



2021/22

Annual report to residents



Because good homes
make everything possible



Welcome

In this annual report to residents, we look at how we've performed against our targets over the last financial year, which was from 1 April 2021 to 31 March 2022. This report does not include any changes that have occurred since 1 April 2022.

Some of the key highlights you'll find in the report include:

- achieving 100% gas safety compliance for the third year running
- focussing our attention on reducing residents' dissatisfaction with our overall service to 10%, and meeting this target
- beating our satisfaction target for vacant homes we've rented out (83.49% against a target of 80%)
- exceeding our rent arrears target of 4.25% by achieving 3.83%
- starting 511 new affordable homes and completing 232 brand new properties.

There are a few areas which were more challenging for us for various reasons, and where we haven't met our performance targets for the year. 16.9% of residents reported that they are dissatisfied with our repairs service; we didn't meet our target for responding to complaints on time which was 92.4% against a target of 95%; and 72% of residents said they had trust in us, below our target of 85%. We also took an average of 83 days to move new residents into our vacant homes when we aimed to do this in an average of 50 days.

There have been some external factors that have impacted our performance, such as the shortage of skilled workers and materials to complete repairs, but we're also aware there's more we can do and we'll be looking at how we can improve our performance in these areas.

Although we still felt the impact of the Covid-19 pandemic on our services, as well as the financial implications of the increase in external costs, we've continued to support residents and invest in our local communities. During the year, we set up a new Mental Health Liaison team to support residents experiencing mental health issues in maintaining their tenancy. We almost doubled our charitable fund spend from £44k the previous year to just over £70k, recovered £2.4million in unclaimed benefits for residents and financially supported local groups through donations.

You can find out more about our performance in this report and further detail in our published Financial Statements and environmental, social and governance (ESG) report 2021/22 on our website at www.networkhomes.org.uk/financialstatements.



Update on our strategic objectives

Our Five Year Strategy sets out our five strategic objectives that have specific targets we're focused on achieving by 2023. Here is an update on our progress.



Increasing the number of homes for people in housing need

Ambition:

Start building at least **1,000** affordable homes by 2023

Progress:

On track

In 2021/22 we started **511** new affordable homes, meaning a total of 875 homes started since we set this target in 2020/21.



Delivering reliable resident services

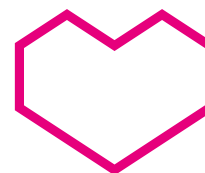
Ambition:

To achieve at least **90%** overall resident satisfaction

Progress:

Not achieved

85.4% overall satisfaction with services, down from **87.9%** in 2020/21.



Building a great organisation

Ambition:

At least **87%** of our colleagues feel proud to work for Network Homes

Progress:

Achieved

87% of our colleagues said they were proud to work for Network Homes*



Increasing our financial resilience

Ambition:

Increase operating margin year on year

Progress:

Not achieved

In 2021/22, our social housing operating margin was **17.7%****, a decrease of 12.2%



Strengthening residents' trust in us

Ambition:

Improve trust in us by **10%** year on year, with a target of **85%** for 2021/22

Progress:

Not achieved

72% residents have trust in us, down from **77.7%** in 2020/21.

*From Internal employee engagement survey held in July 2021.

** Social housing surplus measures the amount of money left over from renting the social housing homes we manage after we've taken into account the cost of management and maintenance. The social housing operating surplus as a % of total social housing income is called social housing operating margin. The higher operating margin, the more resources we have to reinvest into new and existing homes!

Letting our homes

The breakdown of average weekly rent based on region and home size is opposite.

When calculating the average weekly rent for our Social Rent homes, we include General Needs, Housing for Older People, Supported Housing and our subsidiary SW9 Community Housing. Affordable Rent homes is a rent option introduced by the Government and the amount we charge in rent for them is no more than 80% of the market rate.

Highlights



£125.93

Average Social Rent per week across all homes



£209.15

Average Affordable Rent per week across all homes



83.49%

Satisfaction with vacant homes we've rented out (Target 80%)



3.83%

Rent arrears of all rent (Target 4.25% or below)



Average rents per week

This includes homes in London, Hertfordshire and out of London.

