

# Annual Report 2014



# Chairperson's Report



This is my first annual report as Chairperson. Over the year, attendance at our Management Committee meetings was **85%**, which was an excellent achievement. We are always seeking to attract **new Management Committee members**, particularly

those with relevant experience who can assist in strengthening our governance arrangements.

We welcomed the **Scottish Government's** decision in July 2013 to **increase the level of Grant funding** available to housing providers.

This decision will help us to deliver more new housing throughout the area.

Our **Care & Repair** and **Handyperson Services** continue to be working flat-out and we met, or exceeded, all of the targets set for the year. We do have a concern that **we need additional resources** to help fund our Handyperson Service and we are in discussions with funders as to how we can achieve this. We hope that these discussions will lead to a successful outcome during 2014.

Our **Energy Advice Service** is an essential part of our work and the work that our staff carry out is increasingly being noticed, not only within Highland but across Scotland.



Our staff are in constant demand to help other agencies understand the causes of **fuel poverty** and the actions that can

be taken to combat this issue which affects not only public sector tenants but also many **home owners, crofters and private tenants**.

Another major issue which we are continuing to try and address is the **welfare benefit reform** which is on-going across the UK. We are working with many other organisations including **The Highland Council** and **Skye and Lochalsh Citizens Advice Bureau** to target resources to deal with the impact of these changes.

We started work on a **100% survey** of our properties to help us design our **Asset Management Programme** and target our resources to the properties that require improvement. Our ambition is to complete the survey by **October 2014**.

We are also conducting a **Tenant Satisfaction Survey** and the early results indicate high levels of satisfaction. Where the survey results indicate that there are areas we can improve on, we will **devote the necessary resources** to achieve those improvements at the earliest possible date.

We are establishing a **Tenant Scrutiny Panel** to assist staff and the Management Committee in reviewing our policies and procedures as well as the standard of the services we provide. This panel will be fully up and running in **2014**.

I would like to thank the **committee members** for their support over the year and for their excellent attendance at meetings; all of our **suppliers, contractors**; and all those who help to keep the Association as one of the leading associations in Scotland. Most of all, our thanks to **Lachie MacDonald**, our Chief Executive, his **senior management team** and all his **staff**, who ensure the efficient running of our Association for the benefit of our many customers in Lochalsh and Skye.

*John Laing*

**John Laing**  
**CHAIRPERSON**

<b>Management Committee at 31 March 2014</b>
<b>John Laing</b> , <i>Chairperson</i>
<b>Richard Johnston</b> , <i>Vice Chairperson</i>
<b>Tim Bowditch</b> , <i>Treasurer</i>
<b>Janette MacPherson</b> , <i>Member</i>
<b>Archie MacGalman</b> , <i>Member</i>
<b>Ian MacLean</b> , <i>Member</i>
<b>Donald MacKenzie</b> , <i>Member</i>
<b>Pat Walsh</b> , <i>Member</i>
<b>Gordon Wight</b> , <i>Member</i>
<b>Audrey Sinclair</b> , <i>Member</i>
<b>Paul Carpenter</b> , <i>Co-opted Member</i>

# Chief Executive's Report



This is my first report on behalf of the Lochalsh and Skye Housing Association Group of Companies. The Association now forms part of a Group because our subsidiary company, **North West Highland Community Enterprises**, became

active in the letting of mid-market rent properties at **Dornie** during the year.

The Housing Association itself is now responsible for managing and maintaining around **650 properties**, most of which are our own rented stock but we also provide management services to the **National Trust for Scotland, HIE, The Highlands Small Communities Housing Trust, Link Housing Association** and **West Highland College**.

Our **Housing and Property Services** staff members were kept extremely busy in the last year. Our **average time to re-let a property** was **11.9 days**. Also, we were able to achieve an **average emergency repair** response time of **just over four hours** and **non-emergency repairs** were dealt with **within four days**. Given that we dealt with **almost 900 repair requests** during the year, these figures represent an excellent achievement.

We spent **more than £440,000** on **planned and cyclical maintenance** to our own housing stock to make sure that all of our properties continue to meet the **Scottish Housing Quality Standard**. In October 2013, we started a **survey of all of our properties**. We want to check that the **condition** of our properties and, in particular, their **energy efficiency**, is as good as it can be. It will take a full year for all the surveys to be completed so it's a significant investment in staff time and resources.

