




archeshousing
peoplecommunitieshomes

ANNUAL REPORT 2020-21



About Us

We are a social landlord providing over 1,200 homes in Sheffield, Rotherham and North East Derbyshire. We were formed by members of our local community as they focussed on renovating older houses into quality homes to stop communities in North Sheffield being broken up by slum clearance.

Although we have since expanded, we are proud to still be based in the heart of the community that our founders cared so deeply about.

Our Mission

Bringing affordable homes to diverse communities across the Sheffield City Region.

Our Vision

Contributing to people's wellbeing by providing safe, secure warm homes that meet their needs.

peoplecommunitieshomes

Our Values

- **Steel** - choosing to do the right thing over the easy thing; being determined to see things through and staying true to our roots.
- **Momentum** - being responsive to people and opportunities; generating solutions swiftly as a consequence of having the trust and freedom to take decisions.
- **Simplicity** - Sticking to what actually matters; to make it easier to do a good job and achieve positive outcomes.
- **Connections** - Recognising that we can achieve more with others than alone; building honest and supportive relationships inside Arches and beyond.
- **Individuality** - Appreciating the life experience, skills and insights of others, listening with empathy, seeking to dignify everyone involved.

A Message From Our Chair & Chief Executive

Paul Common - **Chief Executive**
Kay Dickinson - **Chair**



Chief Executive's Message

Welcome to our annual report for the year 2020/21.

The last twelve months have probably been the most unusual and difficult many of us have experienced and I am glad we seem to be getting back to something like business as usual.

Navigating the bewildering circumstances of the epidemic has been hard for us all. At Arches we have tried at all times to be responsive to our customer's needs, to minimise risk and keep everyone safe while acknowledging the range of situations experienced and to respond accordingly.

In spring and summer 2020 our staff team focussed on supporting residents through outreach, financial advice and any other assistance we could reasonably provide. Our staff and contractors have adapted and worked tirelessly to maintain services and keep our homes warm, safe and secure.

We are in a strong position as we move through 2021. We have a skilled and ambitious board, a motivated and talented staff team and have set ourselves some significant challenges for the next five years.

This report highlights a variety of achievements from 2020/21 including residents attending a board meeting to present their findings from the grounds maintenance scrutiny review, delivering 53 new homes for rent and sale, launching the Together with Tenants consultation so that residents have

meaningful input into our service design – more to come on that in 2021, and making some modest but important steps on the path to improving the energy efficiency of our homes. We will be tackling our least energy efficient properties first, so that tenants will feel the benefit.

The biggest frustration was having to pause a lot of property improvement works due to Covid – we'll make sure we catch up this year.

None of our success would be possible without our people - our staff and board colleagues, our contractors and partners and, of course, our customers.

So, a big thank you to everyone for their understanding and support this year and here is to a year of getting back to full delivery of services.

