



Saffron Housing Trust Ltd  
Annual Report and Financial Statements for the Year  
Ending 31<sup>st</sup> March 2021

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## General Information

<b>Regulator of Social Housing Registration Number:</b>	<b>LH4412</b>
<b>Co-operative &amp; Community Benefit Society Registration Number:</b>	32427R
<b>VAT Registration Number:</b>	831 2392 50
<b>Registered Office:</b>	Saffron Barn, Swan Lane, Long Stratton, Norwich, NR15 2XP
<b>Executive Directors:</b>	James Francis – Chief Executive Iain Innes – Executive Director of Finance & Development Hannah Harvey – Executive Director of Operations
<b>Company Secretary:</b>	Amanda Ashley-Smith
<b>Bankers:</b>	<ul style="list-style-type: none"><li>• Barclays Bank plc, 1 Churchill Place, London E14 5HP.</li><li>• The Bank of New York Mellon, London Branch, One Canada Square, London E14 5AL.</li><li>• National Westminster Bank Plc, 135 Bishopgate, London EC2M 3UR</li><li>• Close Brothers Treasury, 4<sup>th</sup> Floor, 10 Crown Place, London EC2A 4FT</li></ul>
<b>Solicitors:</b>	<ul style="list-style-type: none"><li>• Anthony Collins Solicitors LLP, 134 Edmund Street, Birmingham B3 2ES.</li><li>• Spire Solicitors, 36-40 Prince of Wales Road, Norwich, Norfolk NR1 1HZ.</li><li>• Devonshires Solicitors LLP, 30 Finsbury Circus, London, EC2M 7DT</li><li>• Buckles Solicitors, 101 Bourges Boulevard, Peterborough, Cambridgeshire, PE1 1NG.</li><li>• nplaw, County Hall, Martineau Lane, Norwich, Norfolk NR1 2DH.</li></ul>
<b>External Auditors:</b>	<ul style="list-style-type: none"><li>• Crowe U.K. LLP, 55 Ludgate Hill, London, EC4M 7JW</li></ul>
<b>Internal Auditors:</b>	<ul style="list-style-type: none"><li>• KPMG LLP (UK), Dragonfly House, 2 Gilders Way, Norwich NR3 1UB.</li></ul>

## Board and committee membership as at 31st March 2021

	Trust Board	Saffron Housing Finance Plc	Crocus Contractors Ltd	Governance and Remuneration Committee	Audit and Risk Committee
Non-executive directors					
Bob Walder	(Chair ) ✓	(Chair ) ✓			
Katrina Laud	(S.I.D) ✓			✓	
James Tully	✓	✓		(Chair ) ✓	
Mike Jolly	✓		✓		(Chair ) ✓
Duncan Scott	✓			✓	
Tom Fadden	✓			✓	
Alison Inman	✓			✓	
Rob Lankey	✓				✓
Barry Duffin	✓		(Chair ) ✓		
Emma Rose	✓		✓		
Neil Watts	✓				✓
Anna Bennet (Independent Audit & Risk Member)					✓
Ian Pinches (Independent Audit & Risk Member)					✓
Martin Aust (Independent Crocus Director)			✓		
Trevor Conway (Independent Crocus Director)			✓		

\*S.I.D is Senior Independent Director

### Executive Directors

James Francis – Chief Executive Officer and Board

Member

✓

✓

Iain Innes

✓

Matthew Davidson

✓

## Strategic Report incorporating the Operating and Financial Review

The Annual Report and Financial Report together represent the Group's Strategic Report.

### History and background

Saffron Housing Trust ("Saffron") was created in May 2004 when 4,345 properties transferred from South Norfolk Council. Since transfer, Saffron has grown by almost 50% through the development of new homes and now manages 6,506 homes, 99 per cent of which are in Norfolk and Suffolk.

Saffron is a Community Benefit Society registered in England by the Financial Conduct Authority. As an exempt charity, any surpluses earned are used to help meet Saffron's social and community objectives.

Saffron had two subsidiaries during 2020/21:

*Saffron Housing Finance plc* which issues bonds on behalf of the Saffron.

*Crocus Contractors Limited* which undertakes non-charitable activity including development and managing feed-in and export tariff income generated by photovoltaic panels installed on Saffron's properties since 2011.

## Principal activities

Saffron's principal activities are the provision of:

- Providing affordable rented homes and affordable home ownership for people in housing need; and
- Working in partnership to provide housing with care and housing with support for vulnerable people.

## Objectives and strategy

In 2018/19 Saffron articulated a new vision, values and corporate plan. We are committed to earning the highest levels of trust and confidence by building a track record of quality, accountability and proactively reaching communities where we are best placed to provide a sustainable home.

### **Vision:**

*Quality Homes for Positive Futures*

### **Values:**

#### **Professional**

Being professional by leading with integrity.

#### **Accountable**

*Being accountable by taking pride in responsibility*

#### **Collaborative**

*Being collaborative by being one team*

#### **Evolving**

By continually improving.

### **Corporate Plan**

*Our Corporate Plan "Positive Futures" clearly sets out what we will do between 2018 and 2022 in pursuit of our vision and through living our values:*

#### **Customer Service**

*We will provide quality landlord services and create a service culture for our customers making it easy for them to do business with us.*

#### **People and Culture**

*We will invest in our people and our systems to maximise efficiency and ensure we realise our full potential.*

#### **Homes**

*We will actively manage our existing homes and deliver new affordable housing to provide quality homes for current and future customers.*

#### **Money**

*We will remain financially strong, maximising value for money and creating capacity to build and invest in our homes and services.*

#### **Governance**

*We will operate in a culture where strong governance, compliance and risk management is business as usual.*

*Delivery of the corporate plan is supported by a Positive Futures change programme and quarterly "Vital Signs" performance measures.*

## Board

Saffron has a Board of non-executive directors who are recruited on the basis of the skills they have. The Board is responsible for the strategic management of Saffron and operates in accordance with Saffron's Rules and other governance documents. Saffron has a comprehensive skills matrix with clear criteria for the level of skills needed for each area of the matrix. Saffron's Rules and Standing Orders identify that up to 25 per cent of the Board should have the skill 'Service User Experience and Perspective', Customer Voice nominates these Board members. During 2020/21, the Board did not experience any retirements or resignations.

## Internal controls

Saffron's Board recognises that it is ultimately responsible for the system of internal controls and the management of risk within the organisation, compliance with the appropriate regulatory standards and the adopted Code of Governance.

The Board has reviewed the Trust's Framework of Business Planning, Risk and Control and has certified its effectiveness in achieving the required outcomes for 2020/21.

The key controls available within Saffron are:

- Rules and Standing Orders establishing key operating principles and clear delegations.
- Financial Regulations detailing responsibilities for expenditure and authorisation of payments
- Gateways and Golden Rules
- Written policies and procedures
- Risk management framework includes Board's clearly articulated Risk Appetite
- Job descriptions, Role descriptions, Terms of Reference and appraisal system
- Board composition, succession and development plans, to ensure that the Board is able to fulfil its function effectively
- Regular programme of internal audit reports agreed with the Audit and Risk Committee and Board. The Board have continued to procure twice as many audit hours as our peers, to maintain extensive independent review.
- External audit reports
- Monitoring implementation and audit recommendations via Audit and Risk Committee
- An annual report provided to the Audit and Risk Committee by internal and external auditors and regular progress updates
- Annual budget agreed before commencement of the financial year
- Stress tested business plan demonstrating to the Board the ability to withstand a wide range of adverse scenarios
- Credible mitigating actions and clear triggers for implementation based upon Gateways and Golden Rules
- Monthly management information to budget holders and quarterly reports to Board
- Quarterly Reports to Board on performance and compliance
- Reports to the Board on any fraudulent activity
- Code of Conduct and Registers for hospitality and declarations of interests
- Treasury management policy and regular reports on performance
- Minutes of Committees considered by the Board
- Policy Pathway establishing responsibility and review dates for Trust Policies
- Development schemes require a costed appraisal against criterion agreed by the Board, prior to final approval
- Board receive annual Compliance reports relating to the Code of Governance; Regulatory Framework; Framework of Business Planning, Risk and Control; and Board Effectiveness
- Compliance Planner, identifying required checks and second sign-off of data submissions

Although Saffron has a number of control mechanisms in place, the system of internal controls can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board is committed to making appropriate improvements to controls in order to balance control with efficiency.

## Risk management

Saffron's Board has a well-developed risk management framework for assessing and managing strategic and operational risks. Our Strategic risk register is reported to the Board on a minimum quarterly basis, and has been reported more frequently in response to risks emerging from the global covid-19 pandemic. Following an In Depth Assessment, the Regulator re-graded the Trust's regulatory judgement to G1/V1 during 19/20, confirming that "It has strengthened its risk management and internal controls framework". These frameworks remained in place during 2020/21.

The Board reviewed its risk appetite and created a new risk appetite statement during the year:

Our first priority will always be to protect the safety of our tenants and staff and maintain compliance with legislative requirements, regulatory standards, our financial golden rules and gateways, and our G1 regulatory grade. These are the things that we will not compromise or trade off in the pursuit of other priorities.

Saffron's approach to risk management includes:

- Identifying strategic risks based upon the Sector Risk Profile and Saffron's specific operating environment
- Discussions with Audit and Risk Committee to establish the inherent (unmitigated) and current risk including consideration of the speed at which a risk may take effect based upon an assessment of controls in place
- Identification of the Board's tolerance and appetite for each risk (target). This enables appropriate and proportionate actions to be undertaken to bring exposure closer to appetite
- Risk scores considering both likelihood and severity

The principal risks identified by Saffron during the year are set out below. Scoring is provided as at the year-end, and reflects the Covid-19 public health restrictions in place at that time. Covid-19 created a step change in our risk profile, increasing the likelihood of multi-strategic risks coming to fruition, and this is reflected in the Risk Scores.

Risk	Appetite	Target score	Score at 31/03/21	Key Controls & Mitigations
Failure to comply with legal, regulatory and health and safety obligations	Averse	3	<b>12</b>	<ul style="list-style-type: none"> <li>• Compliance Calendar– quality &amp; timeliness</li> <li>• Proportionate regulatory response to DHS compliance failures</li> <li>• H&amp;S Committee</li> </ul>
Insufficient financial capacity	Cautious	6	<b>9</b>	<ul style="list-style-type: none"> <li>• Prudent business planning &amp; budget assumptions</li> <li>• Multivariate stress testing</li> <li>• Gateways and Golden Rules</li> <li>• Assets &amp; Liabilities register</li> <li>• Monitoring ave. unit costs in line with budget &amp; corporate plan goals</li> <li>• Moody's annual appraisal</li> </ul>
Insufficient leadership capacity at all levels	Cautious	6	<b>9</b>	<ul style="list-style-type: none"> <li>• Business Transformation resource planning and backfilling</li> <li>• Business Transformation Programme Board and Steering Group meetings</li> </ul>

Risk	Appetite	Target score	Score at 31/03/21	Key Controls & Mitigations
				<ul style="list-style-type: none"> <li>• EAP campaigns &amp; awareness</li> <li>• People Management Strategy</li> <li>• IIP Gold, Best Companies rating</li> </ul>
Inaccuracy of data	Cautious	6	<b>12</b>	<ul style="list-style-type: none"> <li>• Quality Assurance</li> <li>• Technology &amp; Data Project Assurance Reports</li> </ul>
Changes in the external environment or government policy direction	Open	8	<b>15</b>	<ul style="list-style-type: none"> <li>• Stress Testing &amp; Golden Rules</li> <li>• Strong information routes for changes to external environment</li> </ul>
Breach of GDPR	Averse	4	<b>10</b>	<ul style="list-style-type: none"> <li>• GDPR compliant policies</li> <li>• Training</li> <li>• Assessment of legitimate interest &amp; basis for processing</li> <li>• Cyber security measures</li> </ul>
Lack of trust and confidence in Saffron	Open	6	<b>8</b>	<ul style="list-style-type: none"> <li>• Ongoing surveys/feedback</li> <li>• Shareholder meetings</li> <li>• Liaison and communication with Stakeholders</li> </ul>
Loss of social housing assets or G&V rating, as a result of subsidiary event	Averse	4	<b>4</b>	<ul style="list-style-type: none"> <li>• Group Board oversight and quarterly reporting of development activity</li> <li>• Stress testing Crocus Business Plan and understanding impacts on SHT</li> <li>• Intragroup Agreement and Golden Rules</li> <li>• Cashflow monitoring</li> <li>• Crocus quarterly risk register reported to both Boards</li> </ul>
Unable to provide continuity of service	Averse	4	<b>12</b>	<ul style="list-style-type: none"> <li>• Business Continuity/ Disaster Recovery Plans</li> <li>• Stress testing financial plan</li> <li>• Brexit updates &amp; supplier confirmation statements</li> </ul>
Failure to deliver the Positive Futures change programme	Averse	2	<b>8</b>	<ul style="list-style-type: none"> <li>• Audit &amp; Risk Committee maintain oversight</li> <li>• Positive Future Programme Board - Executive scrutiny</li> <li>• Positive Future Steering Group - plan and monitor delivery</li> <li>• Project Governance methodology</li> </ul>

## Internal Audit

Saffron makes use of external advisers to conduct its internal audit. Internal audit differs from other sources of assurance in that it can provide independent and objective assurance across the whole range of an organisation's activities.

The 2020/21 annual report from Saffron's internal auditors sets out the following internal audits and advisory reports:

<b>Vital Signs KPI Data Accuracy</b>	<b>Significant assurance with minor improvement opportunities</b>
<b>Treasury</b>	<b>Significant assurance with minor improvement opportunities</b>
<b>Employee Health and Safety</b>	<b>Significant assurance with minor improvement opportunities</b>
<b>Follow-up</b>	



<b>IT Strategy</b>	<b>Due to the nature of this Internal Audit, no overall risk classification was provided for the IT Strategy Internal Audit Memo.</b>
<b>Procurement and Value for Money</b>	<b>Significant assurance with minor improvement opportunities</b>
<b>Controls Validation – Q1</b>	<b>Significant assurance with minor improvement opportunities</b>
<b>Controls Validation – Q3</b>	<b>Significant assurance with minor improvement opportunities</b>
<b>Controls Validation – Q4</b>	<b>Significant assurance</b>

Saffron’s Audit and Risk Committee is responsible for receiving reports on risk and internal audit on behalf of the Board. The Committee challenges and scrutinises the reports to ensure that management responses to recommended actions are appropriate and implemented. The Audit and Risk Committee reports to the Board on its work after each meeting.

## Operating and Financial Review

### Summary

Saffron Housing Trust is financially strong, and we have sound mechanisms in place for monitoring performance and managing risk. This was of great benefit to us during 2020/21, when the operating environment was characterised by unprecedented uncertainty, both in respect of the economic and social outlook, due to the national and global impacts of the Covid-19 pandemic and the UK’s transition negotiations with the European Union. We have witnessed severe losses of human life around the globe, and serious consequences of financial hardship in communities, as businesses were unable to open and jobs were lost.

Despite a lack of certainty prevailing over support measures, the UK Government has continued to provide support for those whose income has been impacted by Covid-19 restrictions. This measure has partially contributed to our ability to maintain our revenue income from tenants. We have however experienced a rapid increase in the number of tenants claiming universal credit for the first time. Saffron has managed this risk to revenue and has responded in an agile and sensitive way to the evolving environment.

A Trade and Cooperation Agreement, in relation to the UK’s withdrawal from the European Union, was eventually ratified by the European Parliament in April 2021. During 2020/21 many businesses experienced delays and shortages of materials and equipment. Saffron had undertaken effective advanced planning and has not encountered disruption or delays to our supply chains.

Whilst 2020/21 has been a challenging year, it has demonstrated the commitment and adaptability of our employees and the high social value of Saffron’s services within our communities. We have continued to progress and evolve, achieving significant improvements in many areas, aligned to our corporate plan.

2020/21 was the second year of our three-year corporate plan. During the year the Board reviewed the goals and content of our ‘Vital Signs’ Dashboard to ensure that it remained relevant and focussed, following pandemic impacts on the operating environment. Vital Signs goals extend to the end of our corporate plan period in March 2022 and create alignment between our Corporate Plan and performance goals, including value for money objectives, and reward, by acting as triggers for the payment of employee bonuses.

Our position at the close of the year is provided in the Vital Signs below. Our trading operating margin was 33.7% and our overall operating margin was 32.9%. We therefore exceeded our trading operating margin target. Our overall operating margin includes the impact of the actuarial valuation of pensions upon our trading operating margin. 2020/21 pension adjustments were lower than 2019/20 and reduced our year-end position by 0.8%. This is a non-cash adjustment to the accounts and does not reflect underlying trading performance. Crocus Contactors’ Operating Margin was 48%.

Our key aims, as set out in our corporate plan, are as follows:



**Customer Service**  
We will provide quality landlord services and create a service culture for our customers making it easy for them to do business with us.



**Money**  
We will remain financially strong, maximising value for money and creating capacity to build and invest in our homes and services.



**People and Culture**  
We will invest in our people and our systems to maximise efficiency and ensure we realise our full potential.








**Governance**  
We will operate in a culture where strong governance, compliance and risk management is business as usual.



**Homes**  
We will actively manage our existing homes, and deliver new affordable housing to provide quality homes for current and future customers.

Within Vital Signs below, Corporate Plan headings populate the orange column on the left, whilst our Saffron Values of Professional, Accountable, Collaborative and Evolving are provided in the orange PACE bars across the top. The goals are for the period 2020/22, covering two remaining years of the corporate plan. Our Value for Money Strategic Objectives for 2020/21 are highlighted in the shaded cells and bonus triggers are identified by green borders. The figure in the goals are coloured green if they have been achieved and red if not yet met. The colouration of the Q4 performance metric indicates direction of travel since the previous quarter – green for improved and red for worsened.

Year 2020		Quarter 4		Board Vital Signs Dashboard – Corporate Plan Years 2 & 3 (20/22)				INVESTORS IN PEOPLE   Gold		G1/V1 A3 Stable One Office	
		Professional		Accountable		Collaborative		Evolving			
 <b>Customer Service</b>	<b>Complaints Satisfaction</b>		<b>Customer Satisfaction Overall</b>		<b>Repairs Right First Time</b>		<b>No. Interactions Tenant Portal</b>				
	Q4 20/21:	63.7%	Q4 20/21:	78.8%	Q4 20/21:	93.93%	Q4 20/21:	93			
	Q3 20/21:	68.6%	Q3 20/21:	80.2%	Q3 20/21:	84.76%	Q3 20/21:	3			
	Goal	60.0%	Goal	88.0%	Goal	95.00%	Goal	250			
 <b>Sustainable Homes</b>	<b>Ave SAP Rating</b>		<b>Decent Homes Standard</b>		<b>New Homes</b>		<b>Ave Length of Tenancy</b>				
	Q4 20/21:	72.8	Q4 20/21:	99.90%	Q4 20/21:	181 homes	Q4 20/21:	10.46 yrs			
	Q3 20/21:	72.8	Q3 20/21:	99.74%	Q3 20/21:	177 homes	Q3 20/21:	10.41 yrs			
	Goal	74.2	Goal	100.00%	Goal	365 homes	Goal	11.00 yrs			
 <b>People &amp; Culture</b>	<b>Staff Accidents &amp; Near Misses</b>		<b>Apprenticeships</b>		<b>Contact Right First Time</b>		<b>ST Top 100 Employer</b>				
	Q4 20/21:	15	Q4 20/21:	6	Q4 20/21:	77.80%	Q4 20/21:	1 star rating			
	Q3 20/21:	14	Q3 20/21:	6	Q3 20/21:	69.38%	Q3 20/21:	1 star rating			
	Goal	40	Goal	12	Goal	80.00%	Goal	01.03.2022			
 <b>Governance</b>	<b>Trust &amp; Confidence</b>		<b>Customer H&amp;S Policy Compliance</b>		<b>P1 FRA Actions Overdue (Unmitigated) end of Qtr</b>		<b>ICO Reported Data Security</b>				
	Q4 20/21:	58.3%	Q4 20/21:	98.3%	Q4 20/21:	27	Q4 20/21:	0			
	Q3 20/21:	91.7%	Q3 20/21:	94.0%	Q3 20/21:	34	Q3 20/21:	0			
	Goal	90.0%	Goal	100.0%	Goal	0	Goal	0			
 <b>Money</b>	<b>GN Void Loss % (Re-let Time)</b>		<b>Arrears Overall (UC Arrears)</b>		<b>Trading Operating Margin</b>		<b>Independent Living No. Homes Vacant</b>				
	Q4 20/21:	1.26% (56 days)	Q4 20/21:	3.76% (6.98%)	Q4 20/21:	33.70%	Q4 20/21:	16.61%	53		
	Q3 20/21:	1.29% (53 days)	Q3 20/21:	4.50% (8.34%)	Q3 20/21:	35.40%	Q3 20/21:	15.93%	51		
	Goal	0.61% (18.0 days)	Goal	3.60% (7.00%)	Goal	32.57%	Goal	2.20%	34		
<div><div></div>Shaded cell represents VFM Strategic Metric</div> <div><div></div>Green border represents 2-year Bonus Goals</div>											

## Homes

### Sustainability

We had a target of ensuring 85% of our homes reached a minimum sustainability standard of Category D energy efficiency. At the year-end we exceeded this position, with 91.86% of homes meeting this standard. The average rating across our homes is category C, with a SAP rating of 72. Our goal for the end of the two years is to increase this SAP rating to 74.2.



