

Annual Report and Accounts

2021

About JRHT

The Joseph Rowntree Housing Trust (JRHT) was founded in 1904 and for much of the time since then has been an unincorporated charitable trust. In 2020, following a period of modernisation and improvement, it became a Community Benefit Society (CBS). At the same time, JRHT became a formal subsidiary of the Joseph Rowntree Foundation (JRF), and together these entities are known as the JRF-JRHT Group. JRHT is a Registered Provider with the Regulator of Social Housing, and a Registered Care Provider with the Care Quality Commission, providing Housing and Care services, predominantly in York, but also in Leeds, Scarborough, and Hartlepool, as well as other smaller communities in North and East Yorkshire. We currently have a portfolio of 2,623 housing properties, which includes:

- properties for general needs, supported housing, and housing for elderly people,
- low-cost homeownership properties,
- care suites/rooms, and leasehold schemes for the elderly.

JRHT's mission is to build strong and empowered communities without poverty or isolation. In addition to history and legacy, JRHT shares a vision with the Joseph Rowntree Foundation (JRF) for a prosperous UK without poverty – together we want to see change that will enable everyone to have a decent home in a good place with a good living standard and prospects.

The two entities within the JRF-JRHT Group are supported by group services which provide an enabling environment that focuses on Finance, People, Tech and Change, Risk Management, Facilities and Health and Safety services.

Within this context JRHT aims for effective governance where staff are empowered to put value for money at the centre of everything we do, with core values that seek to build trust, make a difference, and to show that we care.

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Board, management, reference, and administration

JRHT Board members



Helen Evans
(Chair)



Angela Lockwood
(Vice Chair)



Alistair Brown
(from Q1 2021)



Deborah Cadman



Dan Gray



Will Haire



Paul Jenkins



David Lunts



Gillian Russell
(from Q1 2021)



Dan Ryan

Executive Directors



Paul Kissack,
Group Chief Executive



Chris Simpson,
JRHT Executive
Director



Tracey Preece,
Director of Finance



Frank Soodeen,
Director of
Communications
and Engagement
(from 1 April 2021)



Claire Townson
Director of Corporate
Services

Reference and administration information

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NE1 8ND

BANKERS

HSBC

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EXTERNAL AUDITORS

Grant Thornton UK LLP
No 1 Whitehall Riverside
Leeds
LS1 4BN

INTERNAL AUDITORS

PricewaterhouseCoopers LLP
Central Square
29 Wellington Street
Leeds
LS1 4DL

Chair's statement



HELEN EVANS

Chair of the JRHT Board

For JRHT, 2021 was again dominated by the continuation of the global pandemic and the disruption that this brought to the day-to-day operation of the organisation – particularly to the critical care services that we deliver. I have been impressed by the response from JRHT teams in keeping residents and colleagues safe and well cared for.

Early in 2021, JRHT were delighted that, following an In-Depth Assessment (IDA), the Regulator of Social Housing (RSH) restored our top-level rating for Governance. This followed a three-year programme of Governance development including the strengthening of the JRHT Board and our approach to financial planning and risk management. In 2021, JRHT continued this process with the appointment of two finance professionals to the Board, and with the agreement to establish a Resident Assembly to strengthen the role that residents play in the organisation.

The Board also took the decision in 2021 to exit from the provision of Independent Living Services in York and Market Weighton. This resulted from the recognition that the best long-term outcome for residents, their families and staff was to transfer the care element of these services to specialist providers, although JRHT will continue to provide landlord services at these locations. This was a hard decision to take but the Board are pleased that the change was effectively planned, communicated, and delivered.

The Board has continued its review of Care services. Following consideration of a number of factors, including losses from low occupancy rates, and the requirement for investment in the fabric of the home, the JRHT Board also took a decision to plan the closure of Lamel Beeches Care Home which was communicated in early 2022.

Our Development Strategy and ambition to build new homes progresses as we work towards our target of 1,000 new homes by 2030. Within 2021 we completed the development at New Lodge, undertook further consultation on the Willow Bank development, and launched plans for additional homes within New Earswick itself.

We know that 2022 will bring a range of challenges – such as the ongoing demands of the pandemic – but we are also keenly aware of and committed to the progress JRHT can make in the areas mentioned above.

Board report including strategic report

Governance

GOVERNING DOCUMENT

The Joseph Rowntree Housing Trust (JRHT) was formed by a Deed of Foundation dated 13 December 1904, originally under the name of the Joseph Rowntree Village Trust. There have been a number of changes to the Deed since then, the most significant being affected under the Joseph Rowntree Memorial Trust Act 1959.

The name was changed to the Joseph Rowntree Housing Trust in 1990.

Following a review of governance structures and an incorporation process in 2020, JRHT constituted as a Community Benefit Society (CBS) and its governing document is the JRHT Rules.

JRHT is a subsidiary of the Joseph Rowntree Foundation (JRF).

RECRUITMENT AND APPOINTMENT OF JRHT BOARD MEMBERS

JRF Trustees are responsible for appointing JRHT Board Members to serve three-year terms. There is a maximum of three terms for each Board Member, so they can serve for a maximum of nine years. With the adoption of the National Housing Federation (NHF) 2020 Code of Governance, membership will be limited to two terms going forward, with a third term only by exception.

Recent JRHT Board recruitment has

been conducted in partnership with external specialists, with diversity, skills, and continuous improvement pivotal to the brief. A skills matrix is maintained which informs recruitment of Board Members and nominations to the governance committees in the Group.

Board Member induction and personal development arrangements are regularly reviewed, and a specific budget is established for this purpose.

ORGANISATIONAL STRUCTURE

JRHT is governed by the JRHT Board in accordance with its rules. The remit for JRHT Board's responsibilities is defined in the Terms of Reference and Standing Orders.

JRF Trustees set the strategy for the Group (in consultation with JRHT

Board); day-to-day management functions are the responsibility of the Executive Directors and are overseen by the JRHT Board.

There are three subcommittees that support both JRHT and JRF:

- **Audit and Risk Committee (ARC).** This committee is responsible for ensuring that there is a robust and independent control framework across JRF and JRHT. It ensures compliance with the risk management strategy and that there is best practice in the approach to internal audit. In 2021, the committee consisted of three JRF Trustees, three JRHT Board Members and three independent members.

- **Resources Committee** has responsibility for oversight of JRF's finances and for all corporate activities that straddle both JRF and JRHT, such as HR and workforce matters, finance, and technology. In 2021, the Committee consisted of four JRF Trustees, three JRHT Board Members and four independent members.

- **Nominations and Governance Committee** is responsible for ensuring that best practice in governance is adopted across JRF and JRHT. It is also responsible for recommending the appointment of all governance committee members to Trustees. There are up to five members of this Committee, all of whom are JRF Trustees and JRHT Board Members, including the JRF and JRHT chairs.

In addition to the subcommittees that are shared with JRF, there are two further subcommittees that report directly to JRHT Board alone:

- **Care Subcommittee** – established to provide Board oversight of care

services; to hold the executive to account and maintain traction regarding improvements required as identified in action plans; and to address Care Quality Commission (CQC) ratings across all Care sites. Membership consists of two JRHT Board members and one independent member.

- **Development Subcommittee** was established to oversee the delivery of the Development Strategy, including to approve development activity and manage/monitor development performance and risk. Membership consists of four JRHT Board members and one independent member.

The JRHT Board is committed to delivering best practice in governance and, as such, has commenced a Board effectiveness programme, which culminates in a full comprehensive review every three years, the first of which took place in 2020. Board Member appraisals, including for the Chair, and light-touch effectiveness reviews are conducted annually. The design of this process was developed in 2020 in conjunction with external experts.

Employee pay and remuneration, including for the Executive team, is set by JRF Trustees, on the recommendation of Resources Committee and in consultation with JRHT Board.

CODE OF GOVERNANCE

The National Housing Federation released its revised Code of Governance in November 2020 with encouragement that housing

associations adopt this by the end of March 2021. At its first Board meeting of 2021, JRHT agreed that the revised Code should be adopted. The

first formal assessment of compliance with the revised Code was undertaken during the first quarter of 2022 and has been shared with the Board. JRHT considers that it is compliant with the Code but, with the broadening of its scope, will be reviewing opportunities to increase transparency particularly in respect of the following three areas:

- Publishing information about the organisation's commitment to achieve

equality of opportunity, diversity, and inclusion in all of its activities, and the progress it has made.

- Making the register of board and committee member external interests publicly available.
- Publishing information about the appointment of new board members, and about the diversity, skills and attributes of all the board members

GOVERNANCE AND FINANCIAL VIABILITY STANDARD

JRHT Board also undertakes a formal annual review of compliance with the Regulator of Social Housing's Governance and Financial Viability Standard. As required, registered

providers are expected to explain any non-compliance with the code of governance. The most recent review was completed in March 2022 which confirmed compliance.

RESERVES POLICY

Through its long-term planning and annual budgeting, JRHT ensures that it maintains sufficient reserves to meet expected fluctuations in income and costs and fund future projects.

In particular, the 30-year plan, which is produced on an annual basis, shows the expected income, expenditure and balance sheet positions over the long-term. This ensures that sufficient reserves and other funding are available to meet the organisation's long-term objectives.

As part of this long-term planning, stress tests are undertaken, to ensure that funds are always available to meet expected and unexpected challenges.

The JRHT Board is actively involved in developing and approving long-term plans and stress tests. Supporting the long-term plan is a detailed treasury strategy and policy which includes ensuring sufficient funding is in place for all future commitments.

Monitoring by management and oversight by the Board ensure that covenants within loan agreements, which are designed to assess the financial strength of the organisation, are adhered to. The two primary covenants in loan agreements are interest cover (a measure of annual performance) and debt cover (a measure of balance sheet strength). Interest cover at the end of the year was 258% compared to the minimum of 110%. Gearing calculations differ across lenders. The most stringent requires debt to be less than 50% of the cost of properties. At the year-end, this was 36%. At the end of 2021, JRHT had income and expenditure reserves of £47.2 million, restricted reserves of £1.1 million and a revaluation reserve of £9.5 million.

Objectives and activities

During 2021 JRHT's objectives and activities were shaped by:

- JRF-JRHT Strategic Plan 2017-2021.
- RSH and CQC Regulatory obligations.
- The impact and demands of the global Covid pandemic.
- JRHT in-year strategic and operational priorities for the organisation and in our key areas of work comprising Housing and Community Services, Development and Asset Management and Care.
- JRHT 30-year Financial Plan.

PRIORITIES AND PROGRESS

In 2021, JRHT continued to be affected by the impact of the global Coronavirus pandemic. Despite significant and protracted disruption, JRHT has still made progress.

JRHT – the organisation strengthened its Board with further recruitment of members with finance and audit skills and experience.

Development and asset management – activity around the New Lodge development continued with final completion in November 2021, this delivered 48 apartments, with the scheme delivering a total of 105 extra care apartments and a 45-bed residential care home at a cost of £25 million. The planning application for 117 affordable homes on the north side of the New Earswick village was delayed, with permission anticipated over the summer of 2022, but progress was made on planning

applications for developments elsewhere.

Housing and community services

– key areas of operation remained rent collection, repairs delivery, relets and modifications – which all performed satisfactorily. Our support for residents facing financial hardship increased though our expanded Money and Benefit Advice service.

Care services – our care services were at the frontline of the response to Covid-19. Our efforts have been focussed on the response to the pandemic including maintaining infection prevention and control, implementing robust testing arrangements, and supporting colleagues through vaccination programmes. From time to time, services have also responded to local outbreaks and lockdowns.

In addition to this, the JRHT Board took the difficult decision to exit from providing the care element to Independent Living Services in York and Market Weighton, while retaining the landlord responsibility. This

process took over four months and saw us work closely with residents, families, staff and commissioners to affect a well-structured and orderly transfer to new specialist providers.



THE EXTERNAL ENVIRONMENT

The external environment has impacted the organisation in several areas. The table below summarises the specific issues and JRHT's response.

	Specific issue	JRHT response
Government policy developments	The Fire Safety Act 2021 was made law on 29 April 2021.	<p>Completion of the JRHT Fire Safety Strategy (2021 to 2024). The Headline Strategic Aims of the Strategy are:</p> <ul style="list-style-type: none"> • Asset Management - Increased visibility of our fire safety assets allowing us to maintain compliance and plan for the long-term through the use of a digital 'golden thread'. • Knowledgeable workforce - Increased competency within our organisation at all levels in order to more effectively manage risk and better inform the decision-making processes around fire safety. • Built-in Protection - Continued improvement and upgrading of standards of Passive Fire Resistance in our existing property stock. • Approved design - Development of an agreed minimum fire safety standard for our new build properties or acquisitions in order to protect our future residents.
	Social Housing White Paper.	A continued commitment to place-based resident led groups and activities, with the agreement by the Board to a JRHT Resident Assembly bringing together people from all our communities to influence the decisions and direction of the organisation.
	Housing Ombudsman new complaint handling code (Implemented from 1 Jan 2021).	<p>A renewed focus on our complaints and complements processes including:</p> <ul style="list-style-type: none"> • Improved tracking of our commitments made, and lessons learned. • Specific review of complaints made in relation to damp and mould. • Increased oversight for Group CEO, JRHT Board and Residents.
	Longer term requirements and targets to deliver zero carbon homes.	Work has been ongoing to understand the implications of net zero carbon requirements on JRHT and our housing stock. Data is being gathered to ensure we have accurate and robust baseline information to inform future decisions on how we meet the 2030 EPC C target and 2050 net zero target. See additional note below.
The UK exit from the European Union	The impact on supply lines for areas such as labour, raw materials and food.	JRHT have monitored this situation closely, always working with suppliers to review our arrangements and minimise the impact on our services.

RETROFIT AND DECARBONISATION

The decarbonisation of housing stock has come to the forefront of the national agenda in recent years, with particular focus generated following COP 26 in Glasgow. The government has set a national objective of reaching net zero carbon by 2050. Alongside this, through the government's 'Clean Growth Strategy' a far shorter-term target has been set for housing associations to ensure all rented stock meets EPC C rating by 2030. Both targets will require significant financial investment from housing associations to ensure housing stock is fit for purpose and meets regulatory requirements.

Over recent months we have been working hard to understand the implications of net zero carbon on JRHT and our housing stock. We have some specific (but not unique) challenges relating to some of our properties in New Earswick due to their listed status and location within the Conservation Area, which will make some energy efficiency measures difficult to implement.

We also lack a clear baseline of data relating to the energy performance of our housing stock. This means in the past it has been difficult for us to make informed strategic decisions about how and when to invest in our stock to ensure they meet the 2030 standards.

Having identified the gap in our understanding we have appointed 'Parity Projects', a software and advisory consultant, to assist us in ensuring we have a robust and accurate baseline of information relating to our housing stock. We have recently been gathering various sources of data for Parity to input into their system. This software will give us the means to understand the performance of every single property we own and what measures are needed to ensure our stock meets the 2030 EPC C target (along with the likely costs of doing so). In addition to this, it will give us the opportunity to assess options for how we can work towards the 2050 net zero target.

A closer look at JRHT's response to Covid-19

External environment area	JRHT response in 2021
Ongoing risk of serious disruption to services from the Covid-19 pandemic.	Ongoing risk assessments and approvals for the restart of services were promptly processed in line with the various stages of the Government's roadmap.
Mandatory Covid-19 Vaccination Legislation applied to Adult Social Care.	Staff engagement campaign in care settings to promote uptake of the vaccines.
Impact on JRHT staff health, wellbeing, and resilience.	The Staff Outreach support programme has continued, and a resilience support programme has been rolled out in care services. We also continue to offer an Employee Assistance Programme for all staff.
Increased infection control practices in care.	Coordination of Personal Protective Equipment (PPE) for both sourcing and distribution. Risk assessment, advice and guidance on infection control practices.
Labour shortages and emerging issues around supply chains for our care, catering, modernisation and development programmes.	Application of short-term recruitment incentives and market supplements. Improvement to recruitment systems, data capture and analysis.
Increased vacancy rates in care and extra care services and potential for long-term effects.	There has been an increase in the marketing activity for all services, signage has been updated.
CQC inspection process - limited inspections last year and impact for our services that still are rated as Requires Improvement which isn't reflective of services.	Continued focus on improvements on service quality and operational effectiveness. Strengthening of the JRHT Board in respect of Care expertise, including the appointment of a Deputy Director of Care. Focussed audit work on Safeguarding practices continues following a successful audit by PwC. Successful CQC inspection at New Lodge, which resulted in a 'Good' rating which is fantastic achievement for the New Lodge team.

HOW OUR ACTIVITIES DELIVER PUBLIC BENEFIT

JRHT's objectives and activities are all intended to provide a public benefit. This is achieved through services such as:

- provision of affordable housing, care, and support; and
- collaboration with JRF to progress shared outcomes of everyone having a decent home in a good place, and everyone having a good standard of living and prospects.

Board Members have had due regard to guidance on public benefit produced by the Charity Commission. They are of the opinion that undertaking these activities fully meets the requirements of section 17 of the Charities Act 2011 to deliver public benefit.



Our commitment to anti-racism

In April 2021, JRHT issued a public statement, alongside JRF, which highlighted our commitment to becoming an anti-racist organisation.

An 'anti-racist organisation' can broadly be defined as one which thinks hard about everything it does (who it employs, how it spends its money, the work it undertakes, who it works with) and asks whether it is doing those things in ways that reinforce, or challenge, racial injustices. As such, we're trying to think about all the different ways in which JRHT might be influencing racial justice / injustice, and challenge ourselves to think more deeply about how we might do things differently.

Over the last year we have built a broad plan which covers many different elements of our work across the JRF-JRHT Group. Every line of the plan has a lead member of the Executive, and in each area we have different staff involved, helping to shape the work, as well as often bringing in expert voices. Every month, the JRF-JRHT Group Executive meets to work through the different lines of the plan, challenging ourselves on the progress we are making.

JRHT has made good strides in our mission to become an anti-racist organisation over the past year and we have been exploring how we can work with other housing associations and care providers as part of a coalition for positive change in the sector and in the communities we serve. During 2021 we have:

- Conducted a tenant census survey to help us deepen our understanding of our tenant population and we are using this information to inform/shape the services we offer.
- With support from JRF, taken the lead on gathering baseline EDI data from housing associations in the Yorkshire and Humber region, as well as developing recommendations for sector improvement.
- Begun work to embed Equality Impact Assessment Tools in all relevant elements of our work, which will help us challenge how we build and develop our services and ensure they are more inclusive.

Achievements and performance

INTRODUCTION AND OVERVIEW OF 2021

The year was again affected by the global pandemic. This meant that day-to-day services were often influenced by a rolling response to increases in infections, outbreaks, restrictions, and mandatory testing and vaccination in care services. Despite this, JRHT has made progress in a number of areas against our key areas of activity in housing, care, and development, and against our target outcomes which are:

- **More people can improve their prospects**
- **More people are independent and well**
- **More people are shaping our communities**

Recognising the pandemic-related challenges, JRF provided an exceptional grant of £1.2m to JRHT during the year. This was primarily to offset the continuing challenges of lower income and increased costs across JRHT's care settings.

