

## Chairperson's Report



I am delighted to report that it has been a very successful year for LSHA. We added **30 additional properties** to our housing stock and spent **£6.8 million** on new housing developments. We had a further **51 properties** under construction at the year-end

which will be completed in 2020/2021.

We hope that these new properties will make a significant contribution to reducing the size of the housing lists in the area.

Our Programme of Works to our existing properties continues year-on-year and we spent more than **half a million pounds on repairs, maintenance and improvements**. In addition, we expended just over half a million pounds on our **Care and Repair** programme for elderly and disabled people, funded by grants from **The Highland Council** as well as individual owner occupiers' contributions.

We assisted **112 households** throughout Skye and Lochalsh with this programme and we were extremely pleased that, once again, our **Care and Repair Service** was awarded a **Quality Mark** by Care & Repair Scotland this year.

The **Handyperson Service** continues to carry out repair and improvement tasks, small adaptations and the provision of equipment and telecare devices on behalf of **NHS Highland**. We gratefully acknowledge the financial and other support we receive from **The Highland Council** and **NHS Highland** for these vital services which we provide in our communities.



Alongside our work on providing front-line services, we work hard to ensure that we have systems and processes in place to enable us to meet the requirements of our regulators. As well as our

**Annual Return on the Charter**, we now have to provide the **Scottish Housing Regulator** with an **Annual Assurance Statement** to confirm that we meet all of the stringent requirements of their regulatory framework. This Statement should also provide re-assurance to our members and our tenants on these important matters and our 2018/2019 Statement is available on our website.

Another change this year means that Registered Social Landlords, like ourselves, are subject to **Freedom of Information legislation**. We produced a new comprehensive **Guide to Information** and, following the approval of the **Scottish Information Commissioner**, we also published this Guide on our website with effect from November 2019 to ensure that we complied with the new legislation.

Our governing body members have been extremely busy at their monthly meetings and have been considering the details of our new plans, policies and procedures and ensuring that we deliver on the aims and objectives of our business plans.

They are very diligent in their work and the level of attendance at meetings is excellent. We thank **Elizabeth Featherstone** and **Maggie MacPhee** who both retired during the year and we were pleased to welcome **John Finlayson** and **Isabelle Campbell** who joined in May 2019 and also **John Caley** who rejoined us in February 2020.

Our staff continue to be hardworking and dedicated to their many duties and they deserve enormous credit for the excellent performance of the Association and our many achievements.

Finally, my report has to mention the impact of the Coronavirus pandemic on the Association. In early March 2020, when it became clear that the country was heading into lockdown, we activated our **Business Continuity Plan** and set up a **COVID-19 Working Group** to plan for lockdown.

This resulted in all of our staff moving to homeworking by 23 March 2020 and emergency procedures being established to allow the continued operation of our services to customers, all within the guidance published by the Scottish Government and other organisations.

At all times our priority has been to ensure that we were able to continue to provide as many services



## Chief Executive's Report



as possible and to have comprehensive plans in place to provide for the safety and protection of our customers and staff. We believe that we have achieved those objectives and we look forward to the full resumption of all services when circumstances allow this.

At the end of March 2020, we had already commenced work on **reviewing our business and financial plans** to take into consideration the potential impact on our income as a consequence of delays to the completion of new build properties, increases in the number of void properties and increases in the levels of arrears and bad debts.

The initial outcome from this work indicates that the disruption caused by the Coronavirus pandemic will have no lasting impact on our future operations.

This work on reviewing our business and financial plans will continue to be a key priority in the new financial year **2020/2021**.

I would like to thank, in particular, three groups of people: firstly the **members of the Management Committee** for their support though out the year; secondly **our tenants** for their positive appreciation of the services provided by the Association.

Lastly, an **extra special thanks** must be given this year to **all the staff** who, to a man and woman, responded so well to the new working conditions thrust upon them in response to the Covid-19 situation and enabled the Association to continue to function so efficiently and effectively.

