

Annual Report 2015

**Lochalsh
& Skye
Housing
Association**



Chairperson's Report



I'm delighted to report that the Association has made excellent progress in 2014/15. On the housing development side of the business, we completed **eleven new housing units** and started work on an additional **seventeen units** in Portree. We have also been project

managing new developments for **The Highland Council** at **Balmacara** and in **Broadford** and constructing a new Hostel in Portree on behalf of **Police Scotland**.

Partnership working is at the heart of all of our activities and we have been working closely with health and social care staff from **NHS Highland** on the design and provision of new properties for a range of people with special needs. These properties will all be completed and occupied during 2015 and extra support has been arranged for the individual tenants to assist them in sustaining their tenancies. This has been an excellent example of how different agencies can work together effectively, making the best use of their individual resources and producing first class results to meet the needs of individuals.

Another excellent example of partnership working has resulted in the five main housing associations in the Highlands, which includes ourselves, being awarded **£858,000** from the **Big Lottery Fund** to provide financial and energy advice to tenants over the next five years.

Our **Care & Repair** Service has again had a busy year carrying out repairs and improvements for elderly and disabled clients.

We were one of the first organisations in Scotland to submit an application to Care and Repair Scotland for the **Scottish Quality Mark** and we were awarded this accreditation in **August 2014**.



Donnie Martin,
Care & Repair Officer

This award provides our funders and our clients with assurance that our service meets national standards and best practice.

Our **Energy Advice Service** has also been extremely active, and, in November 2014, the Service was accredited as a **Green Deal Advice Organisation** by the **Department of Energy and Climate Change**, which is a tremendous achievement for a small organisation.

I must also congratulate all of our staff involved in visiting more than 600 of our properties and completing our **Stock Condition Survey** on schedule. This survey has provided us with a wealth of information that has enabled us to plan ahead with confidence and ensure that our planned programmes of improvement works are targeted effectively at those properties most in need of investment.

During the year, our **Management Committee** members have attended our monthly meetings regularly and have been fully supportive of all of the activities of the Association. **Mr Gordon Wight** and **Mr Ian MacLean** retired from the Committee during the year after many years of dedicated service and they deserve our sincere thanks for all of their work over many years. We welcomed **Mr Roddy Beaton** as a new Committee Member during the year and we value the financial expertise he brings to the Association

John Laing

John Laing **CHAIRPERSON**

Management Committee at 31 March 2015
John Laing , <i>Chairperson</i>
Richard Johnston , <i>Vice Chairperson</i>
Tim Bowditch , <i>Treasurer</i>
Pat Walsh , <i>Member</i>
Donald MacKenzie , <i>Member</i>
Archie MacCalman , <i>Member</i>
Audrey Sinclair , <i>Member</i>
Paul Carpenter , <i>Member</i>
Roddy Beaton , <i>Member</i>

Chief Executive's Report



Our overall performance in 2014/2015 against our targets was excellent and this report includes details of our performance against the requirements of the **Scottish Social Housing Charter**.

Our Financial Statements also confirm that we are meeting the requirements of our Five-Year Financial Plan and this helps provide the necessary assurance to our regulators and funders that we are a well-performing organisation. I'm pleased to report that the **Scottish Housing Regulator** continues to classify the Association as **low-risk**.

Our Business Plan is reviewed annually and sets out the performance targets agreed by our **Management Committee** that we aim to achieve year-on-year. These are designed to try and ensure that the level and quality of service we provide to our tenants and other clients meet their expectations and the high standards we set ourselves.

I can illustrate how we do this with some of the outcomes for last year:-

Our staff **responded to incoming phone calls** in less than **4 seconds**.



Our **Property Services** staff dealt with almost **1000 repair requests** and our average **response time** for emergency repairs was **3.58 hours**. We completed non-emergency repairs in an average time of **3.76 days** compared to the **Scottish average** of **8.2 days**.

We **let or re-let** a total of **62 properties** last year.



