



Annual Report 2018

Chairperson's Report



It has been an extremely busy year for the Association right across the organisation and our **Management Committee** members are to be commended for the efficient way in which they have dealt with the volume of business which is ever increasing as we grow and expand.

In addition to monitoring our progress against our existing **Business Plan targets**, a great deal of Committee time and effort is spent on ensuring that we are planning ahead to meet any new challenges that we face. By planning properly and taking action quickly to address new issues, we aim to reduce the risks that can affect an organisation of our size and complexity.

Some of the significant issues we have addressed this year include new **legislation changing our tenancy agreements**, new **energy efficiency standards** for our housing stock, new **procurement rules** and changes to **data protection legislation**.

All of these issues have to be given careful consideration by the Committee before new policies and procedures are agreed and I am pleased to report that we have made excellent progress in this regard.

Members of the Association may be aware that there has been considerable comment in the media over the last year regarding the impact that the surge of tourism has been having in the area and, in particular, the impact on the availability of housing. This has affected those in urgent need of **affordable rented housing** who are on the **Highland Housing Register** and those who have been assessed as homeless and in priority need for accommodation.

Whilst there have been many inaccuracies in the media reports, it is true to say that many properties in the private sector that were previously available for use for homeless accommodation are no longer available to **The Council**. The Association and **The Highland Council** are working well in partnership to address the shortage of affordable housing in Skye

and Lochalsh by increasing the supply of housing through new house building in order to eliminate homelessness at the earliest possible date.

This will also allow us to provide housing for those in priority need, including those affected by overcrowding or dampness and those living in temporary accommodation or in properties in a poor state of repair. The **Chief Executive** will provide more detail on the progress being made to achieve our house building objectives.

Whilst we didn't increase the number of our office-based staff during the year, we did add **three new employees to our Technical Services team** who are responsible for the repair, maintenance and improvement of our housing and other property assets. We have extended the range of trades that we employ in-house and we now have our own electrician and two new **Estate Management** staff who carry out all of our ground maintenance. They are very welcome additions to our staff team.

There were three retirements from the Management Committee during the year and I thank **Mr John Ellis**, **Mr Neil Campbell** and **Mr David Owen** for their contribution to the work of the Association.

Ms Maggie Muir joined our Management Committee in the year and we welcome the knowledge and expertise she brings to the meetings.

I would like to thank my fellow members of the management committee for their support over the year and also for their interest and enthusiasm in the workings of the Association - your various specialities ensure that we have a **first class Management Committee**.

And, finally, as I have served as Chairperson for a period of five years, our Rules require me to step down as Chairperson but I do propose to continue to serve on the Management Committee. **A new Chairperson will be elected at the next meeting of our Management Committee on Monday, 20 August 2018.**

John Laing

John Laing
CHAIRPERSON

Chief Executive's Report



We are working on the largest programme of affordable rented housing development that we have undertaken in recent times and we have projects under construction or being planned right across Skye and Lochalsh.

In the year to 31 March 2018, we spent **£5.6M** on new housing on our own behalf and **just under £1M** on behalf of The Highland Council. We also invested more than **£½M** on improving our existing properties. Our **Care and Repair Project** spent **£335K** of grants on repairs and improvements to properties occupied by elderly and disabled clients in the private sector.

This was in addition to the **£140K** we spent on 25 of our own properties to provide disabled adaptations. These are significant levels of investment which help to secure employment in the local construction industry and provide a boost to the local economy. Looking ahead to the size of the workforce that the Association, itself, will need to look after our own properties, it has been decided to launch a programme of **Modern Apprenticeships** and, as a starting point, we hope to recruit two joiner apprentices in Summer 2018.

We added **17 new build** properties to our stock, 11 at **Pat Gordon Place, Portree**, and 6 at **Aitemore Road, Dornie**. A further 7 properties were purchased from the National Trust for Scotland at Balmacara Steadings.



Pat Gordon Place, Portree



At the year-end we had 24 properties under construction at **Campbell's Farm in Broadford** which are due to be completed in Autumn 2018.



Campbell's Farm, Broadford

A further 13 flats and 2 commercial units were under construction at **Main Street, Kyle**, and these are due to be completed in **Spring 2019**.