Whilst we didn't complete any new build properties in the year, we were pleased that **15 new houses and flats** at **Home Farm, Portree** were under construction at the year end. We also received approval from the Scottish Government to submit another Grant application for the construction of **a further 17 properties at Home Farm, Portree** which will bring the original approved

affordable rented development at Home Farm to a close. This new phase will include some housing for **wheelchair users** and some supported accommodation for **tenants with special needs**. We are working closely with **NHS Highland's Adult Services** on the design of the houses and the on-going management arrangements.

**15 new houses and flats are under construction in Portree**

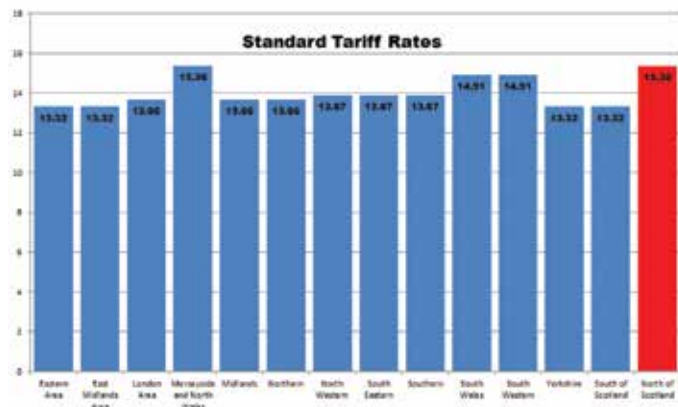


Our **Care and Repair Officer** was responsible for assisting **65** clients in private sector housing with repairs, adaptations and improvements and **£341,000** of grant monies were used for this important work. In addition, our **Handyperson Service** completed **2288** tasks during the year, **an increase of 12%** on the previous year. All of this work was carried out within our target times which is a tremendous achievement by all of the staff involved. The work that is carried out also enables **NHS Highland** to reduce pressure on hospital admissions and allows their patients to be discharged safely to their own homes as quickly as possible. We gratefully acknowledge the excellent work carried out by **NHS Highland** staff in support of these services.

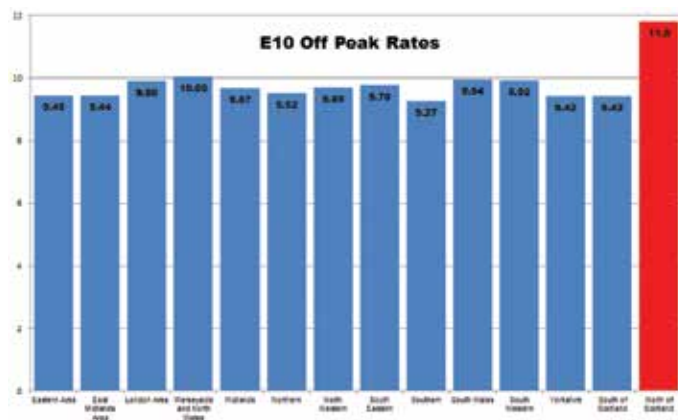
We are also very grateful for the financial assistance currently provided by **The Highland Council** and **NHS Highland**.

It is public sector housing stock that is often the most energy efficient due to the scale of investment that has been undertaken in recent years by the Association and **The Highland Council** to meet the **Scottish Housing Quality Standard**. However, our staff have come across many houses in the private sector where the **occupiers have self-disconnected their heating** systems due to high costs.

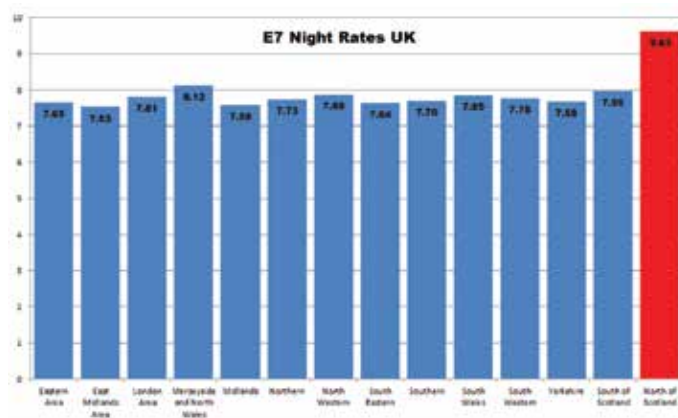
**Improving energy efficiency and eliminating fuel poverty** are significant challenges for those involved in public and private-sector housing. The survey work carried out by our **Energy Advice Service** suggests that the **average energy bill** of a home in Skye and Lochalsh is **£2,218 per annum** which is **£1000 more** a year than national averages.