Average Social Rent per week 2021/22



Bedsit	£105.40
1 bed home	£115.74
2 bed home	£124.18
3 bed home	£137.47
4 bed home	£147.22
5 bed home	£155.30
6+ bed home	£168.13
Average	£125.93

Average affordable rent per week 2021/22



1 bed home	£191.39
2 bed home*	£220.49
3 bed home	£210.66
4 bed home	£229.95
5 bed home	£378.69
Average	£209.15

*Please note: the average rent of a two-bed home is higher because we have more two-bed homes in London, where rents are typically higher, than we have in areas outside London.

Breakdown of Social Rent by region

Average regional Social Rent per week 2021/22 by property size



	Greater London	Hertfordshire and out of London
Bedsit	£113.86	£83.90
1 bed home	£121.12	£101.71
2 bed home	£127.52	£116.66
3 bed home	£140.88	£131.95
4 bed home	£147.41	£145.33
5 bed home	£155.60	£153.01
6+ bed home	£167.80	£172.44
Average	£129.75	£117.27

Breakdown of Affordable Rent by region

Average regional Affordable Rent per week 2021/22 by property size



	Greater London	Hertfordshire and out of London
1 bed home	£212.57	£138.38
2 bed home	£246.64	£176.32
3 bed home	£208.89	£213.23
4 bed home	£229.56	£236.42
5 bed home	£378.69	N/A
Average	£227.23	£174.57

Re-letting homes

When a resident moves out of their home, we get the home ready for new people to move in. We aim to promptly complete the relevant checks, cleaning and repairs, so that new residents can move in and have a safe, clean and affordable place to call home. Our target time for moving new residents into the vacant homes we have is 50 days. We took an average of 83 days to do this during 2021/22, which was mostly because of people's concerns with moving home during the Covid-19 lockdowns in 2021, especially for our more vulnerable



residents. The percentage of rental income lost during the time that our homes were empty was 1.61%, compared to 2.92% in 2020/21.

Local councils provide us with the nominations for new residents for our empty homes and we are working closely with them to reduce the time it takes to re-let our homes.





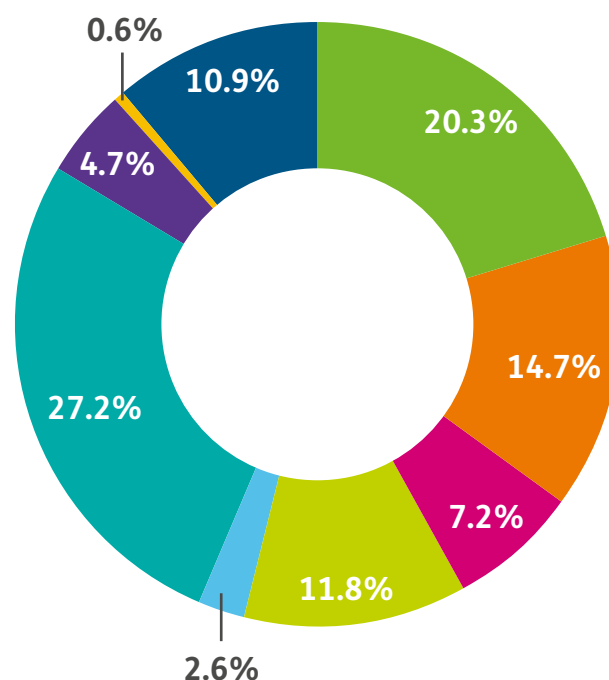
How we use your rent money and maintain your home

The money you pay in rent funds a wide range of services, from the management and maintenance of your home, to covering rent losses and paying interest on our loans. This year, we received £125.6million in rent from the general, affordable, intermediate,

temporary, and shared ownership homes we manage. Of this £25.4million was spent on housing management and administration and £42.3million on repairs and maintenance.

Below is the breakdown of exactly what we used your rent for in 2021/22.