During the year we undertook work with Sustainable Homes Index for Tomorrow (SHIFT) to understand our sustainability performance. The SHIFT sustainability rating system considers a range of 22 environmental criteria and uses these to provide independent assessment and accreditation. Saffron have been awarded 'Silver' SHIFT Accreditation and will be working towards achieving SHIFT Gold standard accreditation.

### Investment in existing Homes

During 2020/21 we invested £3.9m (£3.1m 2019/20) in our existing homes. Whilst access has been restricted through much of the year, we undertook the following planned works:

Budget Area	Completed Works 2020/21	Completed Works 2019/20
Electrical Re-wires	39	70
Kitchen Improvements	48	88
Bathroom Improvements	37	79
Window Replacements	34	102
Roof Replacements	128	67
Door replacements	155	404
Central Heating Replacements	*75 **61	214
New Oil Tanks	73	54

\* Boiler replacement with 'A' rated unit

\*\* Air source heat pump replacement for direct electrical and oil systems

### Void Works

Our Asset Voids team processed 346 empty properties in-house during the year, a drop on the previous year due to Covid-19. 1,354 individual void jobs were undertaken. The time taken to undertake void works to our general needs properties increased, from an average of 18 days in 2019/20, to 32 days in 2020/21, due to the restrictions of Covid-19 when for a period of time we were only able to have one operative at a time in any given void.

### Responsive Repairs

Our website sets out our responsibilities for repairs and publishes our service standards for each priority of repair. The percentage of jobs we completed on time for each category is reported below:

- Emergencies – 24 hours 97.0% on time
- Urgent repairs – five working days 97.1% on time
- Routine repairs – 20 working days 90.9% on time
- Planned maintenance – six months 99.9% on time

During the year, Covid-19 lockdowns required us to intermittently move to essential services only. As a result, we were only able to attend essential repairs appointments during lockdown, where strict health and safety protocols were followed. Following the lifting of each lockdown, the backlog of cancelled appointments were quickly re-scheduled and lines re-opened for new appointments to be made. For comparison, our performance in 2019/20 was Emergencies 78.5%, Urgent 77.4%, Routine 76.6% and Planned Maintenance 98.3%. We were able to schedule new appointments more quickly than we had envisaged and our new C365 system has assisted us in improved reporting. We kept in regular contact with our tenants and stakeholders, publishing a position statement at every change in the external environment and when our service offerings were adjusted. This enabled our tenants to have realistic expectations about our repairs service and what could be provided safely during such exceptional conditions.

At the point of reporting a repair, our tenants are offered a mutually convenient appointment which is supported by a confirmation text message. Another text message is sent 24 hours before the appointment reminding the tenant of our visit; giving the option to reschedule if it is no longer convenient. Our 24/7 phone line is available for tenants with queries regarding repairs, along with the options to email or contact us via our website. Future improvements will include allowing tenants to log into their tenant portal to book their own repair appointments and monitor progress.

Despite the challenges of covid-19, our 'Repairs Right First Time' performance improved during the year, to 93.93% against a target of 95.00%. Whilst this can be partially attributed to emergency repairs during lockdown, improvements have also been supported by the implementation of a stock renewal 'App' for our repairs trades, following a pilot trial by our heating engineers and electricians. We anticipate all craftworkers will be using this van replenishment tool by the end of May 2021, generating a further improvement in performance over coming months.

Our responsive repairs and day to day maintenance expenditure totalled £1,790,841 during 2020/21, against a budgeted position of £1,798,782. Our ratio of responsive repairs to planned maintenance expenditure was 0.36 at year end, an improvement on 0.44 in 2019/20 and we also out-performed our 2020/21 target of 0.40.

### **Health and Safety**

In addition to planned works, Saffron must also ensure our tenants live in homes that are safe. Last year we carried out 117 fire risk assessments and installed 125 new fire doors. Overall, we spent £230K on fire safety improvements. We also spent £179K on asbestos surveying, sampling and removals; £873K on gas servicing; £229K on electrical testing; and £310K on electrical rewiring. As a result, we achieved:

- 100% compliance with fire risk assessments. All stock requiring a fire risk assessment was up to date and complete by the end of the financial year.
- 100% compliance with gas servicing requirements. This is testament to the dedication of our employees, considering the pandemic restrictions and other associated challenges that our engineers have faced during the past year.
- 99.99% asbestos survey compliance. One property did not have a management survey as a result of access difficulties. The property is therefore presumed to include the same asbestos-containing materials as the property it has been cloned from; based on the sample property's original management survey.
- 100% electrical safety checks completed within 10 years. We also set our own more stringent internal target for electrical safety checks every five years. 91.66 % of these were completed by the end of Q4, with testing prevented at the end of the year by Covid-19 restrictions. Testing has subsequently been prioritised, with all high level remedial actions undertaken immediately.
- 100% of servicing and Health & Safety checks were undertaken.
- 100% of sites requiring Water Hygiene Management Testing were tested.

We have prioritised the Health and Safety of our Tenants and Employees during the Covid-19 pandemic and have continued to undertake most compliance work, following published Public Health guidance. From June 2020 we resumed our internal fire risk assessment programme, where safe to do so. We do not own any properties of, or in excess of, 11 metres in height and have not therefore experienced financial impacts as a result of recommendations resulting from the Grenfell Tower Enquiry. During the year we reviewed the requirements of the Fire Safety Bill (Fire Safety Act 2021) relating to entrance doors to individual flats. We recruited two fire door inspectors and a carpenter who will be dedicated to undertaking specialist, fire-related safety works.

Over the past year, 13 new Asset Management employees have been inducted. Their courses included:

- Intro to H&S
- Personal Safety
- Driving safely
- Manual handling
- Fire safety

119 DSE assessments were also completed, to ensure relevant staff had the right equipment and arrangements necessary for working from home.

The Senior Risk and Compliance Surveyor completed 24 training sessions in total during 2020/21 for 76 attendees, covering both asbestos and legionella refresher courses. These have given us greater flexibility in the training schedule and saved approximately £9,000 in external training provider costs (£7,100 in 2019/20). Training was tailored to specific Business and Employee needs, rather than procuring generic training.

We have also delivered the following objectives detailed within the Saffron Health & Safety (H&S) Strategy 2019 - 2022:

- Evidence has been submitted to RoSPA for an occupational health & safety award. The RoSPA awards are merit-based awards recognising excellence in occupational health & safety and are one of the most prestigious and recognised schemes in the world, with almost 2000 entries every year. The level of award received will be announced in July 2021, and any feedback received will be used to make further improvements to the health & safety management system.
- We undertook a review of Health and Safety training records, recognising the limitations of our Sage HR system to record training achievements and introduced a new 'training by job role' matrix approach to record our training activities. The training by job role matrix allows for more comprehensive management reporting and the forecasting of future training needs.
- All workplace risk assessments were reviewed by the H&S Officer during 2020/21. During the review it was noted that when issued in electronic format they were difficult to read on phones and/or tablets and so they have now been issued in hard copy format to all operatives.
- The frequency of the officers' H&S Committee meetings increased during 2020/21 to ensure that there was plenty of opportunity for employees to discuss concerns about the Covid-19 risks and controls, along with any changes to WHO and Government guidance. The meetings took place virtually, using Microsoft Teams and this committee is now chaired by the Executive Director of Operations.
- Throughout the Covid-19 pandemic and subsequent lockdown restrictions, the H&S Team have prepared and published Covid-19 risk assessments. The risk assessments have been reviewed every month and on every change of Government guidance and have been published to the intranet. The H&S team have supported managers in the interpretation and practical implementation of Government and WHO guidelines.
- While the Covid-19 lockdown had an impact on our ability to access some Saffron properties to carry out scheduled fire risk assessment reviews, all essential fire safety maintenance and inspection activities were maintained and the review of higher risk building fire risk assessments was completed. The backlog of assessments in lower risk properties was cleared in early 2021/22 by the Fire Safety Officer. In addition, the fire risk assessment process has been moved onto a digital platform (Pocket Surveyor) which has greatly reduced duplication of work when writing up the assessments and has also given greater consistency in presentation.
- Improvements have been made to ownership and closure within the action tracking methodology for actions arising from accident investigation and risk assessment review.
- All Saffron health and safety policies and guidance on the H&S intranet pages have been kept under constant review and have been updated whenever legislation or best practice guidance updates have been issued by the HSE.
- H&S policies and guidance for a range of specific topics drafted and implemented

## **Development of New Homes**

Our goal is to develop 365 new affordable homes during the three-year corporate plan period 2019-2022, and 24 homes for private sale via our subsidiary Crocus. We completed **76** new affordable homes during 2020-21. Of these, 61 were for rent and 15 were for affordable home ownership. The pandemic caused some delays to commencement on site within our subsidiary, Crocus Homes, and as such has pushed completion of homes for private sale into 2021/22. Incorporating homes built last year, we have now delivered 181 homes against our three-year target of a total 365 across all tenures.

Not surprisingly, our development programme this year has been affected by the pandemic. All sites were shut down between March and May 2020, and when the first lockdown ended the supply chain of materials and goods took some time to catch up to pre-Covid levels. This time cannot be recovered, so construction has been delayed by 3-6 months and this will affect our ability to meet our three-year goal to deliver 365 homes by the end of 2021/22.

We are growing our pipeline of both s106 and land-led opportunities, supported by our revolving £60 million revolving credit facility, grant funding from Homes England and grant and capital funding from local authorities. Our £60 million facility agreement was concluded in April 2020 and work to securitise the facility was undertaken in 20/21. At the close of 2020/21 Saffron have a fully securitised Business Plan.

Our Independent Living scheme at Acle is now under construction. Due to complete in Autumn 2022, this will provide 58 apartments for older people whose current home no longer meets their needs. Day to day care and support is provided as needed, ensuring that residents remain as independent as possible, and a 24-hour emergency call system ensures peace of mind. The scheme is close to the centre of Acle providing excellent access to local amenities and contains a café and bar for residents and visitors and private areas for residents to enjoy.

Saffron's Development team have an ever-improving pipeline of both s106 and land-led opportunities. As at 31st March 2021 we have a pipeline of 562 homes in development, with 138 of those homes currently under construction. We are also in the process of becoming a Delivery Partner through a Homes England Strategic Partnership (HESP) with Orbit. This will enable us to secure guaranteed grant rates for new social rent and shared ownership homes, which will provide us with greater financial certainty for our grant funded schemes.

### **Crocus Contractors Limited**

Due to the pandemic, Crocus Homes also experienced significant delays on site at their project to build private homes for sale in Acle. Forecast turnover was adjusted in September, to reflect pandemic conditions, as work moved back into 2021/22. Crocus Contractors Limited exceeded their annual operating margin target of 23.4%, ending the year at 47.9% for their non-charitable activities, albeit that net profit after tax was lower than the forecast of £504k at £204k. The shortfall of £300k profit was due to Crocus Homes being delayed in the construction of Phase 1 at Oaks Meadow, Acle resulting in reduced sales income for 2020/21, following the various Covid-19 pandemic restrictions and the knock-on effects on the construction industry. During the year the future funding requirements of Crocus business plan have been met by the provision of a further intragroup loan facility. This option best met the Board's primary focus of safeguarding Saffron's social housing assets. Funding is in place for Crocus to deliver a further 30 homes in 2021/22, 20 for private sale, along with 4 shared equity and 6 affordable homes to be constructed for Saffron Housing Trust.

Crocus were targeting the delivery of 12 homes for private sale in 2020/21 and 8 homes in 2021/22, however this figure was reviewed in the pandemic environment and the updated business plan makes provision for 20 homes for outright sale by 2021/22. Crocus Contractor's net profit after tax and gift aid was £104k.

During the year, Crocus Homes commenced all of the 20 outright sale homes targeted to be completed in the two years 2020-2022 with the majority of these homes reserved and awaiting completion/occupation during 2021/22. Crocus have made significant strides forward in the year as they work towards meeting their Business Plan target of delivering a minimum of 36 private homes annually from 2024. The year ends with Crocus having a Planning consented pipeline of 58 private homes and a strategic pipeline of 95 private homes. Further land mirroring Crocus' strategy is expected to be legally secured in 2021/22. Following the pre-commencement work completed on Crocus' Planning consented land bank, there is opportunity to work across 2-3 sites from 2021/22 to allow steady growth whilst continuing to protect Saffron's social housing assets.

Crocus received 6 service requests for defects works this year. Customer satisfaction, measured via an annual year-end survey, was 94% (88% in 2019/20). No RIDDOR reportable health and safety accidents occurred during the year. Other trading arms of Crocus continued to perform well.

## Customer Service

Our tenants can access our services through a range of methods. This has proven to be essential during the pandemic to ensure that tenants receive the support, services and advice needed. Our tenants can communicate with our Customer Contact Team by phone, email, tenant portal, or in writing. Face to face contact at our office has not been possible during the pandemic, however we have initiated phone contact with vulnerable tenant groups, undertaking wellbeing calls. We have also been able to use virtual meeting technology to assist with some areas of service delivery during the pandemic.

Our website is well-maintained and contains key news and information. It features a 'listen with browse aloud' option to assist with Inclusion and clearly shows the 24 hour contact number for tenants to call, which includes all out of hours emergency repairs calls. Our website also provides information on the services we offer. Tenants can access 'My Saffron' from our homepage, pay their rent and view our job vacancies. They can raise requests for a service using the contact form on each service page.

### Letting Our Homes – General Needs

The coronavirus pandemic has changed how we have provided services to our tenants over the past 12 months. Moving into a national lockdown impacted our general needs Lettings service. We followed Government guidance and continually looked at how we could adapt and provide a Lettings Service that was as safe as possible and continued to offer choice. This has included the introduction of virtual viewings and tenancy sign ups.

Last year we let 365 properties, of these 61 properties were new builds. These lets are in conjunction with local councils through Choice based lettings or Nominations where a housing need has been identified. We are focussed on the importance of letting properties as quickly as possible, however the average time to re-let an empty property has been impacted by the pandemic. We experienced periods of time where we were unable to let properties due to Government guidance, which impacted the average time it took us re-let a property (56 days against a goal of 13.8 days) and our void loss (1.26% against a goal of 0.61%).

In order to improve our service performance and quickly recover from the impacts of the pandemic, we are undertaking a review of our lettings process, to look at ways where we can continue to reduce the days that our properties are empty and improve service to our tenants. The Business Transformation and Lettings teams commenced the Lettings Lean review in December 2020, to consider the end to end process and lessons learned during the pandemic. The review team completed the diagnostic and redesign phases December to February and the implementation phase will be completed by mid 2021/22. Tenant feedback will continue to help shape our future service, along with colleague engagement.

There are times when our tenants' circumstances change, and they wish to move. One of the ways we assist in this is by mutual exchange, as promoted on our website, and Saffron carried out 69 mutual exchanges last year.

### Letting Our Homes – Independent Living Plus

During 2020/21 we had to focus our attention to our Independent Living Plus portfolio as the number of vacant properties increased steadily throughout the year. This reached a peak of 55 vacant properties in mid-January as the third national lockdown took place. We have been working closely with our stakeholders throughout the year to find ways to let properties safely and easily during the pandemic. This has been challenging with many schemes forced into their own lockdowns for periods of time. 29 properties were let during the financial year with an average re-let time of 222 days. A task force has been implemented to focus attention on this area, in addition to the general needs lettings review, and in the final quarter of the year there was evidence that demand for this type of home is beginning to increase.

### Homes for Cathy

Saffron Housing Trust has signed up to the Homes for Cathy. Homes for Cathy is a national group of housing associations and charities working together to end homelessness. Formed in 2016, the group has grown to 116 members, which together own and manage over 1.34 million homes. The Group undertake lobbying, work with partners and share good practice. As part of its lobbying activity, Homes for Cathy has recently been



pushing for homeless people to be recognised as housing association consumers/stakeholders under proposals emerging from the Social Housing White paper, particularly with regard to the changing role of the Regulator of Social Housing.

### **Supporting the County Response to Pandemic & The Norfolk Strategic Housing Partnership**

Saffron has supported the Partnership throughout the pandemic. Saffron's Chief Executive is a member of the Partnership and our Executive Director of Operations has provided a great deal of Leadership support to the group, which developed a detailed picture of need across all vulnerable groups. In collaboration with seven local authorities and the housing associations operating across the county, the Partnership ensured a coherent response to the 'everyone in' campaign in the Spring. The partners promptly addressed the needs of 168 street homeless people. A further 648 households with complex needs who are living in temporary accommodation were identified and received appropriate support. Work is underway to seek funding to sustain the progress in supporting such vulnerable households, consistent with an ambition of "no homelessness in Norfolk.

### **Income Management**

Arrears performance was immediately impacted by the pandemic during 2020/21, with an increase to a high of 5.9% at the end of the second quarter. The impacts of lockdowns, furlough schemes and general financial uncertainty has caused our income team to adapt the way they work, adopting a 'support to recovery' approach. There was an unprecedented increase in Universal Credit applications across the nation during the first quarter of the year, with over 1,700 known Saffron households now in receipt of Universal Credit. Alongside the challenging external environment the income team began working with our new C365 Customer Relationship System during the year. Alongside our integrated RentSense software, this has allowed our officers to focus on those tenants who need help and support. Performance began to improve in the second half of the year, culminating in year-end rent arrears of 3.76% (2.88% 2019/20); and 6.98% arrears for the subset of tenants in receipt of Universal Credit (5.87% 2019/20). This performance exceeded our revised performance predications at the end of the first lockdown and we are pleased to have ended this challenging year with arrears levels below 4% (£1.22m) and former tenant arrears of 1.61% or £530,000 (1.57% in 2019/20). The increase in current tenant arrears equates to approximately £51,000 on our previous year's arrears balance. Current tenant arrears of known universal credit claimants, at the end of the year, were £644,000. There are significant restrictions still in place for landlords which will require a long-term approach to the recovery of rent arrears throughout the coming year.

### **Complaints & Compliments**

The Coronavirus pandemic has created some challenges over the last 12 months. Listening to our tenants has never been more important. Tenant feedback has helped us shape the way that we delivered our core services during the height of the pandemic and how we restored our tenant services as lockdown restrictions lifted. We didn't always get it right and Customer Voice and Tenant feedback has been vital to making improvements.

During 2020/21 we carried out a complaints review. As the review commenced we moved into a national lockdown and adapted how we engaged with tenants during the review, to ensure compliance with government restrictions. Following the review, we have evolved the complaints process and how we share feedback. We have also published our complaints self-assessment, which is a requirement of the Housing Ombudsman Service, and record compliments and expressions of dissatisfaction as well as formal complaints.

Complaints performance for 2020/21 can be found in the table below. Satisfaction with our process is 63.73% however, we strive to continually improve and enhance the service we offer to our tenants.

<b>Complaints performance:</b>	
Total complaints received	288
Average number of days to respond	9.4
Total expressions of dissatisfaction	73



<b>Complaints performance:</b>	
Average number of days to respond	0.5
Total Stage 1 complaints	215
Average number of days to respond	12.4
Total stage 2 complaints	31
Average number of days to respond	10.7
Total complaints escalated to Ombudsman	2
<b>Average days to respond to all complaints and expressions of dissatisfaction</b>	<b>9.35</b>

This year our total average response time, including both formal and informal complaints, increased from 6.8 days to 9.35 days. (15.9 days 2018/19)

### **Compliments**

During 2020/21 positive feedback received in respect of our staff and services decreased, from 149 to 89.