*Audrey Sinclair*

**Dr Audrey Sinclair**  
**CHAIRPERSON**

It has been very pleasing to note the continued growth of the Association during the last year. The continuing population growth in **Skye and Lochalsh** together with a relatively buoyant economy fuelled by unprecedented tourism growth has led to strong demand for housing

throughout the area. In particular, the requirement for increased affordable rented housing has led to the **Association** and **The Highland Council** continuing to develop new properties.

We completed **13 flats and 2 commercial units** at **Main Street, Kyle of Lochalsh**, and we started work on a further **6 flats** on the site of the former **Hydro store**. We are delighted to have been able to contribute to the successful regeneration of this part of **Kyle of Lochalsh**.



*Photograph courtesy of Compass Building & Construction*

Across the water in **Kyleakin**, we completed **14 houses and flats** which were very quickly allocated. Such has been the demand for housing in that area that we decided to provide a further **28 houses and flats** on the adjacent site and work will commence on these in 2020.



**Charles Cameron Place, Kyleakin**

Good progress has also been made in **Portree** where **17 flats** at **Park Road** and **28 houses and flats** at **Struan Road** are under construction.



Broadford is also set to benefit from a new development of **24 properties** at Phase 4 at the **Campbell's Farm** site.

We have continued to receive strong financial support from the **Scottish Government** for our housebuilding activities and for the purchase of new sites for our future development programme. We thank them sincerely for all their assistance.

The work of our **Housing, Property** and **Technical Services** staff continues to grow as we add more properties to our portfolio.

Similarly, the work of our **Corporate, Finance** and **Rent Services** teams is expanding in line with this growth and all of our staff are to be congratulated on the way in which they can continually adapt to cope with the increased workload that they have to deal with.

We continue to monitor our performance against our targets and further details of our performance against the requirements of the **Scottish Social Housing Charter** are included later in the report. Some of the key achievements are:-

- We responded to incoming telephone calls in an average of **3.6 seconds**
- We carried out **157 emergency repairs** in an average time of **2.9 hours** (our target is to carry these out within 7 hours)
- We carried out **1040 non-emergency repairs** in an average time of **3.9 days** (our target is to carry these out within 5 days)
- We paid **100% of invoices** within their Payment Terms

- We **re-let 41 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 **2.61%**
- We lost **0.15% of our rental income** through void properties

These are excellent results and are a reflection of the hard work and professionalism of all of our staff.

In addition to reporting to our tenants and members on our performance against the **Scottish Social Housing Charter**, the Association now has to provide the **Scottish Housing Regulator** with an **Annual Assurance Statement** confirming that we comply with their regulatory framework. We published our first Statement in October 2019 confirming that we considered that we met the requirements of the regulatory framework. A copy of this Statement is available on the Association's website.

In November 2019, we became subject to the requirements of **Freedom of Information** legislation and we published our "**Guide to Information**" which was approved by the **Scottish Information Commissioner**. This document is also available on our website.

The Chairperson has highlighted the sudden impact of the Coronavirus pandemic on the Association and our tenants and other clients as we reached the end of this reporting year in March 2020. We are determined to do everything we can to minimise the impact on our activities and to ensure the continued safety of all our tenants, Committee Members and Staff Members as well as **external contractors and consultants** who work on our behalf.

Finally, I would like to **thank the Chairperson and all of our Management Committee Members** for the excellent support and encouragement they give to the staff teams and for all of their hard work on behalf of the Association.