Main Street, Kyle of Lochalsh

Fourteen properties at **Kyleakin**, 45 houses and flats in **Portree** and 5 flats in **Kyle** are all due to start construction in 2018. The projects currently under construction, together with those in the tender pipeline, will **add a further 101 properties** to our housing stock. As the Chairperson has reported, this is evidence of our strong commitment to dealing with homelessness and priority housing need as quickly as possible.

We thank the **Scottish Government** and **The Highland Council** for their continued Grant support for our housing programme and also our lenders and, in particular, the **Triodos Bank** who provide the private finance we need.

We have a well-developed **Asset Management Strategy** which is designed to make sure that all of our housing stock is maintained to a high standard and we have to set aside sufficient funds each year to ensure that we are able to carry out these works when they are due.

As well as carrying out **day-to-day repairs**, we have an active programme of **replacement kitchens**, **windows** and **doors** to continuously modernise our stock.

We carry out the vast majority of these works using our own **Property and Technical Services** teams as this allows us to reduce costs through savings in VAT and from discounts we can negotiate with trade suppliers on materials. By organising our own workforce we are also better able to achieve excellent quality control standards and to achieve high levels of customer satisfaction.

Customer satisfaction is very important to the Association and we measure our performance against targets and report on this regularly to our **Management Committee**.



We also report annually to the **Scottish Housing Regulator** who measure the performance of all housing associations and we always make their reports available to our tenants and others.

Some of the **key performance indicators** that we reported on in 2017/18 included:-

- We responded to incoming telephone calls in an **average of 3.8 seconds**
- The percentage of days lost through staff sickness was **2.72%**
- We carried out more than **1100 reactive repairs** in an average time of **3.45 days** (our target is to carry these out within **5 days**)
- We dealt with **151** emergency repairs in an average of **3.28 hours** (our target is to carry these out within **8 hours**)
- We kept **100%** of Repair Appointments made

- Our Handyperson Service carried out more than **3,000** tasks in the year, which is a record number
- We paid **99%** of invoices within their Payment Terms
- We lost **0.36%** of our rental income through void properties (our target is to achieve less than **1%**)
- We re-let **72** properties during the year in an average time of **10 days**
- The percentage of tenants who felt their property represents good value for money was **95%**
- Our gross rent arrears as a percentage of rent due for the year was **2.47%**

All of these excellent results are a reflection on the hard work and professionalism of all of our staff and they are all to be commended for their efforts.

The Association's subsidiary Company, **North West Highland Community Enterprises**, 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.



Finally, I would like to thank every member of staff for their hard work and dedication during the year and for making my job as Chief Executive so rewarding.

I would also like to thank all of our voluntary Management Committee members for their continued support and encouragement and, in particular, to record my gratitude to **John Laing**, our retiring Chairperson, for all his help during the last five years that he has served as Chairperson.

Lachie MacDonald

Lachie MacDonald
CHIEF EXECUTIVE

Home Farm Phase 7 - Pat Gordon Place

The housing development at **Pat Gordon Place (Ceárn Pat Ghórdain)** is the latest phase at **Home Farm, Portree, Isle of Skye** to be completed.

The houses at **Pat Gordon Place** have been designed and orientated to ensure the main living spaces take advantage of **solar gain** and the houses have been connected to the **Home Farm District Heating network**, which will provide residents with **heating and hot water from a woodchip biomass boiler**.

Site layout and **house designs** have been arranged to ensure that overlooking is not an issue and privacy and amenity between properties are maintained.

Three homes have received **bespoke adaptations** with advice from **NHS Highland's Occupational Therapist** team.

Mrs Pat Gordon MBE 1938-2005

Pat Gordon worked tirelessly in the **voluntary sector** in Skye and Lochalsh for many years, ultimately **receiving an MBE** for her hard work in **1997**.



Pat undertook much volunteer work in her time; she was **chairwoman of Portree Community Council** and served as **Lochalsh and Skye Housing Association's secretary** for many years.

Pat also ran the **Skye and Lochalsh Council for Voluntary Organisations** for 10 years and helped establish the **Crossroads Care Service**.

She was a JP and a founding member of the local **Citizens Advice Bureau** and in **1993** helped set up a **mental health project** in Portree. Pat also worked with the **Portree Drama Club**.

Thanks to the Gordon family for giving us permission to use the photograph of the family at the opening of Pat Gordon Place.