### **You said, We did**

The following changes have been made as a result of complaint root cause reviews:

**Income Letters** - Following feedback from tenants, the wording on some of the letters from our Income Team have been reviewed in discussion with Customer Voice.

**Heating Contractor** – A change in contractor working arrangements, rubbish pertaining to an old boiler system was removed on the same day, as a result of previous complaints on this theme.

**Air Source Heat Pumps** - There had been an increase in complaints in relation to heat source air pump issues. As the units had been in place for a number of years, the demand for repairs had increased. We have now been able to source an external contractor to undertake the required works in a more timely manner.

**Day to Day repairs** – Our new van stock arrangements ensure supplies for the most common jobs will be on hand for operatives to use as they work, delivering a better customer experience. The 'TPGo' App will also support this.

**Tenancy Enforcement**- Routine checks introduced to ensure compliance in recording anti-social behaviour cases. Preferred method of contact also being added to the contact management system to capture tenants preferred choice.

**Rent Statements** – New procedure in place, which includes not sending rent statements on a Friday, as our officers are unavailable for account enquiries at the weekend. This will minimise the duration of any tenant concerns.

### **Customer Satisfaction**

In September 2020 we introduced a new suite of satisfactions surveys. All tenants who have experienced a transactional service are invited to provide us with valuable feedback and comments, to identify areas where we are delivering a great service but also areas where we can make improvements. Customer Satisfaction levels reduced following the lifting of successive lockdowns, as we resumed full service from essential services only. Overall Average Customer satisfaction was 78.8% for the full year (83.7% in 2019/20). We believe that this has been heavily influenced by the impact of pandemic restrictions on our repairs service. Satisfaction with repairs also reduced, from 89.90% in 2019/20, to 72.50% by the end of the year. We will be focusing strongly on exceeding previous levels of satisfaction over the coming year and are working together with Customer Voice, our other tenants and Saffron colleagues, to make improvements. The satisfaction feedback that we have received will help influence the way that we shape service delivery now and in the future.

## **Customer Contact**

The last 12 months have created challenges due to the Coronavirus pandemic. The Contact Centre moved to a remote service as the country moved into national lockdown. We have seen our tenant digital engagement grow over the last year with the launch of the Tenant Portal, 'My Saffron', along with an increase in email contact. We are continuing to develop our digital engagement offer, providing tenants with a choice in how they would like to contact us. Phone calls into our Customer Contact Team also increased during 2020/21. The contact team handled 49,775 calls, 18,469 e-mail contacts and 216 Portal Enquiries, and made over 700 Welfare calls. We narrowly missed our Contact Right First Time target of 80%, with the year closing at 77.8%. Our Customer Contact Team have worked collaboratively with other service areas during the year to continue to deliver core services, coronavirus service information and to reinstate services as lockdown restrictions lifted.

The implementation of our new CRM system C365 in two phases, in June and November 2020, has introduced new ways of working. It has created opportunities for our customer contact team along with challenges, as the whole organisation adapted to a new system. C365 provides greater visibility, detail and insight, enabling us to work towards improved service satisfaction and resolve enquiries at the first point of contact. Our repairs review will support further progress of this area in 2021/22.

## **Tenant Portal**

One of our corporate objectives was to develop a digital offer for customers, making doing business with us easy. Launched in October 2020, our new tenant portal 'My Saffron' had 1,030 subscribers by the end of 20/21, and now has 1,567 subscribers. This channel is being promoted to our tenants through emails and by our employees during new tenancy sign-ups. The new portal offers additional features compared to its predecessor, enabling customers to check their accounts, update their details and contact us electronically in a secure way. The number of emails we receive from our tenants increased rapidly throughout 20/21, demonstrating tenants' appetite for digital communications. We now receive approximately 1,385 emails per month and around 2,700 portal log-ins per month. The portal offers user-friendly secure messaging and enables some self-service options. It is our intention to develop the self-service facility further, increasing value for money and improving the speed of interactions for tenants. The most popular pages in our portal consistently relate to Accounts including live balances, account transaction history and the ability to produce a statement at home at any time. This has enabled Saffron to discontinue sending bi-annual statements from 2021/22. We are currently consulting with tenants and our supplier to determine further future development of the portal.

## **Community Foundation**

The year 2020/21 has been dominated by the Covid-19 pandemic and the work of our Community Foundation has been in great demand. The Team were able to utilise their resources to manage Volunteers and join forces with some of our Partners to help those self-isolating and shielding. Staff within the foundation and wider Saffron departments assisted The Help Hub at South Norfolk Council by coordinating requests for help and around a third of Saffron employees volunteered to shop, collect prescriptions, deliver food parcels and make welfare calls. We have been able to deliver increased social value as a result.

Forging networks and strengthening the work we do with partner organisations has been a key part of the Community Foundation's role this year. We work very closely with the Community Connectors within South Norfolk and Broadland Council and local groups such as Wymondham Community Outreach Project.

The economic impacts of the pandemic caused significant problems for many people, such as financial hardship, but also a rise in mental illness and other health problems attributable to the delay of NHS treatments for serious illnesses such as cancer. We have also seen a concerning rise in reported incidents of domestic violence within communities. We have been responsive in offering help and support in a range of ways.

During 2020/21 we were one of the first organisations in our sector to introduce a Tenant Wellbeing and Support Service offering professional support, advice & telephone counselling, which tenants can access around-the-clock, with no limit to the number of issues they can gain support on. Support can be provided over the telephone and online, 24/7 and tenants can access qualified counsellors, which avoids the lengthy

waiting list for this type of service via the NHS. It also conversely increases social value by reducing the pressure on NHS budgets.

Examples of projects undertaken include our Assisted Decorating and Gardening Schemes; Community Improvement grants; Community Project grants; Access and Support grants 'Enhance Your Chance' and 'Wellbeing Grants'; as well as donations made to local charities.

#### **Donations to local charities:**

- We donated £10,000 to Your Own Place CIC to help with their 'Needed Now More Than Ever' fundraising campaign in response to the coronavirus pandemic.
- We donated £8,000 to Star Throwers, to help them continue to provide their individually focused support services for cancer patients and carers. They have continued to provide services such as information sessions, nutrition support, counselling, reiki, and fatigue management support during the coronavirus pandemic.
- We donated £8,000 to Emmaus Norfolk & Waveney, a homelessness charity which provides accommodation, meaningful employment, and support for 32 people who have a home with them for as long as needed.
- We donated £8,000 to Leeway, a domestic violence and abuse charity in Norwich with eight safe houses and a team of more than 50 people providing advice, support and information to adults and children experiencing domestic abuse across Norfolk and Suffolk.
- Some of our staff used their Volunteer Days to help at the Help Point Independent Foodbank, run by Wymondham Community Outreach Project. The pandemic has increased the demand on the service greatly, so we donated £2,400 to assist. The project was formed nearly two and a half years ago to help people struggling to put food on their table. The scheme helps to alleviate the effects of poverty, social stigma, and isolation as well as combatting food waste by collecting surplus food from businesses in the community. Their project has been crucial during the pandemic and remained open throughout with the help of South Council Council's staff. They deliver food boxes to those shielding and self-isolating and have offered a lifeline and real comfort to many people.

#### **Assisted Decorating and Gardening Schemes**

These schemes are funded by the Community Foundation and provide services to help tenants who cannot financial afford to pay for gardening and decorating, have no family to support them and are physically or mentally unable to carry out work themselves. The schemes are means-tested and a stepping-stone to a longer-term solution. We have forged a partnership with the Community Connectors, who take a more holistic approach to looking at needs and consider what other support their communities can offer, as well as how to help tenants maximise their income. Working with the Connectors, we aim to be able to help as many people as possible with the budgeted funds available.

#### **Assisted Decorating Scheme**

From November 2020 to 31<sup>st</sup> March 2021 we assisted 8 tenants and painted a total of 27 rooms.

#### **Gardening Scheme**

From August 2020 to 31<sup>st</sup> March 2021 we assisted 35 tenants with their gardens. Our Grounds maintenance Team undertook 467 Hours of work:

- 52 lawns cut
- 45 Hedges cut
- 21 Shrubs pruned
- 18 applications of weedkiller
- 11 other garden works carried out
- 5 tree works carried out

#### **Community Improvement grants**

Grants were awarded to the value of £693,000. Applications for these grants are reviewed and awarded by a Panel comprising Officers and Customer Voice Members. We funded 13 Community Improvement grants, which were submitted by tenants, employees, Parish Councils, and community groups. The grants are aimed

at activities or physical improvements which primarily benefit the Communities in which our tenants live and funded:

- 2 Defibrillators
- 2 Community Gardens
- 24 Benches
- 1 Play Area at Chedgrave
- 3 Fencing & Bollards projects
- 1 Painting
- 1 Pathways improvement
- 3 Community Clean Up days

### **Community Project Grants**

Grants were awarded to the value of £35,075. Projects included:

- Trail fitness equipment and benches
- Signage for footpaths through Millennium Wood and Mill Green
- Gates, pathways, benches, and picnic tables for a Community Wood Project
- Village Hall Kitchen refurbishment
- Village Hall resurfacing of tennis courts
- Rugby Football Club towards changing facilities refurbishment
- Village & Sports Hall recycled picnic tables and recycled wheelchair accessible picnic table
- Learning courses to support social inclusion and employment

We will be following these projects during 2021/22, reporting on progress and the impact that they have made to those involved and the local communities.

### **Access and Support grants ‘Enhance Your Chance’ and ‘Wellbeing Grants’**

We have launched two micro grant schemes of up to £150 for our tenants. These grants are to help Saffron tenants to make improvements that primarily benefit their own lives and the lives of their families, but may also help their communities.

#### **Wellbeing Grants**

We want to help improve the wellbeing of our tenants and their families by helping to:

- Maximise household income, build financial capacity and resilience
- Reduce and prevent household debt
- Provide support in times of difficulty
- Enhance life chances
- Enhance the wellbeing of our tenants and their families
- Improve physical/mental wellbeing
- Reduce and prevent stress through hardship

The Application process for these grants will be supported by Saffron staff, a Community Connector, or other Professional Person.

#### **Enhance Your Chance Grants**

We have awarded £1451 in funding from November 2020 to 31<sup>st</sup> March 2021. ‘Enhance your Chance’ Funding is provided to help our tenants overcome any barriers which may stand in the way of them taking steps to improve their life chances, whether that be someone looking to offer the individual a job, a course placement, a voluntary position or membership of a club or scheme. Examples of eligible requests for of funding include:

- Travel to new employment or a course
- Uniform/Safety Equipment
- Books or Study Equipment
- Musical Instrument or Sporting Gear
- Respite for carers in need of a break
- Household items such as appliances, essential furniture, or flooring,
- Gym membership, exercise classes or other activity classes
- Fleeing domestic abuse

- Travel costs to visit loved ones

Over the coming year we will continue our grant programmes. We are also excited to be working with Your Own Place, who deliver utterly unique Tenancy and Independent Living Skills training courses and Support to people of all ages. We will work with Your Own Place help our tenants benefit from these courses, to improve their confidence and life skills, and to help them to have successful tenancies with us.

### **Customer Voice**

Whilst it has been difficult for Customer Voice to meet this year, due to pandemic conditions, we have continued to work with them to implement and grow their ideas. Customer Voice were able to meet in person to hold a group planning session. During this meeting they scrutinised and reviewed feedback from the STAR survey, complaints and our Customer Satisfaction Survey to help shape a better experience for all tenants. Customer Voice continued to focus on their 3 main themes:

- Inclusivity – To ensure that any changes are consistent and include every tenant depending on their needs
- Communication – This needs to be consistent throughout the company. To accord with the Together with Tenants Charter it should be clear, accessible and timely
- The Saffron Experience – everyone is receiving the same experience and the response from every department should be meaningful and accountable

In February 2020 we commenced a review of the Saffron Standards, through a working group and in consultation with Customer Voice. This work was concluded in 2020/21 and our Saffron Standards 2020 were published on our website.

During 2020/21 Customer Voice launched 'Your Voice', which Tenants can sign up to in order to receive emails about opportunities to get involved. These include online surveys, reviewing policies and finding out about workshops that they can attend (in person or virtually). Tenants are provided with the opportunity to be involved on the areas that matter most to them. To date 145 tenants have signed up to Your Voice, however Customer Voice aim to increase this number during 2021/22. This year Your voice members have:

- Reviewed 4 policies: Goodwill & Compensation, Leasehold Management, Older Persons, Aids & Adaptations.
- Undertaken a Damp Survey – This helped Customer Voice create a new Condensation and Mould leaflet.
- Undertaken a Housing with Care rebranding survey
- Participated in a Housing with Care rebranding focus group

Some of the areas that Customer Voice have been involved in and things that have changed because of our Tenants' feedback include:

- Customer Voice reviewed the Interactive Voice Response when calling the Customer Contact Team, they felt it was too long and some parts were irrelevant. Following their advice it was shortened.
- Customer Voice looked into delays with heating installations and upgrades – They sent questions to the heating team and these answers were published for tenants to read.
- Customer Voice looked at damp and mould in properties. They created a survey for Your Voice and received 126 responses from tenants. They worked closely with the Repairs and Communications team to create a new Condensation and Mould leaflet for tenants which has been published on our website.
- Customer Voice reviewed letters sent out by the Income Team. From their feedback we changed parts of letters to make the wording clearer.
- Customer Voice sent out a survey and held a focus group with Your Voice and Customer Voice members to rename our Housing with Care service offering.
- Tenants and Customer Voice took part in the complaints review, this resulted in the following changes:
  - Staff members were invited and trained on the Housing Ombudsman Service e-learning complaint handling module.
  - New complaint template letters were created to support a consistent approach to responding to complaints.

- A survey was created via Customer Voice, 50 responses were received providing feedback to support the changes.
- We moved to a monthly customer satisfaction survey from quarterly surveys
- Policy and Procedures have been reviewed
- We introduced a triage service
- We published the HOS assessment
- Effective Communication Training has been delivered to customer-facing staff
- Lasting Impressions Training has been delivered to operational staff

## **People and Culture**

### **Engagement**

In line with our Corporate Plan we used the Best Companies b-Heard survey in late 2020 to establish our levels of staff engagement. We care about our employees and taking part in the survey shows our commitment to workplace engagement, staff wellbeing and their careers.

Undertaking the b-Heard survey enables us to:

Understand how our people honestly feel about their work

- Discover opportunities for improvement and gain the knowledge and tools needed to make it happen
- Support our people to become happier and more productive
- Improve staff retention
- Create an environment that attracts top talent

The survey results revealed that we achieved a 1 Star accreditation. The accreditation is calculated using a unique measure of workplace engagement, and because of the answers given by employees, we gained a score high enough to achieve 'very good' levels of engagement. It also demonstrates that we are well led and well managed and is testament to our focus on recognising and developing talent, and our core values.

Further analysis benchmarked us against other organisations. The results revealed that we are:

- One of the top 25 housing associations to work for in the UK
- One of the top 75 organisations to work for in the East of England

These achievements complement our existing Investors in People accreditation from 2019. Being benchmarked against other organisations enables us to see if we really are providing the best experience for our staff and leading best practice.

### **Investing in Our People**

We are passionate about investing in our people and providing them with the resources and support they need to enable them to deliver high performance and excellent service to our tenants.

We continue to invest in training at all levels and have recently sponsored a further seven staff to pursue professional qualifications via the Chartered Institute of Housing. We continue to grow our talent pool and have eight apprentices currently in place in a range of departments from IT to Asset Management. Our aim is to increase that to twelve by March 2022. Additionally, we are supporting vocational courses in Building and Construction, Coaching, Leadership and Management. Three of our current staff are also attending the GEM programme which is a sector specific graduate training programme focusing on developing the leaders and influencers of the future. During the year many of our staff undertook 'Lasting Impressions' training. By the end of May 2021, we had rolled out training on delivering great customer service to the whole of Saffron. As part of that training, all staff were asked to develop a service improvement idea and will be working to implement these through 2021/22.

### **Agile & Flexible Working**

We have listened to our staff throughout the pandemic and, following their feedback, took the decision to further develop the agile working practices we had put in place as a result of moving over 160 staff to home working, in March 2020.

We have undertaken some refurbishment at our head office 'Saffron Barn' to support agile working, collaboration between teams and provide a much more flexible workspace. We re-opened the newly

refurbished Barn on 12th April 2021 with Covid safety measures in place. There are still limits on the number of people that can work in the Barn at any one time due to social distancing. We use a booking process for desks and workspaces. Saffron Barn is now our collaboration hub and Helen House is no longer a working office.

### **Wellbeing Initiatives**

The health and wellbeing of our staff is a key priority for us. We recognise that having engaged, positive staff is linked to morale and productivity and we have ensured that this remained front and centre during the pandemic. At all times, but especially during the coronavirus outbreak, we have provided significant support to those who experience mental health issues introducing 8 mental health first aiders (MHFAs) into the business. Our MHFAs play a valuable role for their colleagues signposting them to relevant external services where needed. The MHFAs have been available throughout the pandemic and we have regularly promoted their support and advice service to all employees through email, the use of intranet, blogs, vlogs, and virtual Mental Health coffee breaks. We have also signed up to MIND's 'Shine a Light' campaign and have pledged to their mental health at work commitments.

In line with our continued focus on the wellbeing of our employees, we have moved to a new healthcare provider, Vitality. Vitality membership allows employees to earn rewards for making healthier lifestyle choices such as increasing physical activity and eating healthily. Vitality's ethos focuses on prevention and wellness, including mental health, which is a key addition to the health care provision.

As part of our commitment to the environment we have introduced a green car scheme for employees and have provided six EV charging points at Saffron Barn during 21/22, to reduce our carbon impact.

### **Volunteering**

During lockdown we were overwhelmed by the enthusiasm and support of our people to help our local communities. We redeployed 68 staff in volunteering roles (around a third of our workforce) helping tenants and the local community via South Norfolk Council's Help Hub. In total, we:

- Collected prescriptions
- Delivered parcelled food packages and made shopping trips
- Connected over 500 people to a volunteer

Within five weeks, a fully operational volunteering programme was in place, working together with South Norfolk Council as a key contributor in the success of their Help Hub. This included staff members volunteering to be Coordinators due to the scale of the operation. In addition to supporting our tenants and collecting food and prescriptions, we provided books for local children, and supported Norfolk County Council's campaign by donating games and play sets to vulnerable families in need during the crisis.

### **Gender Pay Gap and Inclusion**

Whilst we are not required to provide a gender pay gap report by law, our work on equality, diversity and inclusion highlights that:

- Our average hourly rate for all women was £16.47.
- Our average hourly rate for men was £17.45.
- The difference, as a percentage of men's pay, was 5.59%, relative to a national benchmark all employee gender pay gap of 15.5% (ONS).
- At Senior Management Team level there is a negative pay gap of -10.45%

We are committed to celebrating diversity, positively promoting equality, fostering equal opportunities and tackling discrimination to ensure all Employees and Board Members are accepted, treated with respect and valued equally. We comply with the Equality Act 2010 (the Act) and ensure that the protected characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation are not discriminated against. We provide training for employees and Board Members in ED&I and have become members of the Housing Diversity Network, taking part in their mentoring scheme, and have also become members of Stonewall. We will be taking part in the workplace equality index, focusing on LGBT inclusion and acceptance, during 2021/22.

Our aspirations for ED&I in its broadest sense, are to promote acceptance, fairness and equality and to ensure that everyone feels that they are welcome at Saffron. Through Build East and the National Housing Federation we are working with other local Housing Associations to share best practice and to make a real and demonstrable difference to the communities that we work with, and the people we employ.

Our Board composition includes diverse perspectives, but does not yet fully meet our aspirations for inclusion. We will be seeking to address this and will work with the Housing Diversity Network, as vacancies arise.

As part of the Placeshapers Diverse Voices events, the Executive Director of Operations shared professional experiences of being a female in a leadership role and the challenges this had at times presented when moving into senior positions. Alongside this she also chaired the Diverse Voices session on LGBTQplus and the way in which housing can support and improve its offer to professionals working in the sector and, importantly, tenants who identify as LGBTQplus.