*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 Manager**

**Ruairidh MacKinnon,  
Handyperson 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 2020

	2020	2019
	£	£
<b>Turnover</b>	5,132,404	4,751,517
Operating Expenditure	(4,375,643)	(3,952,187)
Loss on Disposal of Property, Plant and Equipment	(18,424)	(72,409)
	<b>738,337</b>	726,921
<b>Operating Surplus</b>		
Interest Receivable	17,291	15,988
Interest and Financing Costs	(531,828)	(426,593)
Fair Value Gain on revaluation of investment property	-	10,000
	<b>223,800</b>	326,316
<b>Surplus before Tax</b>		
Taxation		
	<b>223,800</b>	326,316
<b>Surplus for the Year</b>		
<b>Other Comprehensive Income</b>		
Initial Recognition of Multi-Employer Defined Benefit Scheme	-	(341,000)
Actuarial Losses in Respect of Defined Benefit Pension Scheme	771,000	(121,000)
	<b>994,800</b>	(135,684)
<b>Total Comprehensive Income</b>	<b>994,800</b>	(135,684)

## Statement of Financial Position as at 31st March 2020

	2020		2019	
	£	£	£	£
<b>Fixed Assets</b>				
Housing Properties		69,620,995		64,128,952
Other Fixed Assets		654,579		539,982
Investment Properties		282,500		197,500
Investment in Subsidiaries		1		1
		<b>70,558,075</b>		64,866,435
<b>Current Assets</b>				
Trade and Other Debtors	227,671		213,900	
Cash and Cash Equivalents	3,366,548		3,139,744	
	<b>3,594,219</b>		3,353,644	
<b>Current Liabilities</b>				
Payables Falling Due within one Year	(911,717)		(637,210)	
Deferred Grant Falling Due within one Year	(1,214,590)		(1,267,909)	
	<b>1,467,912</b>		1,448,525	
<b>Net Current Assets:</b>		<b>1,467,912</b>		1,448,525
<b>Total Assets less Current Liabilities</b>		<b>72,025,987</b>		66,314,960
<b>Long-Term Liabilities:</b>				
<b>Creditors:</b>				
Payables Falling Due after more than one Year	(18,414,531)		(16,225,975)	
Deferred Grant Due after more than one Year	(47,532,448)		(44,238,434)	
		<b>(65,946,979)</b>		(60,464,409)
Pension - defined benefit net liability	(64,000)		(826,000)	
Provisions	(24,107)		(28,453)	
		<b>(88,107)</b>		(845,453)
<b>Total Net Assets</b>		<b>5,990,901</b>		4,995,927
<b>Reserves</b>				
Called up Share Capital		174		171
Income and Expenditure Reserves		5,990,727		4,995,927
		<b>5,990,901</b>		4,996,098
<b>Total Reserves</b>		<b>5,990,901</b>		4,996,098



## Our Financial Statements to 31st March 2020

### Key Features

- **Rental Income** grew from **£2.76 million** to **£2.98 million**
- Our **Operating Surplus** increased from **£727,000** to **£738,000**
- Our **Net Surplus** decreased from **£326,000** to **£224,000**
- **Interest and Financing Costs** increased from **£427,000** to **£532,000**
- Our **Fixed Assets** are as stated at **£70.1 million**
- **Current Assets** amount to **£3.59 million** of which **£3.36 million** is cash and cash equivalents
- Total **Net Assets** have risen from **£4.99 million** to **£5.99 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](http://WWW.LSHA.CO.UK)**

### Sponsorship

The Association was pleased to **provide £2,490 of support** to the following individuals, groups and organisations who applied to us for sponsorship during the year:

#### Befrienders Highland

#### Carbost Community Shop Steering Group

#### Dunvegan Archery Club

#### Kyleakin Community Hall Committee

#### Portree and Braes Community Trust

#### Sluggans Woodland Park Group

### Management Committee

**Audrey Sinclair**, *Chairperson*

**Ian Young**, *Vice Chairperson*

**Isabelle Campbell**, *Member*

**John Cayley**, *Member*

**John Finlayson**, *Member*

**John Laing**, *Member*

**Roger Liley**, *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 **44** members of staff including **14** Technical Services staff

The **average time to respond** to incoming telephone calls was **3.6 seconds**

The percentage of days lost through **staff sickness absence** was **3.42%**

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 **75%**.

