



Chairperson's Report



It has been another extremely busy year for the Association's Management Committee and staff. I am delighted to report that we performed very well in delivering the aims and objectives included within our Business Plan.

Representatives of the

Scottish Housing Regulator visited us and were very complementary of what they observed of the working of the Association.

Partnership working is a recurrent theme not only in respect of the provision of new housing but also in the provision of the wide range of health and social care activities that we contribute to.

A good example of this partnership working is the way in which we have engaged with **NHS Highland** to provide them with four leased properties within our newly completed development at **Suisnish Place** in Broadford.



These properties are now managed by the NHS to provide housing opportunities for their staff who are employed locally.

By working together we have been able to provide much needed accommodation and to also help resolve some of the staff recruitment and retention challenges faced by **NHS Highland** in our area.

This, in turn, helps to safeguard vital local services for the benefit of our communities.

We were very pleased to welcome **Mr Kevin Stewart MSP**, the **Minister for Local Government and Housing**, to the area in August 2018. He visited our new housing developments under construction at **Main Street, Kyle of Lochalsh**, and at **Kyleakin**. He also visited the new fish feed processing plant in Kyleakin which is now a major employer in the area.

During his visit, Mr Stewart was very complementary of the work of LSHA and of our Chief Executive. He often quotes the collaborative working between **The Highland Council** and the Housing Associations as an example of good practice.

The Minister was able to hear at first hand the ways in which the Association and local employers are working together to achieve our mutual objectives and he commented to us that he would like to see more of this approach to planning and development in every area of Scotland. **The Scottish Government** are our largest grant funder and we welcome their investment in the area and thank them for their continued support. We also thank **The Highland Council** for their financial and other support.

We continue to seek new Committee members and during the year, three new members joined the Management Committee, namely **Mrs Maggie MacRaid**, **Mrs Liz Williams** and **Mrs Elizabeth Featherstone**. Two members, **Paul Carpenter** and **Jon Hanley**, retired from the Management Committee. We were very saddened that **Ms Janet Anderson** passed away in November 2018 after a short illness.

I would like to thank the members of the Management Committee for their support throughout the year; and all the members of staff who contribute to this being a very successful organisation.

I must express special thanks to the Interim Chief Executive who took control so effectively earlier this year in the period of absence of the Chief Executive. And last but not least, on behalf of everyone, I am delighted to see the Chief Executive looking so well and returned to work.

Audrey Sinclair

Dr Audrey Sinclair
CHAIRPERSON

Chief Executive's Report



The Highland Housing Register recently published its report for the period to 31 March 2019 on the supply and demand for social rented housing in Highland. Despite the fact that more than **1800 applicants were housed** during the year, a total of just under **8000 applicants remained** on the housing

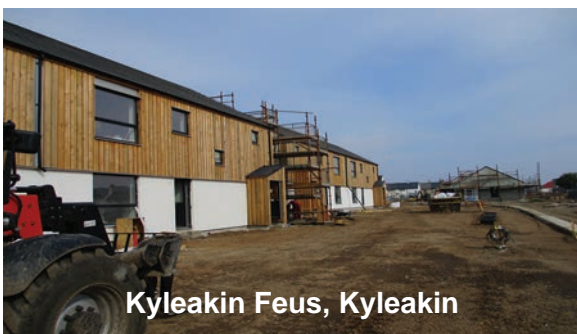
list at the year end. Between **400 and 500** of these applicants are seeking to be housed in Skye and Lochalsh. This continuing high level of demand is the reason why the Association continues to invest heavily in the construction of new housing projects across Skye and Lochalsh and why this is such an important part of our activities.

During the year we added **24 new properties** at **Suisnish Place in Broadford** to our housing stock.



Main Street, Kyle of Lochalsh

We had **13 flats** and **2 commercial units** nearing completion at **Main Street, Kyle of Lochalsh**, and a further **14 new houses and flats** under construction in **Kyleakin** which will be ready for occupation in **Autumn 2019**.



Kyleakin Feus, Kyleakin



We also received grant approval from the **Scottish Government** for **28 houses and flats** at **Struan Road, Portree**, **17 flats** on the site of the former **Rapson's Garage** in **Portree** and, at the year end, we were awaiting tender approval for a further **6 flats** in **Kyle of Lochalsh**.

These projects will all be under construction during 2019.