We are continuing to develop our Inclusion Strategy, in conjunction with Build East and the National Housing Federation (NHF) as well as working with Independent East on building a truly inclusive Housing Association. It is our intention to produce a clear statement of commitments by the end of 2021/22.

## **Governance**

During 2020/21 we retained our G1/V1 Governance and Viability rating and our Moody's A3 (Stable) credit rating. We experienced zero ICO-reportable data breaches during the year and GDPR has been highly prioritised within organisational culture throughout the year.

The Board have monitored Stakeholder Trust and Confidence during the year, using a small sample of surveys every quarter. Trust and confidence peaked during the third quarter at 91.7%, however the cumulative year end result was 58.3%. This was largely influenced by a number of neutral, rather than negative, responses and we will be increasing our levels of engagement with these Stakeholders to enable them to form a stronger opinion.

We continue to collaborate widely with peers across our sector and the wider commercial sector, to keep us informed, optimise opportunities for engagement and provide us with a voice for national policy development. These relationships also assist with horizon scanning and bring value to our strategic planning and risk management. We are Members of Build East, PlaceShapers, CBI, NHF, CIH, Homes for Cathy and Housemark, in addition to more local groups and forums such Independent East.

During 2020/21 we commenced a consultation process with our Shareholders, to consider the suitability of our Stakeholder Accountability arrangements and this work will continue into 2021/22. We have also continued to hold Shareholder Information meetings, using Zoom technology to keep Members informed of progress and initiatives within the organisation. We have also further increased our engagement with other Stakeholders, such as Local Authority Partners and Independent East Members. Our support during the year for Communities at a County level, and with the South Norfolk Housing Partnership, was well recognised within the areas in which we operate.

During 2020/21, Phase 1 of 'Project Sapphire' was focused on developing the Board's revised Vital Signs dashboard. Phase 2, which commenced in January 2021, is focused on the redesign and delivery of Saffron's Data landscape. The project has been defined and categorised into four key workstreams: Data Strategy, Data Reporting, Architecture and Future State/Business As Usual. The Data Strategy is the next key deliverable in this project and is due for completion by the end of June 2021. The strategy will underpin the key activity and outputs from Project Sapphire.

In response to the pandemic Business Continuity situation, Saffron formed an officer's Kingfisher Committee. Kingfisher decisions were taken to mitigate the risks presented by Covid-19, in respect of business continuity and other risks outlined in our Strategic and Operational Risk Registers. The Committee terms and decisions taken regarding policy matters were ratified by Board. Kingfisher Committee first convened 11th March 2020 and met on a daily basis, on working days, until 20th April 2020. From this date meetings were held on a weekly basis, or as circumstances required. Kingfisher Committee was convened by the CEO in response to the escalating Covid-19 pandemic, to provide leadership, guidance, direction and decision-making. Decisions



are cascaded as appropriate to the Incident Response Team and Senior Management Team. The terms of the Kingfisher Committee are:

Goal: To play our full part in keeping staff, tenants and the communities we live and work in as safe as possible.

Approach: Following guidance set out by the UK Government and World Health Organisation, being mindful that we are providing services to some vulnerable people.

Membership: Executive Team, Business Continuity Lead, Director of HR and Head of Communications.

## **Money & Value for Money**

### **Money**

Our financial position remained strong throughout the year, despite the challenges presented by covid-19 and we exceeded our target operating margin this year. Our Business Plan and Budget 2020/21 incorporated the first year of rent increases since the mandatory four-years of rent reductions, and Saffron's Board were able to apply a policy of capping rent increases in line with the Local Housing Allowance. The trading operating margin shown includes actuarial pension adjustments, which moved it from 33.7% to 32.9%, and was previously in line with operational budgets for the year.

Saffron outperformed its target for interest cover in 2020/21. The level of interest cover, pre pension adjustment, was 136.6%, against a target of 126.2%. Saffron maintained its trading operating surplus (before sales and gift aid) despite the impacts of Covid-19, generating savings through operational costs and staff vacancies to offset reductions in income; particularly those associated with increased Voids, and lower than budgeted delivery of new homes. Due to the impact of Covid-19, Major Repairs spend was under budget and this contributed to the level of interest cover, as this spend is included in the EBITDA MRI ratio. EBITDA MRI is one of the key ratios that is managed closely at Board Level and a number of internal gateways and golden rules are in place to trigger action, due to the impact it has on Saffron's financing facilities. Both our loan facilities include a covenant on EBITDA MRI.

There has been very little movement in our gearing ratio for 2020/21. Saffron measures its gearing ratio on the basis of historical cost of housing property assets in line with its banking covenants, whereas the Regulator's Value for Money metric measures this on net book value. As there has been no new long term debt incurred in the year, this has resulted in fixed assets being funded through operating cash flows and existing cash. Saffron has access to a £60m revolving credit facility via Natwest and we move through our development programme over the forthcoming financial years, money will be drawn down against this facility, impacting the gearing ratio. Saffron's loan facilities with Natwest and Barclays include a banking covenant for gearing and this is monitored closely at board level, with internal gateways and golden rules set per Saffron's Treasury Strategy.

### **Value for Money**

#### **Cost reductions**

To help off-set reduced income, such as void losses due to the pandemic, we made savings on salaries and staff costs. Savings were generated by awarding no cost of living pay increase during 2020/21, via vacancy periods between staff leaving and appointments, and by replacing vacant posts with apprentices in line with our Vital Signs goal. These actions amounted to a saving of £767k against budget.

Following an in depth review of our existing stores facility, February 2020 saw the implementation of Travis Perkins becoming our sole supplier of materials. Despite the complications of the COVID-19 crisis this led to them, successfully, fully managing our stores facility from September 2020. Having Travis Perkins managing our stores has led to 4% (approximately £45k) savings on our former spend, having one point of contact for all material, cleaning and PPE purchases and obtaining the expertise and buying power of the UK's leading material

supplier. Furthermore, during the transition period we were also able to sell our existing stores stock back to Travis Perkins providing further savings of £90k.

Having the expertise of Travis Perkins has allowed Saffron to utilise the groups van replenishment tool. 'TPGo' allows our craftworkers to replenish used van stock with a view of collecting the stock from stores swiftly and effectively without the necessity of long queues. The van replenishment process commenced in December 2020 and all craftworkers will be utilising this by the end of May 2021. This implementation of this process not only increases productivity, it also allows us to understand our material usage and van stock, to improve completion of repairs at the first visit. Although it is still in its infancy, the process has assisted with an increase of 7% in repairs being completed first time since its implementation. We are expecting performance to increase further once we gain more experience of the tool and the data it produces.

Saffron's Skyguard lone working solution (GPS pendant) contract was replaced by a Peoplesafe smartphone app. The app has the advantage of continually providing lone worker cover whilst our employees' mobile phone or tablet is being carried, eliminating the need to carry an extra device. A cost saving of 50% has been achieved by switching to the mobile app solution, with the annual service charge reducing from £18,000 to £9,000 per annum.

### **Technology and Overheads**

Aligned to our Corporate Plan and VFM Strategy, our Positive Futures Transformation Programme has continued throughout the year. The Transformation Programme is focussed on creating the environment for our staff to deliver high quality and innovative landlord services. It will do this by investing in technology to create a more agile and productive work force, make it easier for tenants to interact with us, and by promoting a culture of collaboration, accountability and improvement.

During 2020/21 we successfully implemented our Customer Relationship Management system, C365, which was developed in Microsoft's Dynamics, within their 365 suite of products. As well as supporting our transition to cloud-based information storage, C365 is core to the delivery of our 'Customer' objective within the Corporate Plan, providing a single point of reference for our Customer Contact and improved accessibility for tenants via the new Tenant Portal 'My Saffron'. This holistic view of our customers enables improved service delivery and inter-departmental working, with elements of automation through workflows. It also provides us with a more powerful platform for performance monitoring and reporting on our services. To facilitate a smooth transition from Capita's Open Housing system to Dynamics C365, we evolved our Delivery Model and decoupled Housing Services (Income, Neighbourhoods, Anti-Social Behaviour, Complaints, Mutual Exchange and Lettings) from Asset Management (Responsive Repairs, Cyclical Maintenance, Statutory & Compliance, and Voids). This enabled delivery in two phases. Phase 1 of the project, Housing Services, went live in June 2020 and Phase 2, Asset Management, went live in November 2020. The external environment presented some training challenges for the organisation, however the Business Transformation Team overcame these using virtual training methods. We spent a further £610,000 (£605,000 2019/20) on the development and full implementation of our C365 system this year.

In the coming year we will focus on options to develop and evolve the platform further, including additional integrations that will optimise use of the system, such as DocuSign forms and Outlook calendars. This will link up to users' calendars and mean any forms requiring signatures will be available. The successful implementation of C365 was largely due to the project team and superusers, who were instrumental in delivery, training and adoption.

During 2020/21 we invested £42,000 in upgrading our existing Netcall telephony system, to enable the use of cloud based telephony, aligned to our strategy. Our employees will also experience a change in the front-end of our phone system, as our Skype for Business is transitioned to full MS Teams telephony during 2021/22.

We have also invested a further £29,000 on upgrading our firewall, £12,000 on secure and private printing and £25,000 on system security during 2020/21. This expenditure reflects our recognition of the increased number of cyber attacks that are occurring in the external operating environment and the subsequent

breaches of data experienced by other organisations within the Housing Sector. The Board have identified the growing threat of cyber security in relation to GDPR requirements and have also introduced further risk mitigation protocols, such as multi-factor authentication, to protect the data we hold and process. A Working Group will be reviewing our cyber security further during 2021/22, to ensure our corporate policies cover all areas of best practice.

The Board approved a new IT Strategy in July 2020, to replace the Strategy approved in 2017. Our previous strategy was approved in 2017 following a period of change at Saffron. It set out a path of increased investment in IT and expansion/restructure of the IT team, which has given us a strong foundation to build on. The new strategy focusses on embedding our new systems and technology and ensuring we are obtaining maximum value from the system investments made. We will have:

- All systems and servers running in the cloud and accessible from anywhere, by any device deemed best fit for the end user
- The most appropriate devices deployed to the right people – whether this is laptop, tablet, or smartphone, enabling staff to have the information they need when and where they need it
- A capable and proactive IT service desk that resolves any issues in a timely manner and is capable of driving adoption and helping to embed technology in the business
- The right security measures in place to protect Saffron's systems and data from any foreseeable threats
- A highly skilled IT team capable of driving the business forward through the use of technology

We have also set up a 'Technology User Group', a forum comprised of employees from across the business. This forum will receive and review new requests for change and continuous improvement. They will also be champions for any system and technology changes in their respective business areas.

During 2020/21 we commenced work to identify a suitable replacement to our current Finance system. A new solution has been selected that is compatible with our IT strategy. This will assist our move to a single platform for our core systems. Work will continue during 2021/22 to appoint a supplier and mobilise the project, in order for phase 1 to be implemented at the beginning of the following financial year.

### **Office refurbishment**

As mentioned previously, we accelerated our Offices Strategy in 2020/21, following consultation with our employees in the summer. Having already enabled digital home-working for all office employees during the lockdown, we were in a strong position to implement these changes. Our staff indicated a preference for agile and flexible working, whilst still wishing to be able to meet their colleagues for collaboration and meetings. As well as delivering cultural improvements and responding to staff engagement, this change will deliver longer term efficiencies in desk and office space utilisation. Prior to the pandemic, the Board had initiated a project to reduce our available office space as part of our focus on lower overheads, and our Helen House office is no longer in use as a result of the delivery of true agile working. The cost of delivering this project was £275,000.

### **Vehicle Replacement**

During 2020/21 we spent £517,000 on 20 new commercial vehicles. These were aligned to our vehicle replacement programme.

### **Older Persons Services Strategy**

We delayed the implementation of our strategy to modernise our Older Persons service during the year, due to the impacts of covid-19 on this customer group. Our strategy is to ensure that Saffron's older persons housing accommodation meets the needs of current customers and is 'fit for purpose' for the future needs of customers and the wider community. It also proposes wellbeing services that will enable older people to live well for longer and that Saffron will develop a new extra care scheme every 3 years.

Whilst delayed by Covid-19 impacts, work to deliver our strategy did commence during the year. As restrictions eased we started to move ahead with these plans. Particular focus has been on an options appraisal at Clare House. This commenced on 8th March with Tenant Consultation at the forefront of the process.

Voids have remained stubbornly high throughout the pandemic, however we are confident the reductions that we are now seeing will continue throughout 2021/22. We have a strong partnership working approach with Norse and Norfolk County Council, and have a specialist practitioner to complete assessments from July 2021.

In conjunction with this, following consultation with our tenants through the Your Voice portal, our extra care brand has been rebranded to Independent Living and Independent Living Plus. The vote took place 24th April 2021 and logo design with stakeholder engagement is currently underway.

We have also identified that investing in Smart technology, alongside wellbeing contact, will improve the services we deliver. Some of our schemes will be for over 55s with a local letting agreement for people without the need of support. Lifelines (dispersed mobile alarms) can then be purchased if and when customers require this type of service. In addition, several of our sheltered/supported schemes have been identified as no longer appropriate for their existing purpose. A number of properties were due to be decommissioned on 6th April 2020. From 10th November 2020 this work progressed and the decommissioned schemes had Warden Call Systems removed. These tenants were provided with options and support to move and for lifelines to be installed. 159 new lifelines were installed and 3 tenants selected to be moved into alternative accommodation.

## Metrics

The Regulator of Social Housing requires us to publish evidence to enable stakeholders to understand our performance against our own VFM targets, metrics set out by the Regulator, and how our performance compares to \*\*peers. These performance areas are set out below.

\*\*Benchmarking quartile and median figures are taken from the Sector Scorecard Analysis Report published by the National Housing Federation and Housemark, for our Board approved peer group. Our peer group is comprised of LSVTs, with between 2,500 and 10,000 homes, located in the East, South East and South West of England.

### VFM Metrics required by the Regulator of Social Housing:

						Housemark 19/20 data		
	VFM Metrics	2020/21 actual	2020/21 target	2019/20 actual	2021/22 target	Top quartile	Median	Bottom quartile
1	Reinvestment	3.8%	5.1%	4.0%	8.1%	9.05%	8.0%	5.8%
2a	New Supply Delivered % (Social Housing Units)	1.3%	2.3%	1.4%	1.76%	3.7%	2.7%	1.8%
2b	New Supply Delivered % (Non-Social Housing Units)	0.0%	0.2%	0.1%	0.30%	0.25%	0%	0%
3	Gearing	58.3% (51.47%)#	54.8%#	58.0% (51.4%)#	60.33% (52.47%) #	43.06%	55.2%	65.48%
4	Interest Cover EBITDA MRI	133.6% (136.6%)*	126.2%	119.7% (142.3%)*	132.5%	216%	162.19%	139.38%
5	Headline Social Housing Cost p.u.	£3,193 (£3150)*	£3,430	£3,494 (£3,247)*	£3,444	£3462	£3654	£4027

						Housemark 19/20 data		
	VFM Metrics	2020/21 actual	2020/21 target	2019/20 actual	2021/22 target	Top quartile	Median	Bottom quartile
6a	Social Housing Lettings Operating Margin	33.4%* (34.2%)*	31.0%	27.0% (31.9%)*	32.91%	39.4%	33.6%	27.0%
6b	Overall Operating Margin	32.9% (33.7%)*	32.9%	26.3% (31.0%)*	32.57%	35.4%	32.0%	26.3%
7	ROCE	4.5% (4.6%)*	4.1%	3.7%	4.79%	4.3%	3.7%	3.09%

\* VFM targets for 2020/21 were calculated excluding the pension adjustment as this is unknown when the budget is set. The VFM metrics calculations are calculated from the FVA return and include the pension adjustment. The table above also shows the metrics calculated in line with the target, in brackets, for comparison.

# Saffron's gearing covenant is based on gross net book value of assets and includes short term investments as cash. The VFM metric is based on net book value and excludes short term investments as cash.

Within our Corporate Plan, our Money goal is to achieve an operating margin of 35%, a social housing cost per unit returned to median or better and management costs per unit equal to sector average.

In 2020, the Sector's upper quartile operating margin fell to 32.3% and our 2021 achievement of 32.9% (33.7% before pension adjustment) demonstrates very good performance in comparison. Our goal of 35% was created at the beginning of our three-year corporate plan period, at a time when the Sector's upper quartile performance was 37.1% and we are now entering the final year of that plan. During this time the external environment has changed considerably, and the Board have had to make sensitive decisions regarding emergent strategy. The Board set a target of 32.9% operating margin for the year 20/21 and we have achieved this, within the context of a global pandemic. The Board's decision towards the end March 2021 was to approve a business plan in which our operating margin objective of 35% is met from 2024.

During the year we have achieved better than upper quartile social housing costs per unit, and better than median management costs per unit, within our Board approved peer group.

The Sector's 2020 median headline social housing cost was £3,830 per unit, with the lowest quartile of costs at £3,340 pu. Our 2021 achievement of £3,193 pu (£3,150 pu before pension adjustment) has outperformed our sector median corporate plan goal considerably.

The Sector's 2020 weighted average Management Costs per unit were £1068, our achievement of £805 pu has outperformed our sector average goal considerably.

The Board of Saffron Housing Trust have reviewed our Strategic VFM Objectives during 2020/21, aligned to our three-year Corporate Plan and revised Vital Signs dashboard 21/22. The Board believes that the revised objectives, shown on the following page, will facilitate delivery of our remaining aims during year three of our corporate plan. The Board has identified that the impacts of the pandemic required some adjustment of original VFM goals. Our goals are supplemented by annual metrics provided for our Housemark benchmarking, the 'Sector Scorecard'.

**VFM Strategic Objective Goals 2020/22 (as published in 19/20 Annual Report & Financial Statements):**

					Housemark 19/20 data		
	Strategic VFM Metrics	2020/21 actual	2019/20 actual	2020/22 target	Top quartile	Median	Bottom quartile
1	Repairs Right 1st Time	93.93%	84.7%	*97.40% #95.0%	96.4%	91.8%	85.7%
2	Digital Engagement	27.85%	24.0%	50%	n/a	n/a	n/a
3	Ave length of tenancy	10.46 yrs	10.21 yrs	11 Years	n/a	n/a	n/a
4	Contact Right First Time	77.80%	n/k	80%	n/a	n/a	n/a
5	Void Loss Re-let time (General Needs only)	1.26% 56 days	26 days	*0.61% *13.8 days	0.68% 19.9 days	0.79% 22.9 days	0.81% 27.6 days
6	% time at office	27%	54%	25% reduction	n/a	n/a	n/a

\* Upper quartile target, Housemark 18/19;

# Revised target following review of pandemic impacts

Saffron's Board have reviewed our VFM Strategic Objective Goals for 21/22, considering existing progress against the above goals and pandemic impacts, as follows:

- **Goal 1:** Our goal to achieve 97.40% of Repairs Right First Time was reviewed during the final quarter of 20/21 and, following consideration of the impacts of the pandemic, the Board reduced this goal from 97.40% to 95.0%. The Board believes that goals should be challenging yet attainable and this is reflected in their decision.
- **Goal 2:** Our 'Digital Engagement' goal has been changed to 'Number of Interactions Via our Tenant Portal', as this delivers increased VFM in comparison with other forms of digital engagement, such as emails.
- **Goal 3:** Average length of tenancy has improved from 10.21 years to 10.46 years, and whilst we have not yet reached our goal of 11 years, this continues to travel in the right direction.
- **Goal 4:** Contact right first time was a new measure, enabled by the introduction of our CRM system, C365. Our achievement of 77.8% was slightly below the target of 80%, but it is envisaged that our new system will enable improvement in the coming year.
- **Goal 5:** Void Loss and Re-let time (General Needs only) was badly impacted by the pandemic lockdown and safety measures in place for workers. Our re-let time more than doubled from the previous year. Board have maintained the financial target of 0.61% but increased the re-let time to 18 days, to account for the existing voids that have carried into the next financial year.
- **Goal 6:** Our '% time at office' goal has been achieved in full and is therefore no longer within our strategic VFM Objectives. Our corporate goal, to "move to one office location, enhancing a single team ethos and value for money" has been delivered. Feedback from employees was considered in Summer 2020 and our agile working objective was accelerated. Saffron's Barn office has been reconfigured as a collaborative working space, where, as pandemic restrictions lift in full, a small number of desks can be booked for those coming to meet with colleagues. The new office space is energising and informal, with 'railway carriage' and 'booth' areas for collaboration, in addition to three more formal meeting rooms. Work to deliver this project was completed in January 2021. Our

second office, Helen House, is no longer in use and will be disposed of, or re-purposed, subject to the external operating environment.