Our **Handyperson Service** carried out more than **2300 tasks** in the year and met all of their targets. I'm delighted to report that we have been successful in securing additional funding from **The Highland Council** and **NHS Highland** for **Telecare** work and an extra **Handyperson** will be in post shortly to assist with this work.



We are grateful to both **The Highland Council** and **NHS Highland** for the continuing support they give to our Handyperson Service.

The Association's largest single source of income comes from rent for our properties and it's very important that we **minimise losses from arrears**.

Our staff work extremely hard to assist tenants who fall into arrears and through their efforts our **gross rent arrears** are at **2.67%** of our total rent which compares extremely well with similar housing associations across Scotland.

Our success in minimising rent arrears is also due to the excellent working arrangements our staff have developed with **The Highland Council, Skye and Lochalsh CAB** and the **Skye & Lochalsh Mental Health Association**.

During the year we had our first tenants move onto **Universal Credit** payments and we are now meeting regularly with staff from the **Department of Works and Pensions** through the local **Job Centre Plus** to help ensure that there are proper systems in place to administer the new arrangements.

The Association's subsidiary Company, **North West Highland Community Enterprises Ltd**, continues to lease five mid-market rent properties at **Dornie** from the Association and it made a small profit during the year. The Accounts for the Company are available from the Association's office.

Our **Development Services** staff have again been very active in delivering new housing projects and in identifying sites for future development. They are currently working on plans for new housing in **Kyle, Broadford, Portree** and, hopefully, in **Staffin**.

Proposed development at Phase 7, Home Farm, Portree



In **November 2014**, we took part in a major housing event organised by the **Scottish Government** which considered a five-year **Action Plan** designed to achieve the **Scottish Government's** vision that all people in Scotland should live in high quality sustainable homes that they can afford and that meet their needs.

The Plan has just been published by the **Scottish Government** and we will be considering it carefully to make sure that our own future Business Plans reflect the expectations of the Scottish Government.



Proposed development at Main Street, Kyle

Our **Energy Advice Service** staff have been closely involved in the property surveys to our own housing stock. The information from these surveys will help inform the Association's plan to provide our tenants with affordable warmth and to help us achieve the **Energy Efficiency Standard for Social Housing** no later than the **Scottish Government's** target of **2020**.

Also, during the year, we have been actively lobbying politicians and energy suppliers regarding what we consider to be the **unfair energy pricing structure** that exists in the Highlands and Islands. We have received tremendous encouragement from across the political spectrum for our efforts. We intend to concentrate our efforts on persuading our customers and others to consider switching their energy suppliers to make the most of the considerable savings that can be achieved.



Isabel MacLeod

I would like to thank every member of staff for their hard work and dedication during the year. Whilst it would not normally be fair to single out a particular member of staff to mention, I must make an exception in respect of **Isabel MacLeod** who retired at the end of July 2014 as our **Finance**

Services Officer after **twenty-eight years** of service to the Association. Throughout that time she has been an exemplary employee and there is no doubt in my mind that she has been hugely responsible for the successful development of the Association during her time here. We wish her a long and enjoyable retirement.



Presentation to Isabel MacLeod on her retirement

Finally, I would again like to thank the **Chairperson** and all of the **Management Committee members** for their continued support and encouragement for all the work that we do.

Lachie MacDonald

Lachie MacDonald
CHIEF EXECUTIVE

The Scottish Social Housing Charter

For many years, we have used our **Annual Report** to inform tenants, members and others about the **performance targets** that we want to achieve and how we have performed against these targets.

We also measure our performance against the outcomes and standards of the **Scottish Social Housing Charter**.

Two of the Charter outcomes (**Gypsies/ Travellers and Homelessness**) are not included because they are reported on by **The Highland Council**.

Where possible, we have also compared our outcomes to those of **The Highland Council (THC)**, the other major social housing landlord in the area, and to the **Scottish Average**.