One of the key factors that contributes towards this **inequality** is the **cost of electricity in the Highlands and Islands**.



We believe that this situation is **inequitable** and we want to work in partnership with like-minded organisations to lobby politicians for **changes in the price structure imposed by the energy companies**, and to investigate other practicable ways in which **we can assist in overcoming the barriers to affordable warmth**.



We have submitted our annual performance figures for the period to 31 March 2014 to the **Scottish Housing Regulator** as part of the **Annual Report** on the **Scottish Social Housing Charter**. This is the first year of reporting in the new format and we will be publishing a **'Report Card'** on our results in October 2014 which will be circulated to all of our members and tenants.

Our staff responsible for **rent collection** and for **managing arrears** cases managed to collect **more than 99% of the rent due** to the Association in the last year. They have worked closely with other organisations including **The Highland Council, Skye & Lochalsh CAB** and the **Mental Health Association** and we would particularly like to thank the Council staff involved in administering **Discretionary Housing Payments**.

**North West Highland Community Enterprises** is a wholly owned subsidiary of the Association which was set up to carry out activities which the Association is unable to carry out itself due to its charitable status.

The Company is now active and has its own **Board of Directors** of whom three of the five Directors are **members** of the **Management Committee** of the Association.



The Company's current activity is the letting of 5 **mid-market rent properties** at **Dornie** which it leases from the Association.

The **rental income** received by the Company will be **returned to the Association** in **lease costs** or **Management fees**.



**Mid Market Rent property in Aitemore Road, Dornie**

All **profits generated** by the subsidiary Company will be **returned to the Association** after costs have been allowed for.

In conclusion, 2013/2014 was another **extremely busy but successful year** across all of our services and I want to **pay tribute to all of our hard-working staff** who are responsible for making my job as **Chief Executive** so enjoyable and rewarding.

Our dedicated **Management Committee** members have been a pleasure to work with and their good advice and strong support for all of our activities is greatly appreciated.

**The Highland Council, Scottish Government** and **NHS Highland** are key partners in our activities and I thank them for their continued **financial and organisational support** as well as the **many other local agencies, contractors** and **suppliers** whose services we depend on.

*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.

This year, we are also able to 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:-

**Customer/Landlord Relationship**

**Equalities**

**Access to Housing and Support**

**Getting Value from Rents and Service Charges**

**Housing Quality and Maintenance**

**Neighbourhood and Community**

## Income and Expenditure Account as at 31st March 2014

	2014		2013	
	£		£	
<b>Turnover</b>	<b>3,042,380</b>		3,337,433	←
Operating Costs	<b>2,509,168</b>		2,689,329	←
<b>Operating Surplus</b>	<b>533,212</b>		648,104	
Profit/(Loss) on Sale of Fixed Assets	<b>42,943</b>		(512)	←
Interest Receivable & Other Income	<b>1,384</b>		460	←
Interest Payable & Similar Charges	<b>(266,800)</b>		(273,844)	←
<b>Surplus/(Deficit) on Ordinary Activities Before Taxation</b>	<b>310,739</b>		374,208	←
Corporation Tax on Surplus on Ordinary Activities	-		-	
<b>Surplus/(Deficit) for the Year</b>	<b>310,739</b>		374,208	←
Prior Year adjustment	-		-	
<b>Total</b>	<b>310,739</b>		374,208	