Former Rapson's Garage, Portree

We also invested more than **£885,000** on repairing and improving our existing housing stock. The day-to-day responsibility for these works now rests with **Mr Angus MacLennan**, our new Technical Manager, who joined us in January 2019. He brings a wealth of previous public and private sector building experience to our **Property and Technical Services** teams.

Our **Care & Repair Project** spent **£440,000** on repairs and improvements to properties not in our ownership but which are occupied by elderly and disabled clients. We greatly appreciate the continuing support of **The Highland Council** for these important works.

All registered social landlords are required by the **Scottish Government** to meet the **Energy Efficiency Standard for Social Housing** by **December 2020**. It is pleasing to report that we are confident that we will meet the standard in advance of that date.

Our **Energy Advice Services** staff are heavily involved in carrying out property surveys of our own housing stock and we use the results from these surveys to tailor repairs and improvement works.

Our tenants are also provided with a wide range of energy saving information, including advice on switching electricity suppliers to achieve the lowest tariffs available.

We are also required to meet new **Fire Safety standards** by **February 2021** and we have already drawn up programmes of work to ensure that we also meet this target date.

The **Handyperson Service** continues to go from strength to strength and completed almost **3000 tasks** in the year including adaptations, the provision of equipment and telecare devices as well as the traditional repair and improvement tasks.



The Association is now the **Lead Agent** for all **Care & Repair and Handyperson Services** within Highland.

As our own housing stock continues to grow in numbers, so does the workload on our **Housing and Property Services** staff. To assist with this workload, we recruited an additional **Housing Services Assistant** during the year.

A key task for all our staff is to try and achieve the ambitious performance targets that we set each year and the following figures give a flavour of our achievements in 2018/19:-

- We responded to incoming telephone calls in an average of **3.75 seconds**
- The percentage of days lost through staff sickness of less than one month was **1.67%**
- We carried out **1275 reactive repairs** in an average time of **3.9 days** (our target is to carry these out within 5 days)
- We dealt with **125 emergency repairs** in an average of **2.67 hours** (our target is to carry these out within 8 hours)
- We kept **100%** of Repair Appointments made
- We paid **100%** of invoices within their Payment Terms

- We lost **0.18%** of our rental income through void properties (our target is to achieve less than 1%)
- We re-let **31 properties** during the year in an average time of **8 days**.
- Our gross rent arrears as a percentage of rent due for the year was **2.86%**

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.

The Association also provided **sponsorship** totalling **£2,400** to **seven** groups and individuals in the year and we will include details of all of this expenditure in our published Annual Report.

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 our **Chairperson** and **Management Committee members** for their continued support and encouragement.

Lachie MacDonald

Lachie MacDonald
CHIEF EXECUTIVE

Management Team

Lachie MacDonald,
Chief Executive

Iain McIvor,
Director of Investment

Angus MacLennan,
Technical Manager

Marion Douglas,
Corporate Services Manager

Lesley Kirkwood,
Legal Services Manager

Lesley MacIntosh,
Finance Services Manager

Donnie Mackay,
Energy Advice Services Manager

Ruairidh MacKinnon,
Handyperson Services Manager

Janet Masson,
Rent Account Manager

Maureen Taylor,
Housing Services Manager

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 2019

	2019	2018
	£	£
Turnover	4,751,517	5,734,369
Operating Expenditure	(3,952,187)	(5,023,102)
Operating Surplus	799,330	711,267
Loss on Disposal of Property, Plant and Equipment	(72,409)	(55,746)
Interest Receivable	15,988	24,782
Interest and Financing Costs	(426,593)	(338,196)
Fair Value Gain on revaluation of investment property	10,000	-
Surplus before Tax	326,316	342,107
Taxation	-	-
Surplus for the Year	326,316	342,107
Other Comprehensive Income		
Initial Recognition of Multi-Employer Defined Benefit Scheme	(341,000)	-
Actuarial Losses in Respect of Defined Benefit Pension Scheme	(121,000)	-
Total Comprehensive Income	(135,684)	342,107

