

Chairperson's Report



It gives me great pleasure to report that once again the Association has been involved in many activities which have had a positive impact on our local communities and which have benefited a large number of people across Skye and Lochalsh.

Our Management Committee has been going through a process of change as a result of some retirals during the year.

Mrs Pat Walsh, who was a founder member of the Association in 1983, retired after almost 33 years of dedicated service on the Management Committee – a truly outstanding level of public service. Mr Donald MacKenzie retired from the Committee after 23 years of service and he too is a huge loss to us.

Mr Dick Johnston, who latterly was our Vice-Chairperson and also a Director on the Board of our Subsidiary Company, resigned following a move away from the Skye and Lochalsh area. Mrs Morag Hannah resigned in April 2015 and Mr Tim Bowditch also resigned in December 2015. All of these members deserve our grateful thanks and we wish all of them very best wishes for the future.

The good news is that we have been extremely fortunate in attracting new members to the Management Committee and Mr John Ellis, Mr Neil Campbell, Mr Jon Hanley, Mr Stephen Proudfoot, Mr Roger Liley, Mr David Owen, Ms Janet Anderson and Mr Ian Young are very welcome additions.

Following the adoption of our new Rules in 2015, we carried out a governance review to ensure that we meet the requirements of the regulatory framework of the Scottish Housing Regulator.

We created a new Audit, Finance and Performance Sub-Committee under the Chairpersonship of **Mr Roddy Beaton** and this sub-committee provides invaluable support to the Management Committee.

Another regulatory change introduced during the year required us to change the way in which we produce our Financial Statements and I'm delighted to report that our Management Accountant and Finance Services staff were able to make the

necessary changes in time for the audit of our 2015/16 accounts.

During the year we gained another new regulator in the form of the Pensions Regulator. Every employer is required to have pension arrangements in place for all employees through a process known as auto-enrolment. The Management Committee approved a new Pension Policy which means that the Association is fully compliant with the Pension Regulator's requirements.

In August 2015 we were delighted to welcome **Mrs Margaret Burgess**, the Minister for Housing &

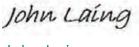
Welfare, to open our new development at Sraid an Eorna, Portree. This project was designed as part of a multi-agency approach involving the Association, The Highland Council, Ross-shire Women's Aid, NHS Highland and Police Scotland.





This is a truly innovative project which has delivered fantastic outcomes for everyone concerned, particularly the occupants of the properties who are delighted with their new accommodation.

As Chairperson, I would like to thank all of the Management Committee Members, both past and present, for their continued support. On behalf of the Management Committee, I would like to express our sincere thanks to all the staff for all the hard work and effort they put in to delivering the best possible service for our tenants and the wider community.



John Laing <u>CHAIRPERSON</u>

Chief Executive's Report



My focus in 2015/16 has been to try and make sure that the Association delivered on the aims and objectives in our **Business Plan** whilst implementing some significant changes to the ways in which we operate. I'm pleased to report that the Association has successfully managed to adapt to

implement all of the required changes.

The Chairperson has mentioned the significant turnover of **Management Committee** members and the important role that members play in ensuring that we have the best possible governance arrangements in place. To assist us in achieving that aim, we have new annual appraisal arrangements in place for our committee members and these arrangements also result in an annual Training Plan which focuses on the training needs of members. Training is delivered regularly at our Management Committee meetings.

We have also modernised the ways in which members can have access to the information they need to carry out their duties. We have largely moved away from paper-based systems to using wifi tablets for committee papers and we have updated our web site to create a "members only" section where additional policies and procedures can be accessed more easily.



During the year, we undertook a review of our existing loans and also projected forward our borrowing capacity to meet the objectives of our Business Plan, particularly in relation to the borrowing required to support our proposed new housing developments throughout the area.

Following this review, we invited tenders from lenders for loan facilities of £7.2m to meet our needs in the short to medium term. We were delighted that

a total of thirteen lenders submitted bids to provide the loan facilities and the successful lender is now in the process of being appointed. Not only did this review result in the Association receiving extremely competitive borrowing rates, it also demonstrated the confidence that commercial lenders have in the financial management of the organisation and our sound financial position.