## Balance Sheet as at 31st March 2014

	2014		2013	
	£	£	£	£
<b>Fixed Assets</b>				
Housing Properties:				
Depreciated Cost		<b>61,679,919</b>		61,174,340
Less: Social Housing Grant		<b>(46,581,570)</b>		(45,630,624)
Less: Other Public Grants		<b>(2,334,626)</b>		(2,332,075)
		<b>12,763,723</b>		13,211,641
<b>Other Tangible Fixed Assets</b>		<b>662,121</b>		662,754
		<b>13,425,844</b>		13,874,395
<b>Fixed Asset Investments:</b>				
Shared Equity Cost		<b>409,000</b>	409,000	
Shared Equity Grant		<b>(409,000)</b>	(409,000)	
Investment in Subsidiaries		<b>1</b>		1
		<b>13,425,845</b>		13,874,396
<b>Current Assets</b>				
Debtors	<b>171,504</b>		202,408	
Development Cost of Housing Property	-		266,204	
Cash at Bank	<b>2,301,866</b>		1,440,246	
	<b>2,473,370</b>		1,908,858	←
<b>Creditors: Amounts Falling Due within a Year</b>	<b>619,443</b>		773,670	←
<b>Net Current Assets:</b>		<b>1,853,927</b>		1,135,188
<b>Total Assets less Current Liabilities:</b>		<b>15,279,772</b>		15,009,584
<b>Creditors: Amounts Falling Due after more than a Year</b>		<b>(12,052,553)</b>		(12,093,102)
<b>Net Assets:</b>		<b>3,227,219</b>		2,916,482
<b>Capital and Reserves:</b>				
Called up Share Capital		<b>186</b>		188
Designated Reserves		<b>47,509</b>		48,846
Revenue Reserves		<b>3,179,524</b>		2,867,448
		<b>3,227,219</b>		2,916,482

## 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 new members
- Money set aside for future repairs to our properties
- All other surpluses to date

## Key Features

- **Rental Income** grew from **£2.11 million** to **£2.21 million**, an increase of **5%**
- Our total investment in our **housing stock** has increased from **£61.17 million** to **£61.68 million**
- We achieved an **operating surplus** of **£533,212** and a **net surplus** of **£310,739**
- We paid **96% of invoices** during the year **within their payment terms**
- **Gross rent arrears** as a percentage of rent due was **3.34%**
- We received **housing costs directly for 328 households on benefits** amounting to **£886,865**

**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](http://WWW.LSHA.CO.UK)**

## Sponsorship

The Association was pleased to **provide £2,690 of support** to the following individuals, groups and organisations who applied to us for sponsorship during the year:

**Sleat & Strath AFC**

**Skye & Lochalsh Council on Alcohol**

**Skye & Lochalsh Safe Highlanders**

**The National Trust for Scotland**

**Dunvegan Primary Shinty Club**

**Portree Allotment Association**

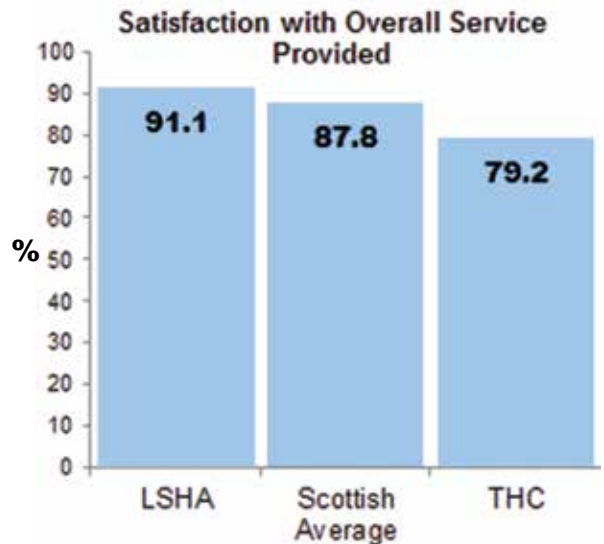
**Plockton Bowling Club**

## Customer/Landlord Relationship



We published **three 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 website in 2014**.



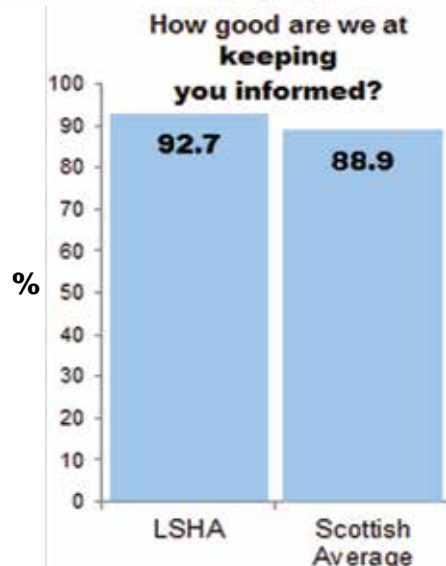
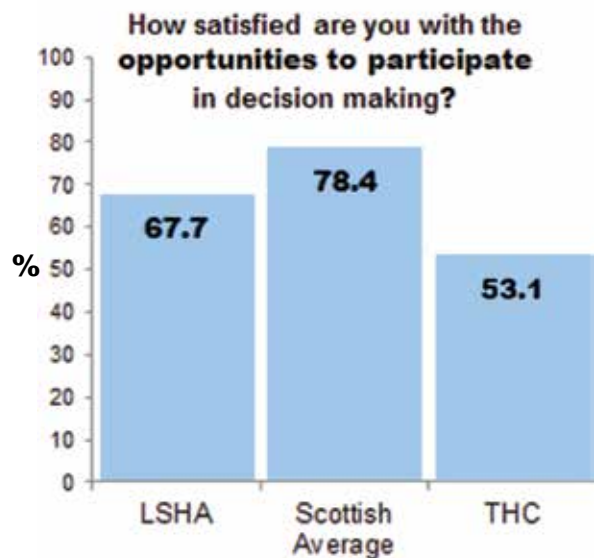
We employ **29** staff including **5** **direct labour staff**