HIGHLIGHTS OF ACHIEVEMENTS IN 2021 FROM ACROSS JRHT LINKING INTO OUR STATED OUTCOMES

JRHT's work is aligned to the organisation's outcomes and the summary below highlights just some of the contributions that have been made to progressing these.



MORE PEOPLE ARE INDEPENDENT AND WELL

The **Folk Hall**, which is a social hub in the heart of New Earswick and includes a Post Office, café, library, and function/meeting rooms, remained open throughout 2021, providing essential services and a welcoming social space for local residents. Rigorous attention to Covid safety measures ensured staff and customers felt safe and supported, giving people confidence while they were out and about. The Post Office enabled people to access essential services – topping up gas and electricity meters, paying rent, bills and accessing benefits over the counter.

The opening hours and the warm and friendly welcome offered by Folk Hall staff provided a consistent place for people to go when in need of some social contact and a chat, or use of the facilities whilst out exercising. This approach has led to a sustained increase in customer numbers at the Folk Hall Post Office and increased footfall in the café, Explore library and other services.

At each stage of restrictions, the Folk Hall adapted, initially offering hot drinks via the 'Takeaway Window' and later re-opening spaces enabling community groups such as X Martial arts, Over 50s Keep Fit, Storytime, Yoga, Art for Wellbeing, NELLI (New Earswick Less Loneliness Initiative), and Seated Pilates to meet in-person. The numbers of people attending these groups demonstrated how keen people were for in-person activities, and all of which support positive mental health and physical wellbeing.

The Folk Hall was also delighted to once again host family celebrations such as weddings, big birthday parties, dance competitions and regular community film nights.

The year ended on a high with a family visit from Santa at the Folk Hall Family Christmas Event.

The **Homestead Park** Team worked in conjunction with Blueberry Academy to provide opportunities for those with learning difficulties and disabilities to learn new skills and access employment. Training opportunities were created to learn new horticulture skills and assist with the Homestead Park Plant Shop. Volunteers and interns have also worked with the Landscaping Team in New Earswick to learn new skills.

New Earswick Catering, which is a joint service of Folk Hall and New Lodge Catering, makes effective use of the Folk Hall kitchen, providing a value-for-money option in that it is able to deliver a multi-faceted food offer for New Lodge Care Home, the Folk Hall Café, and the many events such as weddings and parties which are held there.

It's not just about the food, it's about bringing people together at mealtimes for a lovely, shared experience and so alongside the daily menu, all JRHT catering sites have a plan of theme days, events and activities with food that supports the activity co-ordinator and contributes to the inclusion and well-being of residents.

The Folk Hall kitchen team is of a very high calibre, with our Chefs previously working in boutique and Michelin star restaurants; they have a wonderful work ethic and set high standards. The Head Chef, Paul Murray, won the title of Regional Care Chef of The Year in the National Care Catering Awards in 2021.



This Chinese New Year, Rowntree Lodge went all out with plenty of activities for the residents to get involved in. Activities included lantern making, hat making and themed food tasting!



MORE PEOPLE ARE SHAPING OUR COMMUNITIES

In the last year JRHT has improved its consultation and engagement within our developments (Derwenthorpe and The Orchard Sites). This has helped to ensure we are encouraging greater/broader participation in our consultation events to allow more people to help shape JRHT's work in relation to ongoing work in Derwenthorpe, around improvements to the central area and wider landscape strategy, and the proposed housing sites in New Earswick. Consultation events were held for two sites in New Earswick (Orchard sites) during Autumn 2021. We were fortunate to be able to offer in-person events as well as an online provision of information. Following feedback from residents, staff and other stakeholders we are now producing a 'you said we did' document to highlight the impact that our stakeholders can have on our development plans.

In 2021 we delivered several key pieces of work, designed to help us understand our residents better and to provide them with an opportunity to tell us what is important to them. The **Residents' Census**, provided up-to-date information about resident demographics and preferences, such as household mix and whether or not they had access to the internet. The **Residents' Satisfaction Survey** provided further insights into the areas in which residents wish us to focus improvements. Finally, the **Housing Discovery** element of the Housing System replacement project, provided a platform to engage with residents on their views around how they wish to access services in future.

All of these pieces of work used a mixture of methods, with initial data gathered through surveys followed by qualitative focus group discussions. They have created a wealth of evidence to support key strands of work, helping us to transform services and identify opportunities to increase diversity and inclusion.

During the pandemic, a group of **resident volunteers** have facilitated the coffee morning at Hartfields every Thursday. The intermittent closure of services was a really difficult time for both staff and residents but the resident volunteers have worked with the Management Team throughout and have been involved at every level of reopening – as a takeaway in early 2020 when government guidelines allowed, moving to an outdoor coffee morning, before finally being able to move back indoors!

All of these stages have had robust risk assessments running alongside which the volunteers have adapted to and still delivered for the benefit and wellbeing of their fellow residents. It has been a significantly challenging time given the number of local lockdowns and outbreak statuses we may have been in, but they have continued to work with us and provide this service safely to ensure residents had this to look forward to.



MORE PEOPLE CAN IMPROVE THEIR PROSPECTS

Through the construction phase of **New Lodge**, a large number of people were able to benefit from opportunities created by the scheme, a total of **12 apprenticeships** were completed throughout the development. Alongside this, over 50 placements for young people were generated with a focus on those not in education, employment, or training (NEETs) through the Building Futures Programme.

Hartfield's Extra Care scheme in Hartlepool is integrated into the broader Hartlepool community and is very active in **supporting people into training and work opportunities**.

The team are currently working with four (non-residents) as part of the national "permitted earners scheme". This scheme helps people who might be furthest from the jobs market to learn skills and gain confidence in paid supported work, whilst still being able to claim their allowed benefits. The team members at Hartfields, who are part of the permitted earnings scheme, mainly carry out general assistant duties. In 2021, they were an invaluable part of the cleaning and domestic team, ensuring that a Covid-safe environment was maintained for residents and staff.

The **Money and Benefit Advice (MBA)** Team offers a support and advice service to JRHT residents. In Summer 2021 a JRHT resident in arrears with her rent contacted the service for help. She was retired, in receipt of benefits, and previously eligible to have her rent covered in full by Housing Benefit. She was unsure how the arrears happened and had become distressed due to the outstanding debt and risk to her tenancy. After consulting the resident's paperwork and liaising with the local authority, it transpired that her former partner's income was being taken into account for benefit purposes, reducing the amount of Housing Benefit (and Council Tax Support) that she would otherwise be entitled to. Contact was later made with the DWP, who ultimately rectified the discrepancies with the resident's income figures. This allowed for her benefit claims to be reassessed correctly, with full backdates being awarded, bringing the resident's rent (and council tax) account back up to date. Whilst the MBA team provided ongoing support to the resident over the course of several months, a £200 Household Support Fund grant from the local authority was also applied for and obtained on her behalf, to help towards rising energy costs.



MORE PEOPLE LIVE IN A DECENT AFFORDABLE HOME

In November 2021, after four years of construction, the final phase of New Lodge was handed over to JRHT and now consists of a 45-Suite Residential Care Home and 105 Extra Care living apartments for Social Rent and Shared Ownership. The scheme is allowing more residents to remain independent for longer and the development, as a whole, is Stirling accredited - a standard created by the University of Stirling that ensures the development design includes the vital components for people living with Dementia to be able to live as independently as possible. It is also helping to reduce isolation and loneliness by acting as a centre for the community in conjunction with other community facilities such as the Folk Hall. By providing a mixed tenure development (Social Rent and Shared Ownership) we are promoting a sustainable community.

New Lodge offers a range of person-centred care in both Residential Care and Extra Care and in 2021 was rated by the CQC as 'Good'.



Residents' vegi-pod growing a range of edibles for New Lodge residents.

If a resident becomes unable to live independently through medical reasons or their personal choice, New Lodge offers the option to transition from Extra Care to Residential Care which means they will still live within the same environment and interact with the same staffing teams. New Lodge also offers mixed occupations for residents who wish to remain close to each other but due to health issues are not able to live together in a property – in this instance one resident can live in Extra Care and one in Residential care.

New Lodge is now a thriving and happy community. Our teams ensure that residents can be part of and enjoy a range of activities and events to ensure they have a full and active life, ranging from themed food events, home baking sales, live entertainment to a variety of resident-led groups such as our gardening club whose hard work ensures New Lodge entrances are an array of flora for both residents and visitors.

JRHT is committed to ensuring that all of our residents can live in a decent affordable home that meets their needs. As part of this commitment, we offer practical support to disabled residents through our minor adaptation service and also in some cases carry out more complex adaptations. The minor adaptations service provides funds for smaller adaptations up to the value of £1,500. These include works such as the installation of grab handles by entrance doors, baths or toilets, grab rails and second banister rails to stairs, installation of small ramps to entrance doors and installation of over-bath showers.

For more extensive adaptations, JRHT supports residents to apply to their local authority for a Disabled Facilities Grant. The need for the adaptation is assessed by the local authority's occupational therapist who makes recommendations for the work needed. The work is usually arranged by the local authority after JRHT has reviewed the proposals. Occasionally, we receive a grant payment from the local authority to carry out the work ourselves.

Examples of major adaptations include converting a bathroom to a level access shower, creating a new downstairs bathroom or toilet, installing hoists, stairlifts and other specialised equipment

JRHT recently worked with the local council to provide home adaptations to a family with a son with significant physical and learning difficulties. The home was completely transformed, with the layout redesigned, allowing easy wheelchair use, a wet-floor bathroom adjacent to the son's bedroom, an open plan family kitchen and living areas, and ramped access to the external doors to allow ready access to the property's garden. This really highlights the importance of working together to achieve positive outcomes.

Customer feedback: complaints and compliments

Feedback, whether good or bad, is one of the most important tools for JRHT in understanding where our services are performing well, and when we may need to make changes to make them even better.

During 2021, we made improvements to the way we log and track the commitments made to our tenants following receipt of feedback, to ensure that we are following up on any commitments made. We have also worked to improve oversight for the JRHT Board and Group CEO, as well as sharing our performance in this area with residents.

COMPLAINTS SUMMARY FOR 2021

Department	Opened	Closed	Escalated to stage 2	Housing Ombudsman
Housing and Community Services	74	74	13	0
Care	8	8	0	0
Development and Asset Management	13	13	3	0
TOTAL	95	95	16	0

Target response times for complaints are as follows:

Stage 1 target: 10 working days – our average for 2021 was 9.

Stage 2 target: 15 working days – our average for 2021 was 15.

The below table outlines average response times at stage 1 and 2 complaints in 2021.

Department	Stage 1		Stage 2	
	Average days	% on time	Average days	% on time
Housing and Community Services	7	100%	15	100%
Care	7	100%	N/A	N/A
Development and Asset Management	7	90%	12	67%
TOTAL	7	97%	9	56%

Of the 79 complaints which were opened and closed at stage 1 of our complaints process, there were only 7 which were not closed within target response times. Of the 16 complaints which were escalated to stage 2 of our complaints process, there were 6 which were not closed within the target response time of 15 days. This was mainly due to the complex nature of the complaints and the time taken to thoroughly investigate the circumstances involved. Where this occurred, complainants were given regular progress updates, offered face-to-face meetings (where appropriate), and were kept informed of when a formal response would be provided.

COMPLIMENTS SUMMARY

Service area	Housing	Care	DAM	Total
Number of compliments received in 2021	40	170	5	215



Key performance for each area

TENANT AND RESIDENT SATISFACTION

In early 2021, JRHT undertook a Tenant and Resident Satisfaction (STAR Survey).

The survey was carried out between March and April 2021 and was the first comprehensive survey of tenants and residents of its type by JRHT in three years; the delay being due to the pandemic. Disappointingly, only 20% of residents responded to the survey.

The 2021 result showed that, in general, satisfaction levels for JRHT services seem to have dropped when compared to the previous survey – **71% satisfaction overall, compared to 80% in 2018**. However, it is important to recognise that this research was undertaken during a period of Covid-19 related lockdown and after 12 months of significant disruption to JRHT services.

The table below provides a sample of some of the areas tested through the survey and the proportion of residents who indicated they were satisfied (the remaining respondents selected either dissatisfied or neither).

Area	Rented	Leasehold	Combined
Satisfied with the quality of their home	72%	75%	73%
Satisfied with repairs	79%	77%	78%
Satisfied with their neighbourhood	84%	85%	84%
Satisfied with value for money of rent	77%	57%	70%
Satisfied with customer enquiries	75%	63%	70%
Satisfied with the way problems or complaints are dealt with	53%	48%	51%
Satisfaction overall	73%	69%	71%

We followed up the findings of the satisfaction survey with some resident focus groups. The key themes were:

- Consistency in dealing with customer enquiries
- Communication in respect of service delivery
- Listening and Acting – delivering service quality through action

We are addressing these key themes by:

1. improving our systems for tracking enquiries,
2. extending the arrangements we have for keeping residents informed about ongoing work and our future plans, and
3. identifying lessons learned from complaints and other feedback.

In 2022, we will review our approach to monitoring resident satisfaction, with an intention to move to a model which enables a greater number and more regular opportunities to understand how residents feel about our services and what we can do to improve them. More detail will be outlined in the 2022 report.

As described earlier in the report, to understand more about our residents, we also undertook a **Residents' Census** at the beginning of 2021. We used guidance from the Government Statistical Service to develop a list of questions. In total, the questionnaire designed covered eleven main themes:

THEMES	Contact details	Communication preferences	Gender	Ethnicity	Disability
Sexual orientation	Religion or belief	Household composition	Marital/ Partnership status	Employment	Digital access

We contacted 2,778 of our residents and obtained a 30% response rate.

The updated information told us the following about our residents:

- **Tenure** - the majority of JRHT residents rent their home (68.5%), with a smaller proportion (31.5%) as leaseholders.
- **Age** – a large proportion of JRHT residents are over 65 years old (44.6%), with very few residents under 25 years as the named person on the tenancy (1%).
- **Gender / Sexual Orientation** – The majority of JRHT residents are female (63.9%). With a small number of residents identifying as LGBT+ (2.3%), much lower than the national estimate and about half of what would be expected when compared to York as a whole.
- **Disability** – Almost half of residents indicated they have a disability (49.3%), with mobility issues, physical impairments, and hearing difficulties the most prevalent.
- **Ethnicity / Religion** – less than 2% of residents identified as Black and Minority Ethnic (BAME), compared to, as example, ~6% of people in York and ~2.5% in Hartlepool. Most residents identify as Christian (64.9%), with a small number of households identifying as another religion.
- **Household Type** – the updated data showed a mix of housing types, including single people, couples, one-parent families and two-parent families.
- **Employment Status** – The majority of our residents are retired (51.8%), with only a small proportion identifying as unemployed (2.4%).
- **Access to the Internet** – Whilst most JRHT residents are able to access the internet, a significant proportion (17.8%) have no device to do so. The Census

showed a strong preference towards using a Smartphone (80.7% of respondents) when compared to a tablet or computer.

The Census, alongside the existing data in Open Housing, provides JRHT with a clearer picture of its residents. It also poses questions which we are considering:

- As an anti-racist organisation, how can JRHT support more BAME people to access its homes?
- How can JRHT help more younger people secure housing?
- How can JRHT better support the LGBT+ community?
- Is JRHT doing enough to support the large numbers of residents with a disability?
- How does JRHT provide better services for residents who prefer using their smartphone and how does it support the large minority of households who are digitally excluded?

A real benefit of the updated information gathered through the Census will be how it supports the delivery of services, through an improved understanding of individual households' needs and ways to contact them.

BUILDING SAFETY COMPLIANCE

The beginning of 2021 saw Covid cases rising rapidly and, as a result, the imposition of what turned out to be the first of another series of Lockdowns for the year. Once again, we reassessed the risks to both our residents and staff from the high local case numbers and took the decision, when appropriate, to suspend responsive repairs but to maintain our focus on our statutory compliance.

The table below summarises the position at the start and end of 2021 in respect of building safety compliance.

	Fire Risk Assessment Programme	Legionella Management Programme	Electrical Installation Condition Reports (EICR) Programme	Landlords Gas Safety Record (LGSR) Programme	Asbestos Survey Programme	Lift Management Programme
% Status January 2021	100	100	99.84	100	99.39	100
% Status December 2021	100	100	99.95	100	99.70	100

The departure of our in-house Fire Risk Assessor saw us, along with many other organisations, face significant difficulties in the recruitment of suitably trained and accredited Fire professionals. The engagement of a Tier 3 external Fire Consultant has enabled us to maintain compliance on our Fire Risk Assessment work and, although slightly behind where we had planned to be, start to see progress on our new 2021 – 2024 Fire Strategy, which was agreed by the Board at the start of the year.

We finished the year with only one property behind on its EICR, due to the vulnerability of the resident and respecting their wish for no access at a time of repeated high local Covid case numbers.

More broadly, the experience gained by our staff, and particularly Customer Services teams, from the previous year stood us in good stead. Despite the difficulties the year brought us, we managed to maintain our compliance levels and ended the year reassured that our residents had been kept safe in their homes, and that we had continued to make progress on some of our more discretionary elements, such as the drive for 100% of properties to have an Asbestos Management Survey, rather than relying on extrapolated desktop data.

HOUSING AND COMMUNITY SERVICES

Housing and Community Services performance focuses on the key operational areas including **rent** collection, delivery of the **repairs** service, **reletting** of empty homes, modernisation or **refurbishment** of existing homes, community engagement and **tenant and resident** empowerment.

Throughout 2021, the ongoing pandemic continued to have an impact on service delivery and related performance. Teams across Housing and Community Services worked hard to adapt the way they worked to ensure that residents with the greatest need were prioritised, and as far as possible, people were provided with a good service. Despite these challenges, by focusing on identified issues, 2021 saw overall improvements in several key performance areas **when compared to 2020**. These include:

- increasing the proportion of rent due collected,
- reducing the total value of current arrears,
- improving the percentage of repairs that are completed at the first visit,
- reducing the average amount of time properties stand empty,
- increasing the number of residents supported through our Money and Benefit Team and the value of the benefits secured.

Indicator	Year end 2019	Year end 2020	Year end 2021	Comments
Rent collected as % of rent due	99.02%	96.85%*	99.29%	Back to pre-pandemic position
Total value of current arrears	£284,000	£365,000	£335,000	Performance against this indicator has fluctuated during 2021 and has not returned to the pre pandemic position, but has improved against the end of 2020 position
Repairs first-time fixes	95.3%	81%	90.5%	Repairs completed at the first visit has returned to target
Standard rented voids average days void	9 days	47 days	17 days	The overall relet time has improved but has fluctuated during 2021 and remains an area for focus
Cumulative annualised benefit gained by the money and benefit advisers	£60,000	£671,000	£774,000	A new Money and Benefits Adviser was appointed in 2020 and a second in early 2021, with significant results achieved in respect of securing benefits due to residents

*differs to Housemark figure below, due to the charges included in the definitions

HOUSEMARK BENCHMARK DATA

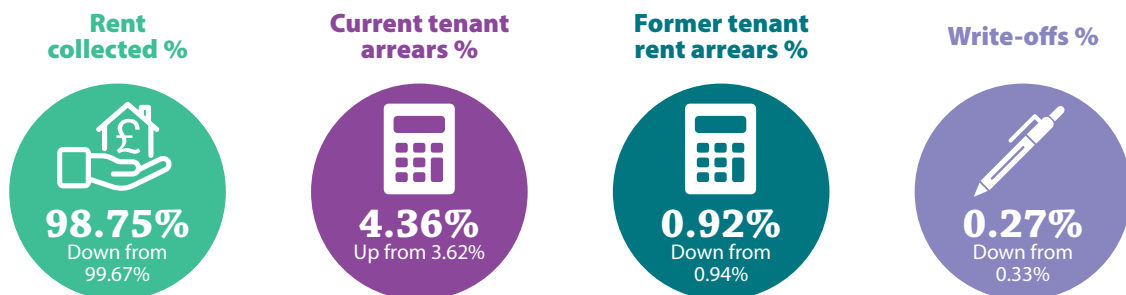
JRHT undertakes benchmarking with other Housing Associations using the HouseMark data sets.