Our housing development programme for the year, and for the foreseeable future, is a mixture of projects delivered on our own behalf and other projects delivered on behalf of other key developers, most notably, **The Highland Council**.

We completed 17 flats and houses at **Home Farm**, **Portree**, a partnership project which was shortlisted by the **Scottish Property Awards** in the **Community Development Project of the Year** category.



We worked with **The Highland Council** on projects at **Balmacara** (8 units), **Harrapool**, **Broadford**, (12 units) and **Dunvegan Road**, **Portree**, (8 units).



Future projects are planned at **Broadford**, **Kyle**, **Staffin**, **Dornie** and **Portree**.

The **Scottish Government** has announced that in the lifetime of the current Parliament it will accelerate the supply of affordable housing to deliver **50,000 affordable homes**, of which 70 per cent will be for social rent. This is a substantial

increase on existing levels of investment and could see a doubling of the housing development programme. The Scottish Government has also announced a range of new additional funds to assist developers (including housing associations and local authorities) to meet the new targets. We consider that the Association is well-placed to play its part in meeting the government's targets in Skye and Lochalsh and we are now in detailed discussions with both the government and **The Highland Council** on the way forward.

We are extremely grateful for the excellent support the Association receives from the government and other organisations, eg **NHS Highland** and **The Highland Council**. We are aware that 2015/16 was an extremely challenging year for the Council as they worked to achieve significant budget savings. This process of change will continue as the Council is undertaking a re-design of its services which it aims to complete by December 2016.

We will continue to work closely with all of our partner organisations to meet our shared objectives and will assist in whatever ways we can to ensure that services within Skye and Lochalsh continue to be delivered efficiently and effectively.

Last year I reported that our Handyperson Service had secured additional funding from NHS Highland and The Highland Council to enable us to employ an additional Handyperson to support our very important work in delivering TeleHealth Care services. The work done to secure this funding was recognised in November 2015 by a Highland Council Quality Award in the "Supporting Caring Communities" category. Our congratulations go to our Director of Investment and Handyperson Services Manager for the hard work which merited this Award.

During the year we also worked on a joint bid with 3 other organisations to the "Life Changes Trust" for funding to support the employment of an additional Handyperson to allow the Association to provide additional support to clients affected by Dementia. The



Michael Taylor

funding bid has been successful and the full cost of an additional Handyperson for three years will be funded by the Trust, to whom we extend our grateful thanks. The new Handyperson, **Michael Taylor**, is now in post.

The Association continues to work hard to support a wide range of clients who are elderly or disabled. We were involved in carrying out adaptation work to 21 of our own properties to meet a variety of needs, including walk-in showers, safety rails, specialist kitchens and disabled-friendly parking areas.



Ramp and Safety Rails



Through our **Care and Repair Service**, we assisted 65 elderly and disabled clients in the private sector with repairs and improvements to their properties at a cost in excess of £400k. Many clients were also assisted by our **Energy Advice Service** which is involved in the eradication of fuel poverty and which has received additional financial support from **Energy Action Scotland's Fuel Poverty Alleviation Support Fund** to monitor an additional 40 homes in Skye and Lochalsh which suffer from dampness and humidity issues. This work will be undertaken this coming winter.

Once again we have managed to meet the vast majority of our performance targets and I would like to highlight just some of the key outcomes from our Performance Report from last year:-

- All of our Management Committee meetings were quorate and we achieved attendance of 70%
- We responded to incoming telephone calls in an average of 3.5 seconds.
- We re-let 49 properties in an average re-let time of 7 days.

- We completed 145 emergency repairs in an average time of 3.38 hours.
- We completed 958 non-emergency repairs in an average time of 3.86 days.
- We kept 100% of repairs appointments made
- We paid 100% of invoices received by the Association within their payment terms.

These are excellent results and are a credit to all of our staff involved in the delivery of our services.

During the year we made significant changes

to our **Technical Services** team who are responsible for implementing our repairs and maintenance programmes. We have expanded the range of trades that we cover by directly employing our own plumbers and electricians.