**1.23%** - the percentage of days lost through **staff sickness absence**

### Complaints

We dealt with **18 First Stage complaints** and **3 Second Stage complaints** in the year. One complaint was an **equalities related issue** but was **not upheld**.

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



No figures available for **THC**



The Association is committed to **promoting and actively developing** a culture of **openness, transparency and accountability** in respect of all its activities.

Last year, we revised our **Access to Information Policy**, and embarked on a review of our **Tenant Participation** arrangements.

**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.**

In February 2014, we reviewed and updated our **Equality and Diversity Policy** and we work hard to ensure that our customers have fair access to the services we provide.

We operate an **open Membership Policy** and, at 31 March 2014, we had a total of **185 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.



**2,288** tasks were completed by our **Handyperson Service** for elderly and disabled households

**16** applications for **medical adaptations** to our houses were completed in 2013/2014

**4 days** is the average time taken to complete an adaptation

**65** 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 **£341,000**

## Housing Options and Access to Housing

The Association has **593 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.

Our subsidiary company, **North West Highland Community Enterprises Ltd** has **5 mid-market rent** properties in **Dornie.**

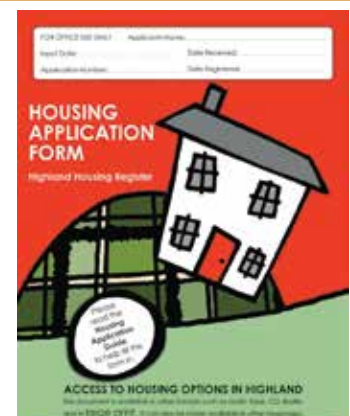


People who are applying for social rented housing in **Highland** do so through the **Highland Housing Register (HHR)** which is a **common housing register** jointly operated by **The Highland Council** and the **five Highland-based housing associations.**

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.

In 2013/2014, we **re-let 50 properties** in an **average of 11.9 days** through the **HHR.**

We **processed housing applications** in an **average time of 5 days.**



**95%** of new tenants are **still tenants after 12 months**

## Getting Value for Money - Rents and Service Charges



**593** - the number of **homes owned by LSHA** at 31 March 2014

**£2,214,989** - the **total rent due** for the year

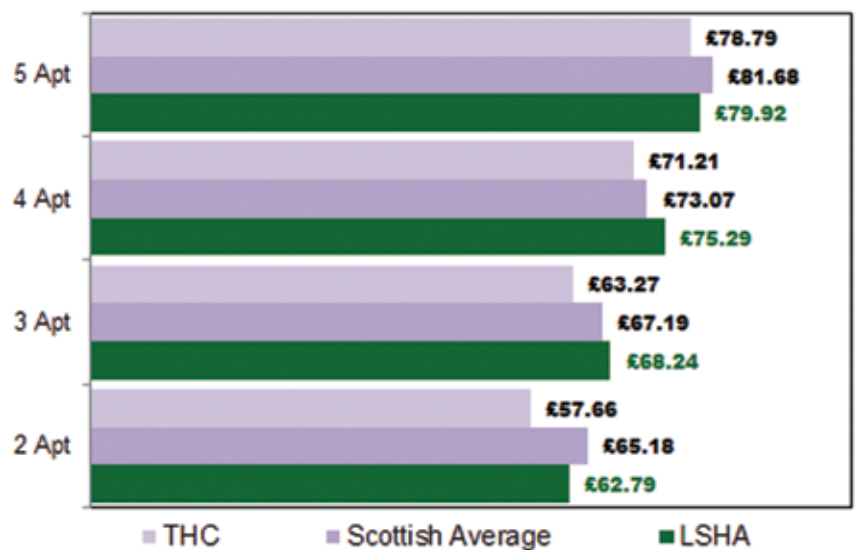
**3%** - the **average increase** on weekly rent

