



hebridean housing
partnership

Annual Report

For the Year Ended 31 March 2011



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Hebridean Housing Partnership: Core Values

We are committed to

Tenant participation and a customer centred housing service

Transparent, open decision making

Sound financial management practices throughout the organisation

Realising the highest professional standards in all areas of activities

Integrity in all we do

Promoting innovation and learning from mistakes

Valuing our staff

Working in partnership with other organisations

Equal opportunities

Message from HHP Chairman



This past year has been a very positive one for HHP. We have been very busy on a number of fronts. My fourth report as Chairman of HHP covers some of the activities in which we are involved.

The Board is very keen to hear views of our customers on the services we provide. To that end the second Tenant Survey since HHP's inception in 2006 was carried out during the summer of 2010. Every tenant in the Western Isles was sent a questionnaire. The results were very encouraging with higher levels of satisfaction than the previous survey. There were areas identified where we could do better and an action plan was drawn up which is now being implemented.

As a consequence of the Tenant Survey, HHP changed the Customer Services telephone number to an 0300 number which is cheaper for users of mobile phones than the 0845 number. We are also improving the level of information given to tenants prior to investment works being carried out. This is an important issue for HHP given the amount of work that will be carried out in the homes of tenants in the coming year.

HHP continues to work with the Western Isles Forum of Tenants and Residents Association (WIFTRA). Three tenants' conferences were held jointly with WIFTRA over the past year in Stornoway, Benbecula and Tarbert. The events generated an encouraging level of interest from tenants.

The latest tenants' conference took place during May in Stornoway. The conferences focussed on issues which are important to tenants - investment in their homes, repairs and maintenance service and tackling anti-social behaviour. Feedback from tenants is essential to ensure that we are doing the right things and doing them well.

During the past year HHP has reviewed our governance and looked at streamlining structures. Area Committees have been very poorly attended and will be replaced with arrangements to improve engagement with communities. In Harris informal meetings held on a quarterly basis with tenants and residents over the past 4 years have proved successful. They are well attended and felt to be very worthwhile by both tenants and staff. These will continue. In Barra and the Uists senior managers hold surgeries to enable tenants to meet face to face with HHP management and discuss issues which are causing concern. The Standing Committee structure is also being reviewed with a view to reducing the number of meetings and make the running of the Board more cost effective.

As HHP moves towards our 5th birthday in September this year there is a lot for us to be proud of.

In particular the extent of our new build programme has exceeded the hopes of even the most optimistic Board Member. New houses have been built from Ness in the north to Barra in the south. In March 2011 the development of a further 49 houses was approved by the Scottish Government. There has been excellent feedback from tenants regarding the quality of HHP's new homes which feature the latest technology in respect of heating systems along with very high levels of insulation ensuring that our tenants have warm homes with relatively low running costs.

HHP participated in the Scottish Government New Supply Shared Equity initiative in Stornoway with 6 flats at Ardanmhor, Cromwell Street and 12 (mix of flats and houses at Manor Drive). The initiatives aimed at first time buyers enables purchasers to take an equity share in the property, typically 60% - 80%. Marketing has proved very successful and demand has far outweighed supply.

In addition to new build HHP is also totally committed to honouring ballot promises and the level of planned expenditure on improving our housing stock is almost £4 million each year for the next four years.

During the year we saw the departure of Paul Alldred from the Board. Paul was a valuable member of the Board and his contribution to our deliberations will be missed. During the year we welcomed Councillor Donald Nicholson on to the Board. Donald is a long serving experienced Councillor who has previously served on the Committee of Muirneag Housing Association and has had a long standing interest in housing services in the Western Isles.

In January this year Tony Pendle who had been HHP's Director of Operations since transfer retired from his post. Tony has been working in housing related services in the Western Isles for over thirty years. On a personal basis I valued Tony's hard work and thorough professionalism and everyone at HHP wishes him a long and happy retirement.

I would like to express my gratitude to our partner agencies Comhairle Nan Eilean Siar, the Scottish Government for financial support, Tighean Innse Gall for development services, and to my fellow Board Members for their commitment and good counsel during the past year. Finally thanks goes to all our staff for their hard work during what has been a year of achievement.



Governance Review

Governance & Management

Board Members

George Lonie, Chairman	Community Member
David Blaney, Vice Chairman	Council Member
Archie K Campbell	Council Member
Donald I Nicholson	Council Member
Gerry Macleod	Council Member
Neil Campbell	Council Member
Angela Quail	Tenant Member
Daniel Coyle	Tenant Member
Kevin Paterson	Tenant Member
Mairi Bremner	Community Member
Calum Mackay	Community Member
Jane Mackinnon	Community Member
Helen Smith	Community Member

The Board is responsible for the overall strategic direction and objectives of HHP. Key responsibilities include overseeing:

- Approval of Business Plan
- Delivery of Business Plan
- Ensuring compliance with our values and key objectives
- Establishing strategic plans to achieve objectives
- Appraising annual financial statement
- Establishing a framework of delegation and system of internal control
- Achieving the highest standards of governance



Missing from the photo are Archie Campbell, Gerry MacLeod and Angela Quail.