## Complaints

We dealt with **13 1st Stage complaints** and **no 2nd Stage complaints** in the year. The average time taken to provide a full response was **2.46** days.

**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**.

**2,395** tasks were completed by our **Handyperson Service** for elderly and disabled households

### Customer Comments about the Handyperson Service

*The Handyperson came up with some good ideas for adaptations for our needs.*

*They were friendly and cheerful and were happy to advise where we needed it and offered help.*

*Excellent service. Many thanks.*

*Very obliging, helpful and friendly.*

*Thank you for giving me back my independence to be able to access my garden once again.*

**17** applications for **medical adaptations** to our houses were completed in 2019/2020

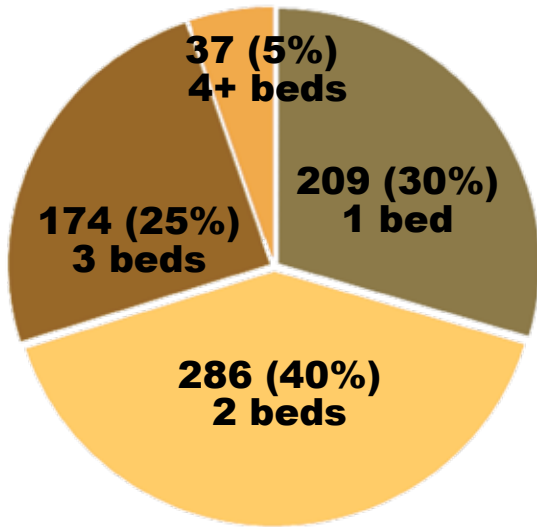
**53 days** is the average time taken to complete an adaptation

**50** elderly and disabled households in the private sector had repair and improvement works carried out through our **Care & Repair Service** at a cost of **£153,300**



## 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**.

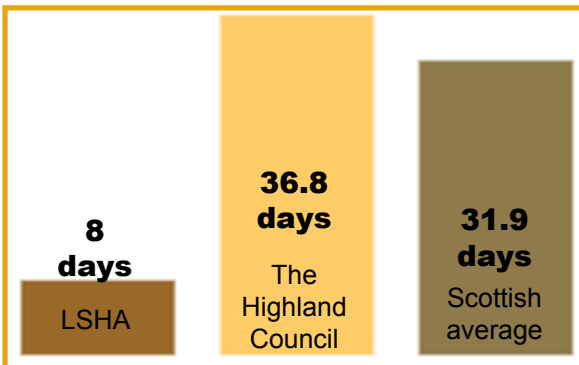
The Association has **706** properties available for rent

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

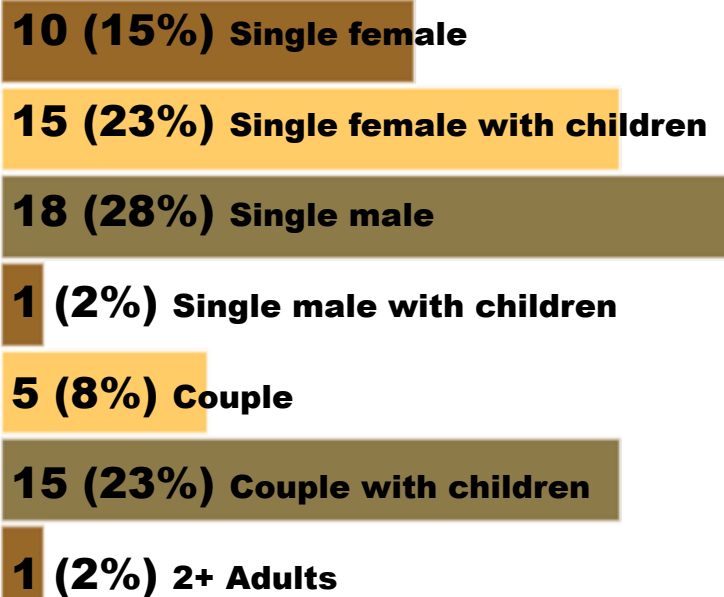
In 2019/2020, we let **24** new properties and **re-let 41** properties in an **average time of 8 days**. **12 tenancy offers** were refused.