- The above goal has been replaced with a new goal, which is particularly relevant due to pandemic impacts. Goal 6 is now to achieve a reduction in the number of vacant homes for Independent Living, from 53 at year end, to 34 homes.

#### Updated VFM Strategic Objective Goals 2021/22

	Strategic VFM Metrics	2021/22 goal
1	Repairs Right 1st Time	95.0%
2	Number of Interactions via Tenant Portal (per quarter)	250
3	Average length of tenancy	11.00 years
4	Contact Right First Time	80.0%
5	Void Loss* Re-let time* (General Needs only)	0.61% 18.0 days
6	Independent Living: Number of Homes Vacant	34

In addition to our own VFM Metrics, Saffron participates in 'Sector Scorecard' benchmarking, within our Board approved peer group. This reporting supports our corporate plan objectives, referred to on page 28. Our VFM performance in these areas is set out below, for comparison:

Sector Scorecard	2020/21 Actual	2020/21 target	2019/20 Actual	2021/22 target	Housemark 19/20 data		
					Top quartile	Median	Bottom quartile
Social housing units - new supply delivered (absolute)	76	155	90	175	280	186	95
Non-social housing units - new supply delivered (absolute)	0	12	4	20	13	0	0
% of respondents very or fairly satisfied with overall service (GN & HfOP)	78.8%	88.35%	83.70%	88%	89.57%	87.5%	86.12%
Occupancy	99.0%	99.7%	98.46%	99.56%	99.56%	99.29%	99.1%
Ratio of responsive repairs to planned maintenance	0.36	0.40	0.44	0.32	0.42	0.6	0.69
Management cost per unit	£805	£819	£903	£794	£666	£903	£1215

					Housemark 19/20 data		
Sector Scorecard	2020/21 Actual	2020/21 target	2019/20 Actual	2021/22 target			
					Top quartile	Median	Bottom quartile
Service charge cost per unit	£245	£245	£236	£211	£236	£343	£417
Maintenance cost per unit	£1,102	£1,184	£1,108	£1185	£944	£1230	£1347
Major repairs cost per unit	£606	£701	£482	£761	£484	£763	£1085
Other social housing costs cost per unit	£435	£481	£765 (£518)*	£493	£26	£112	£543
Rent collected current & former tenants as % rent due (inc arrears b/f)	100.08%	100.19%	99.40%	100.6%	100.6%	99.69%	99.34%
Overheads as a percentage of adjusted Turnover	10.5%	11.1%	10.60%	11.00%	10.31%	10.94%	13.1%

The Regulator of Social Housing also requires us to report measurable plans to address any areas of underperformance, including clearly stating any areas where improvements would not be appropriate and the rationale for this. Commentary on the preceding VFM tables and targets can be found below.

### Commentary on VFM Metrics

We **met** or **exceeded** our targeted performance in the areas of :

- Gearing
- Interest Cover EBITDA MRI
- Headline Social Housing Cost p.u.
- Social Housing Lettings Operating Margin
- Overall Operating Margin
- ROCE (Return on Capital Employed)
- Ratio of responsive repairs to planned maintenance;
- Management cost per unit;
- Service charge cost per unit;
- Maintenance cost per unit;
- Major repairs cost per unit;
- Other social housing costs cost per unit;
- Overheads as a percentage of adjusted Turnover

We **narrowly missed** our targets in the following areas:

- Occupancy;
- Rent collected, current and former tenants as a percentage of rent due (including arrears brought forwards);

We **need to improve** performance in the following areas:

- % of respondents very or fairly satisfied with overall service (General Needs & Housing for Older People)
- Social Housing Units – new supply delivered (absolute and %)
- Non-social housing units – new supply delivered (absolute and %)
- Reinvestment



### % of respondents very or fairly satisfied with overall service (General Needs & Housing for Older People)

Overall Satisfaction decreased from 83.7% in 19/20, with our cumulative year-end satisfaction level at 78.8%. This performance was against a 20/21 target of 88.35% (consistent with top quartile benchmarking performance in our peer group when this target was set). The Board reviewed this target in 20/21 and have set a target of 88.0% for the coming year. The drop in satisfaction may be attributable to critical changes to service delivery as a result of the pandemic. Board will monitor progress to return to previous levels of satisfaction on a quarter by quarter reporting basis over the coming year, however we believe that customer satisfaction will be influenced by the Government's Roadmap to Recovery and the lifting of remaining restrictions. In addition, and in consultation with our Shareholder groups, the Board have recently made the decision to create a Committee responsible for service quality. The committee will work with tenants and scrutiny members to ensure that Saffron continually improves the quality of our services and the experiences of our tenants. The committee will have a particular focus on areas where performance can be strengthened and will ensure alignment with the Boards ambitions for the next corporate plan in 2022/23.

### Social Housing Units – new supply delivered (absolute and %) and Non-social housing units – new supply delivered (absolute and %)

As already mentioned in this report, our development activities were delayed due to Covid-19 lockdowns. This caused 3 to 6-month delays to work in progress and starts on site, both for Saffron Housing (Social Housing Units) and Crocus Contractors Ltd (Non-Social Units). We prioritised the health and safety of our employees and re-opened sites as soon as we considered it safe to do so, and in line with Public Health England guidance. The new units will still be delivered, however the timing will impact the programmes into subsequent years, and this has been reflected in our revised business plans for 2021/22.

### Reinvestment

The Reinvestment metric assesses how much money is spent on an organisations fixed assets (either new or existing) as a percentage of the overall net book value of the existing assets. Unfortunately, largely due to the impact of COVID-19, Saffron has not achieved its target for 2020/21. Saffron prioritised emergency repairs for the bulk of the financial year, due to the pandemic restrictions and low levels of access to properties. This meant that budgeted capital works to existing properties were delayed, major repairs were able to recommence from February 2021, which did not provide sufficient time for budgeted major repairs to be completed by year-end. In addition, due to the pandemic, the level of new properties completed during the year was lower than target and less than budgeted for.

However, the reinvestment budget for 2021/22 is 8.1%. This increase between 2020/21 and 2021/22 will predominately come from increased development spend for new properties, whilst major repairs spend budgets have also been increased for the next financial year.

### Return on assets

Asset Type	Including pension adjustment			Excluding pension adjustment		
	2021	2020	2019	2021	2020	2019
Social and Affordable rented	32%	23%	30%	33%	28%	32%
Housing for Older Persons	38%	45%	40%	38%	49%	41%
Shared Equity/Shared Ownership	68%	49%	62%	69%	58%	66%

Our return on assets is defined as our operating surplus on social housing lettings as a percentage of Turnover, for each asset class. (Our return on capital employed can be seen within our VFM metrics on page 27.)

Our Shared Equity and Shared Ownership homes provide a high rate of return, as we do not incur costs in relation to repairing obligations. This class of assets provides access to the market in an affordable way, allowing those on lower incomes to purchase their home. This aspiration would otherwise remain out of reach for many of these residents.

Housing for Older People still generates a good rate of return, however, this segment has been severely impacted by Covid-19 in terms of Void losses in 2020/21, and this is one of the major reasons behind the reduction in return year-on-year. Also, as reported in note 26 of the financial statements a number of

properties (107) were reclassified from Housing for Older People, to our general needs stock, which resulted in a reduction in income. Furthermore, void losses in this segment were up from £121k as reported in 2019/20 to £418k in 2020/21. For comparison purposes, void losses in our other social and affordable properties only increased from £208k in 2019/20 to £316k in 2020/21. Housing for Older People was impacted by restrictions put in place at a local level, and demand reduced in the short term, due to the perceived risk of housing vulnerable persons in a care setting whilst the pandemic was on-going. As restrictions eased in 2021/22 and the clinically vulnerable were vaccinated, the level of voids in these settings has started to reduce.

Our principle activity is providing rented accommodation at social and affordable rents. As illustrated in the above table, rent reductions impacted the rate of return on these properties, however they continued to allow us to meet our business plan, covenant and budget position, as necessary. From 1st April 2020 we returned to a regime of CPI-linked rent increases. Overall turnover in this asset type increased due to the reclassification of properties mentioned above. Furthermore, as overall expenditure was lower than the previous year, the return on assets in relation to these properties was also higher. These homes are integral to our core business and fulfil our charitable objects, and social commitment to communities, as set out in our Rules. We do however undertake a stock options appraisal process, to ensure that any further investment is commensurate with the return required. In some cases, a void property can bring greater value to the organisation through disposal and reinvestment of proceeds in the development of new homes.

<b>How we spent* our tenants rent</b>	<b>%</b>
Bad debts	0.31%
Management Costs	27.34%
Service charges	5.25%
Maintenance Costs	22.48%
Major repairs	14.14%
Loan Interest	30.48%

\*excludes pension adjustment and depreciation

Board have also considered options for some homes where others may be better placed to provide services. This includes a small number of homes which are dispersed in pockets across a wide geographical area. The Board wish to ensure that services for these residents are provided through the best possible provider, to optimise tenants' life experience. Board have also considered the VFM and business case for rationalising these types of homes, including return on assets and our ability to sustain dispersed service provision, outside of Saffron's core business. During the past year, the disposal of a small number of properties outside of our core geographical area has been explored. These properties consisted of LD properties and HOLD properties. Throughout this process the approach that has been taken has been that disposal would only take place if the right purchaser could be found and that it would improve the tenant's or occupier's experience. As this work progressed, Saffron felt that disposal of our LD properties was not in the best interests of our tenants and made the decision to retain them at this time. The disposal of HOLD properties is being explored, taking the same approach.

## **Looking Forward**

Over the remaining year of our Corporate Plan we will sustain our focus on increasing tenant trust and confidence, through increased service improvements and accountability. Whilst this will largely be achieved through further improvements to our service areas, we are continuing our work with Customer Voice and further developing our approach to Stakeholder Accountability over the coming year.

We will be commencing new Business Transformation Projects during 2021/22 and these include a Repairs Review aligned to our 'Customer' corporate plan objective. The Business Transformation Team and a core team of representatives will be commencing an end to end Repairs review in June 2021. Scoping has commenced and the project will review all processes connected to repairs. The review group will incorporate tenants and employees from multiple teams, to ensure the current and future state is analysed and redesigned from the front line. The Board is committed to improving the Trust and Confidence our

Stakeholders have in Saffron Housing Trust and will continue to monitor this through direct feedback and our Trust and Confidence Survey.

The Board have also begun to consider its long-term ambitions beyond the end of our current Corporate Plan, including our focus on decarbonisation and the Government's intentions contained within the Social Housing White Paper. The Board are committed to continuing the work that is evolving through our consultation with Shareholders and particularly to ensuring that our developing Stakeholder Accountability Strategy creates value through tenant and community involvement. The ambitions form the starting point for our next Corporate Plan, which we will continue to consult with stakeholders on, and which will cover the period 2022/23 onwards.

Our aspirations have been reviewed by the Board and, whilst our priorities continue to reflect our existing ambitions, they have been repositioned in the context of inspiring others. The Board's updated aspirations are as follows:



## Financial Review

### Introduction

The parent company has two subsidiary companies, Crocus Contractors Limited (Crocus) and Saffron Housing Finance plc (SHF). Crocus was formed to carry out non-charitable activities. SHF was formed on 6 June 2013 to issue a bond on behalf of the Saffron Group. The financial statements of the subsidiary companies are included within these consolidated financial statements for the full year.

Both subsidiaries are wholly owned and non-charitable and are not registered as Housing Associations.

### Income and Expenditure

At 31 March 2021 Saffron managed 6,506 housing properties (2020, 6,448). The properties are carried in the balance sheet at a depreciated cost of £261m (2020, £256m).

Turnover has decreased by 6.0% over the previous year principally due to Crocus sales, whereby unfortunately no homes were sold in the year due to delays on the Reedham Road Scheme in Acle. Saffron Housing Trust income was up 1.2% despite an increase in void properties. Operating costs decreased by 16% above the previous year mainly due to a large decrease in the pension adjustment and due to lower cost of sales within Crocus associated with the delays above, and reduced maintenance spend with Asset Management and

Operational cost savings. The group's operating margin (excluding gain on disposals) increased to 33.6% (2020, 25.7%).

Description	2021		2020	
	Group £k	Company £k	Group £k	Company £k
Turnover (including gift aid, excluding gain on disposal)	35,622	34,909	37,887	34,483
Operating surplus (excluding gain on disposal)	11,983	11,492	9,722	9,084
Pension adj	279	279	1,592	1,592
Operating margin excluding pension adj and gain on disposal	12,262	11,771	11,314	10,676
Operating Margin including pension adjustment, excluding gain on disposal	33.6%	32.9%	25.7%	26.3%
Operating Margin excluding pension adjustment and gain on disposal	34.4%	33.7%	29.9%	31.0%
Difference in margin	0.8%	0.8%	4.2%	4.7%

The results for the year produced a surplus of £3.777m for the group after interest, corporation tax, pension costs and before any actuarial movements (2020, £1.448m).

The effects of accounting for pension liabilities are shown in note 28, and the group retained surplus of £59.999m (2020, £64.730m) is net of an increase in reported pension liability to £19.860m (2020, £10.821m).

## Coronavirus impairment considerations

The Coronavirus pandemic triggered an impairment review for the following areas. Valuation of development WIP for shared ownership properties, impact on cost of projects associated with delays in construction, increased Voids and increased arrears.

The view of major valuers is that open market values will continue to increase year on year over the next 5 years at least, and therefore, no impairment is indicated on the shared ownership properties.

Development schemes being delayed but costs are predicted to remain at level provided for.

The two main areas impacted by Coronavirus is an increased in Void losses and arrears, whilst there has been an increase in both of these areas, neither of these are seen as irreversible. Furthermore we are already starting to see a decrease in both void losses and arrears at the start of the new financial year 2021/22. Taking this into account no impairment is indicated.

## Pension Costs

Most of Saffron's staff are members of the Local Government Pension Scheme (LGPS) which is a defined benefit scheme, full details of which are provided in Note 28. The scheme was closed to new members during 2018/19. There are three members of the Social Housing Pension Scheme (SHPS), two members in the defined contribution scheme and one member in the defined benefit scheme. The Guaranteed Minimum Pension (GMP) assumptions have been considered and are in line with expectations.

## **Financial Risk Management**

Saffron maintains a stress tested and externally validated business plan demonstrating to the Board the ability to withstand a wide range of adverse scenarios. Alongside this, the organisation has credible mitigating actions and clear triggers for implementation based upon Golden rules, which ensure compliance with funding covenants and Saffron's liquidity policy set out within its Treasury Management Policy.

## **Cash Flows**

Cash inflows and outflows during the year are shown in the consolidated cash flow statement on page 48.

## **Going concern**

The financial impact of Coronavirus during the year ending March 21 was estimated to be £597k vs budget, due to increased voids and delays to development projects. This loss of income was mitigated as part of various savings identified.

As part of the 21/22 budget setting process and revised business plan submitted in March 21, increased levels of void losses were factored into the budget to a similar level to the actual for 2020/21. Despite the increase in void losses, Saffron is still budgeting to achieve a surplus in line with the 2020/21 financial year-end. Saffron expects for the void levels to return to pre-pandemic levels during the financial year 2022/23. Furthermore, Saffron has significant liquidity available through its undrawn £60m RCF facility.

The committee of management has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group or the trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## **Code of Governance**

Saffron has adopted the NHF Code of Governance 2015. Saffron has assessed its compliance against the Code of Governance and confirms it complies with all requirements of the Code.

The Board has recorded a decision to adopt the NHF Code of Governance 2020 at a future date in time, with a backstop date of 1<sup>st</sup> April 2022.

## **Code of Conduct**

Saffron has adopted a Code of Conduct which applies to all to all employees and non-executive directors equally. The Code is supported by a range of policies which detail the way Saffron delivers its services.

Saffron has assessed its compliance against the Code of Conduct and confirms it complies with all requirements of the Code.

## **Board Members and Executive Officers**

Our non-executive Board Members and Committee Memberships of the Group are set out on page 3.

Saffron Housing Trust's non- executive Board Members and Executive Officers during the year to 31 March 2021 are listed on page 38. Saffron's Chief Executive Officer was appointed to the Board at the AGM of 21<sup>st</sup> September 2020. Saffron's other two Executive Officers have no legal status as directors of Saffron Housing Trust although they act as Executives within the authority delegated by the Board.

Saffron's Board comprises up to 12 Board Members and is responsible for governing the affairs of Saffron.

Membership of the Board includes three Board Members nominated by Customer Voice (formerly the Customer Advisory Panel) who are selected for their experience as service users, along with other skills.

Membership of the Board also includes Saffron's Chief Executive Officer, as of 21<sup>st</sup> September 2021. Saffron's other Board Members are recruited to the Board in accordance with a skills and competencies framework, thus ensuring Board Members are drawn from a wide background bringing together professional, commercial and local experience. All Board Members undertake an annual appraisal of their contribution, which is discussed with the Parent Board Chair and an action and training plan is agreed. This year, the Appraisal Process and the Review of Board Effectiveness was undertaken by Independent Consultants, which is a triennial requirement under Saffron's policies.

## Delegations

The Board delegates certain governance responsibilities to Committees, which have their own Terms of Reference. The Committees that were in operation at the 31 March, 2021 were:

- Audit and Risk Committee
- Governance and Remuneration Committee

Saffron Board may also establish working groups or task and finish groups charged with examining specific areas of Saffron's work. As at the 31 March, 2021, the Board had two Working Groups.

During the year, the Board formed the following Working Groups:

- Pensions Working Group - Met on 7th October 2020, presented to Board at their Pensions Strategy Session on 16th March 2021. Meeting will be held annually in February.
- Treasury Working Group - Met on 7th October 2020, presented to Board at their Board Strategy Session on 3<sup>rd</sup> February 2021 and at the Board's meeting of 22<sup>nd</sup> March 2021.

Day to day management is delegated to an experienced Executive Management Team to ensure:

- adherence to relevant legislation;
- the interest of taxpayers and the reputation of the sector are protected;
- Saffron operates in accordance with its Rules, Intra-group Agreement, Standing Orders, Financial Regulations and other governance documentation.

## Publication

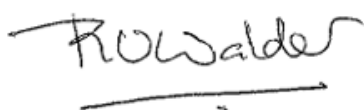
Saffron is committed to transparency for its customers and stakeholders. The Annual Report and our Financial Statements will be:

- Published on the Saffron website with posts on social media and within the banner to highlight their publication
- Notified through an RNS announcement
- Shared with our Shareholders, many of whom are tenants, in advance of our Annual General Meeting

## Statement of compliance

This Strategic Report has been prepared in accordance with the guidelines set out in FRS102 and paragraph 4.7 of the Housing SORP 2019.

**The Strategic Report was approved on 11<sup>th</sup> August 2021 and signed on its behalf by:**



**Bob Walder**

**Chair of the Board**

## Report of the Board

This is the Board's report and audited financial statements for the year ended 31 March 2021.

Non-Executive Directors who served during the year were:

### Name

Bob Walder	Chair
Katrina Laud	
James Tully	
Mike Jolly	
Duncan Scott	
Tom Fadden	
Alison Inman	
Rob Lankey	
Barry Duffin	
Neil Watts	
Emma Rose	

### Executive Board Member

James Francis, CEO                      Appointed 21<sup>st</sup> September 2020

Each Non-Executive Director had a commitment to contribute £1 to the company throughout their period of office.

The Group's Executive Officers who served during the year were:

Post	Name
Chief Executive	James Francis
and Director of Saffron Housing Finance Plc	
Executive Director of Finance and Development	Iain Innes
and Director of Saffron Housing Finance Plc	
Executive Director of Operations	Hannah Harvey

The emoluments of the chief executive are disclosed in note 7. The executive officers hold no interest in the company and act within the delegated authority given to them by the Board. The detailed scrutiny of performance, policy and procedures, together with the business plan and risks, are carried out by the Executive Team on an ongoing basis.