The outcomes cover **6 sections** of the Charter, as shown below:-



Income and Expenditure Account as at 31st March 2015

	2015	2014
	£	£
Turnover	2,838,971	3,042,380
Operating Costs	2,204,233	2,509,168
	634,738	533,212
Profit/(Loss) on Sale of Fixed Assets	(18,247)	42,943
Interest Receivable & Other Income	7,026	1,384
Interest Payable & Similar Charges	(289,737)	(266,800)
	333,780	310,739
Surplus/(Deficit) on Ordinary Activities Before Taxation	333,780	310,739
Corporation Tax on Surplus on Ordinary Activities	-	-
	333,780	310,739
Surplus/(Deficit) for the Year	333,780	310,739
Prior Year adjustment	-	-
Total	333,780	310,739

Balance Sheet as at 31st March 2015

	2015		2014	
	£	£	£	£
Fixed Assets				
Housing Properties:				
Depreciated Cost		63,375,266		61,679,919
Less: Social Housing Grant		(47,736,836)		(46,581,570)
Less: Other Public Grants		(2,435,883)		(2,334,626)
		13,202,547		12,763,723
Other Tangible Fixed Assets		620,835		662,121
		13,823,382		13,425,844
Fixed Asset Investments:				
Shared Equity Cost	409,000		409,000	
Shared Equity Grant	(409,000)		(409,000)	
Investment in Subsidiaries		1		1
		13,823,383		13,425,845
Current Assets				
Debtors	118,034		171,504	
Development Cost of Housing Property	-		-	
Cash at Bank	2,077,728		2,301,866	
		2,195,762		2,473,370
Creditors: Amounts Falling Due within a Year	716,516		619,443	
Net Current Assets:		1,479,246		1,853,927
Total Assets less Current Liabilities:		15,302,629		15,279,772
Creditors: Amounts Falling Due after more than a Year		(11,741,633)		(12,052,553)
Net Assets:		3,560,996		3,227,219
Capital and Reserves:				
Called up Share Capital		183		186
Designated Reserves		45,184		47,509
Revenue Reserves		3,515,629		3,179,524
		3,560,996		3,227,219

Guide to the Figures

- Rental and Shared Equity Sales Income
- Cost of managing and maintaining our properties and shared equity house sales
- Amounts due from Shared Ownership sales
- Interest earned on invested money
- Interest paid on loans
- **Amount of income left after deducting all expenses**
- Gain for the Year

- The total cost of building our properties
- } Grants received towards building costs
- } Cost of office premises, office equipment, vehicles, etc

- £1 share in North West Highland Community Enterprises

- Money in the bank and money owed to us
- Money the Association owes to others

- Amounts of loans still to be repaid by us

- Shares of £1 issued to members
- Money set aside for future repairs to our properties
- All other surpluses to date

Key Features

- **Rental Income** grew from **£2.21 million** to **£2.31 million**, an increase of **4%**
- Our total investment in our **housing stock** has increased from **£61.68 million** to **£63.37 million**
- We achieved an **operating surplus** of **£634,738** and a **net surplus** of **£333,780**
- We paid **99% of invoices** during the year **within their payment terms**
- **Gross rent arrears** as a percentage of rent due was **2.67%**
- We received **housing costs directly for 333 households on benefits** amounting to **£879,970**
- Our **Net Assets** grew from **£3.23 million** to **£3.56 million**

COPIES OF THE ASSOCIATION'S ANNUAL FINANCIAL STATEMENTS ARE AVAILABLE FREE OF CHARGE ON REQUEST OR CAN BE ACCESSED ONLINE AT WWW.LSHA.CO.UK

Sponsorship

The Association was pleased to **provide £777 of support** to the following individuals, groups and organisations who applied to us for sponsorship during the year:

Lochalsh Junior Pipe Band
Way Forward Group

Customer/Landlord Relationship



Pairce na Sgoile, Raasay

We published **two editions** of our **“Homefront” newsletter**, as well as our **Annual Report**, and we publish all of the **minutes of our monthly Management Committee meetings** and make them available in our offices and on our website.

Our Management Committee receive **quarterly reports on complaints** and these will be **added to our updated website in 2015**.

2.86% - the percentage of days lost through **staff sickness absence**



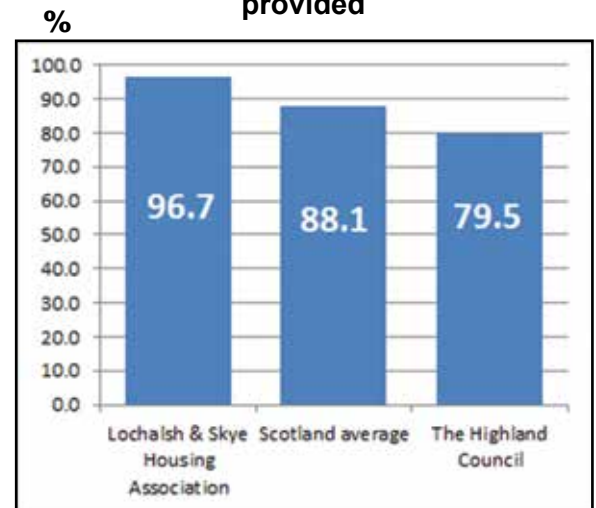
Complaints

We dealt with **11 First Stage complaints** and **no Second Stage complaints** in the year. No complaints were **equalities related issues**.

100% of complaints were responded to in full within the **Scottish Public Services Ombudsman** timescales.

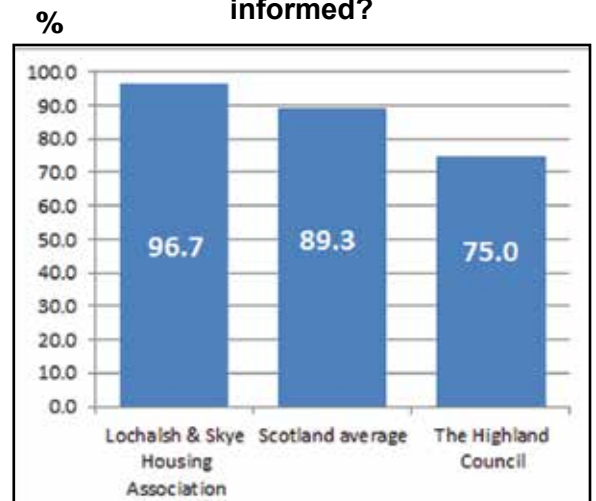


Satisfaction with overall service provided

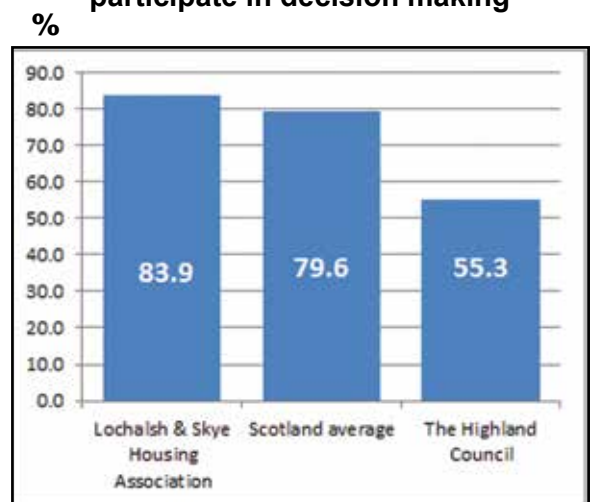


We employ **29** staff including **5** **direct labour staff**

How good are we at keeping you informed?



Satisfaction with opportunities to participate in decision making



3.8 seconds - the **average time to respond** to incoming telephone calls

Equalities

The Association's **Customer Services Charter** spells out our commitment to provide services to the highest standard and to treat everyone **fairly, equally, sensitively and with respect**.

We operate an **Equality and Diversity Policy** and we work hard to ensure that our customers have fair access to the services we provide.

We have an **open Membership Policy** and, at 31 March 2015, we had a total of **183 members**. Our offices are **wheelchair accessible** and we have **induction loop systems** available in our Reception area and Conference Room.

Information regarding our services is **regularly updated** and available in paper format or on our

website. We offer to make information available in other formats on request.