Due to the data collection timescales, the most recent information available is for the financial year 2020/2021, which reflects JRHT's 2020 data. We benchmark against the peer group 'Northern England and Scotland Traditional Housing Associations with between 1000 and 5000 units'.

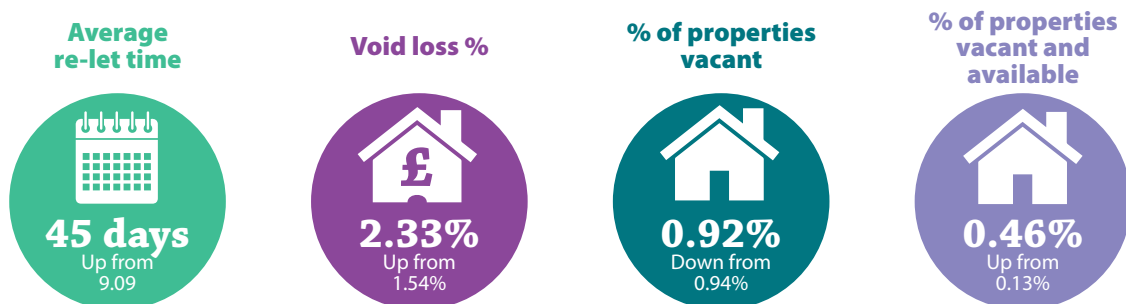
Due to the Coronavirus pandemic, 2020 was an atypical year for performance for most organisations, and JRHT was no exception. The same will be true when we submit the 2021 data for benchmarking.

We have however included the following benchmarked indicators which provide a snapshot of our performance in 2020.

Rent collection saw a drop in 2020 and an increase in arrears, but reductions in former tenant arrears and write-off of bad debts. In response, we have re-aligned our housing officer areas, to provide a more balanced allocation of properties and we recruited a second money and benefits adviser, to enable the provision of additional support to JRHT residents.



Reletting of empty homes was significantly impacted by the pandemic and the period when we weren't allowed to allocate homes. Although rent loss due to empty properties was lower quartile, it is pleasing that our percentage of vacant properties was upper quartile performance and our re-let time, whilst significantly longer than our 2019 performance of nine days was second quartile, reflecting the impact across JRHT and our benchmarking peer group.



Repairs - it is positive to note that the number of responsive repairs we needed to carry out to residents' homes in 2020 were upper quartile and that we are able to reduce the average cost of those repairs, but again, the repair service and performance in 2020 were significantly impacted by the pandemic. There were periods when we operated an emergency repairs service only, and redeployed members of our Building Services team to support colleagues and residents in our Care Services.



CUSTOMER SERVICES AND CONTACT

Despite having to spend much of the year working from home, the JRHT Customer Access Team has continued to provide residents with a single first point of contact for services in 2021. Discussions held with residents throughout the year around service improvement have underlined how critical the service provided by the team is and how much many residents value the opportunity to speak directly with someone from JRHT when they have issues.

These discussions have also highlighted that some residents would also like JRHT to provide more digital ways to engage with the organisation. This is a focus for 2022, with the project to update and replace our housing management system providing a good opportunity to transform our approach to resident access.

The public reception at the Garth has remained closed during 2021, due to our Covid-safe working arrangements. We have, however, encouraged our residents to use our post office in the Folk Hall for routine rent payments.

2022 sees an exciting pilot launch to offer broader housing information from the Folk Hall - creating opportunities for residents visiting the Folk Hall with a housing query to also use the café, library, and the post office.

Customer Access Team performance during 2021 was as follows:

	Q1 2021	Q2 2021	Q3 2021	End 2021
Customer calls answered	90%	91%	89%	93%
Average call answering time (seconds)	29 seconds	21 seconds	22 seconds	22 seconds

RENT COLLECTION AND INCOME MANAGEMENT

Rent collection remains challenging as we continue to move out of the pandemic. Our focus has been on supporting residents across all tenures to sustain their tenancies. Housing Officers have worked proactively with residents to help them maintain their arrears repayment.

The following table gives an overview of arrears for the past five years.

	2017	2018	2019	2020	2021
Number of arrears cases	408	340	325	399	391
% of tenancies in arrears	18	15	14	18	17
Arrears as a % of rent receivable	2.93	2.83	2.65	3.33	3.01

Funding was approved for a second Money and Benefit Adviser (MBA), who was appointed in the spring of 2021. The MBAs work with residents to ensure they can access benefits for which they are entitled. During 2021, the Money and Benefit Team secured an incredible £773,641 in annualised benefits for JRHT residents, and an additional £113,000 in backdated benefits.

REPAIRS AND MAINTENANCE

Compliance – The ongoing focus on areas of compliance reaped dividends despite some residents’ natural reluctance to allow access during the Covid pandemic. Only one home had an expired gas safety certificate, (referred to as a Landlord Gas Safety Record - LGSR) during the year, which was due to access not being allowed during one of the periods of lockdown. This was completed as soon as the residents would allow our gas engineers into their home.

Other compliance highlights include:

- 99.95% of homes had a current Electrical Installation Report.
- All homes requiring one, had a legionella report and all actions identified during the legionella risk assessment were completed.
- All lifts had a “LOLER” (Lifting Operations and Lifting Equipment Regulations 1998) inspection and were serviced correctly.
- 99.7% of homes had a current asbestos survey.
- Lightning protection, roller shutters and roof access safety systems were all fully compliant.

Repairs Service – The repairs service had a challenging year. Service suspensions due to Covid were followed by a significant increase in demand on resumption of services.

Ongoing difficulties in recruiting and retaining operatives reduced Building Services' capacity and required us to outsource more repair work than anticipated, at higher costs than delivering internally, which in turn impacted negatively on the repairs budget.

We also experienced supply chain delays and an increased cost of materials that the building sector in general was faced with.

The final quarter of 2021 proved more stable with upward trends in empirical performance for most indicators, with the exception of the time taken to complete a repair. This performance has been particularly impacted by staffing vacancies in our multi-skilled operatives.

Type of repair	2018	2019	2020 (Following a move to a new IT system (Connect) for repairs coordination)	2021
Responsive repairs completed on time emergency 24 hours (%)	97%	98%	88%	94%
Responsive repairs completed on time: urgent 7 days (%)	94%	96%	71%	89%
Responsive repairs completed on time: routine 31 days (%)	95%	96%	75%	99%
Appointments kept urgent, routine, and gas (%)	92%	97%	82%	89%
First-time fixes - all responsive repair grades (%)	91%	96%	81%	91%
Average time taken to do a repair – all responsive repair grades	7 days	2.75 days	6 days	9.8 days

Improvement programme – The 2021 improvement programme was successfully concluded, with 414 out of 482 elements being replaced. The shortfall was due to the impact of Covid in suspending the early programme and reducing labour resources throughout the year. The modernisation team also completed 499 of the planned 520 stock condition surveys.

The property improvement programme included completion of the following against the planned activity:

Element	2021 programme planned	2021 programme actual completed
Kitchen	55	54
Bathroom	48	49
Windows (no. of properties)	104	100
Listed doors	60	44
Boilers	79	75
Heating system*	47	3
External decoration	89	89
Total elements	482	414
Stock condition surveys	520	499
Asbestos surveys	180	180

*only three of the properties needed full radiator replacement

Given the constraints that the pandemic created, this represents strong delivery against the plan.

We only received relatively low return rates to our feedback surveys, however residents' satisfaction with the improvements to their homes was generally positive:

Kitchens – 92%

Bathrooms – 95%

Listed Doors – 89%

Boilers – 94%

Despite supply chain issues and rising costs for materials, the improvement programme delivered value for money, with significant savings being achieved against some of the estimated costs:

	Budget	Actual spend	Variance/ Savings against budget	Reason
Windows Including Listed	£847,000	£489,863	£357,137	Procurement of a new supplier/installer at competitive rates.
Kitchens	£432,000	£422,783	£9,217	Savings made by Building Services team carrying out a substantial number of installations
Bathrooms	£285,000	£227,956	£57,044	Savings made by Building Services team carrying out a substantial number of installations
Boilers/ heating system	£364,000	£198,971	£165,029	Not as many full systems required as expected

RELETTING EMPTY PROPERTIES

Empty property performance throughout the year was generally good, and an improvement on the 2020 end of year position though not meeting the challenging target of 7 days. Later in 2021, however, we saw a significant increase in the number of terminations of tenancies. This coupled with reduced staff levels across the Housing, Property and Building Services teams led to a backlog of empty properties at the end of 2021, resulting in an average property re-let time of 17 days against a target of 7 days for our standard voids. This is an improvement on our average performance in 2020 which was 47 days.

Year end 2020	Q1 2021	Q2 2021	Q3 2021	Year end 2021
47 days	9 days	14 days	22 days	17 days

The 2021 performance was in part impacted by holding eight homes empty to be available for residents of the Independent Living Service to move into.

In total, 70 general needs properties were empty during 2021. Fifty five were able to be allocated to new residents quickly, but 15 required major repairs, so were empty for longer.

Reduced staff levels and capacity within both our Building Services team and our primary contractor (J Mark) had a similar impact on our major empty property performance re-let time of 80 days, against a target of 40 days. This was partly as a result of one individual empty property, which was converted to provide very specialist accommodation for a refugee family with a severely disabled child.

CARE QUALITY AND COMPLIANCE RATINGS

Due to the ongoing pandemic, CQC adopted a slightly different approach in terms of their inspections, some in person inspections took place, such as New Lodge, and some inspections were carried out in part over the phone. The New Lodge inspection received a 'Good' rating which is excellent given the circumstances. The virtual inspections at Plaxton Court and Bedford Court did not amend the CQC rating of those services, though both services did receive complimentary feedback.

Based on the last inspections from CQC the ratings are as follows:

Service	Rating	Last inspection date
The Oaks	Requires Improvement	September 2019
Bedford Court	Good	August 2019
New Lodge	Good	18 August 2021
Plaxton Court	Good	5 June 2018
Hartfields	Good	May 2017
Lamel Beeches	Requires Improvement	March 2019

The table above was the position at the year-end. During the first half of 2022, The Oaks rating was reassessed by the CQC as 'Good'. With the planned permanent closure of Lamel Beeches during the summer as part of the reconfiguration of our care services, no further CQC inspections of this setting are expected. For the most up-to-date ratings and data please visit www.cqc.org.uk.

During 2021 we provided a fortnightly update to the regulator on our progress within services and on the challenges faced as a result of the ongoing pandemic.

Our internal audit compliance and quality work has continued. The quality and compliance team monitor areas such as training and incident management. During the height of the pandemic, JRHT moved to remote compliance checks. These proved to be an effective form of oversight and we continued to use them as a monitoring tool into 2021 and the early part of 2022.

We have also undertaken in-person compliance visits to ensure the quality we offer to our residents is high and that the people we support are happy and well cared for. If areas of improvement are identified during a visit, an improvement plan is implemented with the service and monitored by the compliance team in conjunction with the relevant head of service and registered manager.



PROGRESS AGAINST THE CQC KEY LINES OF ENQUIRY

When the CQC inspect Care services, they use a number of 'key lines of enquiry' to ensure that they are consistent and that they focus on the things that matter most to people. The below table highlights our performance and achievements against the CQC key lines of enquiry over the last year.

CQC Key Line of Enquiry	Performance and achievements in 2021
Response to the Covid pandemic	<p>Again, this year our main focus has been on keeping our residents, staff and families safe. We have seen numerous challenges, but the lessons learnt in 2020 and 2021 have helped the Care team to manage them. There was no need for wide-scale redeployment in 2021, but a call for volunteers in the services helped relieve the pressure in some areas. We also utilised our staff outreach teams in services that needed more support.</p> <p>Incident response meetings ensured we were able to act quickly to further protect the services, and increased communication with the CQC on the status of the services further strengthened that relationship.</p> <p>Relatively speaking, case numbers remained low and, more importantly, so did deaths related to Covid-19, all due to the commitment of the entire Care team in keeping residents, their families, and staff safe.</p>
Safe	<p>In 2021, we continued our focus on ensuring we safeguard the residents we support. PwC completed a safeguarding audit in 2021 and this demonstrated the improvements we have made over the last two years. We have started to look at how we can engage the people we support to understand safeguarding concerns and to give us feedback via a range of options. We are planning to roll out QR codes as an opportunity for 'live' feedback.</p> <p>Our clinical lead has supported our 24-hour care homes with the successful roll out of Electronic Medicines Administration Records (EMAR).</p> <p>We have worked closely with our Head of Health and Safety to enable us to keep up-to-date with changes in guidance regarding the pandemic to ensure our residents and staff are safe.</p>
Effective	<p>Our catering team have continued to deliver a range of nutritious meals for the people we support. For those who require a modified diet we now have a specialist company delivering the meals - our residents have told us how much they have enjoyed these.</p> <p>We continue to offer a high-quality training programme for our staff and, along with online training, staff have had the opportunity to attend face-to-face training where it has been safe to do so.</p> <p>At our nursing homes we have had two staff members working towards becoming nurse associates through the University of Hull and 2022 should see them qualify and strengthen our workforce.</p>

Caring	<p>All of our services have a Good rating in the caring domain and we pride ourselves on our offer of high-quality care which places the people we support at the centre of all we do. Throughout 2021, whilst some of society moved on from the pandemic, within our care services we have very much continued to feel the restrictions in place and we understand the impact this has had on our residents and staff team. In March 2021 all services took part in the National Day of Reflection which was an opportunity to remember our residents who had died and celebrate their lives. This was even more important as we were not able to attend funerals and pay our respects in the usual way.</p>
Responsive	<p>In 2021 we ran a quality survey for our residential and nursing care services. Feedback from this was positive. Activities have always played an important part in maintaining residents' wellbeing across our care homes and extra care services and 2021 has been no different.</p>
Well Led	<p>Our compliance officer has undertaken remote checks and we have been back in services supporting ongoing improvement. All of our services have a stable leadership team in place. In order to keep in touch with residents and their families we have been providing a fortnightly newsletter. Our Board Care Subcommittee continues to provide oversight of the services for the Board. In 2021 this has focussed on service quality, safety, operational effectiveness and resident experience.</p>
Sustainability	<p>In 2021, Care Services continued to be impacted by the pandemic and this made new admissions into our care homes more difficult. However, we will continue to monitor vacancies within our care homes across 2022. At New Lodge, the rest of the development opened meaning we have had more people move in and the care hours delivered are increasing. JRHT Board decided to transfer the care provided to our Independent Living Services residents to a more specialist learning disability provider. Whilst this was driven by ensuring high quality support, another outcome has been to remove the financial risk associated with JRHT running the service. In 2022 we will continue to review the financial sustainability of all of our care services.</p>

Case studies

1. NATIONAL DAY OF REFLECTION

On the 23 March 2021, JRF/JRHT joined in the National Day of Reflection to mark the lockdown anniversary. One year on from the start of the first lockdown on 23 March 2020, as the first phase of the coronavirus pandemic hit the UK.

On this anniversary we paid tribute to our keyworkers and everyone across our organisation, who pulled together to support our residents, our work, and each other through the pandemic.

Paul Kissack, Group Chief Executive wrote to all staff; "It's been an unbelievably challenging and difficult year for so many, and we are incredibly proud of every single one of you, for the part that you have played." And leadership teams from across the group, along with some of our Trustees and Board Members, created a special Thank You film with messages to staff.

In our services there was a variety of events that took place; at New Lodge, they started the day with a prayer written by a resident.

Many residents, family members, friends, and staff at Hartrigg Oaks, shared memories and thoughts of those who have died over the last year, and the team created this memory board of images and thoughts.



At Plaxton Court our residents and staff joined in the National Day of Reflection. They decided to print and name a daffodil for each of the residents and join them all together in the hope that one day we can all join together with all our families and friends.



Care staff and volunteers who had supported the services during the height of the pandemic also received a certificate of thanks and a badge as a small token of appreciation for the care and support given to residents, residents' families and each other during a very difficult time.

2. NEW LODGE INSPECTION

Following a Care Quality Commission inspection at New Lodge in August 2021, we were pleased to announce that we received a 'good' rating. The service received a 'good' rating in all of the 5 CQC Key Lines of Enquiry: safe, caring, effective, responsive to people's needs and well-led.

This is the first CQC inspection that has taken place at New Lodge since it opened in October 2019. The CQC routinely inspects all new services but has only been carrying out limited inspections due to the coronavirus pandemic, therefore delaying this inspection of New Lodge.

As an organisation we were delighted with the outcome of this inspection, which can be attributed to the hard work and dedication of Lucy Atkinson, New Lodge Registered Manager, and her team.

The staff were praised for their kind and caring approach with residents. They have developed positive relationships with residents through meaningful conversations and spending time with them to find out their diverse needs.

As a permanent reminder, we are proud to share that we've installed a vibrant reminder of our CQC 'good' rating for visitors, staff, residents and families to see at New Lodge. The lift doors in the vestibule have been decorated with something colourful that attracts attention and publicly celebrates this fantastic accomplishment.

Well done to everyone at New Lodge for living our values every day – you should be very proud of yourselves. The rating demonstrates how well you work together as a team and the graphic is a permanent reminder of that.



3. DEMENTIA BUS

Over 1 million people live with dementia in the UK, which includes some residents living within our care communities. It is important that colleagues working within our services are well equipped to support all residents.

During Dementia Action week 2021, the 'Virtual Dementia Bus' visited our residential care communities and delivered experiential dementia training to colleagues.

The Virtual Dementia Tour (VDT) is medically and scientifically proven to be the closest we can get to giving a person with a healthy brain an experience of what living with Dementia may be like. Invented 20 years ago in America by PK Beville, the VDT aims to give people the ability to understand dementia by walking in the shoes of a person living with dementia.

Colleagues entered the bus and were provided with various pieces of equipment to wear, such as headsets, glasses, and gloves to experience a lack of, or overload to the senses. This equipment and the surroundings enabled colleagues to be transported into the sensory experience of living with dementia. They then attended a debrief session to process and share their experience.

Colleagues were fully engaged with this training, giving them a better understanding of people living with dementia and therefore able to provide the correct level of support.