Tenant Participation

Engaging effectively with tenants and other customers is a priority for HHP. A satisfaction survey of all tenants was carried out in 2010 and achieved a 30% return rate.

80% of tenants said they were satisfied or very satisfied with the service provided by HHP compared to 76% in 2008, and 93% said they were happy with the area they lived which was unchanged from 2008.

Tenants also identified areas for improvement and we have responded to these by improving our complaints process and by issuing information to all tenants on our planned investment to their homes for the period 2011 - 2014.

Key Plans for 2011/12 and Beyond

Each year the Board approves an Internal Management Plan which includes a review of HHP's Business Plan. The Business Plan approved by The Scottish Government (previously the Scottish Executive) and Comhairle Nan Eilean Siar prior to the tenant ballot is the key strategic document providing a 30 year planning framework.

However the delivery of the Business Plan needs shorter term planning. The Internal Management Plan contains a 2 year action plan linking the shorter term to HHP's Business Plan's strategic objectives.

The Internal Management Plan therefore includes a 2 year development plan, a four year investment plan and cyclical maintenance programme taking HHP up to April 2015; the date when the Scottish Housing Quality Standard has to be achieved.

Operational Review

Investment Programme

Investment Programme

Our investment programme delivered £1.679 million of improvement works in 2010/11.

Planned and Cyclical Maintenance

A new approach has been introduced to planned maintenance with a 5 year cyclical programme being established which focuses on external maintenance including painting, fabric repairs, gutter cleaning and general environmental upgrading. We have also reviewed and improved our approach to cyclical maintenance and have introduced an annual service agreement for installations such as door entry systems and fire alarm systems. We invested a further £0.5m in these works, Gas safety estimates to be a high priority and we serviced 100% of systems within target.

2010/11	
Works Carried Out	Number of Units
Kitchens	128
Bathrooms	70
Heating	34
Windows	19
Insulation (Cavity)	254
Insulation (Loft)	513



Scottish Housing Quality Standard

We plan to invest £19.1 million over the next 5 years to bring homes up to the Scottish Housing Quality Standard (SHQS). The energy efficiency requirements of the SHQS present a challenge in the Western Isles principally due to the limited gas networks. We have concentrated on upgrading insulation to properties and have continued to install heat pumps. We have received the following grant funding towards these.

Awarding Body	
British Gas Carbon Emission Reduction Target (CERT)	£22,500
Government Low Carbon Building Programme (LCBG)	£115,884
Energy Scotland Action	£4,250
Total	£142,634

**The New Build Units Completed
in 2010/11:**



11 Units at Gearraidh Ghuirm,
Coll



18 Units at Bridge Cottages,
Stornoway



42 units at Manor Drive,
Stornoway (first phase)



15 Units at Melbost Farm,
Stornoway



12 Units at Smith's Shoe Shop, Ardanmhor
Court, Stornoway



24 units at the former Gibson Hostel Site,
Stornoway

**The Development Programme
Projects Underway**



8 Units at Bunavoneadar, Harris



4 houses at Cnoc A'Runaire,
North Tolsta



6 houses at Claddach Kirkibost,
North Uist

"We aim to provide good quality affordable homes and to secure consistently excellent housing services throughout the Western Isles. Our people will work closely with our tenants and others to provide quality services which strengthen the communities we serve now and in the future"

Developments Completed 2010/11

We had another very successful year with our Housing Development Programme. In total £6.206 million was spent on completing 11 units, continuing work on 32 units and commencing work on 79 units.



HHP's development programme continues apace and the following projects are on site:

- 42 units at Manor Drive, Stornoway (1st phase completion June 2011)
- 12 units at Ardanmhor Court, Stornoway (completion April 2011)
- 18 units at Bridge Cottages, Stornoway (completion April 2011)
- 8 units at Bunavoneadar, Harris (completion April 2011).

The programmes at Manor Drive and Ardanmhor Court include a total of 18 units which will be sold (6 at Ardanmhor Court in April 2011 and 12 at Manor Drive in June 2011) under the Government's New Supply LIFT initiative.