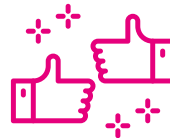
	Amount
● Housing management and administration	£25,478,930
● Routine maintenance (e.g. day to day repairs)	£18,441,459
● Planned maintenance (e.g. compliance programme)	£9,065,253
● Major repair (capitalised repairs e.g. replacement of kitchens, bathrooms, boilers, roofs, etc)	£14,823,600
● Payment for leasing properties	£3,304,556
● Interest we pay on loans	£34,099,276
● Unrecovered service charge expenses (the difference between what we pay for services and what we have received in service charge)	£5,860,000
● Rent losses from bad debts (covering the cost of rent arrears where we have not received rent from residents)	£775,971
● Reinvested (contribution towards developing new homes)	£13,711,133
Total	£125,560,178



Maintaining homes

The £42.3million we spent on repairs and maintenance includes day to day repairs as well as the major repairs and replacements, including roofs, boilers, kitchens and bathrooms. This also includes inspections and services of your heating appliances, smoke detectors and electrics, as well as fire risk assessments, asbestos surveys and inspections of lifts and sprinklers in buildings.

We want to provide a reliable service to residents. This year we started to track and report on residents' dissatisfaction with our services, hitting our target of reducing overall dissatisfaction to 10% by closely monitoring residents' feedback and incorporating your views into the services we deliver.



77.22%
resident satisfaction
with overall repairs



16.9%
resident dissatisfaction
with overall repairs

77.22%

16.9%

● 5.88% of residents were neither satisfied or dissatisfied



84.3%
repairs completed
within target time



43,000
responsive repairs*
completed



100%
of our homes had a valid
gas safety certificate,
meeting the target of 100%
for the third year running



*Responsive repairs are repairs raised by or on behalf of a resident. This does not include things like planned repairs and maintenance, and work on empty homes in between a resident moving out and a new resident moving in.



Reliable resident services

It's important to us that we deliver services you can rely on, which is why one of our five strategic objectives is to work towards 90% resident satisfaction, as well as reducing dissatisfaction to no more than 10%.

This year, 85.4% of residents who completed a service feedback survey with us were satisfied with our services, a slight drop from the 87.9% of satisfied residents in 2020/21.



77.3%

of enquiries resolved at first contact (target 80%)



10%

overall dissatisfaction with services (target no more than 10%)



92.4%

of complaints responded to within target time (target 95%)



90.4%

of first stage complaints were responded to on time (target 10 working days)



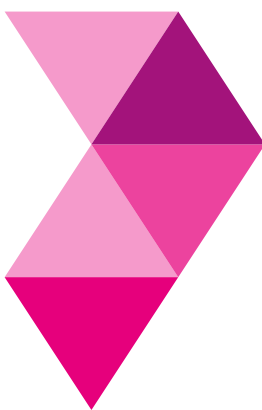
99.4%

of second stage complaints were responded to on time (target 20 working days)



1,162

complaints received in total





Complaints

We welcome all feedback from residents. If you're dissatisfied, we want to know so we can investigate what's happened, try to put things right and improve our services where we can. We received 1,162 complaints at stage 1 or 2 last year, a 10.6% increase from the 1,051 we received in 2020/21. This increase has impacted our response times, with 90.4% of complaints being successfully resolved on time at the first stage of the complaints process, a slight dip below our 2020/21 rate of 93% and our target of 95%.

If a resident is dissatisfied with the outcome of our complaints process, they can take their complaint to the Housing Ombudsman. This is an independent service that resolves disputes involving the tenants and leaseholders of social landlords. In 2021/22, we received 20 decisions from the Housing Ombudsman following their investigations, with them finding fault in eight cases. On average, the Ombudsman finds fault with the landlord in 50% of cases, slightly higher than our average for the year of 40%.



Stage of complaint	Number of complaints received 2021/22	Number of complaints resolved in 2021/22*	Number of complaints resolved on time 2021/22	Percentage of complaints resolved on time 2021/22
Stage 1 – responded to by the Management Team	842	1,127	1,019	90.4% (target: 95%)
Stage 2 – responded to by an Executive Director	320	311	309	99.4% (target: 95%)
Total	1,162	1,438	1,328	92.35%

* There is a difference between the total received and total resolved because we resolved some complaints that were received in the previous year.