Statement of Financial Position as at 31st March 2019

	2019	2018
	£	£
Fixed Assets		
Housing Properties	64,128,952	59,138,822
Other Fixed Assets	539,982	564,104
Investment Properties	197,500	187,500
Investment in Subsidiaries	1	1
	64,866,435	59,890,427
Current Assets		
Trade and Other Debtors	213,900	230,578
Cash and Cash Equivalents	3,139,744	3,995,833
	3,353,644	4,226,411
Current Liabilities		
Amounts Falling Due within one Year	1,905,119	1,791,089
Net Current Assets:	1,448,525	2,435,322
Total Assets less Current Liabilities	66,314,960	62,325,749
Creditors:		
Amounts Falling Due after more than one Year	(60,464,409)	(56,797,656)
Provisions for Liabilities:		
Pension - deficit funding liability	-	(377,000)
Pension - defined benefit net liability	(826,000)	-
Other Provisions	(28,453)	(19,306)
	(854,453)	(396,306)
Total Net Assets	4,996,098	5,131,787
Reserves		
Called up Share Capital	171	176
Income and Expenditure Reserves	4,995,927	5,131,611
Total Reserves	4,996,098	5,131,787

Our Financial Statements to 31st March 2019

Key Features

- Rental Income grew from £2.55 million to £2.76 million
- Our Operating Surplus increased from £711,000 to £799,000
- Our Net Surplus decreased from £342,000 to £326,000
- Interest and Financing Costs increased from £338,000 to £426,000
- Our Fixed Assets are as stated at £64.8 million
- Current Assets amount to £3.35 million of which £3.1 million is cash and cash equivalents
- Total Net Assets have decreased from £5.13 million to £4.99 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 £2,400 of support to the following individuals, groups and organisations who applied to us for sponsorship during the year:

Scottish Community Drama Association
(National Youth Festival)

Donnie Morrison (Highland Cross)

Cuillin FM

Skye & Lochalsh Community Care Forum
(Young Carers)

Skye & Lochalsh Association for
Disability (SLAD)

Highland Senior Citizens Network

Management Committee

Audrey Sinclair, *Chairperson*

Ian Young, *Vice Chairperson*

John Cayley, *Member*

Elizabeth Featherstone, *Member*

John Laing, *Member*

Roger Liley, *Member*

Maggie MacRaild, *Member*

Maggie Muir, *Member*

Steven Proudfoot, *Member*

Liz Williams, *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 **46** members of staff including **15** Technical Services staff

The average time to respond to incoming telephone calls was **3.75** seconds

The percentage of days lost through staff sickness absence was **4.78%**

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 **82%**.

Complaints

We dealt with **8** 1st Stage complaints and **0** 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**.

2,946 tasks were completed by our Handyperson Service for elderly and disabled households

Customer Comments about the Handyperson Service

- The Handypersons are great and very efficient and very pleasant, they are first class in every way.*
- Delivery of wheelchair as I have broken my ankle. I rang in the morning - wheelchair here by the afternoon. What an amazing superb service. Thank you.*
- Your service is: a. Genial b. Competent c. Very good...*
- We are very fortunate to have this service in our area, a lot of things needing fixing would remain undone without it.*

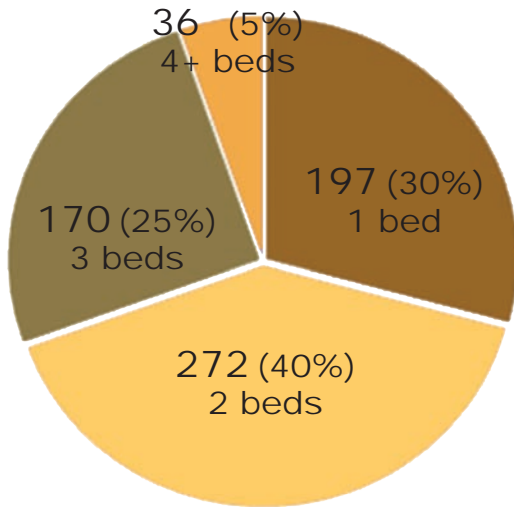
19 applications for medical adaptations to our houses were completed in 2018/2019

81 days is the average time taken to complete an adaptation

52 elderly and disabled households in the private sector had repair and improvement works carried out through our Care & Repair Service at a cost of £275,112

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.



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 **675** properties available for rent

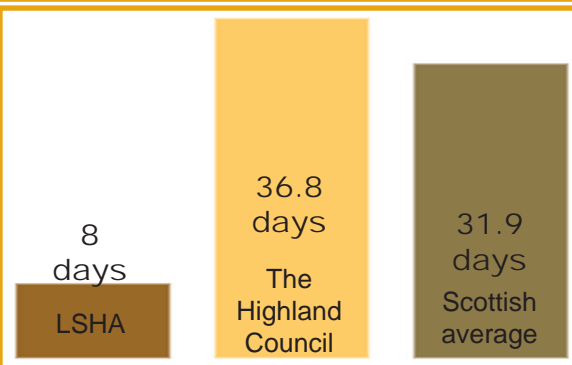
Our property types range from **one bedroom flats** to eight-person family houses and our client groups include single people, families, the elderly, people with support needs and wheelchair users. Our stock changes year on year as new developments are completed.