Chairs Message

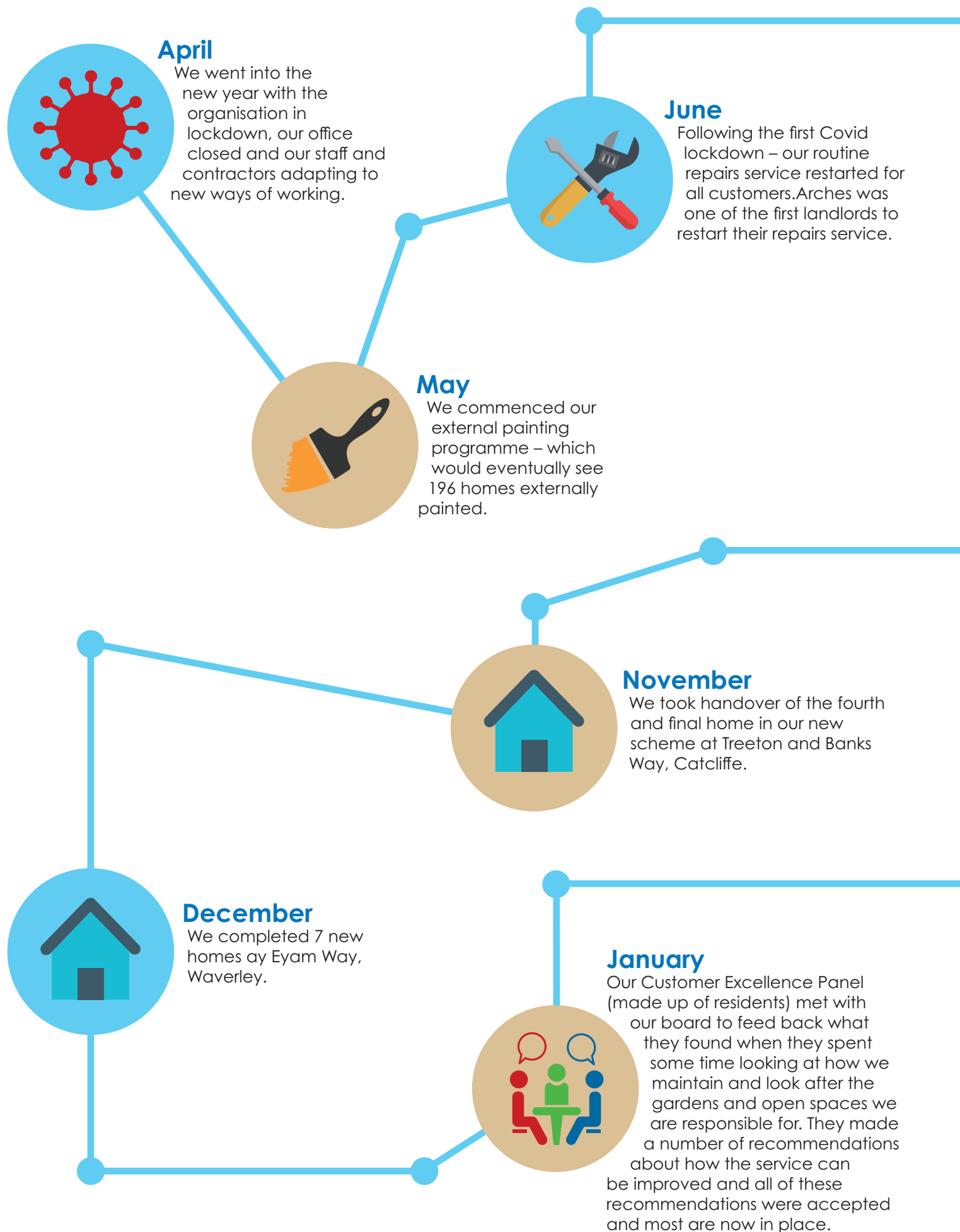
At Arches we are always trying to improve our services to customers and during 2020/21 we have achieved some really positive results, with the board developing a new and ambitious strategic plan for 2021/2026. You will read more about our new plans within this report.

Arches is a financially strong and well run organisation with a dedicated board and staff team. I am very proud of the way the organisation responded to the Covid 19 pandemic, quickly moving to home working and prioritising support to over 150 vulnerable customers who needed help during the early stages of the pandemic.

I am pleased to report that despite the challenges presented by Covid 19 during the year, most services continued to be delivered to residents throughout the year and performance remained high. As part of our ambitious growth programme, 53 households were able to move into new properties in 2020/21, bringing needed new homes to the Sheffield City Region.

My thanks go to you, our residents, for your support in what has been a very challenging year, and to our staff and contractors for their hard work and dedication.

Timeline Of 2020/21



July

By July, our staff had supported over 150 households with accessing food from food banks, assisting them to access welfare benefits and ensuring any customers who were elderly or vulnerable had the help they needed.