## The Group

Saffron Housing Trust Limited is a not-for-profit Registered Provider with the majority of its homes in Norfolk and Suffolk. These accounts cover the year ended 31 March 2021. As at that date, the Group owned homes providing 6,506 units of accommodation.

## Principal activities

Saffron's principal activities are the development and management of affordable housing. A Strategic Report of the year's activities appears on pages 3 to 37.

## Governance Code Compliance

Saffron Housing Trust works to meet best practice for its corporate governance. Saffron has adopted the NHF's Code of Governance 2015. Saffron has assessed its position in relation to the code and is compliant with all aspects of the Code during the year covered by these accounts.

## Compliance with Regulatory Standards

With effect from March 2016, regulatory compliance with the Regulator of Social Housing's standards must be reviewed at least annually and compliance certified in annual financial statements.

From October 2019 to March 2020, Saffron Housing Trust participated in a Regulatory In Depth Assessment. As a result of this process, the Regulator of Social Housing upgraded Saffron to a G1/V1, compliant, rating in April 2020. This means that, in the view of the Regulator, Saffron complies with the Governance and Financial Viability Standard.

Saffron has reviewed its compliance with the Regulatory Standards and, following a review of this assessment, the Board is reporting a deviation in compliance with the Economic and Consumer Standards due to 6 properties that did not meet decent homes standard at 31st March 2021. Access to properties is currently hindered by Covid-19, however Saffron have put in place actions to survey and undertake necessary works to meet the required standards when it is safe to do so.

The Regulator of Social Housing was made aware of this matter in February 2021 and confirmed on 4<sup>th</sup> March 2021 that the issue does not need to be considered by the consumer regulation panel and that no further discussion was required.

## **Voluntary Code: Mergers, Group Structures and Partnerships**

In December 2018 Saffron adopted a merger strategy setting out its approach and criteria for considering merger and partnership opportunities.

This sets out clearly Saffron's strategic objectives and presents an 'open-minded' approach to possible mergers subject to meeting specified criteria.

There was no merger activity during the financial year covered by these accounts.

## **Directors' and Officers' Liability Insurance**

Directors and staff are insured to indemnify Saffron against liability when acting for Saffron.

## **Internal controls**

The Board acknowledges it has the ultimate responsibility for ensuring that Saffron has an appropriate system of controls in place to support its business activities.

Saffron's Audit and Risk Committee carries out an annual review of the effectiveness of internal controls on behalf of the Board. The Committee subsequently provides an annual report to the Board along with the Statement of Accounts.

The systems of controls provide reasonable, but not absolute, assurance against material misstatements or loss and the system is continually developing. Details of Saffron's internal controls are set out on page 5 of these accounts.

The Board has a policy on Anti-fraud, bribery and corruption, covering prevention, detection and reporting of fraud and the recovery of assets. Saffron has procedures in place to ensure all incidents of fraud are reported. These are notified to Saffron's Audit and Risk Committee. During the year 1 April 2020 to 31 March 2021, and up to the date of signing these Accounts, there were no recorded incidents of fraud on Saffron's fraud register.

The Board confirms there is an ongoing process for identifying and managing significant risks based upon a risk framework agreed by the Board. Saffron's risks were agreed by the Board in January 2019 and have been reviewed and updated on a regular basis, as set out on pages 6 to 7 of this report.

## **Statement of Board responsibilities for the financial statements**

The Co-Operative and Community Benefit Societies Act 2014 and legislation and regulations governing the operation of Saffron require the production of financial statements for each financial year. These must give a true and balanced view of the financial affairs of Saffron and of the Income and Expenditure for that period.



In preparing its financial statements the Board must:

- choose and apply consistently suitable policies
- make reasonable and sensible judgements and estimates
- state that the applicable accounting standards have been followed, subject to any material departures identified and explained in the financial statements
- prepare the statements on the basis Saffron is a going concern, assuming it is not inappropriate to do so.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of Saffron in order to comply 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
- the Accounting Direction for Private Registered Providers of Social Housing 2019.

The Board has general responsibility for taking reasonable steps to safeguard the assets of the association and to prevent and detect fraud and other irregularities.

### **Statement as to disclosure of information to the Auditor**

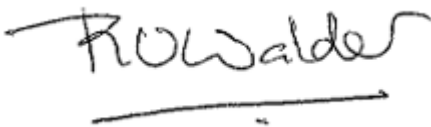
The Board members appointed and in office at the date of approval of this Report confirm that, as far as each is aware, there is no relevant audit information that Saffron's auditor is unaware of.

Each Board member has taken all reasonable and appropriate steps they should have as Board members to be aware of any relevant audit information and to establish the Association's auditor is aware of that information.

### **Auditor**

Crowe U.K. LLP are Saffron's appointed auditors as at 31 March 2021.

The report of the Board was approved on 11<sup>th</sup> August, 2021 and signed on its behalf by:

A handwritten signature in dark ink, appearing to read 'Bob Walder', with a horizontal line underneath it.

**Bob Walder**

**Chair of the Board**

# Independent auditor's report to the members of Saffron Housing Trust Limited

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## Opinion

We have audited the financial statements of Saffron Housing Trust Limited (the "Trust") and its subsidiaries (the "Group") for the year ended 31 March 2021 which comprise the consolidated and Trust Statement of Comprehensive Income, the consolidated and Trust Balance Sheets, the consolidated and Trust Statement of Changes in Reserves, the consolidated Statement of Cash Flows and notes to the financial statements, including 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and Trust's affairs as at 31 March 2021 and the Group and Trust's surplus or deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of 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 from April 2019.

## 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 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's 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 or Trust'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 is responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's

## **Independent auditor's report to the members of Saffron Housing Trust Limited (continued)**

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report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information 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 this gives rise to a material misstatement in the financial statements themselves. 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 in relation to which the Co-operative and Community Benefit Societies Act 2014 or the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the group; or
- a satisfactory system of controls over transactions has not been maintained; or
- the 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's responsibilities statement set out on page 39, 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 determines 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 is responsible for assessing the Group's and Trust'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 intends to liquidate the Group or Trust 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **Independent auditor's report to the members of Saffron Housing Trust Limited (continued)**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the Trust operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements such as the Co-operative and Community Benefit Societies Act 2014 (and related Directions and regulations), the Housing and Regeneration Act 2008 and other laws and regulations application to a registered social housing provider in England together with the Housing SORP. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statements items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Trust's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the Trust for fraud. The laws and regulations we considered in this context for the UK operations were requirements imposed by the Regulator of Social Housing, health and safety, taxation and employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit and the Audit and Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence, designing audit procedures over the timing of income and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

### **Use of our report**

This report is made solely to the Trust's members as a body in accordance with the Co-operative and Community Benefit Societies Act 2014 and the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Trust'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 Trust and the Trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Crowe U.K. LLP*

**Crowe U.K. LLP**

Statutory Auditor

55 Ludgate Hill

London

EC4M 7JW

Date: 11th August 2021

## Consolidated & Company Statement of Comprehensive Income

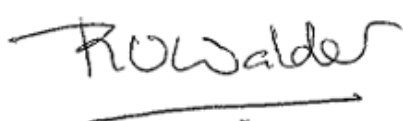
### For the year ended 31 March 2021

	Note	Year ended 31 March 2021 Group £'000	Year ended 31 March 2020 Group £'000	Year ended 31 March 2021 Company £'000	Year ended 31 March 2020 Company £'000
Turnover	4, 5	35,622	37,887	34,694	34,270
Operating expenditure	4, 5	(23,639)	(28,165)	(23,417)	(25,399)
Other Income – gift aid		-	-	215	213
Gain on disposal of property, plant and equipment	9	1,239	1,037	1,239	1,037
<b>Operating Surplus</b>	4, 5, 8	<b>13,222</b>	10,759	<b>12,731</b>	10,121
Interest receivable	10	1	81	446	520
Interest payable and similar charges	11	(9,385)	(9,313)	(9,504)	(9,440)
<b>Surplus before tax</b>		<b>3,838</b>	1,527	<b>3,673</b>	1,201
Taxation	12	(61)	(79)	-	-
<b>Surplus for the year</b>		<b>3,777</b>	1,448	<b>3,673</b>	1,201
Actuarial (loss)/gain in respect of pension schemes	28	(8,508)	5,426	(8,508)	5,426
<b>Total comprehensive income for the year</b>		<b>(4,731)</b>	6,874	<b>(4,835)</b>	6,627

The results relate wholly to continuing activities.

The accompanying notes form part of these financial statements.

The financial statements on pages 45 to 77 were approved by the Board and authorised for issue on 11<sup>th</sup> August 2021 and are signed on its behalf by:



**Bob Walder**  
Chair of Board



**Alison Inman**  
Board Member



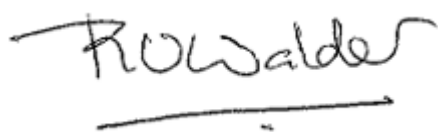
**Amanda Ashley-Smith**  
Company Secretary

## Consolidated & Company Balance Sheet

### For the year ended 31 March 2021

	Note	Group		Company	
		2021 £'000	2020 £'000	2021 £'000	2020 £'000
<b>Fixed assets</b>					
Housing properties	13, 14	260,542	255,765	261,006	256,229
Other fixed assets	15	7,503	7,081	4,544	3,810
Investments	16	-	-	50	50
		<u>268,045</u>	<u>262,846</u>	<u>265,600</u>	<u>260,089</u>
<b>Current assets</b>					
Properties held for sale	17	269	88	269	88
Stock and work in progress	18	6,050	4,125	157	187
Trade and other debtors	19	2,283	1,497	4,694	1,473
Long term debtors with subsidiaries	33	-	-	5,644	5,644
Investments		-	1,000	-	1,000
Cash and cash equivalents		15,900	18,549	13,433	17,092
		<u>24,502</u>	<u>25,259</u>	<u>24,197</u>	<u>25,484</u>
<b>Current Liabilities</b>					
Creditors: amounts falling due within one year	20	(9,820)	(9,150)	(9,485)	(8,956)
		<u>14,682</u>	<u>16,109</u>	<u>14,712</u>	<u>16,528</u>
<b>Net current assets</b>					
		<u>14,682</u>	<u>16,109</u>	<u>14,712</u>	<u>16,528</u>
<b>Total assets less current liabilities</b>		<u>282,727</u>	<u>278,955</u>	<u>280,312</u>	<u>276,617</u>
Creditors: amounts falling due after more than one year	21	(202,616)	(202,985)	(202,649)	(203,002)
Provision for liabilities					
Other provisions	25	(252)	(419)	(137)	(293)
Pension provision	28	(19,860)	(10,821)	(19,860)	(10,821)
		<u>59,999</u>	<u>64,730</u>	<u>57,666</u>	<u>62,501</u>
<b>Total net assets</b>		<u>59,999</u>	<u>64,730</u>	<u>57,666</u>	<u>62,501</u>
<b>Income and expenditure reserve</b>		<u>59,999</u>	<u>64,730</u>	<u>57,666</u>	<u>62,501</u>

The financial statements on pages 45 to 77 were approved by the Board and authorised for issue on 11<sup>th</sup> August 2021 and are signed on its behalf by:



**Bob Walder**  
Chair of Board



**Alison Inman**  
Board Member



**Amanda Ashley-Smith**  
Company Secretary

## Consolidated & Company Statement of Changes in Reserves

### For the year ended 31 March 2021

	Note	Group £'000	Company £'000
<b>Balance as at 31 March 2019</b>		<b>57,856</b>	<b>55,874</b>
Surplus for period		1,448	1,201
Other comprehensive income			
Actuarial gain	28	5,426	5,426
<b>Balance as at 31 March 2020</b>		<b>64,730</b>	<b>62,501</b>
Surplus for period		3,777	3,673
Other comprehensive income			
Actuarial loss	28	(8,508)	(8,508)
<b>Balance as at 31 March 2021</b>		<b>59,999</b>	<b>57,666</b>



## Consolidated Statement of Cash Flows

### For the year ended 31 March 2021

		Year ended 31 March 2021		Year ended 31 March 2020	
		£'000	£'000	£'000	£'000
<b>Net cash generated from operating activities</b>	31		<b>14,656</b>		18,064
<b>Cash flow from investing activities</b>					
Purchase of tangible fixed assets		(11,025)		(11,040)	
Proceeds from sale of tangible fixed assets		2,600		2,859	
Sale of housing properties receipts paid to South Norfolk District Council		(360)		(275)	
Grants received		166		30	
Interest received		1		139	
			<b>(8,618)</b>		(8,287)
<b>Cash flow from financing activities</b>					
Interest paid		(9,360)		(9,321)	
Withdrawals from deposits		1,000		4,000	
Payment of deferred borrowing costs		(270)		(129)	
			<b>(8,630)</b>		(5,450)
<b>Corporation tax</b>			<b>(57)</b>		(86)
<b>Net change in increase/(decrease) in cash and cash equivalents</b>			<b>(2,649)</b>		4,241
<b>Cash and cash equivalents at beginning of year</b>			<b>18,549</b>		14,308
<b>Cash and cash equivalents at end of the year</b>			<b>15,900</b>		18,549

### 1 Legal Status

Saffron Housing Trust Ltd (Saffron) is a Co-operative & Community Benefit Society and is an English registered social housing provider.

The address of Saffron's registered office and principal place of business is Saffron Barn, Swan Lane, Long Stratton, Norfolk NR15 2XP.

Saffron's principal activity is the provision of social housing. The nature of Saffron's operations are to provide social housing. It is a public benefit entity with charitable status for corporation tax purposes.

### 2 Accounting policies

#### *Basis of accounting*

These financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102), the Housing SORP 2018 'Statement of Recommended Practice for Registered Housing Providers' and they comply with the Accounting Direction for Private Registered Providers of Social Housing 2019 (2019 Direction) and under the historical cost convention.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

#### *Basis of consolidation*

The consolidated financial statements incorporate those of the parent company and its subsidiary undertakings, Crocus Contractors Limited and Saffron Housing Finance plc, using the acquisition method of consolidation. All financial statements are made up to 31 March 2021. All inter group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation.

#### *Operating segments*

As we have publicly traded securities within the Group we are required to disclose information about our operating segments under IFRS 8. Segmental information, as presented to the Chief Operating Decision Maker (who are the Board), is disclosed in note 4 and 5. Information about income, expenditure and assets attributable to material operating segments are presented on the basis of the nature and function of housing assets held by the Group rather than geographical location. As permitted by IFRS 8 this is appropriate on the basis of the similarity of the services provided, the nature of the risks associated, the type and class of customer and the nature of the regulatory environment across all of the geographical locations in which the Group operates. The Board do not routinely receive segmental information disaggregated by geographical location.

### 2 Accounting policies (*Continued*)

#### *Reduced disclosures*

In accordance with FRS 102, Saffron has taken advantage of the exemptions from Section 7 'Statement of Cash Flows' – Presentation of Statement of Cash Flows and related notes and disclosures in the individual financial statements.

#### *Revenue recognition*

Turnover is recognised at the fair values of the consideration received, or receivable. Rental income and service charges are recognised on an accruals basis in line with tenancy agreements. Proceeds on the sale of housing properties are recognised upon legal completion of the sale. Grant income is recognised when all conditions relating to receipt of the monies have been satisfied. All other income is recognised on delivery of the service provided.

The principal activity of the subsidiary company, Crocus Contractors Limited, is the provision of building services. In the case of long term contracts, credit is taken appropriate to the stage of completion when the outcome of the contract can be assessed with reasonable certainty.

Turnover represents goods sold or services provided to customers outside of the group, net of value added tax.

#### *Interest income*

Interest income is accrued on a time-apportioned basis, by reference to the principal outstanding at the effective interest rate.

#### *Government Grants*

Government grants include grants receivable from Homes England, local authorities and other government bodies.

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received. Reasonable assurance is achieved when the grant provider gives notification of when payment will be made or the grant is received.

Government grants received for housing properties are recognised in income over the useful economic life of the structure (excluding land) of the asset under the accruals model.

Government grants relating to revenue are recognised as income over the periods when the related costs are incurred once reasonable assurance has been gained that the company will comply with the conditions and the funds will be received.

#### *Other Grants*

Grants received from non-government sources are recognised using the performance model. Grants are recognised as income when the associated performance conditions are met.

## Notes forming part of the financial statements for the year ended 31 March 2021 (Continued)

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### 2 Accounting policies (Continued)

#### *Housing properties*

Housing properties are properties for the provision of social housing and are principally properties available for rent and shared ownership. Completed housing and shared ownership properties are stated at cost less accumulated depreciation and impairment losses. The development cost of housing properties includes the following:

- cost of acquiring land and buildings
- cost of construction
- “on costs” directly attributable to bringing the properties into working condition for their intended use.

All invoices and architects’ certificates relating to capital expenditure incurred in the year at gross values before retention are included in the financial statements for the year, provided that the dates of issue or valuation are prior to the year end.

The costs of catch up repairs, maintenance and improvements (other than those classified as components) are not capitalised unless the cost results in an enhancement of the property, for which additional rent could be charged or a significant future saving on maintenance incurred.

The group separately identifies the cost of structure and major components of its housing properties and charges depreciation so as to write-down the cost of each component to nil, on a straight line basis over the following years:

Land	-	Nil
Assets under construction	-	Nil
Property Structure	-	100 years
Boiler Replacement	-	15 years
Central Heating	-	20 years
Kitchens	-	20 years
Bathrooms	-	25 years
Windows	-	30 years
Doors	-	25 years
Roofs	-	40 years
Solid Walls	-	40 years
Lifts	-	20 years
Rewiring	-	25 years

## Notes forming part of the financial statements for the year ended 31 March 2021 (Continued)

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### 2 Accounting policies (Continued)

#### *Sale of housing properties*

The sale of properties under the Right to Buy scheme are treated as sales of fixed assets and not as properties developed for sale. The surplus or deficit arising on sale is shown net of the share due to South Norfolk District Council and after deducting the carrying value of the properties and related sale expenses.

Proceeds from the sale of the first tranche of properties developed for sale under shared ownership schemes are treated as turnover with the appropriate proportion of costs based on the first tranche percentage sold, shown in cost of sales. The remaining property cost is included as a fixed asset.

The sale of second or subsequent tranches, or the sale of property not developed for sale under shared ownership, are treated as sales of fixed assets and the surplus or deficit arising on sale is shown after deducting the share of the carrying value and related sale expenses.

#### *Other fixed assets*

Other fixed assets are initially measured at cost, net of depreciation and any impairment losses. Depreciation is provided at rates calculated to write off the cost, less estimated residual values, of each asset over its expected useful life as follows:

	Straight Line Basis
Office accommodation	- 2 - 25%
Portacabins	- 20%
Other buildings under construction	- 0%
Gardening equipment	- 20 - 25%
Vehicles	- 20 - 50%
Computer equipment	- 20 - 50%
Office furniture & equipment	- 14 - 33%
Photovoltaic systems – Inverters & Vents	- 10 - 20%
Photovoltaic systems - Panels	- 5.26% straight line

#### *Impairment of fixed assets*

An assessment is made at each reporting date of whether there are indications that a fixed asset (including housing properties) may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, SAFFRON estimates the recoverable amount of the asset.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use of the asset based on its service potential, are recognised as impairment losses in the income and expenditure account.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in income and expenditure. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

## **2 Accounting policies (Continued)**

### *Stock*

Stock is valued at the lower of cost and net realisable value.

### *Construction Contracts*

When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, turnover and costs are recognised over the period of the contract.

When it is probable that total contract costs will exceed total contract turnover, the expected loss is recognised as an expense immediately.

When the outcome of a construction contract cannot be estimated reliably, contract turnover is recognised only to the extent of contract costs that are recoverable and the contract costs are expensed as incurred.

The Company uses the “percentage of completion method” to determine the appropriate amount to recognise in a given period. The stage of completion is measured by the proportion of contract cost incurred for work performed to date compared to the estimated total contract costs. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. These costs are presented as stocks, prepayments or other assets, depending on their nature, and where it is determined that it is probable they will be recovered.

### *Investments*

Long term investments are classified as fixed assets. Short term investments are classified as current assets. The fixed asset investment in the subsidiaries is included in the balance sheet at historical cost. Other short term, unlisted investments are stated at cost. Provision is made for any impairment in the value of fixed asset investments.