Number of Bedrooms per Property

In 2018/2019, we built **24** new properties

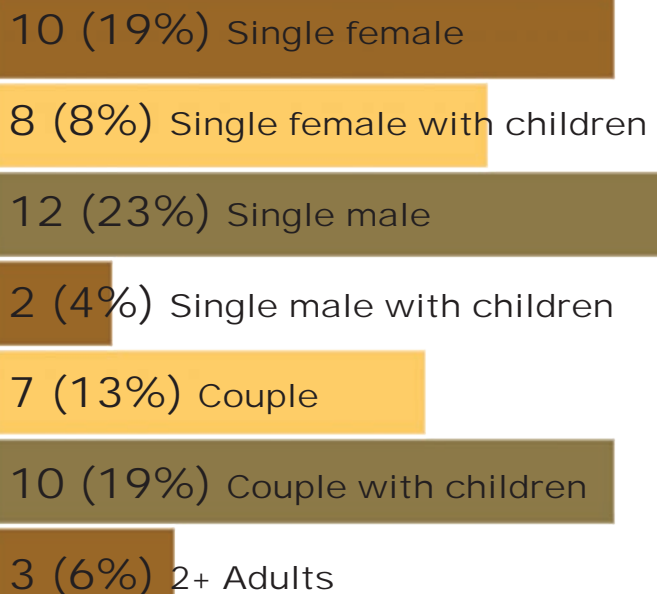
In 2018/2019, we re-let **52** properties in an average time of **8** days

Average time to re-let



100% of new tenants in 2018/2019 were still tenants after 12 months

Who did we house in 2018/2019?



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 2018/19

0 evictions were carried out in 2018/19

14 cases of anti-social behaviour reported in 2018/2019

64% of cases resolved within our target time

Getting Value for Money - Rents and Service Charges

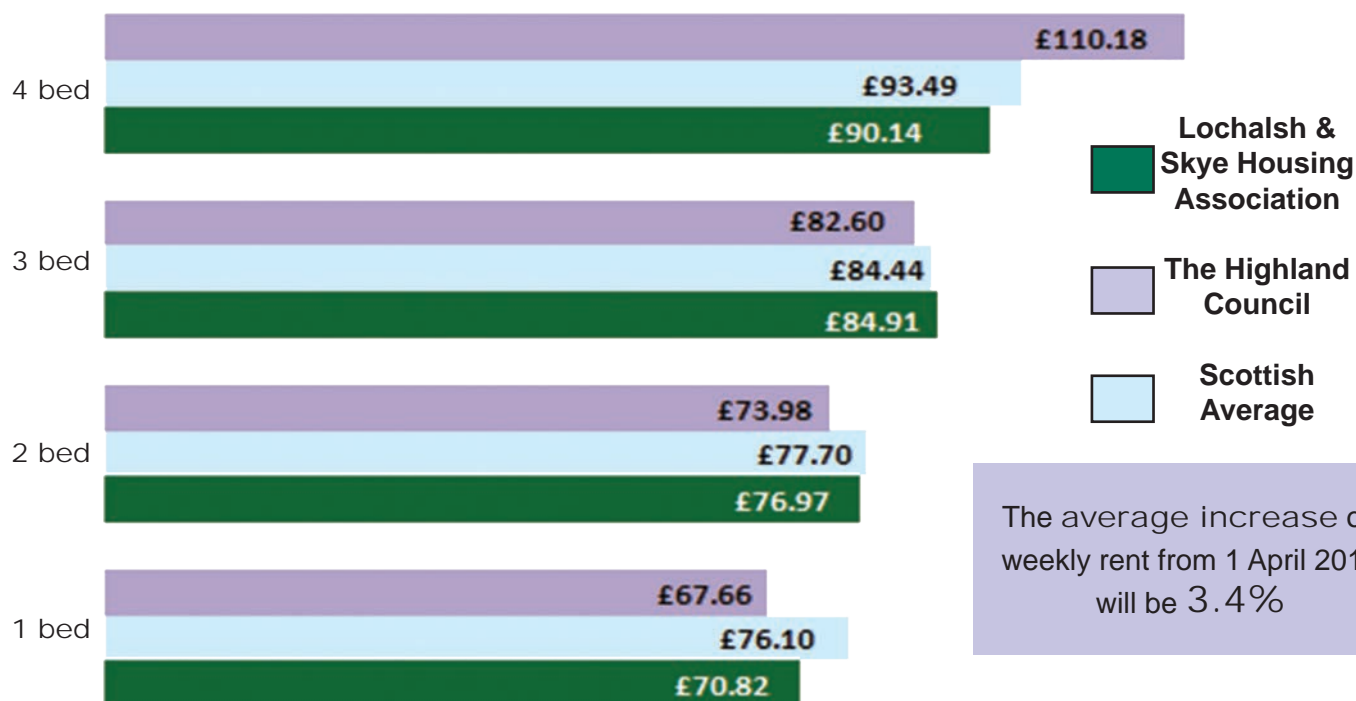
We want to make sure that our tenants, owners and other customers receive services that provide continually improving value for the rent and other charges they pay.