These changes have enabled our **Property Services** staff to improve their control over the costs of our repairs and to achieve the excellent performance results mentioned above. The work carried out by our **Technical and Property Services** staff is to be highly commended.

For the record, I would report that 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.

I would like to thank every member of staff for their hard work and dedication during the year. Finally, I would 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

Performance Reporting and The Scottish Social Housing Charter

We have used our Annual Report to inform tenants, members and others about our own 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.

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

Statement of Comprehensive Income as at 31st March 2016

	2016	2015 (re-stated)	
	£	£	
Turnover	6,756,014	4,337,822	
Operating Expenditure	5,935,124	3,629,136	
Operating Surplus	820,890	708,686	
Loss on Disposal of Property, Plant and Equipment	(41,317)	(21,474)	
Interest Receivable	11,318	7,026	
Interest and Financing Costs	(338,444)	(321,737)	
Surplus before Tax	452,447	372,501	
Taxation	<u>-</u> _		
Surplus for the Year Prior	452,447	372,501	
Statement of Financial P	osition as at 31st Mar	ch 2016	

	2016	6	2015 (re-s	tated)
Fixed Assets	£	£	£	£
Housing Properties		53,264,520		53,777,880
Other Fixed Assets		548,218		552,160
Investment Properties		187,500		187,500
Investment in Subsidiaries		1		1
	•	54,000,239	-	54,517,541
2-	-		-	
Current Assets				
Trade and Other Debtors	298,114		118,034	
Cash and Cash Equivalents	2,256,193	_	2,077,728	
	2,554,307	·	2,195,762	
Current Liabilities				
Amounts Falling Due within one Year	1,766,798		1,765,799	
Net Current Assets:		787,509		429,963
Total Assets less Current Liabilities		54,787,748		54,947,504
Creditors:				
Amounts Falling Due after more than one Year	(49,939,575)		(50,488,130)	
Provisions for Liabilities:				
Pension Provision	(934,000)		(994,000)	
Other Provisions	(14,833)		(18,487)	
	_	(50,888,408)	_	(51,500,617)
Total Net Assets		3,899,340	_	3,446,887
Reserves				
Called up Share Capital		189		183
Income and Expenditure Reserves		3,899,151		3,446,704
1		3,899,340		3,446,877
	=		=	

Our Financial Statements to 31st March 2016

Please note that our Financial Statements have been produced in accordance with new guidance called the Financial Reporting Standard 102 and the Statement of Recommended Practice for Registered Social Landlords 2014. This explains why there are changes in the way that the accounts are presented and why we have had to re-state the 2015 figures for comparative purposes.

Key Features

- Rental Income grew from £2.31 million to £2.43 million
- Our Operating Surplus increased from £709,000 to £821,000
- Our Net Surplus increased from £373,000 to £452,000
- Interest and Financing Costs rose from £322,000 to £338,000
- Our Fixed Assets are as stated at £54 million
- Current Assets amount to £2.55 million of which £2.26 million is cash and cash equivalents
- Total Net Assets have increased from £3.45 million to £3.9 million

Sponsorship

The Association was pleased to provide £2,338 of support to the following individuals, groups and organisations who applied to us for sponsorship during the year:

Portree Community Centre

Highland Cross

Branching Out

Skye Sailing Club SC10

Cook Start Skye

Scottish Community Drama Association Highland Division

Management Committee

John Laing, Chairperson

Audrey Sinclair, Vice Chairperson

Archie MacCalman, Treasurer

Paul Carpenter, Member

Roddy Beaton, Member

Neil Campbell, Member

Jon Hanley, Member

Janet Anderson, Member

John Cayley, Member

Roger Liley, Member

David Owen, Member

Steven Proudfoot, Member

Ian Young, Member

Advisors

Auditors

RSM UK Audit LLP Third Floor, Centenary House 69 Wellington Street GLASGOW G2 6HG

Solicitors

George Street, DINGWALL IV15 9SA

Macleod & MacCallum 28 Queensgate, INVERNESS IV1 1YN

The MacKenzie Law Practice Highland Rail House INVERNESS IV1 1LE

Bankers

Royal Bank of Scotland Bank Street, PORTREE Isle of Skye IV51 9BX

Internal Auditors

Quinn Internal Audit & Business Support Services

Management Accountant Kenneth G Goddard CPFA

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

Customer/Landlord Relationship



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.