### *VAT*

The group charges value added tax (VAT) on some of its income and is able to recover part of the VAT it incurs on expenditure. The financial statements include VAT to the extent that it is suffered by the group and not recoverable from HM Revenue and Customs. The balance of VAT payable or recoverable at the year end is included as a current liability or asset.

### *Employee benefits*

The costs of short-term employee benefits are recognised as a liability and an expense.

The holiday year for SAFFRON accrues between January and December each year. The cost of any unused entitlement accrued between January and March is recognised in the period in which employee’s services are received.

### *Retirement benefits*

The Trust participates in the Norfolk County Council Local Government Pension Scheme (LGPS), a defined benefit pension scheme, and the Social Housing Pension Scheme (SHPS), which has members in both a defined contribution and a defined benefit scheme.

The cost of providing benefits for both schemes is determined using the projected unit credit method.

## Notes forming part of the financial statements for the year ended 31 March 2021 (Continued)

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### 2 Accounting policies (Continued)

#### *Termination/redundancy costs*

Redundancy and termination costs are accounted for on an accruals basis when the commitment to terminate a post of the grounds of redundancy has been made.

#### *Asset/Liability*

The net defined benefit asset/liability represents the present value of the defined benefit obligation minus the fair value of plan assets out of which obligations are to be settled. Any asset resulting from this calculation is limited to the present value of available refunds or reductions in future contributions to the plan.

The rate used to discount the benefit obligations to their present value is based on market yields for high quality corporate bonds with terms and currencies consistent with those of the benefit obligations.

#### *Gains/Losses*

Gains or losses recognised in profit or loss:

- The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost.
- The cost of plan introductions, benefit changes, settlements and curtailments are recognised as incurred.
- Net interest on the net defined benefit asset/liability comprises the interest cost on the defined benefit obligation and interest income on the plan assets, calculated by multiplying the fair value of the plan assets and liabilities at the beginning of the period by the rate used to discount the benefit obligations.

Gains or losses recognised in other comprehensive income:

- Actuarial gains and losses.
- The difference between the interest income on the plan assets and the actual return on the plan assets.

#### *Financial Instruments*

Saffron has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when SAFFRON becomes a party to the contractual provisions of the instrument, and are offset only when SAFFRON currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### *Financial assets - debtors*

All debtors are receivable within one year and do not constitute a financing transaction and are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

## Notes forming part of the financial statements for the year ended 31 March 2021 (Continued)

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### 2 Accounting policies (Continued)

#### *Financial liabilities - creditors*

All trade creditors are payable within one year and do not constitute a financing transaction and are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

#### *Financial liabilities - borrowings*

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Debt instruments that do not meet the conditions in FRS102, paragraph 11.9, are subsequently measured at fair value through income and expenditure.

#### *Derecognition of financial assets and liabilities*

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

#### *Provisions*

Provisions are recognised when SAFFRON has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and that obligation can be estimated reliably. In addition, where the regulator of social housing requires expenditure to be made to meet their legal requirements, this where appropriate is included as a provision.

#### *Taxation*

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessment in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Current and deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or follows equity.



## Notes forming part of the financial statements for the year ended 31 March 2021 (Continued)

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### 2 Accounting policies (Continued)

#### *Taxation (continued)*

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### *Prior period adjustments*

Prior period adjustments are made when material errors are found in the prior year financial statements or where there is a change in accounting policy.

### 3 Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### *Critical accounting estimates and assumptions*

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The LGPS pension liability is based on the actuarial valuation as at 31 March 2021, full details are shown at note 28.

The SHPS pension liability is based on the net present value of the deficit payments and is disclosed in note 28.

#### *Critical areas of judgement*

In categorising the bond and bank loan as basic financial instrument the debts are disclosed at face value. The risk is if the bond and bank loan were considered to be non-basic they would have to be disclosed at fair value.

Triggers of impairment to assets are considered annually. A review of office accommodation involved obtaining a valuation of the site at Swan Lane, Long Stratton which showed the rebuild costs to be higher than the carrying value of the asset so an impairment provision was not required.

The Guaranteed Minimum Pension (GMP) assumptions have been considered and are in line with expectations.

**Notes forming part of the financial statements for the year ended 31 March 2021  
(Continued)**

**4 Turnover, operating costs and operating surplus**

	Turnover	Operating costs	Other	Operating (deficit)/ Surplus	Operating (deficit)/ surplus
	2021 £'000	2021 £'000	2021 £'000	2021 £'000	2020 £'000
<b>Social housing lettings</b>	<b>33,062</b>	<b>(22,025)</b>	<b>-</b>	<b>11,037</b>	<b>8,718</b>
<b>Other social housing activities:</b>					
First tranche property sales	538	(428)	-	110	108
Charges for support services	-	-	-	-	-
Other	210	(123)	-	87	45
	<b>33,810</b>	<b>(22,576)</b>	<b>-</b>	<b>11,234</b>	<b>8,871</b>
<b>Non-social housing activities</b>	<b>884</b>	<b>(841)</b>	<b>-</b>	<b>43</b>	<b>-</b>
<b>Gift Aid</b>	<b>-</b>	<b>-</b>	<b>215</b>	<b>215</b>	<b>213</b>
<b>Gain on disposal of assets</b>	<b>-</b>	<b>-</b>	<b>1,239</b>	<b>1,239</b>	<b>1,037</b>
	<b>34,694</b>	<b>(23,417)</b>	<b>1,454</b>	<b>12,731</b>	<b>10,121</b>
<b>Results of Subsidiaries</b>	<b>928</b>	<b>(222)</b>	<b>(215)</b>	<b>491</b>	<b>638</b>
	<b>35,622</b>	<b>(23,639)</b>	<b>1,239</b>	<b>13,222</b>	<b>10,759</b>

**5 Particulars of income and expenditure from social housing lettings**

	General needs housing	Supported and housing for older people	Shared ownership	Total 2021	Total 2020
	£'000	£'000	£'000	£'000	£'000
Rent receivable net of voids	27,417	3,169	516	31,102	30,314
Service charges receivable	221	1,344	-	1,565	1,572
<b>Net rental income</b>	<b>27,638</b>	<b>4,513</b>	<b>516</b>	<b>32,667</b>	<b>31,886</b>
Revenue grants	-	-	-	-	15
Amortised grant	395	-	-	395	389
<b>Turnover from SHL</b>	<b>28,033</b>	<b>4,513</b>	<b>516</b>	<b>33,062</b>	<b>32,290</b>
Management	(4,617)	(534)	(87)	(5,238)	(5,824)
Service charges costs	(251)	(1,341)	-	(1,592)	(1,522)
Routine maintenance	(6,003)	(443)	-	(6,446)	(6,685)
Planned maintenance	(375)	(1)	-	(376)	(184)
Major repairs	(333)	(12)	-	(345)	(276)
Depreciation and amortisation charged	(4,888)	(185)	(29)	(5,102)	(5,206)
Other costs	(2,250)	(260)	(42)	(2,552)	(1,804)
Bad debts	(81)	(12)	(2)	(95)	(479)
Pension Adjustment	(246)	(28)	(5)	(279)	(1,592)
<b>Operating costs on SHL</b>	<b>(19,044)</b>	<b>(2,816)</b>	<b>(165)</b>	<b>(22,025)</b>	<b>(23,572)</b>
<b>Operating surplus on SHL</b>	<b>8,989</b>	<b>1,697</b>	<b>351</b>	<b>11,037</b>	<b>8,718</b>
Void losses	316	418	-	734	330

## Notes forming part of the financial statements for the year ended 31 March 2021 (Continued)

### 5 Particulars of income and expenditure from social housing lettings (continued)

The pension adjustment shown separately above represents the difference between the current service cost for the year and contributions from the employer to the scheme. The employer contributions for the year are included with salary amounts in the appropriate cost centres.

### 6 Employees

The average monthly number of persons (including directors) employed by the company and group during the year was:

	2021		2020	
	Full time	Part time	Full time	Part time
Directors & Support Services	53.1	13.8	56.3	11.7
Housing Management	24.9	4.4	22.1	3.2
Property Services	7.0	1.4	7.8	1.0
Call Handling & Alarms	2.0	6.0	2.0	6.0
Craftworkers/Maintenance	88.4	5.0	92.0	2.2
Wardens/Careworkers	5.8	-	7.3	-
Gardeners/Caretakers	12.7	3.0	12.3	3.0
	<b>193.9</b>	<b>33.6</b>	<b>199.8</b>	<b>27.1</b>

	2021	2020
	£'000	£'000
Staff costs for the above persons consist of:		
Wages and salaries	7,476	7,774
Employer's National Insurance	766	777
Defined Benefit Pension scheme charge/(gain) (see note 28)	1,908	3,128
Non-Defined Benefit Pension scheme charge	83	48
Terminations	76	68
	<b>10,309</b>	<b>11,795</b>

Remuneration bands greater than £60,000 of key management personnel	FTE	FTE
	No.	No.
£ 110,001 to £120,000	2.0	2.0
£ 150,001 to £160,000	1.0	0.9

The average number of full time equivalent staff (excluding directors) was 212.2 (2020: 216.0). There are no staff (excluding directors) earning over £100,000.

# Notes forming part of the financial statements for the year ended 31 March 2021 (Continued)

## 6 Employees (continued)

### Pension contributions

The agreed employers' contributions to the Norfolk County Council Pension Fund and the Social Housing Pension Scheme (SHPS) by the Group for the year ended 31 March 2021 were 24.6% of pensionable pay plus an annual payment of £124,000 and 6% plus an annual payment of £24,000 respectively.

## 7 Non-executive and executive directors

Directors are defined as the unpaid Non-Executive Directors, the Chief Executive and other Executive Directors and are considered to be the key management personnel. Their remuneration during the period was as follows:

In respect of the directors of SAFFRON

<b>Executive directors</b>	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Remuneration and fees	<b>382</b>	364
Pension scheme contributions	<b>66</b>	54
Benefits in Kind	-	-
	<b>448</b>	418
Sub-Total	<b>49</b>	45
Employers national insurance	<b>497</b>	463
	<b>152</b>	134
Emoluments of the highest paid director	<b>14</b>	12
Pension scheme contributions	<b>166</b>	146
	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Non-executive directors		
Expenses payable to Non-Executive Directors who were not employees of the group	<b>0</b>	13
	<b>63</b>	62
Fee paid to Non Executives of Saffron Housing Trust Limited	-	-
Benefits in Kind	<b>63</b>	62

There are two executive directors to whom retirement benefits are accruing in relation to defined benefit schemes.

The Chief Executive was an ordinary member of the Aviva pension scheme with no enhanced or special terms applied. Contributions towards the Chief Executive's pension by the group amounted to £14k (2020 - £12k). The Chief Executive's notice period is 6 months.

Notes forming part of the financial statements for the year ended 31 March 2021  
(Continued)

7 Non-executive and executive directors (continued)

	Appointed /Retired	Gross Salary £'000	Benefits in kind £'000	Pension contributio ns £'000	2021 Total £'000	2020 Total £'000
<b>Non- Executive</b>						
James Tully		7	-	-	7	7
Duncan Scott		5	-	-	5	5
Mike Jolly		7	-	-	7	1
Alison Inman		5	-	-	5	5
Robert Walder		11	-	-	11	13
Katrina Laud		7	-	-	7	7
Tom Fadden		5	-	-	5	5
Rob Lankey		5	-	-	5	5
A Bennett		3	-	-	3	3
I Pinches		3	-	-	3	3
N Watts		5	-	-	5	2
Peggie Phinn	R – 23/09/2019	-	-	-	-	2
Tony Hall	R – 23/09/2019	-	-	-	-	2
Alan Humphreys	R – 23/09/2019	-	-	-	-	4
Barry Duffin (Crocus)		7	-	-	7	7
Emma Rose (Crocus)		5	-	-	5	3
Martin Aust (Crocus)		5	-	-	5	5
Trevor Conway (Crocus)		5	-	-	5	5
		<b>85</b>	-	-	<b>85</b>	84
<b>Executive Officers</b>						
James Francis		152	-	14	166	146
Iain Innes		115	-	26	141	137
Hannah Harvey		115	-	26	141	135
		<b>382</b>	-	<b>66</b>	<b>448</b>	418

**Notes forming part of the financial statements for the year ended 31 March 2021  
(Continued)**

**8 Operating surplus**

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	2020	<b>2021</b>	2020
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
This has been arrived at after charging				
Depreciation of housing properties	<b>4,589</b>	4,478	<b>4,589</b>	4,478
Depreciation of other owned tangible fixed assets	<b>833</b>	1,072	<b>513</b>	728
Profit on disposal of tangible fixed assets (note 9)	<b>28</b>	42	<b>28</b>	42
Fees payable to External Auditors in respect of both audit and non-audit services are as follows				
	<b>2021</b>	2020	<b>2021</b>	2020
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Audit services - statutory audit of parent and consolidated financial statements	<b>22</b>	22	<b>22</b>	<b>22</b>
Audit of subsidiary's financial statements	<b>12</b>	12	-	-
Audit services – other	-	-	-	-
	<b>34</b>	34	<b>22</b>	22

**9 Surplus on sale of fixed assets**

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	2020	<b>2021</b>	2020
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
<b>Sale of housing property under preserved right to buy</b>				
Proceeds	<b>705</b>	381	<b>705</b>	381
Share of proceeds due to South Norfolk District Council	<b>(299)</b>	(275)	<b>(299)</b>	(275)
Cost of disposals	<b>(393)</b>	(144)	<b>(393)</b>	(144)
<b>(Deficit)/Surplus on sale of housing property under preserved right to buy right to buy</b>	<b>13</b>	(38)	<b>13</b>	(38)
<b>Surplus on 2<sup>nd</sup> tranche shared ownership sales</b>	<b>552</b>	328	<b>552</b>	328
<b>Surplus on sale of property on open market</b>	<b>646</b>	705	<b>646</b>	705
<b>Surplus on sale of land</b>	<b>4</b>	39	<b>4</b>	39
<b>Surplus on sale of plant &amp; equipment</b>	<b>24</b>	3	<b>24</b>	3
	<b>1,239</b>	1,037	<b>1,239</b>	1,037

**Notes forming part of the financial statements for the year ended 31 March 2021**  
**(Continued)**

**10 Interest receivable**

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	2020	<b>2021</b>	2020
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
On bank deposits	<b>1</b>	81	<b>1</b>	80
On loan to subsidiary	-	-	<b>445</b>	440
	<b>1</b>	81	<b>446</b>	520

**11 Interest payable**

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	2020	<b>2021</b>	2020
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Interest arising on;				
Bank loans and overdrafts	<b>(8,999)</b>	(8,867)	<b>(9,081)</b>	(8,963)
Interest paid to South Norfolk District Council	-	(1)	-	(1)
on Right to Buy sales income				
Amortisation of bank loan set up fees	<b>(150)</b>	(83)	<b>(141)</b>	(70)
Amortisation of bond set up fees	<b>(30)</b>	(30)	<b>(30)</b>	(30)
Amortisation of premium received on issue of retained bond	<b>46</b>	44	-	-
Defined benefit pension charge	<b>(252)</b>	(376)	<b>(252)</b>	(376)
	<b>(9,385)</b>	(9,313)	<b>(9,504)</b>	(9,440)

**Notes forming part of the financial statements for the year ended 31 March 2021  
(Continued)**

**12 Corporation Tax**

	<b>2021</b>	2020
	<b>£'000</b>	£'000
<i>Current Tax</i>		
UK corporation tax on surplus for period	<b>61</b>	94
Adjustment in respect of previous periods	<b>11</b>	(2)
Total current tax	<u><b>72</b></u>	<u>92</u>
<i>Deferred Tax</i>		
Origination and reversal of timing differences	<b>(11)</b>	(13)
Total deferred tax	<u><b>(11)</b></u>	<u>(13)</u>
Total tax charge	<u><b>61</b></u>	<u>79</u>
Surplus for year	<u><b>3,819</b></u>	<u>1,527</u>
UK corporation tax on group surplus for the year at the rate of 19% (2019: 19%)	<b>726</b>	290
Non-taxable charitable surplus	<b>(665)</b>	(196)
Difference between capital allowances and depreciation	<b>(11)</b>	(13)
Adjustment in respect of previous periods	<b>11</b>	(2)
UK corporation tax payable for the year	<u><b>61</b></u>	<u>79</u>

No provision has been made for corporation tax on the parent company's activities as it is a registered charity and surpluses arising from its charitable activities are exempt from corporation tax. The above charge relates to subsidiary company activities only.

**Factors that may affect future tax charges**

The standard rate of tax applied to reported profit in subsidiary companies is 19% (2020:19%). The % for Corporation tax is currently set to be the same until 2022/23, in 23/24 a new method for calculating the level of corporation tax payable will be dependent on the level of profits declared. Profits over £250,000 will be taxed at 25%.



Notes forming part of the financial statements for the year ended 31 March 2021  
(Continued)

13 Tangible fixed assets – Housing Properties

Group	Social Housing properties held for letting £'000	Housing Properties for letting under construction £'000	Shared Ownership Properties Completed £'000	Total £'000
<i>Cost</i>				
At 1 April 2020	275,008	3,805	10,398	289,211
Additions	3,972	6,036	38	10,046
Disposals	(495)	-	(235)	(730)
Transfers	5,964	(6,339)	375	-
<b>At 31 March 2021</b>	<b>284,449</b>	<b>3,502</b>	<b>10,576</b>	<b>298,527</b>
<i>Depreciation</i>				
At 1 April 2020	(32,867)	-	(579)	(33,446)
Charge for the year	(4,525)	-	(64)	(4,589)
Disposals	36	-	14	50
<b>At 31 March 2021</b>	<b>(37,356)</b>	<b>-</b>	<b>(629)</b>	<b>(37,985)</b>
<i>Carrying amount</i>				
31 March 2020	242,141	3,805	9,819	255,765
<b>31 March 2021</b>	<b>247,093</b>	<b>3,502</b>	<b>9,947</b>	<b>260,542</b>

97% of the group and company's freehold housing property was valued by JLL Property Consultancy Limited (Chartered Surveyors) in 2018 & 2019 at £248,809,366 on a mixture of EUV-SH and MVT basis.

Notes forming part of the financial statements for the year ended 31 March 2021  
(Continued)

14 Tangible fixed assets – Housing Properties

Company	Social Housing properties held for letting £'000	Housing Properties for letting under construction £'000	Shared Ownership Properties Completed £'000	Total £'000
<i>Cost</i>				
At 1 April 2020	275,472	3,805	10,398	289,675
Additions	3,972	6,036	38	10,046
Disposals	(495)	-	(235)	(730)
Transfers	5,964	(6,339)	375	-
<b>At 31 March 2021</b>	<b>284,913</b>	<b>3,502</b>	<b>10,576</b>	<b>298,991</b>
<i>Depreciation</i>				
At 1 April 2020	(32,867)	-	(579)	(33,446)
Charge for the year	(4,525)	-	(64)	(4,589)
Disposals	36	-	14	50
<b>At 31 March 2021</b>	<b>(37,356)</b>	<b>-</b>	<b>(629)</b>	<b>(37,985)</b>
<i>Carrying amount</i>				
31 March 2020	242,605	3,805	9,819	256,229
<b>31 March 2021</b>	<b>247,557</b>	<b>3,502</b>	<b>9,947</b>	<b>261,006</b>

97% of the group and company's freehold housing property was valued by JLL Property Consultancy Limited (Chartered Surveyors) in 2018 & 2019 at £248,809,366 on a mixture of EUV-SH and MVT basis.