DEVELOPMENT AND ASSET MANAGEMENT

Area of activity	Performance and achievements in 2021
Governance	During 2021, JRHT further consolidated its governance arrangements through the Development Subcommittee (DSC). This included a review of: the Development Strategy (that broadened our geographical reach and allowed for the addition of apartments in specific circumstances), development financial parameters, scheme appraisals and decisions on scheme expenditure and progression through the planning system. The committee plays a crucial role in implementing JRHT's Development Strategy.
Engagement	2021 saw increased diversification of our engagement relating to our development work. The internal Development Programme Board has strengthened its function, we have created stronger and broader relations with our strategic partners such as City of York Council and Homes England, and refreshed our community consultation techniques including using online meetings. This was demonstrated through a significantly increased presence and engagement at Derwenthorpe and on the Orchard sites planning consultations.
Pipeline	JRHT continue to be active in developing a pipeline of land and sites that are needed to enable us to achieve the delivery of 1,000 affordable units in the next nine years. During 2021 the development team continued to monitor the progress of schemes via our pipeline tracker to achieve the 1,000 homes target. Some significant additions have progressed onto the tracker during the year. As at the end of December 2021, the pipeline tracker was showing 218 units identified as gold (highest priority), 79 as silver and 539 as bronze.
Construction	On site construction at New Lodge continued in 2021 through to a final completion of the scheme in the first week in November. In what was a difficult year hampered by material shortages, significant inflation and staff shortages linked to Covid, the successful completion of the scheme is a significant achievement for the Development and Asset Management Team and JRHT as a whole.
Sales	A total of £1.11 million property sales surplus was generated in 2021. The main contributors to this surplus were non-core property disposals and shared ownership staircasings totaling £722,000 together with first tranche new build sales at New Lodge totaling £389,000.

Value for money

VFM APPROACH

We believe that value for money (VfM) is about making our people, money and properties work as well as possible for our residents. Value for money is at the heart of everything we do and is a key area of commitment from the JRHT Board as well as a fundamental area that the regulator of social housing is concerned with.

Our approach to VfM is based on the three E's:

- **Economy** – careful use of resources to save expense, time or effort.
- **Efficiency** – delivering the required level of service for lower cost, less time or less effort.
- **Effectiveness** – delivering a better service or getting a better return for the same amount of expense, time or effort.

Strategic direction and leadership on VfM is provided by our Board through its involvement in approving and monitoring the delivery of the business plan and financial performance.

Throughout 2021, we had a colleague-led Value for Money Group responsible for promoting VfM across

both JRHT and JRF. In 2022, this group is being replaced by specific groups for each entity. For JRHT, this will be led by the Executive Director.

Alongside internal measures, tenants and residents play a key role in continuing to monitor costs and performance, providing clear insight into the VfM from a resident perspective.

Two-way communication with residents in relation to VfM is vital and the most recent STAR survey of our tenants (2021) showed 77% of renting residents think their rent is value for money.

Our internal VfM framework

Our internal framework has four component parts:

- VfM activities – the specific projects and activities that are delivering VfM.
- Leadership and culture – setting the tone and leading by example.
- VfM tools – to support colleagues in thinking about VfM.
- Measurement and reporting – ensuring we capture evidence of our VfM work.

VFM IMPROVEMENTS IN 2021

At the start of 2021, a number of actions were proposed to continue to improve VfM. A summary of the more significant actions is set out below.

Care strategy

As the VfM metrics below show, the financial performance of our care

services continues to be challenging. Key to determining how to address this was a significant piece of work in 2021 to evaluate key elements of our care services. In response to this JRHT started a process towards the end of 2021 of transferring the care provided to our Independent Living

Services residents to a more specialist learning disability provider. Although driven by ensuring high-quality support continues to be provided to residents, the decision will also make a valuable contribution to improving financial sustainability. The Board also made the decision to close Lamel Beeches residential care home, and this was communicated to residents, their families and colleagues in early 2022. This setting had not been fully occupied for a number of years and was in need of significant investment. Indications are that most residents will move to another JRHT setting. This decision will also contribute to JRHT's longer-term financial sustainability.

New systems

Over the next two years, JRHT plans to replace its core housing, asset management and finance systems. This will allow us to modernise many of our core processes as well as improve the experience for residents. Importantly, this offers significant opportunities to improve residents access to our services – for example reporting repairs and viewing rent statements. A comprehensive exercise was completed in 2021 to gather requirements which included discussions with residents. An open procurement process to identify a potential new systems supplier commenced during the first quarter of 2022.

Central Services

The Central Services team including IT, Human Resources (People team) and Finance provide services to both JRF and JRHT. 2021 saw the completion of a desktop exercise to review activities and costs of the Central Services team which included some external benchmarking. This was the pre-cursor to a decision that a more fundamental review was needed based on consensus by all JRF Trustees, JRHT Board members and Executive teams that JRF and JRHT need quite different types and levels of support. The next phase of the review will ensure distinct approaches are developed for JRF and JRHT to ensure services provided are effective, efficient and economical.

Development programme

The Development programme which is targeting 1,000 new homes over 10 years continues to progress. The increased income from rents will improve JRHT's financial strength so the programme is core to its long-term financial sustainability.

Data and business insight

Investment continues to be made into improved data and business insight. In 2021, we continued to develop our PowerBI capabilities and our analysis of the financial performance of each business stream. The latter was fundamental to the care strategy decisions described above.

VFM IMPROVEMENT PLANS FOR 2022

For 2022, Vfm initiatives include:

- Continuing our care strategy review. This includes understanding the opportunities to further improve financial resilience in a post-pandemic environment.
- Our systems work will continue and it is expected that a supplier will be

selected during the third quarter with the implementation phase likely to commence before the end of 2022.

- We will have a specific focus on monitoring and understanding the impacts of inflation in key cost areas - repairs and maintenance, building costs, energy, fuel and pay. Planning

will be undertaken for a variety of scenarios to ensure mitigating actions can be put in place. This piece of work will also include the expectation that interest rates will continue to rise.

- Building on work undertaken in 2021, we continue to explore how the Central Services team can add value by:
 - tailoring its activities to the specific needs of JRHT;
 - increasing transparency of activities and costs; and
 - co-designing continuous improvement programmes.
- Subject to planning approval we will appoint contractors to start the development work on a number of new build schemes, the primary one being Willow Bank.
- We will create a new JRHT-specific VfM working group led by the Executive Director.

Operational metrics

Financial performance always needs to be considered against operational metrics – for example, good financial performance is not VfM if our services do not meet the expectations of our residents, colleagues and other stakeholders.

Our ability to provide effective customer service, quickly relet void properties and maintain low levels of arrears helps to have positive and broad impacts. Providing an effective maintenance service both in cost and the time taken to do repairs are key operational indicators linked to VfM.

We monitor our performance compared to peers in terms of operational indicators through participation in the voluntary HouseMark benchmarking. Our chosen peer group for operational

benchmarking is Northern England and Scotland Traditional Housing associations with between 1,000 and 5,000 properties.

Key financial indicators

Nine VfM financial indicators have now become the standard for the sector, with data provided by the regulator on an annual basis through its Global Accounts report and associated sector VfM dataset. These focus on providers which have more than 1,000 units.

Within the reports produced it acknowledges that there is a wide variety of performance across the sector due to factors like different business models, location and size of different providers. Our combination of care and community development as well as housing, whilst not unique, does make it more challenging to find comparable organisations and identify a meaningful peer group.

JRHT's performance against eight of the nine VfM metrics is set out in the table below. The indicator for New Supply Non-Social is not relevant to JRHT so is not reported in the table. The peer group is those housing providers from the published VfM data with the following characteristics:

- traditional housing providers (for example excluding large scale voluntary transfers);
- providers with greater than 1,000 but fewer than 5,000 units;
- providers with greater than 10% of properties held for older people; and
- all locations.

This gives a peer group of 22 providers. The peer group is wider than the previous year which only gave nine comparators. The key change is to use data from all geographic locations rather than

restricting this to the North West, North East, Yorkshire, and the Humber and Scotland.

Whilst the organisation's financial performance is weaker than its peer group for almost all of the metrics, this is, in part, as a consequence of conscious choices based on our mission and values. We are in high-cost sectors, pay our staff at least the higher voluntary Real Living Wage and have chosen to keep our rents

at a level much lower than if we had adopted an Affordable Rent policy.

The single most significant (negative) influence on the metrics is, however, JRHT's residential care operations. It is high cost, low margin and materially detracts from the performance of housing activities.

2021 data with relevant comparators is set out in the table below. The sector and peer group data is for year ended 31 March 2021.

Indicator	2021 actual	2020 actual	Year-on-year variance	Sector median (all providers)	Latest peer group median	2022 target
Reinvestment (%) Investment in properties (existing stock as well as New Supply) as a percentage of the value of total properties held.	5.8	3.5	2.3	5.7	4.9	3.9
New Supply Social (%) Number of new social housing that have been acquired or developed in the year as a proportion of total social housing units owned at period end.	1.9	0.0	1.9	1.2	1.0	0.0
Gearing (%) How much of the adjusted assets are made up of debt and the degree of dependence on debt finance. It is often a key indicator of a registered provider's appetite for growth.	40	39	(1)	45	37	40
EBITDA MRI (%) A key indicator for liquidity and investment capacity. It seeks to measure the level of surplus that a registered provider generates compared to interest payable; the measure avoids any distortions stemming from the depreciation charge.	87	124	(37)	186	205	165

Indicator	2021 actual	2020 actual	Year-on-year variance	Sector median (all providers)	Latest peer group median	2022 target
Headline Social Housing cost per unit (£000s) Assesses the headline social housing cost per unit as defined by the Regulator.	9.0	8.3	(0.7)	3.7	4.0	8.3
Operating margin (social housing) (%) Demonstrates the profitability before exceptional expenses are taken into account. Increasing margins are one way to improve the financial efficiency of a business.	-3.9	1.8	(5.7)	26.9	23.5	5.4
Operating margin (overall) (%)	1.4	2.9	(1.5)	25.0	23.1	6.4
Return on capital employed Compares the operating surplus to total assets less current liabilities and is a common measure in the commercial sector to assess the efficient investment of capital.	0.5	0.9	(0.4)	3.3	2.9	3.1

Note - there is also an indicator on New Supply Non-Social which is not relevant to JRHT so is not reported here.

REVIEW OF THE VFM METRICS

Reinvestment levels

The key factors influencing reinvestment levels 2021 and the increase compared to 2020 were:

- the delivery of New Lodge which includes a 45-bed residential care home and 105 one-and two-bedroom apartments for people aged over 55. The final stages of the development were handed over before the end of 2021;
- increased investment in existing stock following the reduced volume of capital works in 2020 due to the pandemic. Capital improvements to exiting stock increased by almost 60% in 2021.

The 2022 target reflects a similar improvement programme to existing stock together with an intention to start on site at a number of new developments. The most notable is the Willow Bank site which should deliver 117 new homes over the coming years.

New supply social

The 2021 performance reflects the delivery of New Lodge. Although there will be an active development programme in 2022, no new units are expected to be completed during the year.

Gearing (%)

Gearing is in line with expectations and is not anticipated to change during 2022.

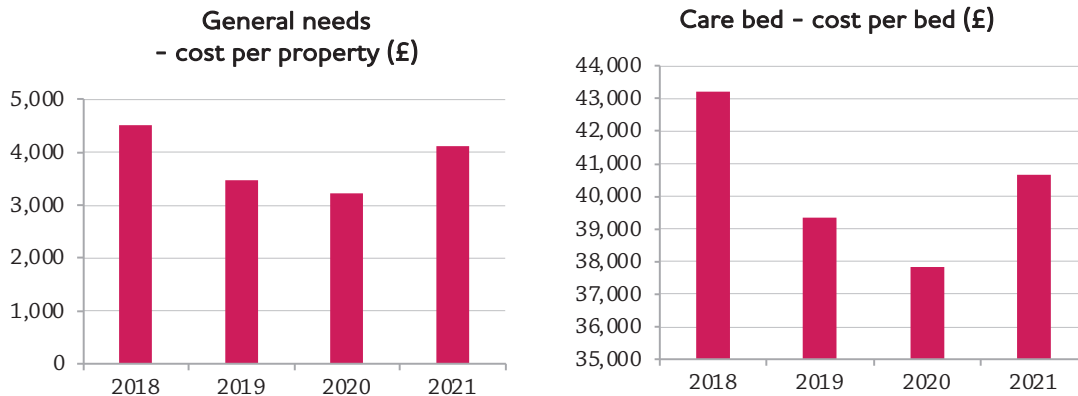
EBITDA MRI (%)

EBITDA MRI reduced from 124% to 87%. As the Financial Review section below sets out, JRHT received a £1.2 million grant from its parent (JRF) in 2021 primarily to offset the prolonged impact of the pandemic. This resulted in reduced income and higher costs across its residential care homes. Such grants are excluded from income in the EBITDA MRI calculation. Had this grant been included, EBITDA MRI would have been 140%. Equally, if the additional costs had not been incurred or residential care home income had recovered EBITDA MRI would have been in line with expectations.

The target reflects the expectation of an improving situation in 2022 although exceptional costs will be incurred in respect of the decision to close Lamel Beeches residential care home. These are likely to be funded by JRF.

Cost per unit (£000s)

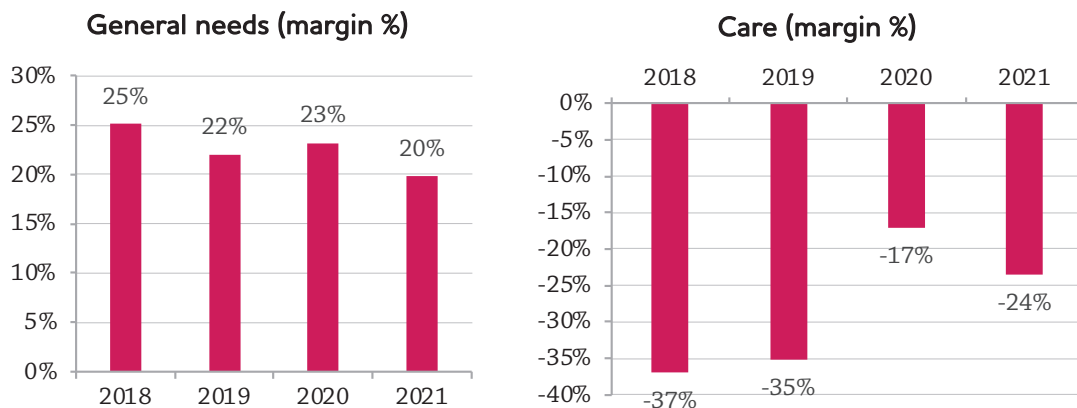
JRHT's cost per unit is significantly higher than the sector median and its peer group. This reflects its broad range of activities some of which are high cost. The table below shows the 'real' cost per unit of general needs housing over time when compared to a care bed.



Operating margin (social housing) (%)

In a similar way to cost per unit and as illustrated by the charts below, JRHT's care operations heavily influence the social housing margin.

The general needs margin has for the past four years been between 20% and 25% which is line with sector averages. Care, although improving, continues to adversely affect the overall JRHT operating margin. General needs is again expected to deliver a margin of 20%+ in 2022. Care is expected to improve following the decision to close Lamel Beeches residential care home and, ideally, see residents of that setting choosing to move to other local JRHT settings.



Operating margin (overall) (%) This is influenced by the inclusion of Hartrigg Oaks and investment properties. In both 2020 and 2021, these activities generated surpluses of circa £0.8 million.

Return on capital employed Return on capital employed (ROCE) deteriorated marginally in 2021 as a result of reduced surpluses. The target for 2022 shows a material increase although this is influenced by the expected grant from JRF to support the 1,000 new homes over 10 years housebuilding programme.

Risk, internal controls and assurance

Responsibilities

All boards of social landlords are required to conduct an annual review of the effectiveness of their system of internal control. Social landlords must ensure that they consider the regulatory requirements relevant to them and include in their financial statements the disclosures and statements required by legislation and/or relevant accounting direction/determination/order.

The Housing Statement of Recommended Practice does not require a statement of internal control to be included within the annual report, although it is considered best practice to make reference to internal control within the annual report. The Board of JRHT has elected to provide a statement of risk, internal controls and assurance.

The Trustees of JRF, JRHT's parent, are responsible for setting the risk appetite of the Group with input from JRHT Board. The JRHT Board holds the executive to account for operating within the risk appetite, understanding and documenting the risks that could jeopardise the achievement of the organisation's objectives, and having appropriate internal controls in place to manage those risks. The Audit and Risk Committee supports both JRHT and JRF in ensuring risk is appropriately managed. This Committee has oversight of the outsourced internal audit service and the annual external audit.

Individual risks, an assessment of their scale and corresponding controls are reported on a regular basis for scrutiny and challenge by the JRHT Executive, Audit and Risk Committee and JRHT Board.

Each risk is assessed for its likelihood and its impact both before and after controls ('inherent risk' and 'residual risk').

PRINCIPAL RISKS

JRHT has identified the following principal risks.

Risk	Mitigation
Reputation	
<p>Risk to the credibility of, and trust in, the organisation.</p>	<p>Business planning is focused on ensuring activity is aligned to our vision and outcomes.</p> <p>Resident and colleague engagement processes are in place.</p> <p>Complaints (and compliments) are closely monitored.</p>
Compliance and regulation	
<p>Failure to comply with any regulators' requirements.</p>	<p>Regulatory requirements and announcements are tracked with gap analyses undertaken on, at least, an annual basis.</p> <p>Processes are in place to notify regulators of events and incidents in a timely manner.</p> <p>Dedicated compliance roles have been established.</p> <p>Actions arising from inspections and audits are tracked and monitored, with progress regularly reported to relevant leadership team and committee.</p>
<p>Safety and wellbeing of our residents, employees, visitors, contractors or members of the public.</p>	<p>JRHT Board receive regular health and safety reports.</p> <p>Policies are in place for safeguarding, vulnerability and health and safety. These are supplemented by training at appropriate points including during induction.</p> <p>A formal Risk, Quality and Compliance group Services meets regularly. This has representation from across JRHT and support teams within Central Services.</p> <p>A JRHT safeguarding lead is in place.</p>
<p>Failure to adequately comply with GDPR, other UK laws, sector specific regulations and contracts relating to data and technology.</p>	<p>Information governance and security policies are in place.</p> <p>A dedicated Information Security Manager is supported by other sector specific compliance managers.</p> <p>Retention policies have been established.</p> <p>There is mandatory data protection training for all staff.</p>

<p>Business critical systems no longer being supported and/or technology platforms no longer being maintained, or with key gaps in functionality/coverage or subject to malicious system compromise such as attack on Azure environment</p>	<p>A systems review has been completed which has given us a comprehensive picture of which systems are at or close to end of life. Allocation of funds for end-of-life systems replacement in 2021 has been approved. We have upgraded some systems to prolong support and replaced others.</p> <p>A Cyber security audit is underway with a specialist organisation (NCC Group) which will assess our cyber maturity and the security of our infrastructure</p>
<p>Operational/service delivery</p>	
<p>Operations disrupted by external factors beyond our control. Lack of readiness when outages or emergencies occur.</p>	<p>A corporate emergency protocol is in place with local disaster recovery and business continuity plans developed at department and operational level.</p> <p>Systems and processes were successfully tested and operational during the coronavirus crisis.</p>
<p>Risk of impact to service delivery, wellbeing of staff and residents from the continuing coronavirus pandemic.</p>	<p>A dedicated communications plan is maintained to keep staff and residents informed, which includes preventative measures and guidelines to minimise risk.</p> <p>Infection control measures are introduced as required with a particular focus on care settings.</p> <p>A coronavirus care continuity plan is in place to ensure core services are maintained.</p>
<p>Finance</p>	
<p>Failure of JRHT to deliver its in-year budget and impact of this into future years on the wider financial position for JRHT.</p>	<p>Extensive scenario modelling and stress testing is undertaken. Our long-term financial plan reflects revised economic assumptions and local factors and was submitted to the regulator and our lenders in June 2021. This will be updated again in June 2022. Regular monitoring of risk trigger points takes place.</p>
<p>JRHT breach of loan covenants.</p>	<p>The JRHT business plan is supported by three-year budgets and the 30-year financial plan. This ensures covenants can be met over the term of loans and other facilities.</p> <p>Regular compliance monitoring is undertaken alongside quarterly reporting to lenders.</p>
<p>People and culture</p>	
<p>Risk to the mental and emotional wellbeing of, particularly frontline staff, during, and in the aftermath of, the coronavirus pandemic.</p>	<p>Staff absence levels are monitored with workforce reporting to the Board.</p> <p>A confidential employee assistance programme is available to all staff.</p> <p>A team comprising of staff volunteers has been established to makes outbound calls to frontline colleagues during particularly challenging moments in our care settings.</p>

A wider range of risks are considered as part of long-term financial planning and associated stress testing. This includes the migration to net zero prior to 2050.