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 landlords 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 2018

	2018	2017
	£	£
Turnover	5,734,369	6,005,664
Operating Expenditure	5,023,102	4,708,910
Operating Surplus	711,267	1,296,754
Loss on Disposal of Property, Plant and Equipment	(55,746)	(95,744)
Interest Receivable	24,782	20,540
Interest and Financing Costs	(338,196)	(331,197)
Surplus before Tax	342,107	890,353
Taxation	-	-
Surplus for the Year	342,107	890,353

Statement of Financial Position as at 31st March 2018

	2018		2017	
	£	£	£	£
Fixed Assets				
Housing Properties		59,138,822		54,547,335
Other Fixed Assets		564,104		549,343
Investment Properties		187,500		187,500
Investment in Subsidiaries		1		1
		59,890,427		55,284,179
Current Assets				
Trade and Other Debtors	230,578		221,544	
Cash and Cash Equivalents	3,995,833		4,356,638	
	4,226,411		4,578,182	
Current Liabilities				
Amounts Falling Due within one Year	1,791,089		1,743,817	
Net Current Assets:		2,435,322		2,834,365
Total Assets less Current Liabilities		62,325,749		58,118,544
Creditors:				
Amounts Falling Due after more than one Year		(56,797,656)		(52,846,793)
Provisions for Liabilities:				
Pension Provision	(377,000)		(468,000)	
Other Provisions	(19,306)		(14,064)	
		(396,306)		(482,064)
Total Net Assets		5,131,787		4,789,687
Reserves				
Called up Share Capital		176		183
Income and Expenditure Reserves		5,131,611		4,789,504
Total Reserves		5,131,787		4,789,687

Our Financial Statements to 31st March 2018

Key Features

- **Rental Income** grew from **£2.46 million** to **£2.55 million**
- Our **Operating Surplus** decreased from **£1.29 million** to **£711,000**
- Our **Net Surplus** decreased from **£890,000** to **£342,000**
- **Interest and Financing Costs** increased from **£331,000** to **£338,000**
- Our **Fixed Assets** are as stated at **£59.9 million**
- **Current Assets** amount to **£4.2 million** of which **£4.0 million** is cash and cash equivalents
- Total **Net Assets** have increased from **£4.78 million** to **£5.13 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 £2,500 of support** to the following individuals, groups and organisations who applied to us for sponsorship during the year:

Skye & Lochalsh Citizens Advice Bureau

Isle of Skye Pipe Band

SLCVO - Mental Well-Being Forum

Camuscross & Duisdale Initiative

Broadford and Strath Community Company

Management Committee

John Laing, *Chairperson*

Audrey Sinclair, *Vice Chairperson*

Paul Carpenter, *Member*

Jon Hanley, *Member*

Janet Anderson, *Member*

John Cayley, *Member*

Roger Liley, *Member*

Steven Proudfoot, *Member*

Ian Young, *Member*

Maggie Muir, *Member*

Advisers

Auditors

RSM UK Audit LLP

Third Floor, Centenary House
69 Wellington Street
GLASGOW G2 6HG

Solicitors

George Street Law

4 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

Customer/Landlord Relationship

Communication - tenants and other customers should **find it easy to communicate** with their landlord and **get the information they need** about their landlord, **how and why it makes decisions** and the **services it provides**.

We employ **42** members of staff including **10** Technical Services staff

The **average time to respond** to incoming telephone calls was **3.8 seconds**

The percentage of days lost through **staff sickness absence** was **2.70%**

We published and sent out **two editions** of our **“Homefront” newsletter**, as well as our **Annual Report**, to all of our tenants.
Our website **www.LSHA.co.uk** is kept up to date with current information. We set up our **Facebook** page in **2017**.

Copies of the **Minutes of our monthly Management Committee meetings** are available in our offices and on our **website**.

Average attendance at our Management Committee meetings was **68%**.

Complaints

We dealt with **25, 1st Stage complaints** and **2 2nd Stage complaints** in the year. None of the complaints were **equalities related issues**.

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

Equalities

The Association is committed to making sure that **every tenant and other customer** has their **individual needs recognised**, is **treated fairly** and **with respect**, and receives **fair access to housing and housing services**.

We want to make sure that tenants can be **helped to make any necessary changes** to their homes if their circumstances change. We are also building **specially designed properties to meet specific needs**.