If our customers are **unable to attend our offices** we will arrange to meet them at home, or in their place of work, where this is practicable and cost effective.



2,331 tasks were completed by our **Handyperson Service** for elderly and disabled households

18 applications for **medical adaptations** to our houses were completed in 2014/2015
7 days is the average time taken to complete an adaptation

39 elderly and disabled households in the private sector had repair and improvement works carried out through our **Care and Repair Service** at a cost of **£167,588**

Housing Options and Access to Housing

The Association has **604 homes for rent** and **21 shared ownership properties** but our stock changes year on year as new developments are completed.

Our property types range from **one bedroom flats** to **eight-person family houses** and our client groups include **single people, families, the elderly, people with support needs and wheelchair users**.

We have also constructed **83 properties** for sale on a **shared equity** basis and we administer the re-sale of these as and when they become available.

100% of new tenants are still tenants after 12 months

People who are applying for social rented housing in **Highland** do so through the **Highland Housing Register (HHR)** which is a **common housing register** jointly operated by **The Highland Council** and the **five Highland-based housing associations**.

In 2014/2015, we **re-let 51** properties in an **average of 7 days** through the **Highland Housing Register**

Existing tenants of each partner landlord of the **Highland Housing Register** can apply to exchange their property through the **Highland House Exchange website** which makes it easy for tenants to find **suitable alternative social rented housing** in Highland and elsewhere in the UK.

We processed housing applications in an **average time of 8 days**



Home Farm, Portree Phase 6

Getting Value for Money - Rents and Service Charges



Lisigarry Court,
Portree

609 - the number of **homes owned by LSHA** at 31 March 2015

£2,243,401 - the **total rent due** for the year

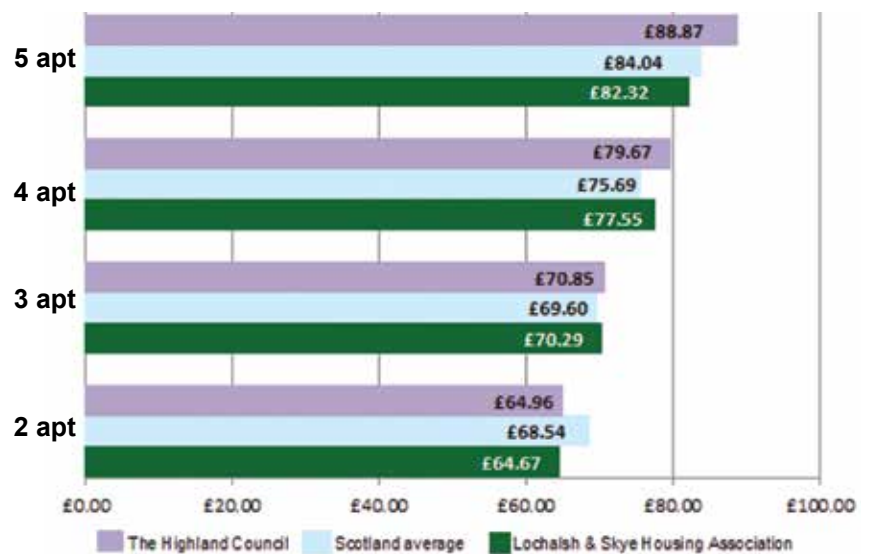
2.3% - the **average increase** on weekly rent

“tenants, owners and other customers receive services that provide continually improving value for the rent and service charges they pay”

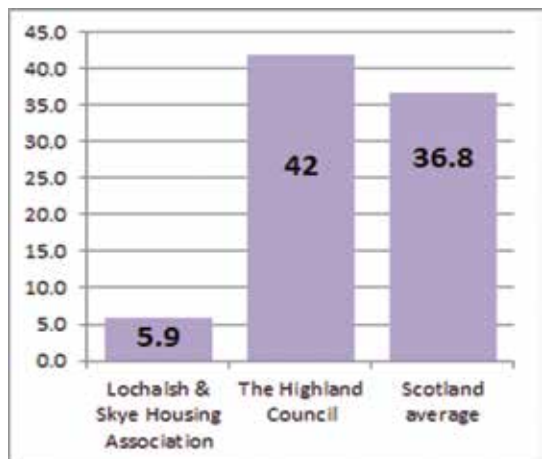
We **regularly review** our **rents and service charges** and **consult with our tenants** on any proposed changes. Our rents are set at a level which is designed to ensure that we can **meet the costs of managing and maintaining our housing stock to the best possible standard.**

We also try and make sure that **rents are comparable** to the rents charged by other social landlords.