Expenditure on works to existing properties	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Components capitalised	3,945	3,109	3,945	3,109
Amounts charged to income and expenditure	185	276	185	276
	<b>4,130</b>	<b>3,385</b>	<b>4,130</b>	<b>3,385</b>

**Notes forming part of the financial statements for the year ended 31 March 2021  
(Continued)**

**15 Tangible fixed assets - Other**

	Freehold offices £'000	Gardening equipment £'000	Vehicles £'000	Computer equipment £'000	Office furniture & equipment £'000	Company Total £'000	Photo- Voltaic Panels £'000	Group Total £'000
<i>Cost</i>								
At 1 April 2020	3,603	420	1,022	3,012	684	8,741	5,613	14,354
Additions	-	-	517	731	-	1,248	10	1,258
Disposals	-	-	(187)	-	-	(187)	(29)	(216)
<b>At 31 March 2021</b>	<b>3,603</b>	<b>420</b>	<b>1,352</b>	<b>3,743</b>	<b>684</b>	<b>9,802</b>	<b>5,594</b>	<b>15,395</b>
<i>Less:</i>								
<i>Depreciation</i>								
At 1 April 2020	(1,161)	(340)	(786)	(2,041)	(603)	(4,931)	(2,342)	(7,273)
Charge for period	(155)	(25)	(92)	(225)	(16)	(513)	(320)	(833)
Disposals	-	-	187	-	-	187	27	214
<b>At 31 March 2021</b>	<b>(1,316)</b>	<b>(365)</b>	<b>(691)</b>	<b>(2,266)</b>	<b>(619)</b>	<b>(5,257)</b>	<b>(2,635)</b>	<b>(7,892)</b>
<i>Carrying amount</i>								
31 March 2020	2,442	80	236	971	81	3,810	3,271	7,081
<b>31 March 2021</b>	<b>2,287</b>	<b>55</b>	<b>661</b>	<b>1,477</b>	<b>64</b>	<b>4,544</b>	<b>2,959</b>	<b>7,503</b>

**16 Investment in subsidiaries**

The company holds the whole of the issued share capital of 2 ordinary shares of £1 each in Crocus Contractors Limited a company incorporated in England and Wales whose principal activity is the supply of building services. The shares were acquired at their nominal value of £2. The company also holds 50,000 ordinary shares of £1 each in Saffron Housing Finance plc, a company incorporated in England and Wales. 12,500 are paid up and the remaining liability for unpaid issued share capital is shown in creditors.

**17 Properties for sale**

	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Shared Ownership	<b>269</b>	88	<b>269</b>	88

**Notes forming part of the financial statements for the year ended 31 March 2021  
(Continued)**

**18 Stock**

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	2020	<b>2021</b>	2020
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Consumable Stores	<b>157</b>	187	<b>157</b>	187
Development work in progress	<b>5,893</b>	3,938	-	-
	<b>6,050</b>	4,125	<b>157</b>	187

**19 Debtors**

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	2020	<b>2021</b>	2020
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Arrears of rent and service charges	<b>2,555</b>	1,912	<b>2,555</b>	1,912
Less: Provision for bad and doubtful debts	<b>(1,418)</b>	(1,455)	<b>(1,418)</b>	(1,455)
	<b>1,137</b>	457	<b>1,137</b>	457
Trade debtors	<b>96</b>	226	<b>86</b>	169
Due from Crocus Contractors Limited	-	-	<b>2,600</b>	264
Due from Saffron Housing Finance	-	-	<b>115</b>	113
Social Housing Grant	<b>171</b>	30	<b>171</b>	30
Other debtors	<b>879</b>	784	<b>585</b>	440
	<b>2,283</b>	1,497	<b>4,694</b>	1,473

The above debtors were all considered to be recoverable within one year.

**20 Creditors: amounts falling due within one year**

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	2020	<b>2021</b>	2020
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Trade creditors	<b>536</b>	1,086	<b>535</b>	1,064
Contractors and unpaid retentions	<b>2,320</b>	1,045	<b>2,218</b>	1,045
Development creditor	<b>652</b>	1,651	<b>652</b>	1,651
Other tax and social security costs	<b>187</b>	196	<b>187</b>	196
Corporation tax	<b>62</b>	94	-	-
Outstanding pension scheme contributions	<b>160</b>	152	<b>160</b>	152
Due to South Norfolk District Council	<b>347</b>	368	<b>347</b>	368
Due to Saffron Housing Finance plc	-	-	<b>1,469</b>	1,472
Due to Crocus Contractors	-	-	<b>124</b>	56
Rents in advance	<b>496</b>	381	<b>496</b>	381
Deferred capital grant	<b>395</b>	375	<b>395</b>	375
Other creditors and accruals	<b>4,665</b>	3,802	<b>2,902</b>	2,196
	<b>9,820</b>	9,150	<b>9,485</b>	8,956

**Notes forming part of the financial statements for the year ended 31 March 2021  
(Continued)**

**21 Creditors: amounts falling due after more than one year**

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Debt (note 24)	<b>165,487</b>	165,633	<b>165,520</b>	165,650
Deferred capital grant (note 22)	<b>35,592</b>	35,801	<b>35,592</b>	35,801
Lease premium	<b>1,537</b>	1,551	<b>1,537</b>	1,551
	<b>202,616</b>	202,985	<b>202,649</b>	203,002
Amounts due within one year (within other creditors (note 20))	<b>395</b>	375	<b>395</b>	375

**22 Deferred capital grant**

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
At 1 April	<b>35,801</b>	36,146	<b>35,801</b>	36,146
Grant received in year	<b>186</b>	30	<b>186</b>	30
Capital grant released	<b>(395)</b>	(375)	<b>(395)</b>	(375)
	<b>35,592</b>	35,801	<b>35,592</b>	35,801

The Social Housing grant included above is repayable in the event of the disposal of the related property. However, the repayment of Social Housing grant would be subordinated behind any private loans with charges on these properties. The total gross amount potentially repayable is £39.1m. Amounts due to be released in less than one year £395k (2020: £375k) are included within other creditors.

**23 Financial instruments**

The carrying amount of the Group and Company's financial instruments at 31 March were –

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<i>Financial assets</i>				
Debt instruments measured at amortised cost	<b>24,136</b>	24,583	<b>23,722</b>	24,904
<i>Financial liabilities</i>				
Debt instruments measured at amortised cost	<b>(174,491)</b>	(174,288)	<b>(173,814)</b>	(174,043)

## Notes forming part of the financial statements for the year ended 31 March 2021 (Continued)

### 24 Debt

Long term debt repayable after more than five years

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Payable in instalments	<b>123,875</b>	123,987	<b>125,625</b>	125,767
Payable by other than instalments	<b>41,612</b>	41,646	<b>39,895</b>	39,883
	<b>165,487</b>	165,633	<b>165,520</b>	165,650

SAFFRON borrows money to fund social housing property developments and the loans consist of bank loans of £40m on an interest only repayment basis and a bond issue of £125m which amortises over the last 10 years of its life from 2038. The £40m bank loan at 31 March is due for repayment in 2030. The £40m loans bears a fixed interest rate of 6.4% plus 1 % margin. The bond bears a fixed interest rate of 4.64%.

In July 2013 SAFFRON increased its financing facilities via a bond issue of £125m. Of £75m issued £50m was paid in July 2013 and £25m in July 2014. £50m of retained bonds were sold in September 2014 at an interest rate of 4.42% resulting in the receipt of a premium of £1.99m. This premium was lent from Saffron Housing Finance plc to Saffron Housing Trust Limited under a separate loan agreement at an agreed fixed interest rate of 4.64%. The capital is repayable on such dates and in such amounts as notified to the borrower from time to time.

The loan and bond are secured by a fixed charge over the property and assets transferred to Saffron on 17 May 2004, property built on transferred land since that date and new build properties to the value required.

The fair value (market value) of the paid bond at 31st March 2021 was £198,941,250 (2020: £166,782,500).

## Notes forming part of the financial statements for the year ended 31 March 2021 (Continued)

### 25 Provisions for liabilities

	Holiday Pay	Organisational Restructure	Company Total	Deferred Tax	Group Total
Company	£'000	£'000	£'000	£'000	£'000
At 1 <sup>st</sup> April 2020	83	210	293	126	419
Utilised in year	-	(210)	(210)	-	(210)
Increased/(Reversed) in year	24	30	54	(11)	43
	<u>107</u>	<u>30</u>	<u>137</u>	<u>115</u>	<u>252</u>

*Provision for deferred tax has been made as follows*

	2021 £'000	2020 £'000
Accelerated capital allowances	<u>115</u>	<u>126</u>

#### *Holiday pay*

This represents holiday accrued as a result of services rendered in the current period and which employees are entitled to carry forward. The provision is measured as the contractual cost payable for the period of absence.

#### *Organisational Restructure*

The restructuring provision relates to a pension strain provision for employees that left the business during 2020/21.

#### *Deferred tax*

The provision for deferred tax represents the balance of accelerated capital allowances.

## Notes forming part of the financial statements for the year ended 31 March 2021 (Continued)

### 26 Housing stock – group & company

The number of units of housing under development and in management at 31 March was:

	2021 No	2020 No
<b>Housing units under development</b>		
General needs housing		
- Social rent	-	-
- Affordable rent	446	177
- Intermediate rent	-	-
Shared Equity	34	39
Shared Ownership	82	29
	<hr/>	<hr/>
	562	245
 <b>Housing units in management</b>		
General needs		
- Social rent	3,323	3,222
- Affordable rent	2,055	1,999
Supported – Affordable rent	10	10
Housing for older people	575	680
Specialist housing	133	136
Low cost home ownership (LCHO)	222	223
Shared equity (LCHO)	188	178
	<hr/>	<hr/>
	6,506	6,448
	<hr/>	<hr/>
	7,068	6,693
	<hr/>	<hr/>

During 2020/21 a number of units (107) were reclassified from Housing for Older people to General needs.

### 27 Share capital

The parent (Saffron Housing Trust Limited) is an exempt charity registered in England by the Financial Conduct Authority under the Co-operative and Community Benefit Societies Act 2014. Saffron has 29 Shareholders who each have a share with a nominal value of one pound which carries no right to interest, dividend or bonus. In 2020-21, 7 Shareholders ceased to be Shareholders.

### 28 Pensions

#### Local Government Pension Scheme (LGPS)

The parent company is an admitted body of the LGPS which is funded by the payment of contributions to a separately administered trust fund. At 31 March 2021 most of the parent company's employees (the company's subsidiaries have no employees other than unpaid directors) were members of the Fund, which is a defined benefit scheme.

The parent company expects to contribute £1,607,000 to its defined benefit pension plans in 2021/22.



## 28 Pensions (Continued)

### Assumptions

#### Guaranteed Minimum Pension (GMP)

Guaranteed minimum pension (GMP) was accrued by members of the Local Government Pension Scheme (LGPS) between 6 April 1978 and 5 April 1997. The value of GMP is inherently unequal between males and females for a number of reasons, including a higher retirement age for men and GMP accruing at a faster rate for women. However overall equality of benefits was achieved for public service schemes through the interaction between scheme pensions and the State Second Pension. The introduction of the new Single State Pension in April 2016 disrupted this arrangement and brought uncertainty over the ongoing indexation of GMPs, which could lead to inequalities between men and women's benefits.

As an interim solution to avoid this problem, GMP rules were changed so that the responsibility for ensuring GMPs kept pace with inflation passed in full to pension schemes themselves for members reaching state pension age between 6 April 2016 and 5 April 2021. This new responsibility leads to increased costs for schemes (including the LGPS) and hence scheme employers.

The fund's actuary has carried out calculations in order to estimate the impact that the GMP indexation changes will have on the liabilities of Saffron for financial reporting purposes. The estimate assumes that the permanent solution eventually agreed will be equivalent in cost to extending the interim solution to all members reaching state pension age from 6 April 2016 onwards.

The major financial assumptions used by the actuary in assessing the LGPS scheme liabilities were:

	<b>31 March 2021</b>	31 March
	<b>% per annum</b>	2020
		% per annum
Rate of increase in salaries	3.50	2.50
Rate of increase in pensions in payment	2.80	1.80
Discount rate	2.05	2.30

The expected return on plan assets was determined by considering the expected returns available on the assets underlying the current investment portfolio. Expected yields on bonds are based on gross redemption yields at the balance sheet date whilst the expected returns on the equity and property investments reflect the long-term real rates of return experienced in the respective markets.

## Notes forming part of the financial statements for the year ended 31 March 2021 (Continued)

### 28 Pensions (Continued)

#### Mortality Assumptions

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2020 model, with a 0% weighting of 2020 data, standard smoothing (Sk7), initial adjustment of 0.5% and a long term rate of improvement of 1.5% p.a. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	31 March 2021	
	Males	Females
Pensioners	<b>21.9 years</b>	<b>24.3 years</b>
Non Pensioners	<b>23.2 years</b>	<b>26.2 years</b>

	2021 £'000	2020 £'000
<b>Amounts recognised in the balance sheet</b>		
Fair Value of Employer Share of Scheme Assets	<b>43,669</b>	<b>34,171</b>
Present Value of Funded Liabilities	<b>(63,437)</b>	<b>(44,968)</b>
	<hr/>	<hr/>
Net Underfunding in Funded Plans	<b>(19,768)</b>	<b>(10,797)</b>
	<hr/>	<hr/>
<b>Net Liability</b>	<b>(19,768)</b>	<b>(10,797)</b>
	<hr/>	<hr/>
Amounts in balance sheet		
Liabilities	<b>19,860</b>	<b>10,797</b>
	<hr/>	<hr/>
<b>Net Liability</b>	<b>(19,768)</b>	<b>(10,797)</b>
<b>SHPS Liability</b>	<b>(92)</b>	<b>(24)</b>
	<hr/>	<hr/>
<b>Total Liability</b>	<b>(19,860)</b>	<b>(10,821)</b>
	<hr/>	<hr/>

**Notes forming part of the financial statements for the year ended 31 March 2021  
(Continued)**

**28 Pensions (Continued)**

<b>Changes in the fair value of plan assets</b>	<b>2021 £'000</b>	<b>2020 £'000</b>
Opening plan assets	<b>34,171</b>	34,006
Actuarial movements relating to prior year	-	(527)
Expected return	<b>801</b>	819
Actuarial(loss)/gain	<b>7,308</b>	(1,293)
Contributions by Employer	<b>1,707</b>	1,523
Contributions by Members	<b>415</b>	461
Benefits Paid	<b>(733)</b>	(818)
<b>Closing plan assets</b>	<b>43,669</b>	34,171
<b>Analysis of the amount charged to operating surplus</b>	<b>2021 £'000</b>	<b>2020 £'000</b>
Current Service Cost	<b>1,982</b>	2,899
Past Service Cost	<b>28</b>	240
<b>Total operating charge</b>	<b>2,010</b>	3,139
<b>Analysis of amount credited to other finance income</b>	<b>2021 £'000</b>	<b>2020 £'000</b>
Interest on Pension Scheme Liabilities	<b>1,053</b>	1,192
Expected return on Employer Assets	<b>(801)</b>	(819)
<b>Net cost/(income)</b>	<b>252</b>	373
<b>Analysis of the amount recognised in statement of comprehensive income (SOI)</b>	<b>2021 £'000</b>	<b>2020 £'000</b>
Actuarial gains on assets	<b>7,308</b>	(1,293)
Actuarial gains/(losses) on obligations	<b>(15,724)</b>	6,627
<b>Actuarial gain/(loss) recognised in SOI</b>	<b>(8,416)</b>	5,334

**Notes forming part of the financial statements for the year ended 31 March 2021  
(Continued)**

**28 Pensions (Continued)**

<b>Changes in present value of the defined benefit obligation</b>	<b>2021 £'000</b>	<b>2020 £'000</b>
Opening defined benefit obligation	<b>44,968</b>	48,148
Actuarial movement relating to prior year	-	169
Current & Past Service Cost	<b>2,010</b>	3,139
Interest Cost	<b>1,053</b>	1,192
Contributions by Members	<b>415</b>	461
Actuarial Losses/(Gains)	<b>15,724</b>	(7,323)
Benefits Paid	<b>(733)</b>	(818)
<b>Closing defined benefit obligation</b>	<b>63,437</b>	44,968

<b>Major categories of plan assets as a percentage of total plan assets</b>	<b>2021</b>	<b>2020</b>
Equities	<b>50%</b>	<b>48%</b>
Bonds	<b>35%</b>	<b>36%</b>
Property	<b>12%</b>	<b>14%</b>
Cash	<b>3%</b>	<b>2%</b>

**Amounts for the current and previous four periods are as follow:**

	<b>2021 £'000</b>	<b>2020 £'000</b>	<b>2019 £'000</b>	<b>2018 £'000</b>	<b>2017 £'000</b>
Defined benefit obligation	<b>(63,437)</b>	(44,968)	(48,148)	(40,445)	(38,486)
Plan assets	<b>43,669</b>	34,171	34,006	30,439	28,300
Deficit in the scheme and liability	<b>(19,768)</b>	(10,797)	(14,142)	(10,006)	(10,186)
Actuarial (losses)/gains on scheme assets	<b>7,308</b>	(1,293)	1,398	122	2,082
Experience (losses)/gains arising on scheme liabilities	-	-	-	-	(43)
(Loss)/ gains in demographic assumptions	<b>711</b>	(1,381)	-	-	(213)

## Notes forming part of the financial statements for the year ended 31 March 2021 (Continued)

### 28 Pensions (Continued)

#### Social Housing Pension Scheme

The parent company has one member of SHPS, a multi-employer defined benefit scheme in the UK.

Full FRS102 disclosures have not been made as there is only one member of the scheme and the actuary assumptions are similar to those of the LGPS scheme.

The net liability in respect of this scheme at 31 March 2021 is £92,000.

### 29 Capital commitments

	2021 £'000	2020 £'000
<b>Group and company</b>		
Capital expenditure contracted for but not provided for in the financial statements	<b>7,702</b>	2,560
Capital expenditure approved by Board but not contracted for	<b>19,637</b>	9,431
	<b>27,339</b>	11,991

The above capital expenditure will be funded by a combination of grant, operating cash flows as well as the £60m Natwest facility, of which £28.4m was secured at the balance sheet and a further £28.3m was secured in April 2021, bringing the total availability to £56.8m.

### 30 Related party transactions

The following board members are also tenants:

Duncan Scott

Tom Fadden

Their tenancies are on normal commercial terms. The aggregate rent for the period was £8,287 (2020: £8,092) and arrears were nil as at 31 March 2021 (2020: Nil).

Transactions in the year with unregulated subsidiaries were –

	2021 Crocus Contractors Limited £'000	2020 Crocus Contractors Limited £'000	2021 SHF plc £'000	2020 SHF plc £'000
Labour, mileage and board payments charged	<b>324</b>	503	-	-
Interest charged	<b>453</b>	439	-	-
Interest paid	-	-	<b>(5,957)</b>	(5,886)
Gift Aid received from	<b>100</b>	100	<b>115</b>	113

Labour costs are apportioned based on time allocations and the cost of mileage and board payments incurred on behalf of Crocus have been recharged and paid in full.

**Notes forming part of the financial statements for the year ended 31 March 2021**  
**(Continued)**

**31 Reconciliation of surplus after tax to net cash generated from/(used in) operations**

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Surplus for the year	<b>3,777</b>	1,448
Adjustments for non-cash items -		
Depreciation of tangible fixed assets	<b>5,102</b>	5,267
Defined benefit pension scheme	<b>531</b>	1,968
Amortisation of grant	<b>(375)</b>	(375)
Profit on disposal of assets	<b>(1,239)</b>	(1,037)
Corporation tax	<b>61</b>	79
Interest received	<b>(1)</b>	(139)
Interest payable	<b>9,385</b>	9,371
	<hr/>	<hr/>
Operating cashflows before movements in working capital	<b>17,241</b>	16,582
Decrease/(Increase) in stock	<b>(2,106)</b>	586
Decrease/(Increase) in debtors	<b>(787)</b>	765
Increase/(Decrease) in creditors	<b>526</b>	509
Decrease in provisions	<b>(218)</b>	(378)
	<hr/>	<hr/>
<b>Net cash inflow from operating Activities</b>	<b>14,656</b>	18,064
	<hr/> <hr/>	<hr/> <hr/>

**32 Reconciliation of net cashflow to movement in net debt**

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
(Decrease)/Increase in cash for the period	<b>(2,650)</b>	4,241
Cashflow from change in debt	<b>(270)</b>	(129)
Non cashflow change in debt	<b>6,424</b>	(4,430)
	<hr/>	<hr/>
Change in net debt	<b>3,504</b>	(318)
Net debt at 1 April	<b>146,084</b>	146,402
	<hr/>	<hr/>
<b>Net debt at 31 March</b>	<b>149,588</b>	146,084
	<hr/> <hr/>	<hr/> <hr/>

**33 Long term debtors with subsidiaries**

This amount represents the following relating to the subsidiary undertakings –

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Unsecured loan to Crocus Contractors Limited due in full after more than 5 years	<b>5,644</b>	5,644



Saffron Housing Trust  
Saffron Barn  
Swan Lane  
Long Stratton  
Norfolk  
NR15 2XP