3,019 tasks were completed by our **Handyperson Service** for elderly and disabled households

Customer Comments about the Handyperson Service

- *“Handyman was excellent so nice in every way.*
- *I know I sound extremely pleased but I can't remember ever being so pleased with a job so well done as every job that the Handyperson has done for me and beyond what I have come to expect in the past or present! If only all workmen in every field were as dependable.*
- *Very good prompt service, well explained and done with minimal disruption.*
- *Thank you for all your kind attention, equipment, advice and practical work it is very much appreciated.”*

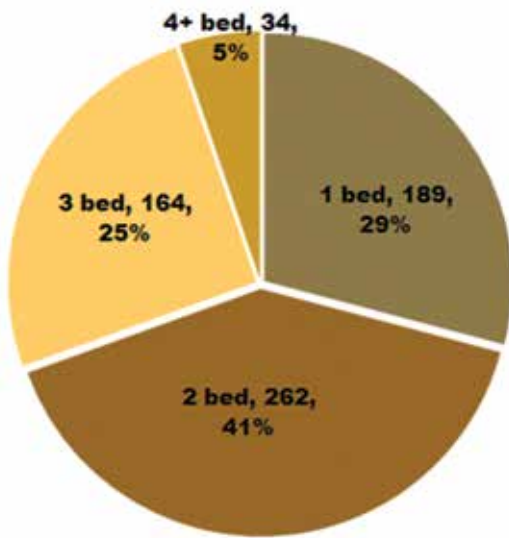
17 applications for **medical adaptations** to our houses were completed in 2017/2018

75 days is the average time taken to complete an adaptation

55 elderly and disabled households in the private sector had repair and improvement works carried out through our **Care & Repair Service** at a cost of **£201,785**

Housing Options and Access to Housing

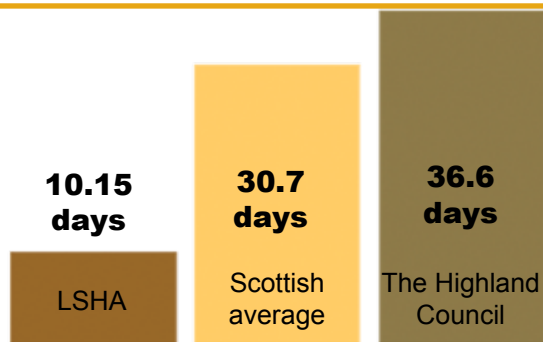
We aim to make sure that people looking for housing find it **easy to apply** for the **widest choice** of social housing available and get the information they need on **how the landlord allocates homes** and their **prospects of being housed**.



Number of **Bedrooms** per Property

In 2017/2018, we **re-let 72** properties in an **average time** of **10.15 days**

Average time to re-let



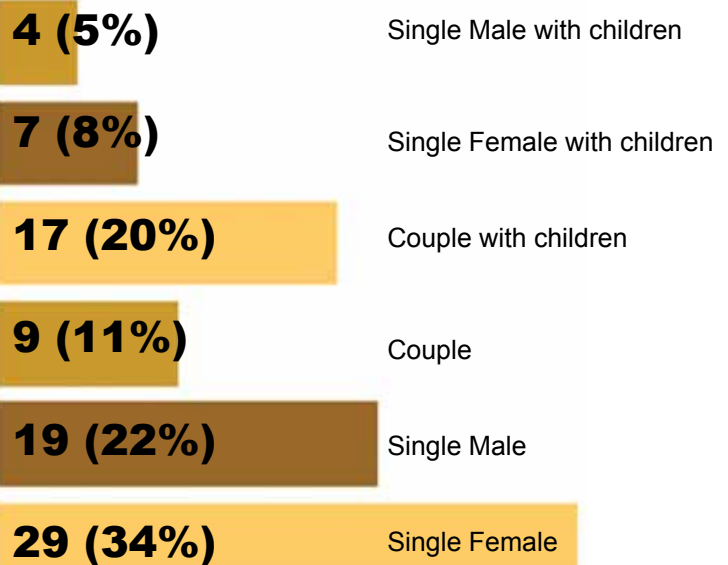
100% of **new tenants** in 2017/2018 were **still tenants** after **12 months**

We operate a common **Highland Housing Register** jointly with **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 **House Exchange website**.