Involving you

For us to tailor and improve our services, it's important that we hear a wide range of opinions and ideas from residents. During 2021/22, we invited residents to take part in a variety of discussions and engagement activities which has helped us think differently about our services and approach.

In total, we carried out 12 consultations through Local Resident Panels, online focus groups and surveys. The largest consultation was our Resident Choice survey, which helped us understand how residents prefer to access our services. A total of 1,323 residents shared their feedback through this survey, which was really valuable to us. We're using the feedback from this survey to better empower residents to access our services through their preferred channel.



There were 57 formally Involved Residents who are ambassadors for their community and are involved in reviewing services. Involved Residents also support local communities by putting ideas forward for activities, attending online events, helping to carry out fire alarm tests and looking after communal gardens for example. Involved Residents provide valuable local insight about the best ways to engage with residents where they live.



1,323

residents took part in our Resident Choice survey



350+

residents shared insights during other consultations and surveys



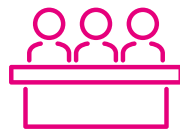
78

attendees at Q&A session with our Executive Leadership Team



50

scheme meetings



24

residents on our Local Panels (15 on our London panel and 9 on our Hertford panel)



6

online themed events, including contract management, sustainability and a Black History Month event about the challenges that young black children face at school

Supporting people and local communities

We invest our profits back into providing more affordable housing as well as financial support, employment and training, and community initiatives. We do this because we understand that strong communities go hand in hand with good homes to form the foundations of a great quality of life.

With some Covid-19 restrictions still in place throughout 2021/22, it remained challenging to continue the physical presence we had in our communities before the pandemic. While observing social distancing guidance throughout, we're proud that the restrictions did not stop the invaluable ongoing support provided by our Handypersons, Building Safety, Estates, Neighbourhoods and Older Persons teams, as well as our newly formed Mental Health Liaison team.

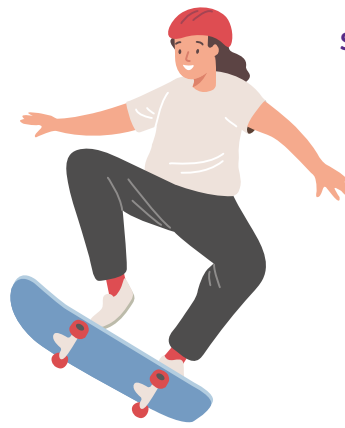


Community highlights

New initiatives and activities

- **Mental Health Liaison team** - Introduced this new team to support partnership working with local agencies, for resident wellbeing initiatives.
- **LGBTQ+ residents' group** - Set up a LGBTQ+ residents' group as part of our HouseProud pledge.
- **GoSketch Training** - Delivered GoSketch training programme to three young people in Brent. The project was sponsored by The Football Association (FA) and Wembley National Stadium Trust, to inspire creativity on the pitch and in the classroom. Students received support with their graphic design and leadership skills, had a tour of Wembley Stadium and football coaching lessons.
- **Parkour** - Hosted parkour activity for young residents in West London in partnership with Movement Toolbox and Paddington Central.
- **Community clear-up** - Ran a series of community clear-up days in Hertford and Ware to enhance community pride by providing skips where residents could safely dispose of unwanted items.
- **Crafty Crafternoon** - Supported a talented Community Ambassador to lead an online 'Crafty Crafternoon' session for residents, making beautiful paper dahlias.





Community highlights

Local community donations



£100,000

donated to Stockwell Park skatepark overhaul



£164,000

donated to Stockwell Park community centre



£25,000

given to support the Rectory Park Community Chest



£15,000

donated to Broxbourne & East Herts Community Voluntary Service



£10,000

donated to Future Living Hertford, a service providing much needed domestic abuse support



£500

donated to Diversionary Action Group to run activities for young people during the school holidays





Helping residents to claim benefits they're entitled to

We worked extra hard this year to make sure residents were receiving the funds they were entitled to; a crucial lifeline for those thrown into difficult financial circumstances because of the pandemic, as well as the rising cost of living.

There was an increase of £350,000 recovered for residents from last year, unlocking a total of £2.4million in unclaimed benefits.