Average weekly rents



Number of days to re-let properties



Tenants who experience difficulties in keeping their rent account up to date are able to call on our **Tenant Adviser**, who can assist with **budgeting advice** and making sure that tenants are in receipt of all the income and benefits that they are entitled to.

During 2014/2015, our **Tenant Adviser** helped **85 tenants** affected by the “Underoccupancy Charge” (Bedroom Tax) to have the charge paid for by **Discretionary Housing Payments** from **The Highland Council.**

90.80% of tenants feel that the rent for their property represents **good value for money**

We lost total rent of **£3,823 (0.2%)** from properties being empty

The total rent due to the Association was
£2,243,401

We collected **98.4%** of that total



Old Surgery, Kyle of Lochalsh

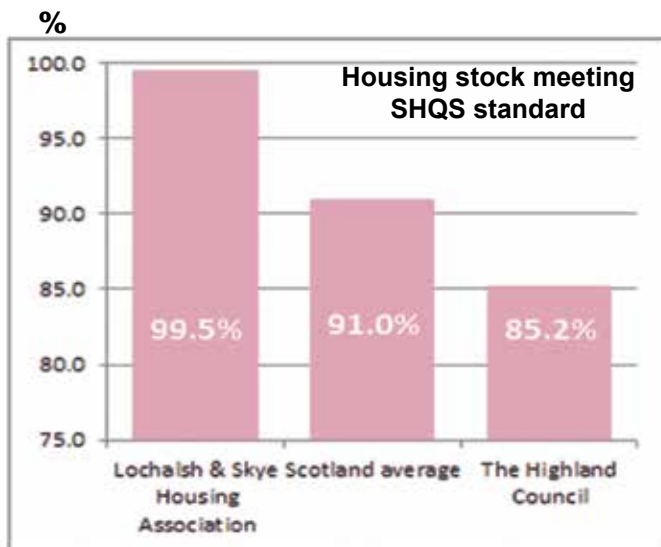
Housing Quality and Maintenance

A high proportion of our **rental income is invested** in the **repair, maintenance and improvement** of our housing stock and estate.

The **Scottish Government** requires that the quality of tenants' homes as a minimum meet the **Scottish Housing Quality Standard (SHQS)**.

99.5% of **LSHA's** housing stock met the **Scottish Housing Quality Standard**.

The remaining **0.5% (3 properties)** that do not meet the **SHQS standard** are **exempt** as the **occupants have declined** to have necessary improvement works carried out at this time.



We carried out **892 routine repairs** and **96 emergency repairs** in the year.

Number of **Hours** to Complete **Emergency Repairs**

LSHA	Scottish Average	THC
3.6	5.9	9.1



Number of **Days** to Complete **Non-Emergency Repairs**

LSHA	Scottish Average	THC
3.8	7.9	7.3

96.3% of **routine repairs** completed were **right first time**. The **Scottish average** for the year was **90.2%**.

96.2% of tenants who had **repairs or maintenance** were **satisfied** with the service they received.

100% of **repairs appointments** were kept. The **Scottish average** was **92.4%**.

92.39% of **LSHA's** tenants are satisfied with the quality of their home.

Estate Management, Anti-Social Behaviour, Neighbour Nuisance and Tenancy Disputes

"Tenants and other customers live in well-maintained neighbourhoods where they feel safe"

26 cases of **anti-social behaviour** reported in 2014/2015

24 cases **resolved within timescale**, representing **92.3%**

There were no abandoned properties and no **evictions** in the year

90.7% of tenants are satisfied with the **management of the neighbourhood** they live in



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