### Average time to re-let



**100%** of **new tenants** in 2019/2020 were **still tenants** after **12 months**

### Who did we house in 2019/2020?



**86%** of our **re-lets, exchanges and transfers** were to applicants living in 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**.

**3** properties were **abandoned** in 2019/20

**0** **evictions** were carried out in 2019/20

**16** cases of **anti-social behaviour** reported in 2019/2020

**81%** of cases **resolved within our target time**

## Getting Value for Money - Rents and Service Charges

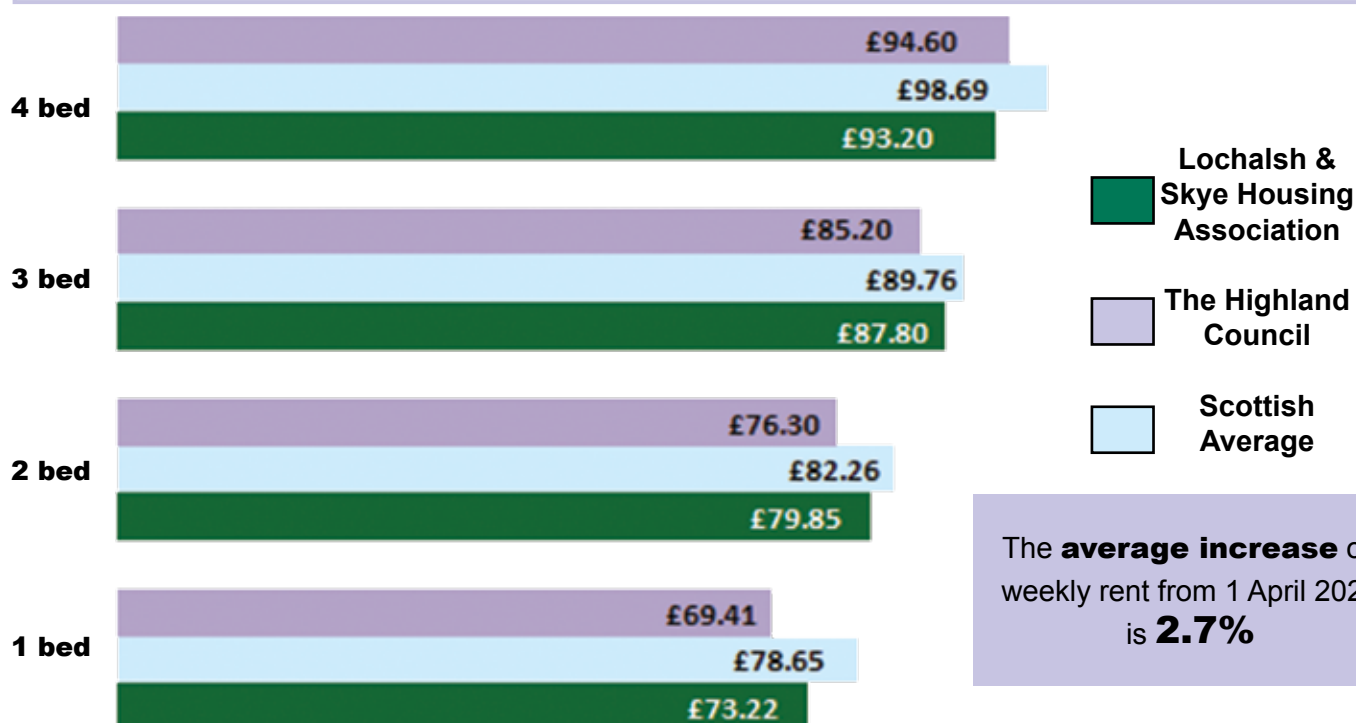
We want to make sure that our tenants, owners and other customers receive **services that provide continually improving value** for the rent and other charges they pay.