Welfare highlights



£1,653,704

recovered in rent and housing benefit



£459,398

recovered in Universal Credit



£327,421

recovered in payments directly to residents

Also...



758

residents supported in London



454

residents supported in Hertford and out of London



Supporting residents through our charitable fund

Our charitable fund for residents launched in April 2020. In 2021/22, we also almost doubled our charitable fund spend from £44k in the previous year to just over £70k, which has provided residents most in need with support in the form of energy vouchers, food vouchers, replacement of

essential broken household goods or to use towards other forms of financial support.

You can read more about the charitable fund, including eligibility criteria and how to apply, at www.networkhomes.org.uk/charitablefund



235

households supported through the charitable fund



£13k

to support community initiatives



£62k

to support residents experiencing hardship, including:

- £36k on white goods
- £18k on food vouchers
- £18k on furniture
- £1k on digital equipment

Supporting residents with employment and training

This year, 999 jobs were created on our construction sites, and 239 of these roles were secured by local residents. We also created seven apprenticeships for local residents.

We hosted a Get Ready for Work event in July 2021 sharing key tips for finding a job, completing application forms and answering interview questions. There were 17 attendees at the session, and we received overwhelmingly positive feedback.



Building new homes

Our mission is to provide safe, secure and affordable homes for as many people as possible. To make this happen, we have an ambitious development pipeline of 1,465 new homes across Greater London, Hertfordshire and out of London.

One of our strategic objectives is to increase the number of homes for people in housing need, with an aim to start 1,000 affordable homes by March 2023 and to build even more if we can. This year, we started 511 new affordable homes and completed 232 brand new properties for residents to call home. We've now started 875 affordable homes since we set this target in 2020/21. We now own and/or manage 21,003 homes.

New homes coming soon

- We have started construction on 404 affordable homes in London as part of our Strategic Partnership with the Greater London Authority (GLA).
- We have started building 107 affordable homes in Hertfordshire and out of London.
- We exchanged contracts to acquire 339 more affordable homes within the year.
- We have been awarded a £122million grant from the GLA to develop a further 1,000 affordable homes in London as part of the 21-26 Affordable Homes Programme.

Breakdown of the 232 homes we built this year:



6

Social Rent



77

Affordable Rent



135

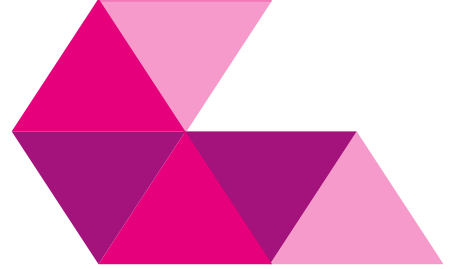
Shared Ownership



14

London Living Rent





Our finances

We've remained financially resilient despite the challenges of the Covid-19 pandemic and other significant external pressures on our business.

We made a net surplus of £9.6million (in 2020/21 it was £41.7million) and our turnover was £243.9million (in 2020/21 it was £247million). The difference between this year's and the previous year's results was down to two main reasons. Firstly, we sold fewer homes, which is something we expected. It's normal for there to be more homes for sale in some years than others.

The second reason was down to what's called an impairment provision against one of our developments of £15.7million. In accounting terms, this is where we reduced the value of the land to reflect its estimated current value. It

does not affect our ability to succeed financially going forward, and in this case, we expect to recover the impairment when the development is completed in roughly four years' time.

Our surplus is still strong and all of it will be reinvested into building new affordable homes for people, improving services for residents and maintaining your homes.

We successfully maintained our top G1 rating for governance and V2 rating for financial viability from the Regulator of Social Housing as a result of its In-Depth Assessment of our business. This demonstrates that we are successfully meeting governance requirements and effectively managing the risks associated with a large pipeline of affordable homes, building safety challenges and other investment requirements into our existing homes.