August

We completed landscaping redesign and improvement works to 39 homes at Grimesthorpe Flats, Balfour Drive and Ouseburn Street.



September

We completed 15 new homes at Lordens Way in Dinnington, Rotherham.



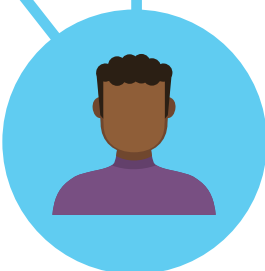
March

We said goodbye to two longstanding members of staff, Luigi Iantorno and Jane Southern who retired after long service with us.



February

We began consulting with residents about how we would implement a Tenants Charter for Arches residents.



End of financial year - 1,282 properties owned and managed.

Our Commitment To Involving Our Residents



We are a community based housing association and we are proud of our roots.

This year has been very different to previous years and the pandemic and our staff have worked hard with other partners to support as many residents as possible. Despite this we have continued to engage with our customers in a number of ways. Here is the year in numbers.

During the early period of the pandemic, staff worked hard to support over **150** vulnerable or lonely residents. This involved the delivery of **585** cooked meals in partnership with our partners, Foodworx, to those of our residents and their families who needed it. We arranged for **30** families to have fresh food crates delivered, in some instances we also collected prescriptions and undertook shopping where this was needed.







During the year **600** customers gave us feedback on their views on the services we provide over the year – **88%** of those customer told us they were happy with the services provided by us as their landlord.

We consulted with **96** residents on the quality of the grounds maintenance service that we deliver. A customer excellence panel (made up of residents) looked at the service in more detail, including interviewing staff and contractors and undertaking site assessments for quality. This review was then fed back directly to the board of management by residents, **8** recommendations were made from residents to improve services all of these recommendations were accepted and have either been implemented or are being implemented.

Towards the end of the year we began to consult with residents on adopting the Together with Tenants charter and agreeing what our commitments should be to residents. By the end of March 2021, we had consulted **98** residents who told us their views about what was important to them and we have used this to shape our commitments to all residents.

During the year we launch our Learning from Customers Group, which reviews every complaint received by our residents and seeks to implement the learning from where things have gone wrong to ensure it doesn't happen again to other residents.

Our Performance

	Target	Performance	
Customer Satisfaction with the overall services provided by Arches Housing	89%	88%	
Average number of days home are empty	13 Days	23 Days	
The amount of rent collected that was due	99.77%	100.66%	
Repairs completed on time	98%	84.54%	
The percentage of homes that had a valid gas safety certificate	100%	100%	
The percentage of homes that had a valid electrical safety certificate	100%	100%	
Number of buildings that had a valid fire risk assessment completed in the year where one was needed	100%	100%	
The number of customers that have been involved with us in the year and helped us shape services that are delivered to you	50 Residents	219 Residents	

The year has been a challenging year to continue to deliver services to customers. The association is proud to be have continued to deliver most services to customers, and generally performance has been strong in the circumstances.

The number of days our homes have been empty in between tenants and the number of repairs we have completed on time have been directly impacted by the Covid pandemic.

Managing the availability of operatives to carry out repairs because of illness and self-isolation as well as the availability of some components continue to be a challenge and we continue to manage this.

It is pleasing that despite the pandemic, we sought feedback from 219 residents in the year and their input helped us shape and change our current services and design future ones.

We had high hopes to be able to complete the final year of the Arches Home Standard investment programme. Unfortunately, we had to reduce the programme in 2020/21. Although 91% of our homes now meet the standard we expect all homes to reach the standard by March 2022.

Investing In New Homes

As well as prioritising investment in our existing properties we have ambitious growth plans, as we deliver on our 10-year Growth Strategy. In 2020/21 despite the pandemic affecting forecasts and material availability Arches managed to deliver 53 new homes in the Sheffield City Region.