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 2019 will be 3.4%

The total rent due for the year was £2,646,605

We collected 99.03% of that amount from current and past tenant rent payments

We lost rent of £4,645 (0.18%) 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.

How much did we spend on repairs in 2018/2019?

Repairs	£450,540
Cyclical Maintenance (Annual & Electrical Inspections, Painting, Servicing of Heating, Gutter Cleaning etc)	£206,849
TOTAL	£657,389

We replaced windows in 33 of our properties in 2018/2019.

We replaced kitchens in 25 of our properties in 2018/2019.

We replaced bathrooms in 2 of our properties in 2018/2019.

We replaced heating systems in 46 of our properties in 2018/2019.

We carried out **1,275** routine repairs and **125** emergency repairs in the year.

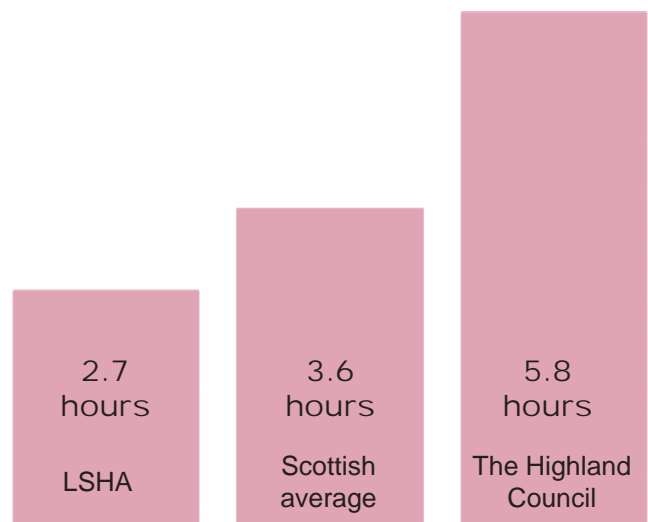
100% of repairs appointments were kept. The Scottish average was **95.6%**.

97.1% of routine repairs completed were **right first time**. The Scottish average for the year was **92.5%**.

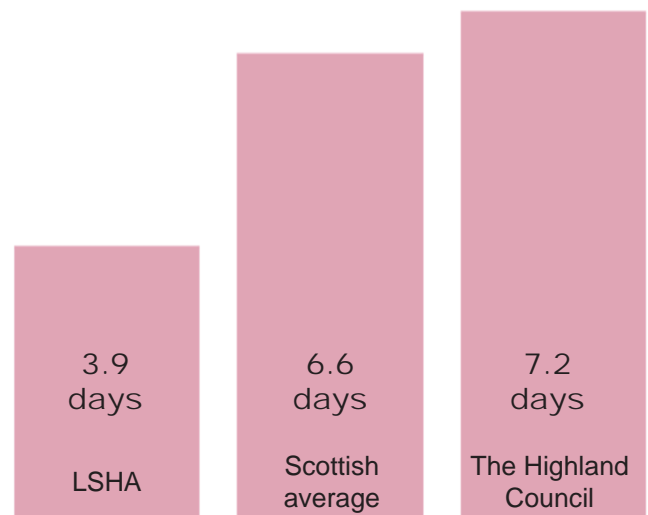
The Scottish Government has introduced the **Energy Efficiency Standard** for Social Housing (EESH), a minimum energy standard that all Local Authorities/Registered Social Landlords have to meet by 31 December 2020. The Association has 675 properties; 603 already meet the EESH standard.

89.3% of LSHA's housing stock is currently EESH compliant

Number of **Hours** to Complete Emergency Repairs



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



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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