Internal control framework

The principal elements of the internal control framework are as follows:

- A risk management strategy and framework have been established.
- Risk registers are in place and regularly reviewed.
- An annual report on internal controls and the control environment is presented to the Audit and Risk Committee by the Group Chief Executive.
- An annual governance compliance report is presented to JRHT Board by the Executive Director of JRHT.
- A programme of Internal Audit, undertaken by a fully outsourced independent firm of auditors, is agreed by the Audit and Risk Committee which considers all reports. Progress in completing management actions is monitored by the Audit and Risk Committee.
- An anti-fraud policy is in place that establishes responsibility for preventing fraud, and steps to be taken in the event of a fraud or alleged fraud being committed. The Audit and Risk Committee receives a report at each meeting on any alleged or actual fraudulent activity, including the fraud register.
- Policies covering disciplinary and grievance procedures; anti-bribery, gifts and hospitality and whistleblowing are maintained.
- Reports from regulatory and other bodies, including internal auditors, external auditors, the Regulator for Social Housing, and the Care Quality Commission are considered by the relevant committee.

- Key performance indicators (KPIs) are reported to the JRHT Board on a quarterly basis.
- A schedule of delegated authorities setting out colleagues' ability to approve contracts and expenditure is maintained and updated annually.
- Complaints and compliments are recorded and reported to the JRHT Board on a quarterly basis, with overall levels, exceptions, trend analysis, actions and lessons learned reported.

Internal controls effectiveness

Board members recognise that the system of internal control is designed to manage rather than eliminate risk and can only provide reasonable and not complete assurance against material misstatement or loss.

Notwithstanding this, the Audit and Risk Committee has received the Group Chief Executive's 2021 annual review of the effectiveness of internal control for JRHT and the annual report of the internal auditors. Highlights include:

- Improved rating from the Regulator of Social Housing. The rating improved from G2 to G1; the highest rating;
- Comprehensive assessments against regulatory standards and the National Housing Federation code of governance with no material issues identified;
- Continued provision of high standards of care across our services in exceptional circumstances caused by the pandemic;
- 'Good' rating for New Lodge care setting – JRHT's new care setting in New Earswick; and
- A comprehensive programme of internal audits.

The annual report of the outsourced internal auditors (PwC) noted:

- In total, nine reports issued across the JRF and JRHT group of which seven were focused on either JRHT or the Central Services teams that support it. There were 99 days of internal audit activity;
- None of the seven reports were rated as either high-risk or critical (these are the two most adverse categories); and
- Only one high-risk finding was identified across all seven audits. This finding was in relation to the clarity of our DBS process. Further work has been completed to document procedures and these will be implemented by the end of May 2022.

The report noted a continuing positive trajectory of improvement during the time that PwC has been engaged as internal auditors.

Financial review

ACCOUNTS SUMMARY

Statement of comprehensive income	2021	2020
	£000	£000
Turnover	27,987	26,318
Operating costs	(25,776)	(23,832)
Operating surplus	2,211	2,486
Finance costs, net	(1,817)	(1,937)
Taxation	-	(1)
Surplus	394	548

Statement of financial position	2021	2020
	£000	£000
Housing Land and Buildings, net book value	138,517	138,197
Hartrigg Oaks	39,165	37,316
Other Fixed Assets	19,617	18,660
	197,299	194,173
Net Current Assets	2,350	2,237
Creditors due after one year	(141,917)	(139,072)
	57,732	57,338
Income and Expenditure Reserve	47,184	46,722
Restricted Reserve	1,084	1,082
Revaluation Reserve	9,464	9,534
	57,732	57,388

FINANCIAL REVIEW

JRHT's accounting surplus for the year was £394,000, a deterioration of £154,000 when compared to 2020. The surplus for 2021, however, includes the receipt of an exceptional grant of £1.2 million from JRF. This was primarily to offset the continuing challenges of lower income and increased costs across our care settings. Without this grant, a deficit of £806,000 would have been recorded. Board decisions in respect of improving financial performance, particularly in relation to care are described elsewhere in the report.

As set out in more detail in the financial statements:

- General needs housing generated an operating surplus of £1.2 million (2020: surplus of £1.4 million). The year-on-year change was primarily as a result of an increased programme of repairs and maintenance following the pandemic.
- Supported housing and housing for older people generated a deficit of £1.3 million (2020: deficit of £0.8 million). The majority of the deterioration relates to the costs of transferring the care element of Independent Living Services to a third party. These costs included winding down our internal care operations in respect of this service.
- Residential care homes generated a deficit of £1.1 million (2020: deficit of £0.8 million). Income was lower than in 2020 due to reduced occupancy and, costs of providing care increased.
- Low-cost homeownership generated a surplus of £0.4 million (2020: surplus of £0.5 million)
- Other social housing activities including surpluses on asset sales generated £2.1 million in 2021 (2020: £1.3 million). The 2021 surplus includes the additional £1.2 million grant from JRF.

- Non-social housing activity generated a surplus of £0.9 million (2020: surplus of £0.8 million)

The above highlights the need to address weak performance in our care homes and supported housing and housing for older people. This has already started with the decisions in respect of Independent Living Services and Lamel Beeches and the benefit of these decisions will start to flow through in 2022.

Our housing activities continue to produce consistent surpluses which should grow as the development programme delivers more much-needed homes.

The VfM section of the report provides more detail in respect of the progress being made to further improve financial performance. The long-term financial plan approved by the Board in June 2021 incorporated the positive contribution that New Lodge will make once complete and occupied, and the ambitious house building programme over the next decade. In line with regulatory expectations, JRHT stress tested its long-term plan based on its assessment of future risks.

Five specific stress test themes were developed as set out below:

Theme 1 – Further winter of pandemic (2021/2022)

Theme 2 – Future of Care (systemic shift in residential care delivery)

Theme 3 – Economic shock (inflation, interest rates, house prices)

Theme 4 – Development programme (delays, reduced scale, costs, availability of grants)

Theme 5 – Decarbonisation costs

Perfect storm

The perfect storm brings together all of the above themes.

The long-term plan is a valuable tool for providers to consider their risks and how these would be mitigated. As part of its long-term planning, JRHT has developed specific mitigating actions should particular risks or risk themes crystallise as well as early warning triggers that identify where

risks are starting to show signs of increasing.

The stress testing showed that, with appropriate mitigations, JRHT is able to weather a range of stresses including many where the risk is considered remote.

TREASURY MANAGEMENT

Oversight of treasury arrangements is provided by the JRHT Board with regular reviews of the market, future funding requirements and existing loan arrangements undertaken by specialist third parties. The overall aim is to ensure that there is sufficient loan finance to meet foreseeable needs.

No new loan arrangements were put in place during 2021 as, based on the current long-term financial plan, sufficient funding is in place until 2025.

All long-term debt, with the exception of a small number of former Housing Corporation loans, have a fixed rate of less than 5%. Although rates have been lower than this for some time and are not expected to rise significantly in the short-term, the fixed rates do provide certainty of interest costs.

All of JRHT's fixed-rate borrowing is within the loan documentation with the primary lender. JRHT does not use stand-alone derivatives to fix rates of interest on loans.

JRHT continues to comfortably meet all of its loan covenants. As described in the Reserves policy section, interest over at the end of the year was 258% compared to the minimum of 110%.

Gearing calculations differ across lenders. The most stringent requires debt to be less than 50% of the cost of properties. At the year-end, this was 36%.

JRHT also has access to £50m of grant funding that JRF has ringfenced to support the 1,000 new homes over 10 years housebuilding programme.

GOING CONCERN

The financial statements show that:

- At the end of 2021, the charity had reserves of £57.7 million of which only £1.1 million was restricted.
- Annual operating costs in 2021 were £25.8 million.
- Cash balances of £3.3 million were held.

There were also unused borrowing facilities of £17.5 million. £15 million of the total unused facilities relates to a loan facility with JRF and this is detailed in the related party transactions note to the accounts. Separately, the debt analysis note within the accounts sets out that, at the year-end, revolving credit facilities

of £23 million were available with Handelsbanken of which £20.5 million had been utilised.

No borrowing facilities are due to expire within the next 12 months.

In December 2021, the JRHT board formally approved the charity's budget for 2021 as well as reviewing indicative budgets for 2023 and 2024. Separately, a cash-flow forecast has been prepared covering the period to the end of 2023. This is the period used for our going concern assessment. This is routinely used to ensure that cash balances together with undrawn borrowing facilities are sufficient to meet planned expenditure

which includes capital projects.

As part of the going concern assessment, scenario analysis has been undertaken to understand the financial impacts of adverse changes to the external and internal environment. The results of this work demonstrate that even with pessimistic assumptions cash does not run out and covenants can easily be met.

In addition, an assessment has been undertaken to understand how extreme scenarios would need to become before covenants were breached. This shows that there would need to be a very significant deterioration in performance to breach the interest covenant and a rapid and substantial increase in debt to risk a breach of the gearing covenant.

The stress testing undertaken annually, and as described in the Financial Review section above, is a separate exercise and takes account of risks over a 30-year period. The going concern work considers the impact of risk over the period to end of 2023. Both exercises however have a focus on ensuring compliance with bank covenants and liquidity is sufficient at all times.

The accounting policy note also sets out the rationale for using a going concern basis for preparing the 2021 financial statements.

Plans for the future

JRHT has a lot to feel proud of, in terms of our recent work, and also a good deal to be excited about as we look forward to the future. Our future priorities focus on:

- Work with our communities.
- Sustainability in Care services.
- 10-year housing development programme.

PRIORITIES FOR 2022

Pandemic response

JRHT will continue to respond to the demands placed upon us by the Covid-19 pandemic. Whilst there is a move towards 'living with Covid' we know that the impact on our Care services will require particular and careful attention. We will continue to prioritise keeping residents and staff safe wherever we can and will make the necessary time and resources to deliver this.

Work with our communities

We are taking steps to put residents at the heart of what we do. We do this to reflect the priorities in the recent Social Housing White Paper but also because it is the right thing to do and is in line with our values and the Rowntree legacy.

We haven't had to start from a standing position on this – rather we are building on our established place-based work in JRHT communities and as part of our newly formed **Resident Assembly** we have brought together people from New Earswick, Hartrigg Oaks, Derwenthorpe, Hartfields and elsewhere. Colleagues in Housing and Community services and Communications have played a key role in this but in time we hope that teams across the organisation will take the opportunity to engage with our active communities. As an initial step our Housing and Communities colleagues are putting in place plans to build a **better understanding of all our communities** – developing profiles are underway and we want to collect survey and census responses, data, photos, reports and stories to build a richer understanding of the people and the places we work with.

The Housing and Community Services team are also focussing on **upgrading our digital offer and transforming how we deliver services**. Crucial to this work is the involvement of colleagues in Tech and Change and Finance.

Sustainability in Care services

Having safely transferred the care element of ILS we will be spending significant time ensuring that the closure of Lamel Beeches is completed with minimal disruption to residents and with the opportunity of new roles for as many existing staff as possible. We are also focussing on ensuring the best arrangements for our remaining care services. A key challenge is around restoring **occupancy and staffing levels** in residential care but we are also committed to ensuring that our services are delivered in the most effective way for residents, families, staff and the organisation. A key area of our work in care will also focus on **improving our recruitment process, staff development and boosting our retention of staff in care.**

10-year housing development programme

We have made a commitment to deliver **1000 new affordable homes in the next ten years.** Having completed New Lodge last November, we are very much focussed on progressing planning applications for new homes at **Willow Bank (117), Orchards (30) and Sturdee Grove (8).** Already this year we have seen colleagues across JRHT teams and central services working collaboratively through the Development Programme Board in order to wider the understanding and development in a key area of the organisation's growth and sustainability.

Equality, Diversity and Inclusion (EDI)

2022 will be a significant year for JRHT as it continues to develop its approach to EDI. In particular, we will be working on progressing the commitments we made in the NHF EDI Baseline Study including setting ambitious, measurable targets for improving the diversity of the JRHT Board, leadership team and work forces and improving outcomes for underrepresented groups. We will also work specifically on JRF-JRHT's plan to become an Anti-Racist Organisation.

The JRHT Team works

2022 will be another important year for JRHT but the crucial thing is not just what we do, but how we do it. We have an incredible team across JRHT in Housing, Care, Development, Finance, People, Tech and Change, PMO and Facilities. Our progress on all fronts will require us to work more closely together and with our residents. We can see that in recent times some of our best achievements and the change that we have brought have reflected really effective teamwork.

We do believe we can continue to progress in the things that we do, the services we provide and the challenges we need to face – building trust, showing we care and making a difference every day, every project, and every shift.

Statement of the responsibilities of the Board for the report and financial statements

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

Co-operative and Community Benefit Society legislation requires the Board to prepare financial statements for each financial year. Under that law the Board have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under the Co-operative and Community Benefit Society legislation the Board must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and surplus or deficit of the association and group for that period. In preparing these financial statements, the Board are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;

- state whether applicable UK Accounting Standards and the Statement of Recommended Practice (SORP) Accounting by Registered Housing Providers 2018, have been followed, subject to any material departures disclosed and explained in the financial statements; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the association will continue in business.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and association and enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019. It is also responsible for safeguarding the assets of the association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board are responsible for the

maintenance and integrity of the corporate and financial information included on the association's website. Legislation in the United Kingdom

governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

DISCLOSURE OF INFORMATION TO AUDITORS

At the date of making this report, each of the Society's members confirm the following:

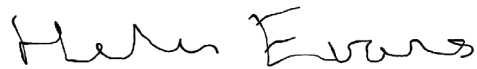
- So far as each member is aware, there is no relevant information needed by the Society's auditors in connection with preparing their report of which the Society's auditors are unaware.

- Each member has taken all the steps that they ought to have taken as a member in order to make themselves aware of any relevant information needed by the Society's auditors in connection with preparing their report and to establish that the Society's auditors are aware of that information.

Approval

The report including the strategic report was approved by the JRHT Board at its meeting on Tuesday 7 June 2022 and is signed on behalf of the Board by the Chair of the JRHT Board.

Helen Evans (Chair of the JRHT Board)



10/6/2022

Independent auditor's report to the members of Joseph Rowntree Housing Trust

Opinion

We have audited the financial statements of Joseph Rowntree Housing Trust (the 'society') for the year ended 31 December 2021, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Reserves, the Statement of Cash Flow and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the society's affairs as at 31 December 2021 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008, and the Accounting Direction for Private Registered Providers of Social Housing 2019.

Basis for opinion

We have been appointed as auditor under the Co-operative and Community Benefit Societies Act 2014 and report in accordance with that Act. 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 society 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

We are responsible for concluding on the appropriateness of the board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the board's conclusions, we considered the inherent risks associated with the society's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the board and the related disclosures and analysed how those risks might affect the society's financial resources or ability to continue operations over the going concern period.

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 society'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.

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.

The responsibilities of the board with respect to going concern are described in the 'Responsibilities of the board for the financial statements' section of this report.

Other information

The board is responsible for the other information. The other information comprises the information included in the Annual report and Accounts, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained; or
- the society has not kept proper accounting records; or
- the financial statements are not in agreement with the books of account; or
- we have not received all the information and explanations we need for our audit.

Responsibilities of the board for the financial statements

As explained more fully in the statement of board's responsibilities set out on page 63, 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 society'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 society or to cease operations, or has 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.

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk

that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

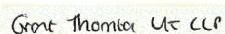
- Joseph Rowntree Housing Trust is subject to many laws and regulations where the consequent of non-compliance could have a material effect of the amounts recorded or the disclosures in the financial statements. We obtained an understanding of the legal and regulatory frameworks that are applicable to the association, and the sector in which it operates. We determined that the following laws and regulations were most significant; financial reporting legislation (Housing SORP 2018, United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102, the Accounting Direction for Private Registered Providers of Social Housing 2019), the Co-operative and Community Benefit Society Act 2014, the Housing Regeneration Act 2008, Social Housing Regulatory Standards and the NHF Code of Governance 2020. The engagement team remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.
- We understood how Joseph Rowntree Housing Trust is complying with these legal and regulatory frameworks by making inquiries of management, internal audit, and those charged with governance. We enquired of management and those charged with governance whether there were any instances of non-compliance with laws and regulations, or whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through our review of board minutes and papers provided to the Audit and risk committee, and through our legal and professional expenses review.
- To assess the potential risks of material misstatement, including how a fraud might occur, we obtained an understanding of:
 - The Association's operations, including the nature of its sources of income, expected financial statement disclosures and risks that may result in risk of material misstatement; and
 - The Association's control environment including the adequacy of procedures for authorisation of transactions
- Audit procedures performed by the engagement team included:
 - Evaluating the processes and controls established to address the risks related to irregularities and fraud;
 - Testing manual journal entries, in particular journal entries relating to management estimates and entries determined to be large or relating to unusual transactions;
 - Challenging assumptions and judgements made by management in its significant accounting estimates
 - Identifying and testing related party transactions; and
 - Completion of audit procedures to conclude on the compliance of disclosures in the financial statements with applicable financial reporting requirements
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and

regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;

- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud, or non-compliance with laws and regulations throughout the audit.
- We assessed the appropriateness of the collective competence and capabilities of the engagement team, including consideration of the engagement team's knowledge and understanding of the sector in which the Association operates in and their practical experience through training and participation with audit engagements of a similar nature. All team members are qualified accountants or working towards that qualification and are considered to have sufficient knowledge and experience of companies of a similar size and complexity, appropriate to their role within the team.

