

Annual Report 2017-18



Message from the Chief Executive

Every penny BHA receives in rent goes to making sure its tenants live in great homes in thriving neighbourhoods, giving the best service at the lowest possible cost ensuring tenants are getting value for money.

There are a variety of things we do that demonstrate this. For example, there are the Skip and Scrap days. Tenants who have no access to a big enough vehicle can face problems uplifting large articles to take to the recycling centres. The reaction of our tenants and their neighbours has been fantastic and it's one of the things which doesn't cost us that much money but adds real value to the lives of our tenants.

Working with local schools we engage with young people who are likely to become our tenants in the future.

It is important to engage with these individuals long before they become our tenants and guide them on the next steps in their life.

The Next Steps programme is about working very intensely with those young people so when they do come to have a tenancy with us they see us as people who will help and support them.

We look all the time at the problems tenants tell us they have. Currently we are looking at how we address the issue around gardens that don't get looked after. People don't manage their garden for all kinds of reasons outwith their control so we are piloting a number of different approaches to try and assist people and we are very interested to see if we can actually make a difference.

This year we increased the rent below the cost of living. We wanted to show that we know there are individuals on very low incomes and understand that it is hard to make ends meet. However, we have to pay our debts, mortgages and loans on properties, pay staff wages and pay for maintenance of the properties, so we have to charge a rent that pays all of that year on year. The Association is committed to trying to keep rent levels as low as possible and this year we managed to raise our rent less than most of our colleagues in the housing sector.

When it comes to value for money we are continuously looking at ways to reduce people's utility bills. Having fitted hundreds of photovoltaic panels and air source heat pumps, we are currently looking at introducing heat batteries which will store electricity for people.

All of these things are about being innovative to help to reduce people's fuel bills so let's see what we can do! Our aim is to continue to look at other options that may reduce these bills because fuel poverty is one of the biggest issues for all our tenants.

In terms of value for money we have always resisted bringing in large national contractors to do the repairs on our houses and we have succeeded in awarding these contracts to local businesses. Working alongside R3 who carry out many of the repairs, these are delivered using a whole range of people who live and work locally so we are contributing positively to the economy of Berwickshire.

We are delighted and excited with the performance of our wind farm in its first year. Although everybody won't be happy with the windy weather we are glad that the turbines are turning meaning that we have received more income.

signed

Helen Forsyth
 Chief Executive



Convener's report

This year we have seen a real focus on rent and affordability along with providing a very good quality service.

We have aimed for quality combined with value for money, whether its repairs or compliance with the new standards.

This can be evidenced in the approach to the rent increase where we were probably one of the lowest rent increases taking into consideration Universal Credit and the ability to pay.

For me it's not just about the rent, it's about everything else as well. BHA has been looking at the quality standards and fulfilling the obligations for the Scottish Housing Quality Standard (SHQS) and there is a real drive now to comply with the new Energy Efficiency Standards for Social Housing (ESSH). However, the Association must also look at the future regarding investing in older stock and keep the houses in the highest possible condition.

I think there have been a number of successes during the past year when it comes to value for money.

The Association has been looking ahead for a number of years so I think the pro-active approach towards how Universal Credit will impact on tenants and their ability to pay not just their rent but their other household bills has paid dividends.

The Financial Inclusion team have been gearing themselves up to working with the Housing staff to look at how we support tenants to stay in their homes as much as possible.



**Lorraine
Tait,**
Convener

Much of all this success is down to the forward looking approach of the Association's customer focussed staff. All this can only improve the services we provide, whether it's rent affordability, stock improvements, compliance with ESSH or whatever else comes our way. You can see a culture of value for money that comes right through the organisation.



New Board members

Six new members have been appointed to the BHA Board of Trustees in the past year.

The new Board members bring a range of expertise with them - they include a Director of the Scottish Procurement Alliance, a former logistics expert in the Royal Navy, an EasyJet Airlines executive, a Chartered Surveyor, an award winning hairstylist and a Principal Engineer.

New members are (pictured left to right): Lynn Gray, