loans	(42,327)	116	(42,211)
Net debt	(15,954)	12,237	(3,717)