We ended the year looking forward and focused on delivery of our strategic priority for 2021-26 to deliver more high-quality affordable homes for rent and sale. Our focus for the next 5 years is to:

- **Develop at least 200 affordable homes**
- **20% of new homes to be developed in our core area**
- **Measure and improve customer satisfaction with new homes**

New Homes Completed In 2020/21

Lordens Way, Dinnington

Arches, working with the contractor Keystone Yorkshire Ltd, delivered 15 new homes for rent. The site was previously the Lordens Hotel, and with grant funding support from Homes England the 15 2-bed homes were all let in early Autumn 2020. The site has been regenerated and these homes have been a great addition to Arches properties in Dinnington.



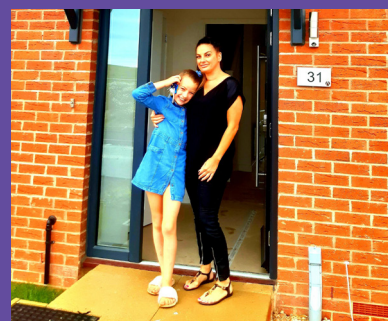
Nethermoor Drive, Wickersley

In total 27 affordable homes were completed, with 14 for rent and 13 for shared ownership. The properties are a mix of 2 bedroom and 3 bedroom homes.



Cherry Wood Way and Brooks Drive, Waverley

In total 10 affordable homes were completed in Waverley in the year made up of seven 2 bedroom homes and three 3 bedroom homes.



Banks Way and Treeton Way, Catcliffe

This site is close to Waverley and has great access to Sheffield Parkway and we completed four new affordable homes here in the year for rent, 2 houses and 2 maisonettes. The homes are part of a wider development built by developer, Barratt Homes.



Here's A Snap Shot Of The New Homes We Are Currently Working On

All of the homes in our development pipeline are in Rotherham and Chesterfield. We have made a commitment to build or acquire at least 80 much needed homes in Sheffield by 2026 and we expect to achieve this target so watch this space.

Bungalows in Rotherham

Working in partnership with Rotherham Borough Council and Homes England, Arches completed 10 bungalows across five sites in Rotherham, expected to be completed in 2021/22.



Nethermoor Drive Wickersley

The final three homes on the Nethermoor Drive development are expected to be completed in 2021/22, completing this scheme for Arches.



Waverley

Arches are currently working on 19 new homes in Waverley. Six of these are expected to be completed later in 2021 and the remaining 13 homes will be completed by Spring 2023.



Wheeldon Mill, Chesterfield

These four homes, 2 for rent and 2 for shared ownership will mark the first Arches development in Sheffield. We expect that to be completed and ready for residents to move in in Spring 2022.



Wentworth Way, Dinnington

A mix of 23 two and three bedroom homes will be built for Arches Housing as part of the larger Taylor Wimpey at Wentworth Way in Dinnington. The homes will be completed over a three year period with the first homes expected to be handed over in 2022.



Our Commitments To Equality, Diversity And Inclusion

We are committed to recognising and respecting the diverse needs of our customers and staff so that the services we provide, and our workplace, is fair and inclusive to all.

We believe it is important that the people we employ, and who govern how we work, have a good understanding of the communities we serve.

We have taken steps to increase the diversity of our staff by promoting our vacancies more widely to get the best applicants. We have been successful in attracting a high calibre of candidate and during the year the percentage of our staff who are from a black or asian minority background and the number of women we employ increased. We will continue to work to broaden the opportunities we offer to ensure we employ the best people to deliver our services.