*“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



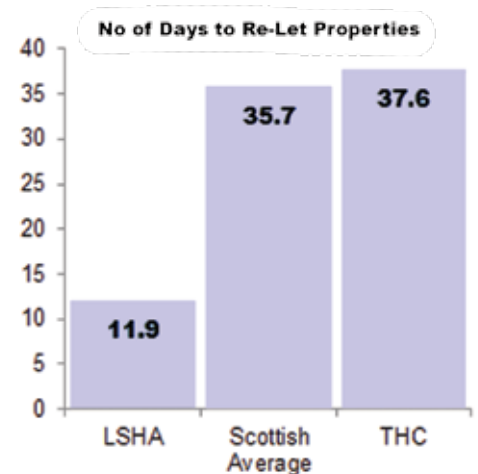
**81.45%** of tenants feel that the rent for their property represents **good value for money**

We lost total rent of **£4,706 (0.2%)** from properties being empty.

The total rent due to the Association was **£2,214,989**

We collected **99.22%** of that total.

Our **Housing and Property Services** staff work together to minimise the **amount of rent lost** due to properties being empty, and we aim to have properties **available to re-let within 10 days.**



Tenants who experience **difficulties in keeping their rent account up to date** are able to call on our **dedicated 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 2013/2014, our **Tenant Adviser** helped **102 tenants** who were affected by the **“Underoccupancy Charge” (Bedroom Tax)** to have the charge paid for by **Discretionary Housing Payments** from **The Highland Council**.



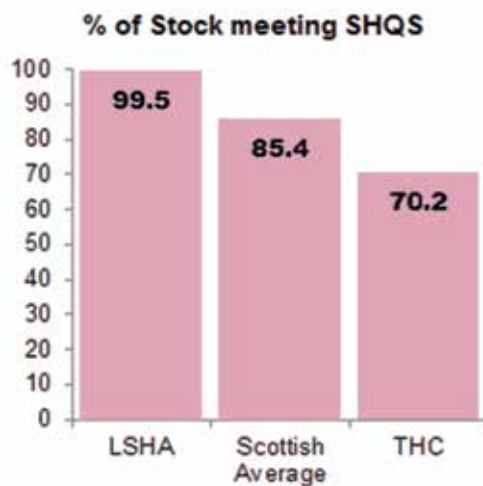
## Housing Quality and Maintenance

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 **775 routine repairs** and **104 emergency repairs** in the year.

LSHA	Scottish Average	THC
<b>4.1</b>	<b>6.9</b>	<b>14.5</b>

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



LSHA	Scottish Average	THC
<b>3.9</b>	<b>8.2</b>	<b>8.7</b>

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

**96.65%** of **routine repairs** completed were **right first time**. The **Scottish average** for the year was **87.2%**.

**100%** of **repairs appointments** were kept. The **Scottish average** was **92.9%**.

**83.87%** of **LSHA's** tenants are satisfied with the quality of their home.

We are in the process of carrying out a **100% survey of our housing stock** to help us **target our financial resources** to the properties that **require improvement**.

**81.5%** of tenants who had **repairs or maintenance** were **satisfied** with the service they received. The **Scottish average** for the year was **87.6%**.

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

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

**30** cases of **anti-social behaviour** reported in 2013/2014

**28** cases **resolved within timescale**, representing **93.33%**

**4** **abandoned properties** in the year

**1** **eviction** (due to **rent arrears**)

We carry out **regular inspections** of the **exterior** of every development that we own, and we **record on video** the **condition of paths, roads and fences**.





If you would like to receive this document in another format, e.g. in large print, CD, e-mail or Braille, please contact us on: **01478 612035** or e-mail: **info@LSHA.co.uk** and we will forward a copy to you.

Morrison House, Bayfield, Portree,  
Isle of Skye, IV51 9EW

**Tel:** 01478 612035

**Fax:** 01478 613377

**e-mail:** info@LSHA.co.uk

**web:** <http://www.LSHA.co.uk>



**Registered name:** Buidheann Tigheadas Loch Aillse agus an Eilein Sgitheanaich Ltd.  
Registered with The Scottish Housing Regulator No. 324  
Registered with the Financial Conduct Authority No. 2132 RS  
A Scottish Charity No. SC038019

Cover photograph by **Cailean Maclean** ©