The Association has **649** properties available for rent

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**. Our stock changes year on year as new developments are completed.

Who did we house in 2017/2018?



96% of our **re-lets, exchanges and transfers** were to applicants within the **Skye & Lochalsh** area

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

We want all of our tenants and other customers to be able to live in **well-maintained neighbourhoods** where they **feel safe**.

1 property was **abandoned** in 2017/18

1 **eviction** was carried out in 2017/18

15 cases of **anti-social behaviour** reported in 2017/2018

80% of cases **resolved within our target time**

Getting Value for Money - Rents and Service Charges

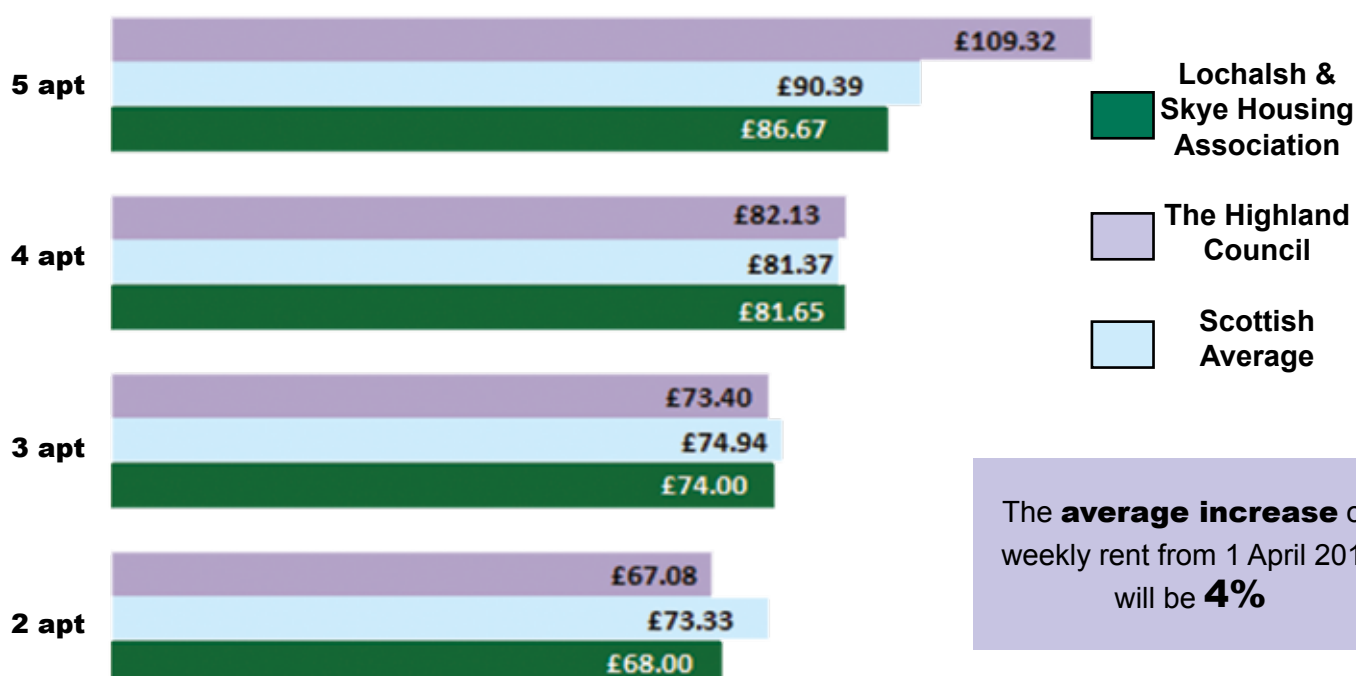
We want to make sure that our tenants, owners and other customers receive **services that provide continually improving value** for the rent and other charges they pay.

Your Rent - we receive Housing Association grant from the Scottish Government towards the cost of building new properties. The grant covers **around 60%** of the costs and the Association **borrows** the rest from banks or building societies.

The rents we charge must cover all of our running costs to allow us to **manage and maintain our housing stock to the best possible standard** and must also repay these loans.

We also try to make sure that **our rents are comparable** to the rents charged by other social landlords in our Rural Housing Peer Group.