	Women ▼	BAME* ▼
Our Customers (Tenants)	53%	52%
Our Board	33%	33%
Our Senior Management Team	46%	23%
All Our Staff	53%	30%

*People from a black or Asian minority background

In the last year we have reviewed our Equality, Diversity and Inclusion Plan which sets out the positive action we will take over the next 5 years. Below are some of the actions we have taken in the year to help deliver our commitments:

- ✓ All staff have undertaken equality, diversity and inclusion training.
- ✓ We have increased the diversity of our board and staff team in the year – we know we still have some more work to do on this.
- ✓ We maintained our membership of BMENational – a collective of housing associations who work in diverse neighbourhoods and collaborate with policy holders and decision-makers to improve people's lives through tackling housing inequality.
- ✓ We gave evidence to the Sheffield Race Equality Commission on how homes and services in Sheffield can be improved to improve the lives of diverse communities.
- ✓ We joined the National Housing Federation and other housing associations in Yorkshire in planning sector-wide initiatives to respond to the Black Lives Matter movement.
- ✓ We spent time working up our new corporate plan 'Our Plan to 2026' – which strongly focusses on equality of services for all – more about that on page 11.

Equality, Diversity and Inclusion and Our Plan to 2026

Our Plan to 2026

Equality, Diversity and Inclusion is a cornerstone of our new plan, and runs as a golden thread throughout it. The plan recognises the individuality of residents and seeks to tailor services accordingly so there is equity in how we deliver services and equality of experience for all. Whilst customer satisfaction has improved over the past few years, we recognise there remains a gap between the levels of satisfaction for different customer groups and our plan seeks to improve that position.

The first priority of the new plan is to deliver homes, services and support that are inclusive, easily accessible and recognise the differing needs of our individual customers and their diverse communities.

This is what we will do over the next year to help achieve our corporate plan:

- Develop neighbourhood plans – setting out how we will form and develop partnerships that will benefit you in the area where you live.
- Take active steps to be a more active partner in the neighbourhood where you live.
- Recruit a tenancy sustainment worker to support vulnerable residents to sustain their tenancies.
- Use the information we hold about our customers more intelligently to improve the services you receive from us.
- Review how the association offers ways for residents to be involved and ensure that the board hear the tenant voice, especially in our decision making – ensuring the tenant voice is as representative as possible of our broader customer group.



Our Finances – Financial Summary for 2020/21

Statement of Comprehensive Income	2020/21 £'M	2019/20 £'M
Turnover	6.6	6.2
Operating Surplus	2.2	1.8
Statement of Financial Position	2020/21 £'M	2019/20 £'M
Fixed Assets	61.3	57.2
Net Current Assets	(0.6)	1.8
Long term creditors	42.2	45.5
Reserves	14.5	13.5

Accommodation (units)	2020/21	2019/20
Total owned and managed	1,282	1,229

Ratios	2020/21	2019/20
Operating Margin	34.50%	28.60%
Covenant Interest Cover	3.22	2.05
Covenant Net worth Gearing	43%	44%
Covenant Historic cost Gearing	25%	27%

VfM finance metrics	2019/20 Housemark peer group (median)	2019/20 Arches	2020/21 Arches
Reinvestment% (including development spend)	6.53%	10.05%	8.33%
New social housing units supply delivered %	1.42%	2.52%	4.13%
Gearing %	38.20%	38.82%	36.10%
Earnings Before Interest, Tax, Depreciation, Amortisation, Major Repairs Included (EBITDA MRI) Interest Cover %	184%	219%	277%
Headline social housing cost per unit	£3,684	£3,081	£2,703
Operating Margin (social housing lettings only)	24.13%	25.21%	32.08%
Operating Margin (overall)	28.50%	28.34%	34.49%
Return on capital employed (ROCE)	3.23%	3.00%	3.72%

Arches Metrics			
Customer Satisfaction	85.35%	88.55%	87.86%
Rent as Value for Money	87.40%	91.49%	89.51%

Our Finances

Value for Money (VfM)

Arches approach to VfM is guided by our long-term strategic priorities, to achieve these priorities we have identified five key objectives

Our overarching VfM objectives for 2018/19 – 2020/21 are:

1. Keep total social housing cost per unit (CPU) below peer group median – ensuring overall costs are kept down.
2. Maintain 'core' CPU (i.e. costs not investing in stock) at the same or reduced level - producing real terms savings on central costs.
3. Maintain major works CPU above peer group median, in line with the Arches Home Standard programme – prioritising spend on improving our properties.
4. Add 40 new properties per year to our stock, as per Arches Growth Strategy – prioritising spend on new properties.
5. Increase customer satisfaction – keeping customers at the heart of what we do.