Use of our report

This report is made solely to the society, as a body, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the society 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 society as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP

Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants
Leeds

10/6/2022

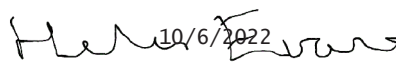
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2021

		2021	2020
	Note	£'000	£'000
Turnover	3	27,987	26,318
Less: Operating Costs	3	(25,776)	(23,832)
Operating Surplus	3	<u>2,211</u>	<u>2,486</u>
Interest Receivable	9	191	140
Interest Payable and similar charges	10	(2,008)	(2,077)
Total Comprehensive Income for the Year before Taxation	11	<u>394</u>	<u>549</u>
Taxation on Ordinary Activities	12	-	(1)
Total Comprehensive Income for the Year after Taxation		<u><u>394</u></u>	<u><u>548</u></u>

There are no recognised gains or losses other than the surplus for the year. The surplus for the year is entirely generated from continuing activities.

The Financial Statements were approved by the Board of Trustees on 7 June 2022 and signed on its behalf by:

Chair of the JRHT Board

 10/6/2022
Helen Evans

Chair of the Audit and Risk Committee

Paul Jenkins 10/6/2022
Paul Jenkins

Director of Finance

T Preece 10/6/2022
Tracey Preece

Joseph Rowntree Housing Trust
Registered Charity

STATEMENT OF FINANCIAL POSITION
as at 31 December 2021

		2021		2020	
	Note	£'000	£'000	£'000	£'000
Fixed Assets					
Housing Land and Buildings: Cost	13		167,554		164,752
Less: Depreciation	13		<u>(29,037)</u>		<u>(26,555)</u>
			138,517		138,197
Tangible Fixed Asset - Hartrigg Oaks	14		39,165		37,316
Other Fixed Assets - Tangible assets	15		14,192		13,106
Other Fixed Assets - Intangible assets	16		-		-
Homebuy Loans	17	2,227		2,356	
Investment Properties	18	<u>3,198</u>		<u>3,198</u>	
			5,425		5,554
			197,299		194,173
Current Assets					
Properties held for sale	19	2,599		793	
Trade and Other Debtors	20	1,320		1,457	
Cash and cash equivalents		<u>3,278</u>		<u>3,491</u>	
		7,197		5,741	
Creditors: Amounts falling due within one year	21	<u>(4,847)</u>		<u>(3,504)</u>	
Net Current Assets			2,350		2,237
Total Assets less Current Liabilities			199,649		196,410
Creditors: Amounts falling due after one year	22		(141,917)		(139,072)
Total Net assets			<u>57,732</u>		<u>57,338</u>
Reserves					
Income and Expenditure Reserve		47,184		46,722	
Restricted Reserves		1,084		1,082	
Revaluation Reserve		<u>9,464</u>		<u>9,534</u>	
Total Reserves			<u>57,732</u>		<u>57,338</u>

The Financial Statements were approved by the Board of Trustees on 7 June 2022 and signed on its behalf by:

Chair of the JRHT Board

Heidi Evans Heidi Evans

Chair of the Audit and Risk Committee

Paul Jenkins ^{6/2022} Paul Jenkins

Director of Finance

Tracey Preece ^{10/6/2022} Tracey Preece

**STATEMENT OF CHANGES IN RESERVES
for the year ended 31 December 2021**

	Income and Expenditure Reserve	Restricted Reserve	Revaluation Reserve	Total
	£'000	£'000	£'000	£'000
Balance at 1 January 2021	46,722	1,082	9,534	57,338
Surplus for the Year After Taxation	394	-	-	394
Transfer of unrestricted income to restricted reserve	(2)	2	-	-
Transfer of revaluation reserve to unrestricted reserve	70	-	(70)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2021	47,184	1,084	9,464	57,732

The prior year comparatives are as follows:-

	Income and Expenditure Reserve	Restricted Reserve	Revaluation Reserve	Total
	£'000	£'000	£'000	£'000
Balance at 1 January 2020	46,106	1,080	9,604	56,790
Surplus for the Year After Taxation	548	-	-	548
Transfer of unrestricted income to restricted reserve	(2)	2	-	-
Transfer of revaluation reserve to unrestricted reserve	70	-	(70)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2020	46,722	1,082	9,534	57,338

STATEMENT OF CASH FLOW
for the year ended 31 December 2021

	2021		2020	
	£'000	£'000	£'000	£'000
Net Cash generated from Operating Activities (Note 28a)		1,826		2,425
Cash flow from Investing Activities				
Interest received	191		140	
Expenditure on Housing Land and Buildings	(5,511)		(5,982)	
Purchase of Other Fixed Assets	(1,577)		(28)	
Sale of Other Fixed Assets	1		-	
Purchase of Hartrigg Oaks Assets	(17)		(29)	
Sale of Housing Properties (Note 28 b)	2,800		2,241	
Disposals of Property in the Course of Construction	15		-	
Homebuy Loans redeemed	128		36	
Social Housing Grant - received	496		-	
		(3,474)		(3,622)
Cash flow from Financing Activities				
Interest paid	(2,006)		(2,076)	
Taxation	-		(1)	
Capitalised Community Fees received	452		434	
Capitalised Community Fees repaid	(12)		(61)	
Hartrigg Oaks Residence Fees (Note 28 c)	1,537		1,085	
Hartrigg Oaks Loans repaid	(60)		(61)	
Housing Loans received	2,000		2,500	
Housing Loans principal repayments	(17)		(1,016)	
Bonds and Loan Stock repaid	(459)		(213)	
		1,435		591
Net change in Cash and Cash Equivalents		(213)		(606)
Cash and cash equivalents at 1 January		3,491		4,097
Cash and cash equivalents at 31 December		3,278		3,491

NOTES TO THE ACCOUNTS**1 Legal Status**

Joseph Rowntree Housing Trust (JRHT) is registered with the Regulator for Social Housing. It was originally formed by a Deed of Foundation and Charity Commission Scheme. A new incorporated Community Benefit Society (CBS) named Joseph Rowntree Housing Trust was created on 24 September 2019. The CBS remained dormant until 1 January 2020, when the assets and liabilities of the unincorporated charity were transferred to the CBS, under a Charity Commission Scheme and Order. Merger accounting was adopted for the transition to a CBS which means that, although this is the Society's first period, the accounts are presented as though JRHT has always had this legal form. More detail can be found in the 'Governing Document' section of the Directors' Annual Report.

2 Accounting Policies**(i) Basis of Accounting**

The Financial Statements of Joseph Rowntree Housing Trust (JRHT) are prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS 102) and the Housing SORP 2018: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Social Housing Providers 2019.

JRHT is a public benefit entity in accordance with FRS 102.

The financial statements are presented in sterling (£).

(ii) Going concern

JRHT's activities, current financial position and future plans are set out in its Annual Report. The charity has a detailed financial planning process and at its final meeting of 2021, the Board formally approved a budget for the following year as well as reviewing indicative budgets for the subsequent two years.

Cash flow forecasts are prepared covering the current and following year to ensure that cash balances together with undrawn bank borrowing facilities are sufficient to meet planned expenditure. These are created using JRHT's long-term planning model, a tool used across the sector to generate the 30-year financial forecast returns required by the Regulator of Social Housing on an annual basis.

A 'central case' reflecting current expectations and a significantly more pessimistic scenario have been modelled to establish if:

- Cash would run out; and/or
- Covenants with banks would be broken.

This modelling, which covered the period to the end of 2023, demonstrated that even under challenging conditions:

- Cash does not run out.
- Bank covenants continue to be met.

Reverse stress testing has also been undertaken to identify JRHT's capacity to absorb additional risks beyond those envisaged by the pessimistic scenario.

Based on this above, the Board is of the opinion that JRHT has access to adequate resources to continue to operate without disruption for the foreseeable future, being the period to 31 December 2023. For this reason, JRHT continues to adopt the going concern basis in the financial statements. More information can be found in the Going Concern Statement on page 59.

(iii) Significant judgements and estimates

The following are the significant management judgements made in applying the accounting policies of JRHT that have the most significant effect on the financial statements.

(a) Impairment

As part of JRHT's continuous review of the performance of assets, management identify any properties or schemes that have increasing void losses, are impacted by policy changes or where the decision has been made to dispose of these properties. These factors are considered to be an indication of impairment.

Where there is an indication of impairment, the assets are written down to the recoverable amount and any impairment losses are charged to operating surpluses.

2 Accounting Policies (continued)**(iii) Significant judgements and estimates (continued)****(b) Classification of Business Properties as Other Fixed Assets**

Management consider that assets held as business properties should be classified as other fixed assets since they are held for social benefit. The net book value of these properties at 31 December 2021 was £9,015,000 (Note 15).

(c) Investment Property Valuation

As a consequence of the Covid-19 pandemic, one investment property valuation undertaken in 2020 included a material uncertainty clause. Management has determined that this does not give rise to a material difference in valuation. The value of the properties at 31 December 2021 was £3,198,000 (Note 18).

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenditure is provided below. Actual results may be substantially different.

(a) Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date based upon the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment and changes to decent homes standards which may require more frequent replacement of key housing components. Accumulated depreciation at 31 December 2021 was £35,243,000.

(b) Fair value measurement

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets including investment properties. This involves developing estimates and assumptions consistent with how market participants would price the instrument or asset. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from actual prices. Fair value measurements have been applied to bonds and loan stock and investment properties. The total values of these at 31 December 2021 were £869,000 and £3,198,000 respectively.

(c) Deferred Land

JRHT has acquired certain land from local authorities on deferred consideration terms. The payment is triggered when the properties developed on that land are sold or after a specified date is reached. The sum payable is a percentage of the market value of the properties on the land. The future payment is therefore uncertain and an estimate of the future market value of those properties is required. That estimated future payment is discounted to the Statement of Financial Position date which involves a judgement of the discount rate to be used. The value of the deferred land in the Statement of Financial Position at 31 December 2021 was £3,234,000.

(d) Hartrigg Oaks - Non-Refundable Residence Fees

Non-refundable Residence Fees payable by residents of Hartrigg Oaks are set by reference to actuarial factors linked to life expectancy and estimations of future interest rates. The Non-refundable Residence Fees are amortised in the Financial Statements using the anticipated lives of the individual residents at a rate based on advice from JRHT's actuaries. The amortisation in the year was £295,000 and the unamortised balance of the Non-refundable Residence Fees at 31 December 2021 was £4,537,000.

(e) Hartrigg Oaks - Capitalised Community Fees

Capitalised Community Fees payable by residents of Hartrigg Oaks are set by reference to actuarial factors linked to life expectancy, estimations of future interest rates and future fee levels. The Capitalised Community Fees are amortised in the Financial Statements using the anticipated lives of the individual residents at a rate based on advice from JRHT's actuaries. The amortisation in the year was £203,000 and the unamortised balance of the Capitalised Community Fees at 31 December 2021 was £2,429,000.

(f) Shared ownership sales percentages

Future shared ownership sales of unreserved units at New Lodge are estimated at 50% reflecting the percentage of each property expected to be sold at completion.

2 Accounting Policies (continued)**(iv) Turnover and revenue recognition**

Turnover comprises rental and fee income receivable in the year, income receivable from shared ownership first tranche sales, other goods and services supplied in the year (excluding VAT) and grants receivable in the year.

Rental income is recognised at the point when properties under development reach practical completion or otherwise become available for letting, net of any voids.

Charges for care and support services funded under supporting people and local authority care contracts are recognised as they fall due under the contractual arrangements with the Administering Authorities.

Sales of Housing Land and Buildings are recognised on the date of the legal completion of the sale. The proceeds of sale of the first tranche of shared ownership properties are stated net of any contribution required to cross subsidise other elements of the scheme concerned and are included in turnover.

Surpluses on subsequent tranches and from other sales are recognised in their entirety in the Statement of Comprehensive Income on the date of the legal completion of the sale. At JRHT's Extra Care schemes the Trust is committed to buying back property on the termination of the lease. The price paid to the outgoing resident is the original price paid plus a percentage of the equity appreciation and is included in surpluses on sale. The remaining equity appreciation is retained by JRHT.

(v) Fixed Assets**(a) Housing Land and Buildings**

Housing Land and Buildings, which includes properties for letting, residential care homes and extra care schemes, are stated at cost and includes properties in the course of construction which are being developed with a view to JRHT retaining a long-term interest. Cost of Housing Land and Buildings includes directly attributable management expenses and directly attributable finance costs which are capitalised until the property reaches practical completion.

The cost of pre-1990 rented property in New Earswick was re-stated at the Existing Use Value - Social Housing as at 31 December 2013, in accordance with the SORP at that time. The increase in cost is reflected through a Revaluation Reserve.

Costs of modernisation and re-improvements to existing properties are capitalised if they result in the replacement of a component or the enhancement of the economic benefit of the structure.

(b) Shared Ownership properties

Included within Housing Land and Buildings is JRHT's retained interest in dwellings developed on Shared Ownership terms. Under Shared Ownership arrangements the purchaser acquires a portion of the equity of the property and has an option to acquire at any time further portions up to a limit determined by JRHT: The price payable is a corresponding portion of the market value of the property at the date of the initial purchase or the exercise of the option. A rent is payable on any portion of the equity which is retained in the JRHT's ownership.

At the discretion of JRHT, the terms of tenure between rent, shared ownership and outright ownership can be varied over time.

The book value of JRHT's retained interest in Shared Ownership properties is stated at cost, plus cost of equity subsequently repurchased by JRHT.

The book value of the equity in Shared Ownership Properties held for resale is included within Current Assets as Housing Stock Held for Resale.

(c) Deferred Land

JRHT has a number of housing schemes where land has been purchased on deferred consideration terms. Where the terms allow for final payment of the land value to be made by a specified date, the liability has been recognised at the net present value of estimated future cash flows and the value of land within Housing Land and Buildings has been increased accordingly. Where no date for the purchase of the land exists, the liability is shown within contingent liabilities.

2 Accounting Policies (continued)**(v) Fixed Assets (continued)****(d) Hartrigg Oaks**

Hartrigg Oaks represents the cost of construction of 152 bungalows, 43 rooms in the Care Centre, and communal facilities, together with apportioned management expenses, start-up costs, and directly attributable finance costs incurred up to completion.

On subsequent sales, when a new lease for the occupation of a bungalow at Hartrigg Oaks is entered into, the cost of the bungalow is restated at the Fully Refundable Residence Fee, or equivalent sum, included in the lease for that bungalow.

(e) Other Land and Buildings

Other Land and Buildings, which are held to support the wider social housing community or which are let at sub-market rents, are treated as 'property, plant and equipment' and are stated at cost. Cost of Other Land and Buildings includes directly attributable management expenses and directly attributable finance costs which are capitalised until the property reaches practical completion.

(vi) Homebuy

Under the Homebuy loan arrangements JRHT has made loans to individuals to enable them to purchase a property. The loan is equivalent to a specified percentage, ranging from 12½% to 30% of the market value of the property. No interest is charged on the loan but JRHT is entitled to receive the specified percentage of the market value of the property which is credited in full to interest receivable in the Statement of Comprehensive Income when it is sold. The loans are secured on the properties to which they relate. This scheme is supported by the Homes and Communities Agency through the provision of Social Housing Grant.

(vii) Investment Property

Properties held for investment are held at fair value within the Statement of Financial Position with gains and losses recognised in the Statement of Comprehensive Income. A formal independent valuation in accordance with RICS Valuation Standard guidelines is obtained every three years.

(viii) Depreciation**(a) Housing Land and Buildings**

No depreciation is provided on freehold land.

Housing Properties are categorised into their main components and these components are depreciated over their estimated useful economic lives to their estimated residual value. Depreciation of Housing Properties and their components are calculated at the following rates:-

Structure of Housing Properties built since 1 January 2000: over 100 years

Structure of Housing Properties built prior to 1 January 2000:-

Housing Properties built before 1950: over 50 years from 1 January 2000

Housing Properties built since 1950: over the balance of 100 years from 1 January 2000

Roofs: over 45 years

Windows: over 35 years

Boilers : over 15 years

Kitchens: over 25 years

Mechanical Systems: over 20 to 40 years

Bathrooms: over 30 years

Lifts: over 30 years

Fire Protection: over 20 years

Resident Safety and Security Equipment: over 20 years

2 Accounting Policies (continued)**(viii) Depreciation (continued)****(b) Shared Ownership properties**

No depreciation is provided on freehold land.

Shared Ownership properties are depreciated over their estimated useful economic lives to their estimated residual value. Under shared ownership, residents may acquire additional shares in the property and ultimately own the property outright, known as 'staircasing out'. The useful economic life is therefore dependent upon choices made by residents. Based on past experience of 'staircasing out', an estimated useful economic life of 70 years has been applied to shared ownership properties

(c) Hartrigg Oaks

The buildings at Hartrigg Oaks are depreciated on a straight line basis, so as to write down the net book value of the buildings to their estimated residual value over their estimated useful economic lives. Depreciation is calculated over the balance of 100 years from 1 January 2000.

(d) Other Land and Buildings

Other Buildings are depreciated on a straight line basis, so as to write down the net book value of the buildings to their estimated residual value over their estimated useful economic lives. Depreciation is calculated at the following rate:-

Other Buildings built since 1 January 2000: over 50 years

Other Buildings built since 1950: over the balance of 50 years from 1 January 2000

Other Buildings more than 50 years old at 1 January 2000 and those from which the JRHT receives no financial benefit have been fully depreciated

(e) Vehicles, Furniture and Equipment

Vehicles, Furniture and Equipment are written off over five years by a straight line method. Computer Equipment is written off over three years by a straight line method. Kitchen fittings and equipment at the newly refurbished Folk Hall New Earswick are written off at various rates ranging between 8 and 40 years by a straight line method.

(f) Intangible Fixed Assets

Computer software is written off over five years by a straight line method.

(ix) Stock

Stock, which comprises materials, loose tools, other building supplies, and food and drink, is stated at the lower of cost and net realisable value.

(x) Government Grants

Government grants include grants receivable from the Homes England, local authorities and other government organisations. Government grants received for housing properties are amortised to the Statement of Comprehensive Income over the useful life of the housing property structure under the accruals model.

Government grants relating to revenue activities are recognised in the Statement of Comprehensive Income over the same period as the expenditure to which they relate once reasonable assurance has been gained that JRHT will comply with the conditions and that the funds will be received.

Government grants due or received in advance are included as current assets or liabilities.

Government grants released on sale of a property may be repayable but are normally available to be recycled and are credited to a Recycled Capital Grant Fund and included in the Statement of Financial Position in creditors.

(xi) Other Grants

Other Grants, which includes legacies and other donations, are recognised as follows:-

- (a) Grants that are not subject to future performance related conditions are recognised as revenue when the grant is receivable
- (b) Grants that are subject to future performance related conditions are recognised as revenue when those conditions are met. Grants that are received before the conditions have been met are recognised as a liability

2 Accounting Policies (continued)**(xii) Deferred Income - Amounts Received in Advance****(a) Leaseholders**

JRHT has entered into Leases in which it is required to defer income to match against future expenditure on maintenance and repairs and equipment from sums collected via the service charge. Interest is added to the sums set aside at JRHT's marginal cost of borrowing.

(b) Residential Care Homes and Extra Care

JRHT has deferred income to match against future expenditure on furnishings and equipment at its Residential Care Homes and Extra Care schemes from fees and service charges received from residents. Interest is added to the sums set aside at JRHT's marginal cost of borrowing.

