



04/06/2020

As one of our key partners we believe it is important to keep you updated with progress following the publication of our regulatory judgement on 10th April 2019.

We are now over a year on from the above and the Board is pleased to report that Encircle Housing have made significant changes over the last 12 months and this has been recognised by the Regulator, in particular to the steps we have taken to strengthen our governance, with the introduction of a new managing director, Peter Aviston and specialist appointments to board, including a new chair person and a skilled team of board members.

Here is a summary of our key achievements: -

- Encircle converted to a not-for-profit charitable Community Benefit Society in March 2019, this followed earlier discussions in May 2018 to change our status to not for profit. We are now regulated by the FCA as well as the Regulator for Social Housing. Our HMRC Charity Number is ZD01819.
- Last August, we commissioned our own independent review of our compliance against the National Housing Federations Code of Conduct and the Regulator of Social Housing's Governance & Viability Standard.
- To address the Regulators concerns about the private finance model, we are adopting a mixed asset approach along with diversity around the lease terms.
- We have increased our independence, bringing additional services in-house, including repairs and maintenance, rent and income management and tenancy management, all of which were previously outsourced to an external provider. This has given us real ownership and accountability and we are confident that we have the right team of skilled, dedicated professionals delivering our services.
- We have strengthened our income stream with robust management of our financial accounts. Accountants Crowe UK LLP signed off our accounts for 2018/19, and auditors have been appointed to produce our audited accounts for 2019/20.
- We proactively work in partnership with local authorities and health authorities to support the strategic need for housing for local vulnerable people.
- The majority of our properties fall into the 'exempt accommodation; specialist supported housing category 1' and we work closely with local housing benefit departments to ensure that our residents are afforded the accommodation that they rightly deserve at rent levels that are fair and reasonable.
- In April 2020 we launched our repairs and maintenance helpdesk, which is a dedicated 24-hour one call service for our tenants and care providers, and we are already seeing an increase in our customer satisfaction levels, and



- Encircle now employs nearly 20 staff who are passionate about providing excellent quality homes offering a great customer experience.

On a final note, we recognise that the Regulator finds itself in a difficult position in being able to reconcile the pension backed long-lease model, but we also know how the sector has been chronically underfunded for many years, with very limited public subsidy. This model of housing offers a real solution and it is creating much needed quality accommodation and care to be proud of. Over 50 of our units have been used in recent months and welcomed by local authorities as emergency accommodation in response to the Covid-19 pandemic. Many more units have been used to support people to move from unsuitable hospital settings back into the community – whilst at the same time making significant savings to the public purse

We will continue to work with the Regulator on our service improvement plan, to reassure our partners, and demonstrate that the model delivers positive outcomes for some of the UK's most vulnerable people.

A handwritten signature in black ink, appearing to read "David Baybut", written over a horizontal line.

David Baybut
Chair
Encircle Housing
04/06/2020