£9.6million
net surplus



£243.9million
turnover



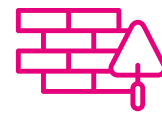
17.7%
operating margin



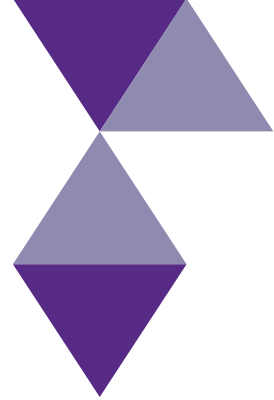
£512.4million
revenue reserve.
A £12.1 million increase



£161.1million
invested in new homes



£14.8million
invested in existing homes



We received our income from a range of sources including:



£148million
in rent, service charge
and grants



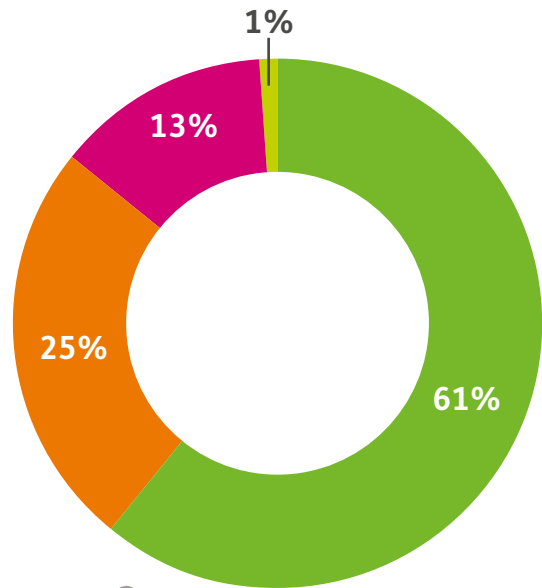
£61.8million
in other social income such
as fees from agency contracts,
supporting people contracts
and sale of shared
ownership properties



£31.7million
in non-social income,
including rent from
commercial properties, and
market sale properties

Below is a summary of where we received income from in 2021/22:

Network Homes income	Cost
● Social housing income (rent, service charge and grants)	£148,047,683
● Other social income*	£61,762,505
● Non-social income +	£31,739,471
● Revaluation of investment properties	£2,319,414
● Other income (restructuring of loans, interest receivable)	£279,552
Total income	£244,148,624



*Other social income includes fees from agency contracts, supporting people contracts and sale of shared ownership properties.

+ Non-social income includes rent from commercial properties, rent from garages, and market sale properties.

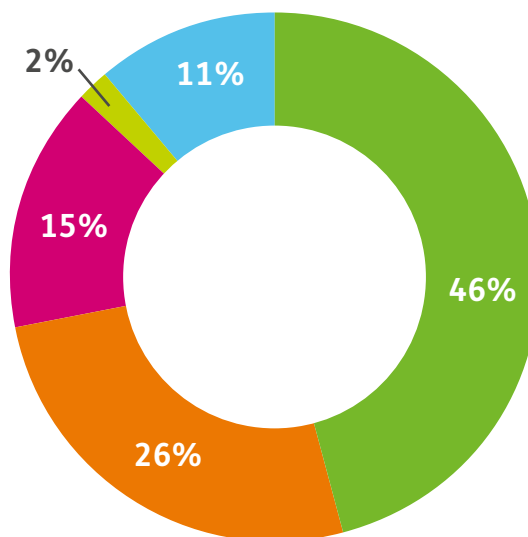


Below is a summary of what we spent our income on in 2021/22:

Network Homes expenditure	Cost
● Social housing costs	£108,183,861
● Cost of assets sold	£61,610,806
● Loan interest payments	£34,099,276
● Other social costs*	£5,830,409
● Non-social costs+	£25,165,513
Total expenditure	£234,889,865

* Other social costs include sales marketing costs and management costs for build to rent homes.

+ Non-social costs includes land impairment and management costs for commercial spaces and homes that have transferred from shared ownership to leasehold.



Value for money

We believe our work should deliver value for money. By constantly monitoring our services for ways we can improve value for money, we are ensuring that the money you pay in rent and/or service charges is being used as efficiently and effectively as possible, to deliver high quality reliable services.

As a housing association, we are required by the Regulator of Social Housing to publish a Value for Money (VFM) statement annually, which sets out our approach to value for money. You can read our Value for Money Statement 2021/22 on pages 15 to 17 of our Financial Statements published on our website at www.networkhomes.org.uk/financialstatements



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