Average weekly rents



The **average increase** on weekly rent from 1 April 2018 will be **4%**

The **total rent due** for the year was **£2,467,641**

We collected **97.52%** of that amount from current and past tenant rent payments

We lost rent of **£8,829 (0.36%)** from properties being empty

Under the terms of our tenancy agreements, rent is charged **monthly** and is **payable in advance** on or before the **first day of each calendar month**. This **applies to all tenancies** and does not change according to a tenants circumstances, for example, if a tenant is working and paid weekly, or is claiming a benefit such as **Universal Credit**.

If our tenants are having difficulties keeping their rent account up to date, they can contact **Alex MacLeod**, our **Tenant Adviser**, who can assist with **budgeting advice** and making sure that they are in receipt of **all the income and benefits** that they're **entitled** to.

Housing Quality and Maintenance

Our tenants' homes, as a minimum, should meet the **Scottish Housing Quality Standard (SHQS)**.

99.1% of LSHA's housing stock met the **Scottish Housing Quality Standard**

One property that does not meet the **SHQS standard** is **exempt** as the **occupant has declined** to have improvement works carried out at this time.

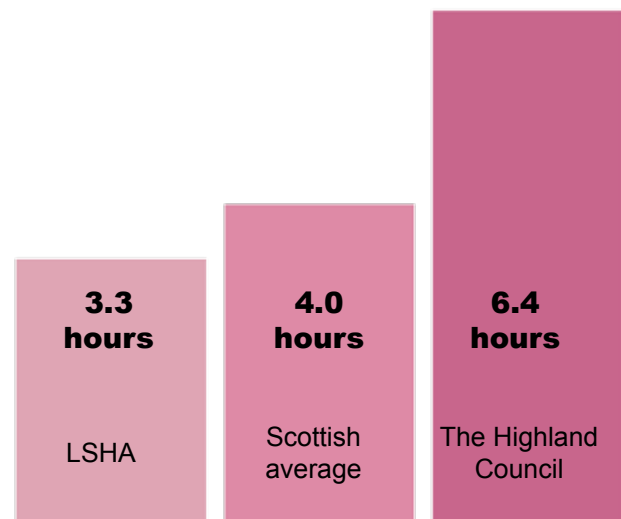
The Scottish Government has introduced the **Energy Efficiency Standard for Social Housing (EESH)**, a minimum energy standard that all Local Authorities/Registered Social Landlords have to meet by **31 December 2020**. The Association has **649** properties; **533** already meet the **EESH** standard.

How much did we spend on repairs in 2017/2018?

Repairs	£422,665
Cyclical Maintenance (Annual & Electrical Inspections, Painting, Servicing of Heating, Gutter Cleaning etc)	£166,364
TOTAL	£589,029

82.1% of LSHA's housing stock is currently **EESH compliant**

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

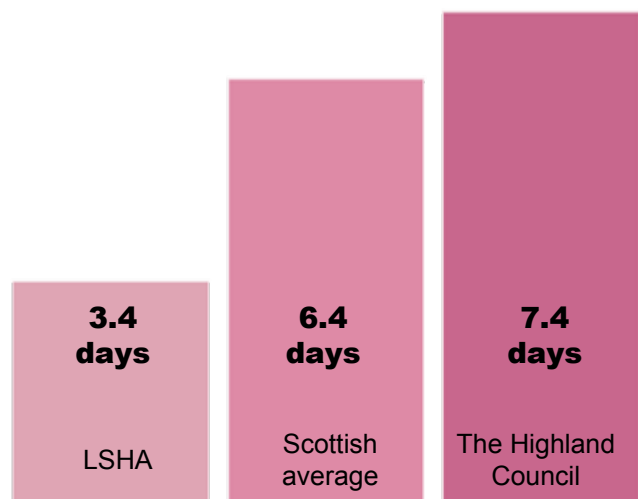


We **replaced windows** in **25** of our properties in 2017/2018.

We **replaced kitchens** in **22** of our properties in 2017/2018.

We **replaced bathrooms** in **24** of our properties in 2017/2018.

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



We carried out **927** routine repairs and **151** emergency repairs in the year.

100% of repairs appointments were kept. The **Scottish average** was **95.5%**.

93.9% of routine repairs completed were **right first time**. The **Scottish average** for the year was **92.2%**.

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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