(c) Rents Received in Advance

JRHT has received rental income in advance on Office Accommodation which is released to the Statement of Comprehensive Income over the length of the lease.

(d) THFC Bond

Proceeds from the bond, based on the price at issue were in excess of the nominal value of the THFC bond issue which is repayable in 2043. The excess, net of expenditure incurred in securing the facility, is being released to the Statement of Comprehensive Income over the term of the bond.

(xiii) Hartrigg Oaks Capitalised Community Fees

Hartrigg Oaks Capitalised Community Fees represent sums paid in advance by residents at Hartrigg Oaks towards the Community Fee. Capitalised Community Fees are not refundable when a resident leaves Hartrigg Oaks on a permanent basis, except partial repayments, on a decreasing basis, are made over the first 56 months of residence. Capitalised Community Fees are amortised in the Accounts over the anticipated lives of the residents at a rate based on advice from JRHT's actuaries.

(xiv) Recycled Capital Grant Fund

Following the full sale of a rented property (other than under the Voluntary Purchase Grant or Social Homebuy programmes), the demolition of a property, the partial sale of a shared ownership property or upon a Homebuy redemption, the Social Housing Grant attributable to that property is transferred to the Recycled Capital Grant Fund. Sums in that Fund must be applied in accordance with criteria established by the Homes and Communities Agency.

(xv) Hartrigg Oaks Residence Fees

Hartrigg Oaks Residence Fees represents sums received from residents under the Lease and Care Agreements at Hartrigg Oaks. Fully Refundable Residence Fees are refundable in the original sum within 14 days of a resident leaving Hartrigg Oaks on a permanent basis. No interest is payable by JRHT on the sums received. Non-refundable Residence Fees are not refundable when a resident leaves Hartrigg Oaks on a permanent basis except partial repayments, on a decreasing basis, are made over the first 56 months of residence. Non-refundable Residence Fees are amortised in the Accounts over the anticipated lives of the residents at a rate based on advice from JRHT's actuaries.

(xvi) Bonds and Loan Stock

JRHT has issued Bonds and Loan Stock at its Residential Care Homes. Residents who take up Bonds or Loan Stock are entitled to a rebate on their fee. Any interest which is earned on the Bonds or Stock in excess of the rebates given is available to provide Bursary Support to those residents in the Homes who are unable to meet the full fee. Repayments are made when a resident ceases to be in occupation or following a re-assessment of a resident's financial position.

Bonds and Loan Stock are recognised in the Statement of Financial Position at the Net Present Value of the estimated future cash flows. The timing of future payments, which will be triggered when a resident ceases occupation, are uncertain and it has been assumed that one in eight residents will cease occupation in any one year based on past experience

(xvii) Restricted Reserves: Sales Re-investment Fund

The surplus on sale over book cost arising from sales of property under the Government's Voluntary Purchase Grant and Social Homebuy programmes have been transferred to the Sales Re-investment Fund. Sums in the Fund will be released when they have been applied to provide replacement housing property.

2 Accounting Policies (continued)**(xviii) Revaluation Reserves**

The revaluation surplus of pre 1990 rented property in New Earswick has been transferred to a Revaluation Reserve.

(xix) Major Repairs and Cyclical Maintenance

Expenditure on Major Repairs, including re improvements, and Cyclical Maintenance on general needs housing accommodation and Residential Care Homes is charged to the Statement of Comprehensive Income in the year in which it is incurred unless it involves the replacement of a capitalised component or the enhancement of the economic benefit of the structure. Major Repair Social Housing Grant which is received is offset against expenditure incurred.

(xx) Impairment

Impairment reviews are carried out on an annual basis in accordance with Financial Reporting Standard 11 for all properties where there is a relevant triggering event.

(xxi) Joseph Rowntree Foundation

Joseph Rowntree Housing Trust (JRHT) is a subsidiary of the Joseph Rowntree Foundation (JRF). JRF is an independent social change organisation working to solve UK poverty.

Directors and certain other staff are employed on joint JRF:JRHT contracts. Shared costs are apportioned between JRF and JRHT on the basis of an estimate of delivery cost.

(xxii) Pensions

JRHT participates in Social Housing Pension Scheme (SHPS) defined contribution schemes. Some employees of JRHT used to be employed by JRF at a point when a SHPS defined benefit scheme was open. Contributions to meet the costs of past service deficits are, therefore, met by JRF.

(xxiii) VAT

JRHT is registered for VAT. Expenditure is included gross of VAT and any recoveries made are netted off other operating costs (Note 3a).

(xxiv) Financial Instruments

Financial instruments which meet the criteria of a basic financial instrument as defined in Section 11 of FRS 102 are accounted for under an amortised historic cost model

Non-basic financial instruments are recognised at fair value using a valuation technique with any gains or losses being reported in the Statement of Comprehensive Income. At each year end, the instruments are revalued to fair value, with the movements posted to income or expenditure.

JRHT has not adopted hedge accounting for financial instruments.

(xxv) Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs and are measured subsequently at amortised cost using the effective interest method, less any impairment.

(xxvi) Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest rate method.

**Joseph Rowntree Housing Trust
Registered Charity**

3a Turnover, Operating Costs and Operating Surplus for the Year

	2021			2020				
	Turnover £'000	Cost of Sales £'000	Operating Costs £'000	Operating Surplus/ (Deficit) £'000	Turnover £'000	Cost of Sales £'000	Operating Costs £'000	Operating Surplus/ (Deficit) £'000
<i>Social Housing Lettings (note 3b)</i>	18,917	-	(19,657)	(740)	18,488	-	(18,148)	340
<i>Other Social Housing Activities</i>								
First Tranche Shared Ownership Sales	2,012	(1,667)	-	345	892	(627)	-	265
Disposal of Current Assets	103	(148)	-	(45)	496	(135)	-	361
Gain/Loss on disposal of Housing Properties (note 6)	-	-	643	643	-	-	712	712
Community Services and Special Initiatives (note 4)	2,199	-	(1,000)	1,199	1,278	-	(1,191)	87
Management Services	52	-	(55)	(3)	56	-	(60)	(4)
Property Services	20	-	(21)	(1)	24	-	(62)	(38)
Other - Leasehold Units at Extra Care Schemes	538	-	(586)	(48)	506	-	(577)	(71)
Other - VAT	-	-	6	6	-	-	6	6
<i>Non-social Housing Activities</i>								
Other (note 3c)	4,146	-	(3,291)	855	4,578	-	(3,750)	828
	<u>27,987</u>	<u>(1,815)</u>	<u>(23,961)</u>	<u>2,211</u>	<u>26,318</u>	<u>(762)</u>	<u>(23,070)</u>	<u>2,486</u>

Included within turnover for 2021 is grant received from the government's coronavirus job retention scheme of £31,169 (2020: £117,580).

Community Services and Special Initiatives income includes £1.2m grant from JRF. This was primarily to offset the continuing impact of the pandemic.

**Joseph Rowntree Housing Trust
Registered Charity**

3b Social Housing Lettings

	2021			2020		
	General Needs £'000	Supported Housing and Housing for Older People £'000	Care Homes £'000	Low Cost Home Ownership £'000	Total £'000	Total £'000
Rent Receivable net of Identifiable Service Charges	5,996	1,714	-	1,732	9,442	9,190
Service Charge Income	91	746	-	310	1,147	1,059
Charges for Support Services	1	3,126	4,355	304	7,786	7,757
Amortised Government Grant	202	206	-	104	512	482
Other Government grant	30	-	-	-	30	-
Turnover from Social Housing Lettings	6,320	5,792	4,355	2,450	18,917	18,488
Management	(1,630)	(492)	(719)	(633)	(3,474)	(3,557)
Service Charge Costs	(44)	(954)	-	(403)	(1,401)	(1,321)
Support Charges	-	(4,267)	(4,313)	(453)	(9,033)	(8,417)
Routine Maintenance	(866)	(246)	(156)	(87)	(1,355)	(789)
Planned Maintenance	(668)	(147)	(49)	(76)	(940)	(911)
Major Repairs Expenditure	(157)	(56)	-	(39)	(252)	(361)
Bad Debts	(21)	(2)	(1)	-	(24)	(37)
Depreciation of Housing Properties	(1,501)	(920)	(170)	(417)	(3,008)	(2,587)
Other Costs	(206)	-	-	36	(170)	(168)
Operating Costs on Social Housing Lettings	(5,093)	(7,084)	(5,408)	(2,072)	(19,657)	(18,148)
Operating Surplus/(Deficit) on Social Housing Lettings	1,227	(1,292)	(1,053)	378	(740)	340
Void Losses	48	91	1,948	29	2,116	1,684

Charges for Support Services, together with the associated costs include Supporting People contracts.

3c Other Non-social Housing Activity

	2021		2020	
	Turnover £'000	Operating Costs £'000	Operating Turnover £'000	Operating Surplus/ Deficit £'000
Hartrigg Oaks	3,173	(3,852)	3,266	(543)
Hartrigg Oaks Sales (Note 6)	-	1,794	-	1,340
Revaluation of Investment property	-	-	435	435
Business Properties and Farms	973	(1,233)	877	(404)
	4,146	(3,291)	4,578	828

4 Community and Special Initiatives

The net income breaks down as:-

	2021	2020
	£'000	£'000
Bursary Shortfall at Residential Care Homes	(186)	(213)
Adjustment to restate Bonds and Loan stock at net present value	(18)	(40)
Hartrigg Oaks Bursary Support	(33)	(83)
Special Initiatives - Care	7	4
Contribution to New Earswick Schools	(25)	(25)
New Earswick Community Grants	(16)	(18)
New Earswick Folk Hall	(285)	(230)
JRF Grant for Heritage Assets (note 33 (d))	428	396
JRF Capital Grant (note 33 (d))	66	271
JRF Bursary support- (note 33 (d))	314	314
JRF Revenue support- (note 33 (d))	1,200	-
National Lottery Grant Hartfields	-	80
National Lottery Grant Hartfields Expenditure	-	(73)
Horizon 2020 Grant	-	129
Horizon 2020 Expenditure	-	(130)
Derwenthorpe Community Facilities	(19)	(10)
Other	14	(9)
Management Expense allocation	<u>(248)</u>	<u>(276)</u>
	<u>1,199</u>	<u>87</u>

5 Housing Stock

	General Needs	Supported Housing & Housing for Older People	Care Homes	Low Cost Home Ownership	Extra Care Leasehold	Hartrigg Oaks	Leasehold Schemes for Elderly	Total
At 1 January	1,232	358	133	446	66	195	155	2,585
Additions	-	23	-	25	-	-	-	48
Reclassification	1	(3)	-	-	-	-	-	(2)
Net Switches in Tenure	2	4	-	(5)	(2)	-	1	-
Sales	-	-	-	(7)	-	-	-	(7)
Held for Sale	(1)	-	-	-	-	-	-	(1)
At 31 December	<u>1,234</u>	<u>382</u>	<u>133</u>	<u>459</u>	<u>64</u>	<u>195</u>	<u>156</u>	<u>2,623</u>

Three rooms in a supported housing property have been vacated. This property is now being let for general needs rent. Within Low Cost Home Ownership there are 176 units in Supported Housing and Housing for Older People schemes.

All General Needs and Supported Housing and Housing for Older People is let at a social rent.

In addition, the JRHT manages 43 units within two leasehold schemes and owns 13 shops, two farm holdings and a property leased to a third party to provide a Residential Care Home for people with mental illness. There are also 4 units used as accommodation by scheme managers.

6 Surplus on Sales

	2021			2020
	Housing Properties £'000	Hartrigg Oaks £'000	Total £'000	£'000
Sales proceeds	2,843	3,097	5,940	4,631
Less: Cost of properties sold (Notes 13 and 14)	(2,299)	(1,216)	(3,515)	(2,636)
Depreciation (Note 13)	173	-	173	164
Grant Previously amortised (note 24)	(31)	-	(31)	(34)
Direct Costs	(43)	(87)	(130)	(73)
	<u>(2,200)</u>	<u>(1,303)</u>	<u>(3,503)</u>	<u>(2,579)</u>
Surplus on sales	<u>643</u>	<u>1,794</u>	<u>2,437</u>	<u>2,052</u>

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7 Staff Costs

The following table includes staff costs of both JRF and JRHT as certain individuals operate across both entities. These are primarily staff who work within central services (e.g People team Technology and Change and Finance). Central costs are apportioned between the two legal entities on the basis of an estimate of the cost of delivering services. Total staff costs, including those shared with JRF, during the year were :-

	2021			2020		
	JRF £'000	JRHT £'000	Total £'000	JRF £'000	JRHT £'000	Total £'000
Wages and salaries	4,672	13,708	18,380	4,409	13,425	17,834
Retirement, redundancy and exit payments	132	176	308	-	118	118
National Insurance contributions	477	1,093	1,570	433	1,047	1,480
Other pension costs	282	716	998	261	695	956
	<u>5,563</u>	<u>15,693</u>	<u>21,256</u>	<u>5,103</u>	<u>15,285</u>	<u>20,388</u>

The average weekly number of persons, including part time staff, employed directly or indirectly by JRHT during the year was 737 (2020: 713).

The average number of full time equivalent employees, based on a working week of 35 hours, was 626 (2020: 599).

8 Trustees', Executive Directors, Key Management Personnel and Higher Paid Employees' Emoluments

No Trustee received any emoluments or benefits in kind in respect of their services.

	2021				2020				
	Basic Salary £'000	Benefits in kind £'000	Pension contributions £'000	Total Benefits £'000	Basic Salary £'000	Compensation for loss of office £'000	Benefits in kind £'000	Pension contributions £'000	Total Benefits £'000
Group Chief Executive from 1 September 2020	151	-	9	160	50	-	5	3	58
Director of Communication and Public Engagement from 1 April 2021	74	1	4	79	-	-	-	-	-
JRHT Executive Director	98	-	6	104	98	-	-	6	104
Director of Finance	98	-	6	104	98	-	-	6	104
Director of Corporate Services	98	-	6	104	98	-	-	6	104
Acting JRF Executive Director from 20 April 2020 to 20 June 2021	41	-	2	43	54	-	-	3	57
JRF Executive Director to 17 April 2020	-	-	-	-	39	-	-	2	41
	<u>560</u>	<u>1</u>	<u>33</u>	<u>594</u>	<u>437</u>	<u>-</u>	<u>5</u>	<u>26</u>	<u>468</u>

The aggregate remuneration of Key Management personnel was as follows:-

	2021 £'000	2020 £'000
Basic Salary	560	437
Benefits in Kind	1	5
Pension Contributions	33	26
Employer's NIC	69	52
	<u>663</u>	<u>520</u>

The total remuneration of key personnel apportioned to JRHT during the year was £331,000 (2020: £265,000).

The emoluments of the highest paid directors, the Group Chief Executive, excluding pension contributions were £151,000. (2020: the JRHT Executive Director, the Director of Finance and the Director of Corporate Services £98,000 each)

The benefits in kind of the Director of Communication and Public Engagement and the Director of Emerging Futures were in relation to relocation expenditure.

All directors are entitled to be members of the pension scheme on the same terms as all staff.

8 Trustees', Key Management Personnel (Directors) and Higher Paid Employees' Emoluments (continued)

The number of higher paid employees of JRHT, excluding directors, for whom a percentage of full year, full time emoluments (including pension contributions and benefits in kind) was apportioned to JRHT fell in the following ranges:-

	2021	2020
£60,001 - £70,000	7	9
£70,001 - £80,000	4	7
£80,001 - £90,000	1	1
£90,001- £100,000	-	1

The above bandings include two employees who left during the year. Equivalent annual remuneration places one of these employees in the £60,001 to £70,000 band and one of these employees in the band for £70,001 to £80,000. In addition, one employee who joined during the year is also included within the £60,001 to £70,000 band.

9 Interest Receivable

	2021	2020
	£'000	£'000
Interest receivable and similar income	127	129
Income from other investments	64	11
	<u>191</u>	<u>140</u>

10 Interest Payable and Similar Charges

	2021	2020
	£'000	£'000
Interest Paid:		
Orchardbrook Ltd	78	79
Joseph Rowntree Foundation	10	14
Lloyds Banking Group plc	1,002	1,039
THFC Bond	799	798
Handelsbanken	279	309
	<u>2,168</u>	<u>2,239</u>
Interest Applied to:		
Income received in advance	43	41
Bonds and Loan Stock	12	16
Recycled Capital Grant Fund (Note 23)	2	1
Bank Overdraft	49	35
	<u>2,274</u>	<u>2,332</u>
Less Capitalised:		
Housing Land and Buildings (Note 13)	(266)	(255)
	<u>2,008</u>	<u>2,077</u>
Capitalisation rate used to determine the finance costs capitalised during the period	<u>3.4%</u>	<u>3.7%</u>

11 Comprehensive Income for the Year

	2021	2020
	£'000	£'000
Surplus for the year is stated after charging:		
Depreciation	3,547	3,130
Payments under operating leases	17	62
Auditors' Remuneration (inclusive of VAT)		
In their capacity as Auditors	36	33
Tax compliance	6	3
Derwenthorpe tax and vat advice	6	-

12 Taxation on Ordinary Activities

	2021	2020
	£'000	£'000
Under accrual of Corporation tax in respect of previous year	-	1
Total Current Tax	<u>-</u>	<u>1</u>

13 Housing Land and Buildings

	Housing Property held for Letting	Shared Ownership Properties	Residential Care Homes	Other Housing Property	Property in the Course of Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 January	121,290	20,469	11,287	1,209	10,497	164,752
Additions	2,632	22	-	-	4,443	7,097
Disposals	(342)	(35)	-	-	(15)	(392)
Transfer to Other Fixed Assets	-	-	-	-	(1,547)	(1,547)
Sales (Note 6)	(1,994)	(305)	-	-	-	(2,299)
Works to Existing Properties	1,500	54	-	-	-	1,554
Decrease in valuation of deferred land	(42)	-	-	-	-	(42)
Reclassification	254	(248)	-	(6)	-	-
Completions	6,860	4,394	36	-	(11,290)	-
Transfer to Assets Held For Sale	(12)	-	-	-	(1,557)	(1,569)
At 31 December	130,146	24,351	11,323	1,203	531	167,554
Depreciation						
At 1 January	20,400	4,177	1,684	294	-	26,555
Charge for the year	2,421	403	170	14	-	3,008
Sales (Note 6)	(135)	(38)	-	-	-	(173)
Disposals	(342)	(7)	-	-	-	(349)
Reclassification	79	(77)	(2)	-	-	-
Transfer to Assets Held For Sale	(4)	-	-	-	-	(4)
At 31 December	22,419	4,458	1,852	308	-	29,037
Net Book Value						
At 1 January	100,890	16,292	9,603	915	10,497	138,197
At 31 December	107,727	19,893	9,471	895	531	138,517
Represented by:						
Freehold Land and Buildings	101,522	19,311	9,471	895	531	131,730
Long Leasehold Land and Buildings	6,205	582	-	-	-	6,787
	107,727	19,893	9,471	895	531	138,517

- (i) Included within the net book value of £107,727,000 (2020: £100,890,000) of Housing Properties held for letting are Supported Housing and Housing for Older People properties with a net book value of £44,711,834 (2020: £38,748,994)
- (ii) Additions in the year include £150,705 (2020: £153,355) in respect of Development Administration and £266,141 (2020: £255,638) in respect of capitalised interest.