2020/21 performance against overarching VfM objectives

Our cost per unit has stayed well below our peer groups comparative. COVID-19 has seen a reduction in our investment programme. We will continue to invest heavily in our social housing stock in the coming years including bringing all our properties to the Arches Standard. Even with this investment we are projecting that we will remain below this median for the next two years.

Our 'Core CPU' is up £167 per unit on the prior year. This is due to higher than anticipated employee costs and maintenance costs. These figures can be seen in the graph below.

Our 'major works CPU' is below the 2020 peer group median, again this is due to the COVID -19 pandemic. We are projecting to increase spending as we catch up with our investment program.

We delivered 53 new homes in the 2020/21 year, 13 above the targeted number. Customer satisfaction for the year was 88%, this was above the peer group but below our ambitious target of 89%. We continue to focus on this area with increased activity in customer engagement and continued investment in people's homes.



Our Plans For The Future

During 2021, the board of Arches developed new strategic priorities as part of our new corporate plan.

The board have made a number of ambitious commitments that the association will work to achieve by 2026. These are:

- To achieve high levels of customer satisfaction across all customer groups, that is better than at least 75% of other housing associations like us
- To be a more proactive partner in the neighbourhood where you live and playing our part in creating sustainable communities
- Improve opportunities for residents to be involved – ensuring your voice is heard in the decision we take
- To complete all the things we need to do by 2026 on our roadmap to ensure our homes are carbon neutral by 2050
- To build or acquire at least 200 affordable homes for rent or sale
- To ensure that the average costs it takes to run Arches is lower than other housing associations like us
- To achieve a minimum of 20% operating margin to ensure that we can continue to invest in our homes
- To achieve gold standard accreditation in Investors in People and Investors in Diversity
- To maintain our current G1/V1 rating with the Regulator of Social Housing
- To try and make sure our board and staff profile better reflects that of our customers and communities

To help us achieve these commitments, in 2021/22 we will:

- Implement the actions we need to from our equality, diversity and inclusion action plan
- Implement the commitments we have made as part of the Together with Tenants Charter
- Review the way we engage with our customers and stakeholders, involving our customer's views in how we develop our approach
- Implement the recent changes to fire safety legislation and the expected changes from the Building Safety Bill currently going through parliament
- Review the way our homes in supported housing schemes are managed
- Develop Neighbourhood Plans for 13 of our neighbourhoods
- Review the way we maintain and prioritise the investment in our existing homes
- Complete the programme of improvements to bring all of our homes to the Arches Home Standard

If you wish to see more detail about our new corporate plan, you can download a copy from our website at:

**[www.archeshousing.org.uk/
publications](http://www.archeshousing.org.uk/publications)**

The Board of Management:

Kay Dickinson (Chair)
Ian Falconer (Vice Chair)
Ajman Ali
Lisa Bradley
Andrea Brough
Iain Campbell
Terry Gallagher
Brian Hamlin
Mohammed Jamil
Tony Jervis
Andrew Liles
Joice Rennie

Chief Executive:

Paul Common

Company Secretary:

John Hudson



Tel: 0114 228 8100
Arches Housing Limited, 122 Burngreave Road,
Burngreave, Sheffield S3 9DE

 /archeshousing  @archeshousing

www.archeshousing.org.uk

- Regulator of Social Housing Registered No. LH0884
- Register of Co-operative and Community Benefit Societies No. 21451R (Exempt Charity)
- Member of the National Housing Federation, PlaceShapers and BMENational

peoplecommunitieshomes