Average attendance at our Management Committee meetings was 70%.

2.32% - the percentage of days lost through staff sickness absence



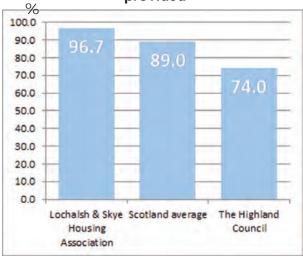
Complaints

We dealt with 18 First Stage complaints and 1 Second Stage complaint in the year. No complaints were equalities related issues.

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

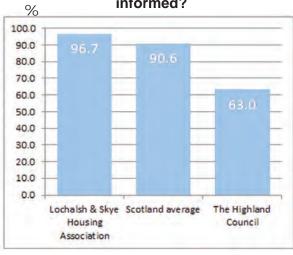


Satisfaction with overall service provided

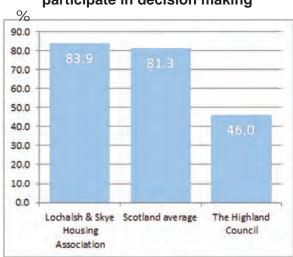


We employ 34 staff including 9 Technical Services staff

How good are we at keeping you informed?



Satisfaction with opportunities to participate in decision making



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 2016, we had a total of 178 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.

2,490 tasks were completed by our Handyperson Service for elderly and disabled households 21 applications for medical adaptations to our houses were completed in 2015/2016

6 days is the average time taken to complete an adaptation

Aerial View, Home Farm, Portree



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.

64 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 £348,464

Housing Options and Access to Housing

The Association has 625 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 in 2015/2016 were still tenants after 12 months

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

In 2015/2016, we re-let 49 properties in an average time of 7 days

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 10 days

Getting Value for Money - Rents and Service Charges



625 - the number of homes owned by LSHA at 31 March 2016

£2,348,445 - the total rent due for the year

1.0% - the average increase on weekly rent from 1 April 2016

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

Average weekly rents



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.

The total rent due to the Association was £2,348,445

We collected 99.6% of that total

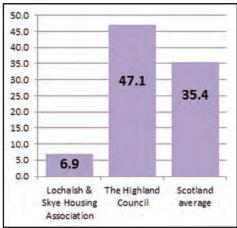
We lost total rent of £3,679 (0.2%) from properties being empty

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.





Number of days to re-let properties



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 required that the quality of tenants' homes, as a minimum, meet the Scottish Housing Quality Standard (SHQS) by 31 March 2016.

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.

The Scottish Government has introduced the **Energy Efficiency Standard for** Social Housing (EESSH), a minimum energy standard that all Local Authorities and Registered Social Landlords will have to meet by 31 December 2020.

The standard was developed with the twin aims of reducing fuel poverty for tenants and helping to reduce carbon emissions.

The Association has 625 properties, of which 339 already meet the EESSH standard.

54.2% of LSHA's housing stock is currently EESSH compliant



We carried out 958 routine repairs and 145 emergency repairs in the year.

Number of Hours to Complete Emergency Repairs

LSHA	Scottish Average	THC
3.4	5.1	7.9

96.9% of routine repairs completed were right first time. The Scottish average for the year was 91.3%.

Number of Days to Complete Non-Emergency Repairs

LSHA	Scottish Average	THC
3.9	7.5	7.5

100% of repairs appointments were kept.

The Scottish average was 94.4%.

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

"Tenants and other customers live in wellmaintained neighbourhoods where they feel safe"

24 cases of anti-social behaviour reported in 2015/2016

9 cases resolved within timescale

There were no abandoned properties and 1 eviction in the year



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.

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