13 Housing Land and Buildings (continued)

- (iii) The total accumulated Social Housing Grant received by the JRHT up to 31 December 2021, including Major Repairs Grant, was £36,429,024 (2020: £36,429,024).
- (iv) Properties are stated at historical cost except for pre 1990 rented properties in New Earswick which are stated at deemed cost being Existing Use Value for Social Housing (EUV-SH).

The carrying value of housing properties that would have been included in the financial statements had the assets been carried at historic cost less accumulated depreciation is as follows:

	2021	2020
	£'000	£'000
Housing Properties at historical cost	160,223	157,421
Accumulated depreciation	(28,619)	(26,137)
	<u>131,604</u>	<u>131,284</u>

(v) Expenditure on works to existing properties

	2021	2020
	£'000	£'000
Improvement works capitalised	181	37
Components capitalised	1,373	599
Amounts charged to income and Expenditure	<u>252</u>	<u>361</u>
	<u>1,806</u>	<u>997</u>

- (vi) JRHT considers individual schemes to be separate Cash Generating Units (CGUs) when assessing impairment, in accordance with the requirements of Financial Reporting standard 102 and SORP 2018. No impairment charge was made during the year.
- (vii) At the newly completed New Lodge development certain costs have been allocated to communal areas. This allocation was based upon floor areas.

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14 Hartrigg Oaks

	2021	
	£'000	£'000
Cost		
At 1 January		38,122
Expenditure in the year	17	
Current Residence Fees on bungalows re-sold in the year	3,098	
Less: previous Residence Fees on bungalows re-sold in the year	(1,217)	
Increase in Residence Fees on bungalows re-sold in the year		<u>1,898</u>
At 31 December		<u>40,020</u>
Depreciation		
At 1 January		806
Charged in the year		<u>49</u>
At 31 December		<u>855</u>
Net Book Value		
At 1 January		37,316
At 31 December		39,165

Hartrigg Oaks is a Continuing Care Retirement Community built on land under JRHT's ownership in New Earswick. It consists of 152 bungalows, a 43 room Care Centre, together with communal facilities.

15 Other Fixed Assets - Tangible assets

	Other Freehold Land and Buildings £'000	Vehicles, Furniture and Equipment £'000	Total £'000
Cost			
At 1 January	16,751	1,254	18,005
Additions	1,527	50	1,577
Disposals	(62)	(36)	(98)
At 31 December	<u>18,216</u>	<u>1,268</u>	<u>19,484</u>
Depreciation			
At 1 January	4,089	810	4,899
Charge for the year	381	109	490
Disposals	(61)	(36)	(97)
At 31 December	<u>4,409</u>	<u>883</u>	<u>5,292</u>
Net Book Value			
At 1 January	12,662	444	13,106
At 31 December	13,807	385	14,192

Other Freehold Land and Buildings consists of the JRHT's business and office premises including solar panels, communal areas at Extra Care schemes and non-housing property in New Earswick and Derwenthorpe. Income generated from these holdings is included within Business Properties and Farms (note 3b). The net book value of the income generating properties at 31 December 2021 was £9,015,000 (2020: £9,271,000).

16 Other Fixed Assets - Intangible assets

	IT Software
	£'000
Cost	
At 1 January	59
Additions	-
Disposals	-
At 31 December	<u>59</u>
Depreciation	
At 1 January	59
Charge for the year	-
Disposals	-
At 31 December	<u>59</u>
Net Book Value	
At 1 January	-
At 31 December	-

17 Homebuy Loans

	2021	2020
	£'000	£'000
At 1 January	2,356	2,392
Repayments	<u>(129)</u>	<u>(36)</u>
At 31 December	<u>2,227</u>	<u>2,356</u>

Homebuy loans are secured on the properties to which the loan relates and are repaid in line with the terms of the scheme.

18 Investment Properties

	2021	2020
	£'000	£'000
At 1 January	3,198	2,763
Transfer from Other Freehold Land & Buildings	-	-
Gain on revaluation	<u>-</u>	<u>435</u>
At 31 December	<u>3,198</u>	<u>3,198</u>

Investment properties are included in the statement of financial position at market value based on formal valuations undertaken in December 2019 and November 2020 by an independent, qualified, chartered surveyor with experience of these types of assets. The valuations were carried out in accordance with the provisions of the RICS Valuation - Global Standards Current Edition (the "Red Book"). As a consequence of the Covid-19 pandemic, the valuation undertaken in 2020 included a material uncertainty clause. Management has determined that this does not give rise to a material difference in valuation.

19 Properties held for sale

	2021	2020
	£'000	£'000
Shared ownership properties		
Completed properties	1,141	236
Work in progress	-	516
	<u>1,141</u>	<u>752</u>
Work in Progress Developed for Outright Sale	-	-
Housing Land and Buildings	1,458	41
Other Freehold Land and Buildings	-	-
	<u>2,599</u>	<u>793</u>

20 Trade and Other Debtors

	2021		2020	
	£'000	£'000	£'000	£'000
Stock		72		84
Rent Arrears				
Rent and service charges receivable	498		569	
Provision for bad and doubtful debts	(151)		(164)	
		<u>347</u>		<u>405</u>
Prepayments and accrued income		211		121
Other Debtors		690		847
		<u>1,320</u>		<u>1,457</u>

21 Creditors: Amounts falling due within one year

	2021	2020
	£'000	£'000
Debt (Note 25)	79	78
Rent in Advance	318	329
Recycled Capital Grant Fund (Note 23)	288	47
Deferred Grant Income (Note 24)	512	482
Accruals and deferred income	1,914	1,414
Other Creditors	1,736	1,154
	<u>4,847</u>	<u>3,504</u>

22 Creditors: Amounts falling due after one year

	2021		2020	
	£'000	£'000	£'000	£'000
Debt (Note 25)		59,238		57,316
Deferred Income - amounts received in advance:				
Rents received in advance	83		133	
Leaseholders	1,466		1,255	
Residential Care Homes and Extra Care	934		982	
Hartrigg Oaks	406		372	
THFC Bond	924		967	
		<u>3,813</u>	<u>3,709</u>	
Capitalised Community Fees:				
At 1 January	2,192		1,992	
Received in the year	452		434	
Repaid in the year	(12)		(61)	
Amortisation in the year	(203)		(173)	
At 31 December		<u>2,429</u>	<u>2,192</u>	
Recycled Capital Grant Fund (Note 23)		1,523		1,496
Deferred Grant Income (Note 24)		40,204		40,486
Hartrigg Oaks Residence Fees (Note 26)		30,607		29,278
Bonds and Loan Stock (Note 27)		869		1,319
Deferred Land		<u>3,234</u>		<u>3,276</u>
		<u>141,917</u>		<u>139,072</u>

23 Recycled Capital Grant Fund (RCGF)

	2021	2020
	£'000	£'000
At 1 January	1,543	463
Transfer in the year (Note 24)	138	1,043
Applied in the year (Note 24)	-	-
Homebuy Grant repaid (Note 24)	129	36
Homebuy Grant abated	(1)	-
Interest added to the Fund (Note 10)	2	1
At 31 December	<u>1,811</u>	<u>1,543</u>

RCGF is applicable in the following periods:-

	2021	2020
	£'000	£'000
Within one year (Note 21)	288	47
More than one year (Note 22)	<u>1,523</u>	<u>1,496</u>
	<u>1,811</u>	<u>1,543</u>

24 Deferred Grant Income

	2021 £'000	2020 £'000
At 1 January	40,968	42,479
Received in the year	496	-
Transferred from Properties in the Course of Construction (note 13)	-	-
Transferred from RCGF (Note 23)	-	-
Transferred to RCGF (Note 23)	(138)	(1,043)
Homebuy Grant Applied to RCGF (Note 23)	(129)	(36)
Grant Previously amortised on Properties Disposed	31	34
Grant Previously amortised on Properties held for sale	-	16
Amortisation in the year	(512)	(482)
	<hr/>	<hr/>
At 31 December	40,716	40,968

Deferred Grant Income is due in the following periods:-

	2021 £'000	2020 £'000
Within one year (Note 21)	512	482
More than one year (Note 22)	40,204	40,486
	<hr/>	<hr/>
	40,716	40,968

25 Debt Analysis**Borrowings are represented by :**

	2021 £'000	2020 £'000
Housing Loans (Note i)	44,205	42,222
Hartrigg Oaks loans (Note ii)	112	172
THFC Bond (Note iii)	15,000	15,000
	<hr/>	<hr/>
	59,317	57,394

Note i

The Housing Loans comprise:-

	2021 £'000	2020 £'000
Orchardbrook Ltd	705	722
Lloyds Banking Group plc Facility A	10,000	10,000
Lloyds Banking Group plc Facility B (Tranche1)	8,000	8,000
Lloyds Banking Group plc Facility B (Tranche2)	5,000	5,000
Handelsbanken Loan 1	8,000	8,000
Handelsbanken Loan 2	12,500	10,500
	<hr/>	<hr/>
	44,205	42,222

- (a) The loans from Orchardbrook Ltd are settled by equal half-yearly instalments of capital and interest over the estimated life of the scheme for which the loan was provided. The final instalments fall to be repaid in the period 2022 to 2047. The rates of interest are fixed and range from 9.25% to 15.875%. The loans are secured against 65 of JRHT's properties.

25 Debt Analysis (continued)

- (b) Facility A from Lloyds Banking Group plc is for a 30 year term with a bullet repayment at a fixed rate of interest. The average rate charged during the year was 4.77%. The margins increase over the life of the loan so that from September 2030 the rate, including margins, is 4.83%. The loan is secured against 123 of JRHT's properties and is fully repayable on 9 December 2036.
- (c) Facility B (Tranche 1) from Lloyds Banking Group plc is for a 28 year term with a bullet repayment at a fixed rate of interest. The interest rate charged during the year was 4.33%. The margins increase over the life of the loan, so that from 24 March 2036 the rate, including margins, is 4.38%. The loan is secured against 119 of JRHT's properties and with a final repayment due on 24 December 2037.
- (d) Facility B (Tranche 2) from Lloyds Banking Group plc is for a 20 year term with repayments at 3 yearly intervals and a final repayment on 28 December 2034. Interest charged during the year was 3.58%. The margins increase over the life of the loan, so that from 28 March 2028 the rate, including margins, is 3.62%. The loan is secured against 86 of JRHT's properties.
- (e) Handelsbanken Loan 1 represents a revolving credit facility of £8m . Interest is charged at a variable rate linked to SONIA: the average rate charged during the year was 1.22%. The Facility, which is available until June 2023, is secured against 128 of JRHT's properties.
- (f) Handelsbanken Loan 2 represents a revolving credit facility of £15m . Interest is charged at a variable rate linked to SONIA: the average rate charged during the year inclusive of non- utilisation fees was 1.58%. The Facility, which is available until June 2023, is secured against 215 of JRHT's properties.

The Housing Loans are repayable in the following periods:-

	2021		2020	
	£'000	£'000	£'000	£'000
In one year or less (Note 21)		19		18
Between one and two years	1,021		19	
Between two and five years	4,074		1,071	
In five years or more	39,091		41,114	
		<u>44,186</u>		<u>42,204</u>
		<u>44,205</u>		<u>42,222</u>

Note ii

The Hartrigg Oaks Loan comprises:-

	2020	2020
	£'000	£'000
Joseph Rowntree Foundation		
Fixed	<u>112</u>	<u>172</u>

Interest is charged on this fixed loan at an interest rate of 6.75%. The loan is due to be repaid in 2023.

25 Debt Analysis (continued)

The Hartrigg Oaks Loan is repayable in the following periods:-

	2021		2020	
	£'000	£'000	£'000	£'000
In one year or less (Note 21)		60		60
Between one and two years	52		60	
Between two and five years	-		52	
		<u>52</u>		<u>112</u>
		<u>112</u>		<u>172</u>

Note iii

A bond of £15m from THFC was taken out in 2013. Interest is charged at a fixed rate of 5.2%. The bond is secured against 240 of the Trust's properties and is repayable in 2043.

The THFC Bond is repayable in the following periods:-

	2021		2020	
	£'000	£'000	£'000	£'000
In one year or less (Note 21)		-		-
Between one and two years	-		-	
Between two and five years	-		-	
In five years or more	15,000		15,000	
		<u>15,000</u>		<u>15,000</u>
		<u>15,000</u>		<u>15,000</u>

26 Hartrigg Oaks Residence Fees

	Fully Refundable Fees	Non-refundable Fees	Total
	£'000	£'000	£'000
At 1 January	24,876	4,402	29,278
Received in the year	2,732	430	3,162
Repaid in the year	(1,538)	-	(1,538)
Amortised in the year	-	(295)	(295)
At 31 December	<u>26,070</u>	<u>4,537</u>	<u>30,607</u>

27 Bonds and Loan Stock

	2021	2020
	£'000	£'000
At 1 January	1,319	1,539
Bonds and Loan Stock repaid in the year	(459)	(213)
Indexation	50	13
Transfer to Bursary shortfall	(59)	(60)
Adjustment to net present value	18	40
At 31 December	<u>869</u>	<u>1,319</u>

Indexation represents an increase in sums due to Bedford Court bond holders, following the rise in RPI during the year.

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28 Note to the statement of cash flows

	2021		2020	
	£'000	£'000	£'000	£'000
28a Reconciliation of Operating Surplus to Net Cash Inflow from Operating Activities				
Operating Surplus		2,211		2,486
Depreciation of Housing Buildings	3,008		2,587	
Depreciation of Hartrigg Oaks	49		48	
Depreciation of Other Fixed Assets	490		495	
Amortisation of Government Grant	(512)		(482)	
Amortisation of Non-refundable Residence Fees	(295)		(267)	
Amortisation of Capitalised Community Fees	(203)		(173)	
Decrease in Net Present Value of Loan Stock	18		40	
Increase in value of Investment Property	-		(435)	
Decrease in Stock of Materials	12		9	
Surplus on sale of properties	(2,437)		(2,052)	
(Increase)/Decrease in Housing stock held for resale	(1,806)		167	
Decrease in Debtors	116		597	
Increase/(Decrease) in Creditors	1,175		(595)	
		(385)		(61)
Net Inflow from Operating Activities		1,826		2,425
28b Sale of Existing Stock of Housing Properties		2021		2020
		£'000		£'000
Proceeds from sales (Note 6)		2,843		2,262
Less: Direct Expenditure (Note 6)		(43)		(21)
		2,800		2,241
28c Net Cash Movement on Hartrigg Oaks Properties		2021		2020
		£'000		£'000
Residence Fees received		3,162		2,249
Residence Fees repaid		(1,538)		(1,112)
		1,624		1,137
Less: Direct Expenses (Note 6)		(87)		(52)
		1,537		1,085
28d Analysis of changes in net debt				
	At		Other	At
	1.1.21		non	31.12.21
	£'000	Cash Flows	cash	£'000
			changes	
Cash	(3,491)	213	-	(3,278)
Bank Loans due within one year	78	(77)	78	79
Bank Loans due greater than one year	57,316	2,000	(78)	59,238
Total	53,903	2,136	-	56,039
29 Capital Commitments			2021	2020
			£'000	£'000
Expenditure authorised not contracted			30,745	32,374
Expenditure contracted less certified			5,240	7,824
			35,985	40,198

Capital commitments include £3,497,000 for deferred land payments where there is no fixed date for the payment.

The above commitments will be financed primarily through borrowings available for drawdown under existing facilities (£5,240,000), JRF's commitment to provide funding of up to £50m to support JRHT's house building programme (£14,739,000), social housing grant (£8,670,000) and property sales (£7,336,000).

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30 Leasing Commitments

JRHT's total future minimum operating lease payments are set out below:

	2021 £'000	2020 £'000
Within one year	59	17
Between two and five years	23	5
	82	22

31 Ultimate Controlling Party

The ultimate controlling party of JRHT is the Joseph Rowntree Foundation (JRF) which is a charitable company limited by guarantee registered in England and Wales and regulated by the Charity Commission. The consolidated accounts of JRF can be obtained from Joseph Rowntree Foundation, The Homestead, 40 Water End, York, YO30 6WP or on its website www.jrf.org.uk.

32 Non Equity Share Capital

The shares provide members with the right to vote at general meetings, but do not provide any rights to dividends or distributions upon a winding up. Shares in JRHT issued to members are not transferrable. Upon a shareholder ceasing to be a member, his/her share is forfeited and the value credited to the revenue reserve.

	2021 £'000	2020 £'000
Shares of £1 in issue at the start of the year	9	9
Issued	2	2
Surrendered	-	(2)
Shares at the end of the year	11	9

33 Joseph Rowntree Foundation (JRF) - Related Party Transactions

(a) Outstanding Loans

Outstanding loans from JRF at 31 December 2021 amounted to £111,976 (2020: £172,368). Loans advanced in the year were £nil and loan repayments amounted to £60,392. Interest charged on loans from JRF during the year was £10,443 (2020: £14,464). Further details can be found in note 25.

(b) Loan facility

JRF provides a facility for up to £15,000,000 to JRHT, for any short term cash flow requirements, negating the need to source external funding. Interest will be charged at market value rates, taking external advice as necessary. As at 31 December 2021 none of this facility had been drawn (2020: £Nil).

(c) Grants

JRF provided a grant of £314,000 to JRHT in 2021 to provide bursary support. The amount payable to JRHT in 2020 was £314,000.

JRF provided a revenue support grant to JRHT in 2021 of £1,200,000 (2020: Nil). This was primarily to offset the continuing impact of the pandemic.

JRF provided a grant of £428,000 to JRHT in 2021 towards the direct running and management costs of heritage assets. The amount payable to JRHT in 2020 was £396,000.

JRF provided a grant to JRHT in 2021 to fund early-stage costs of its house building programme of £66,000 (2020: £271,000). This is the second drawdown of grants of up to £50m agreed with JRHT to create 1,000 new homes over 10 years.

34 Other Related Parties

There were no other related party transactions in the year. (2020: Nil)

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35 Financial Assets and Liabilities

	2021	2020
	£'000	£'000
Financial assets that are debt instruments measured at amortised cost	6,986	5,620
Financial liabilities measured at amortised cost	(145,598)	(140,962)
Financial liabilities that are measured at fair value through the surplus or deficit	(869)	(1,319)
	<u>(139,481)</u>	<u>(136,661)</u>

Financial assets measured at amortised cost are represented by current assets excluding prepayments and accrued income.

Financial liabilities measured at amortised cost are represented by all short and long term liabilities excluding those measured at fair value and liabilities to HMRC.

Financial liabilities measured at fair value are represented by the deferred bonds and loan stock. The difference between the carrying amount and contractually obliged payments is:-

	2021	2020
	£'000	£'000
Carrying amount	869	1,319
Contractual Obligations	906	1,374
	<u>(37)</u>	<u>(55)</u>

36 Post Balance Sheet Events

After the year end, the Board decision to close Lamel Beeches residential care home was communicated to residents, their families and colleagues. This setting had not been fully occupied for number of years and was in need of significant investment. Indications are that most residents will move to another JRHT setting. This decision will also contribute to JRHT's longer-term financial sustainability.