Developments on Site



HHP's new developments went on site during April 2011 totalling 49 units:

- 6 houses at Claddach Kirkibost, North Uist
- 4 houses at Cnoc A' Runaire, North Tolsta
- 15 units at Melbost Farm site, Stornoway
- 24 units at the Former Gibson Hostel Site, Stornoway

HHP continues to use new technology to try and drive down the cost to our tenants of heating their homes. The developments completed this year had a range of heating systems fitted - air source heat pumps, ground source heat pumps, heat recovery units, solar panels and gas. Survey data from tenants indicate good levels of satisfaction with these innovative heating systems. High levels of insulation in these properties also helps drive down fuel bills.

Rent Arrears

Early action on rent arrears continues to be a very high priority and these reduced slightly during the year. We continue to work in partnership with the Citizens Advice Service to maximise tenant's income.

Allocations and Lettings

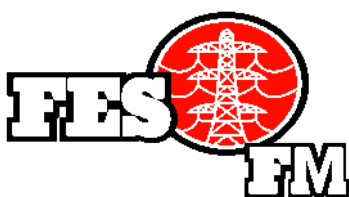
Our performance on letting empty houses again improved significantly generating additional income for the business.

Estate Management

We continue an annual inspection regime on all our housing areas and follow up action as appropriate. We also continue to work closely with the Comhairle and the Police to address Anti-Social Behaviour.

Repairs and Maintenance Contract

The Repairs and Maintenance Contract has been let to FES FM Ltd for five years with effect from 1 April 2011 following a very competitive procurement process. We are looking forward to significant improvement in service delivery whilst achieving value for money for



Rent Arrears – HHP Target 7.25%

	2011	2010
Total Tenant Arrears	£292,559	£355,895
% Level of Arrears	4.51%	5.48%
Scottish Housing Regulator Performance Average of Housing Associations as at 31 March 2011	No data available for comparison as yet	

Annual Rent Loss Due to Voids – HHP Target 1%

	2011	2010
Rent Loss Due to Voids	£41,988	£56,972
% of monthly rent due that was lost to voids	0.65%	0.88%
Scottish Housing Regulator Performance Average of Housing Associations as at 31 March 2011	No data available for comparison as yet	

Allocations

Completed within time-scale	2011	2010
New applications added to housing list	518	447
Average number of days taken to add applicant to list	4	4
Number of lets	161	246
Average time taken to re-let	28 days	33 days
Average time taken to re-let less difficult to let properties	no complete data available	no complete data available
Scottish Housing Regulator Performance Average of Housing Associations as at 31 March 2011	No data available for comparison as yet	

Repairs Response Times – HHP Target 95%

Completed within timescale	2011	2010	Scottish Housing Regulator Performance Average of Housing Associations as at 31 March 2011
Emergency – 4hrs	88%	96%	No data available for comparison as yet
Emergency – 24hrs	91%		
Urgent	85%		
Routine	84%		
Total Number of Repairs Completed	3112	3110	

Financial Review

Income and Expenditure Account for the year ended 31 March 2011

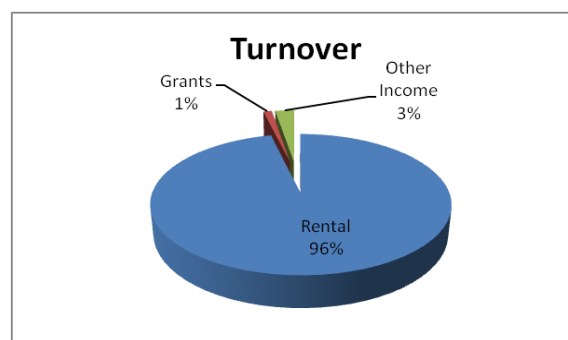
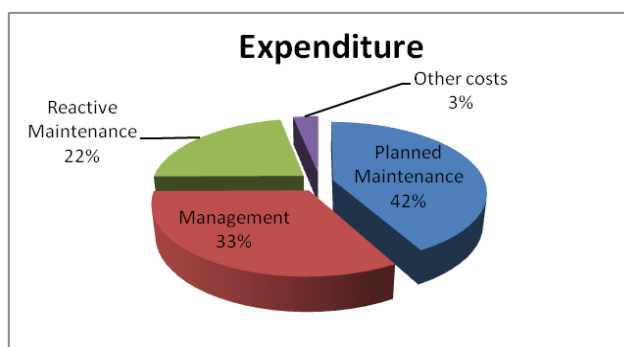
	31 March 2011	31 March 2010
	£	£
Turnover	7,458,758	7,798,473
Operating costs	(5,680,057)	(6,329,737)
Operating surplus	1,778,701	1,468,736
Surplus on sale of fixed assets		
-housing properties	75,280	66,522
-other assests	-	10,570
Interest receivable and other income	11,510	6,281
Interest payable and similar charges	(249,094)	(218,177)
Surplus on ordinary activities, before transfers to Reserves	1,616,397	1,333,932

A total of £87,900 Wider Role Grants were received from Scottish Government for the following projects:

Home Energy Advice—Partnership with TIG	£22,000
Early Intervention—Partnership with CAB	£29,900
Youth Homelessness—Partnership with Sgailean	£36,000

Statement of Total Recognised Surpluses and Deficits for the year ended 31 March 2011

	31 March 2011	31 March 2010
	£	£
Surplus on ordinary activities, before transfer to Reserves	1,616,397	1,333,932
Transfer to Designated Reserves	(372,266)	(419,164)
Total recognised surpluses since the last financial statements	1,244,131	914,768



Balance Sheet as at 31 March 2011

	31 March 2011	31 March 2010
	£	£
Tangible Fixed Assets		
Housing Properties at valuation	8,305,331	6,806,783
Other tangible fixed assets	449,799	497,744
Investments	1	-
	<u>8,755,131</u>	<u>7,304,527</u>
 Debtors due after more than one year	 16,543,706	 18,075,469
 Current Assets		
Stock	766,433	-
Debtors due within one year	443,944	662,506
Short-term deposits	1,298,941	1,261,726
Cash at bank and in hand	<u>1,082,843</u>	<u>1,033,917</u>
	3,592,161	2,958,149
Creditors: amounts falling due within one year	<u>(1,103,128)</u>	<u>(968,056)</u>
Net current assets	<u>2,489,033</u>	<u>1,990,093</u>
Total assets less current liabilities	<u>27,787,871</u>	<u>27,370,089</u>
 Creditors: amounts falling due after more than one year	 <u>(6,878,635)</u>	 <u>(6,481,764)</u>
	20,909,236	20,888,325
Provisions for liabilities and charges	<u>(16,445,030)</u>	<u>(17,971,963)</u>
Net Assets	<u>4,464,206</u>	<u>2,916,362</u>
 Capital and Reserves		
Share Capital	186	182
Designated Reserve	1,174,605	802,339
Capital Reserve	315,722	384,279
Revenue Reserve	<u>2,973,693</u>	<u>1,729,562</u>
	<u>4,464,206</u>	<u>2,916,362</u>

Message from HHP Chief Executive



It is difficult to believe that HHP will be 5 years old in September 2011. The time since 'Transfer Day' seems to have passed very quickly.

From a rather shaky start when we moved into the new offices at Creed Court and brought together a new staff team, HHP is now firmly established, building a solid financial base and seeing service performance improving year on year.

Since September 2006, HHP has worked hard to deliver on the promises made at ballot and we are on track to deliver. Our investment programme will accelerate over the next 4 years, spending almost £4 million per annum on new windows, doors, kitchens, bathrooms, heating systems as well as roofing and roughcasting programmes.

By 2015 all housing associations in Scotland are required to meet the Scottish Housing Quality Standard and HHP is making excellent progress. There are however difficult challenges for us in relation to the energy efficiency ratings of our houses when the vast majority are not on the gas network.

HHP's repairs and maintenance service has been retendered and the new contractor is Stirling based FES FM Ltd. The new contractor is employing the former Comhairle staff and has recruited locally to strengthen the workforce. The contract is for a five year period and we are confident that we can deliver cost efficiencies whilst improving the service to our tenants. However, everyone at HHP appreciates the level of service we received in previous years and the smooth handover of the contract to FES FM Ltd undertaken by the management and staff within the Comhairle.

A key performance issue for any organisation in these difficult times when household finances are under pressure is to maximise income. HHP has seen a very marked improvement in the management of void properties and we are now amongst the best performing housing association in our peer group.

The management of rent arrears is also critical to the financial health of the organisation and we have seen year-on-year reductions in current tenant arrears. In the past year that improvement has levelled off and HHP has responded by setting more challenging targets for the year ahead.

Our new build programme continues ahead of Business Plan projections. As we go into the new financial year ahead we have 91 houses on site. This is important in tackling housing need but the contribution to the local economy is also very important. The jobs created in the building industry help sustain our communities. It is of great concern therefore that all the messages currently coming from Scottish Government are that the level of grant per new house will be cut. The Innovation and Investment Fund which invites bids from RSLs to build homes for 2011/12 sets a benchmark grant of £40k per house. This is not sustainable in the Western Isles and if replicated in future years there will be serious consequences for the local construction industry.

HHP, as part of our development as an important local organisation, is developing links and partnership working with a range of local agencies, private, voluntary and statutory agencies. By working with other agencies we can bring added benefit to the communities we serve.

Finally, I would want to convey my thanks to HHP's Chairman George Lonie and the Board for their support and to all my colleagues in our Stornoway and Uist offices for their commitment to the service we provide to our customers. We are all proud of what has been delivered to date but are not complacent about the challenges ahead in improving our services to tenants and the wider community.

Hebridean Housing Partnership

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