**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 **total rent due** for the year was **£2,847,201**

We collected **99.57%** of that amount from current and past tenant rent payments

We lost rent of **£4,212** 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)**.

**99.9%** 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 2019/2020?**

<b>Repairs</b>	<b>£475,191</b>
<b>Cyclical Maintenance</b> (Annual & Electrical Inspections, Painting, Servicing of Heating, Gutter Cleaning etc)	<b>£348,116</b>
<b>TOTAL</b>	<b>£823,307</b>

We replaced **windows** in **23** of our properties in 2019/2020.

We replaced **kitchens** in **11** of our properties in 2019/2020.

We replaced **doors** in **5** of our properties in 2019/2020.

We replaced **heating systems** in **25** of our properties in 2019/2020.

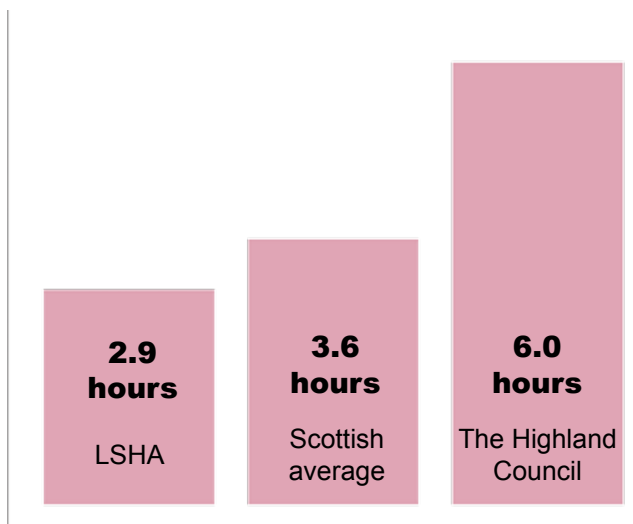
We carried out **1,040 routine repairs** and **157 emergency repairs** in the year.

**92.7%** of our customers were satisfied with their **repairs and maintenance**. The **Scottish average** was **91.3%**.

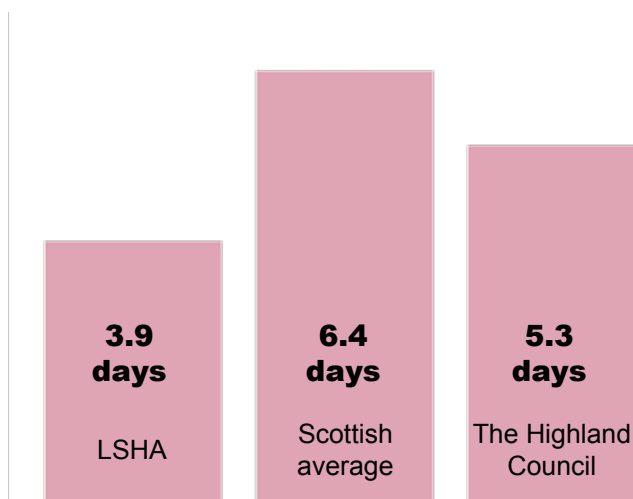
**95.9%** of **routine repairs** completed were **right first time**. The **Scottish average** for the year was **92.4%**.

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 **706** properties; **676** already meet the **EESH** standard.

**95.8%** 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.



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

**Tel:** 01478 612035

**Fax:** 01478 613377

**e-mail:** [info@LSHA.co.uk](mailto:info@LSHA.co.uk)

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

Buidheann Tigheadas Loch Aillse agus an Eilein Sgitheanaich Ltd,  
a registered society under the Co-operative and Community Benefit Societies Act 2014  
Registered with the Financial Conduct Authority No. 2132 RS  
Registered with the Scottish Housing Regulator No. 324  
Registered Property Factor: PF000139  
A Scottish Charity No. SC038019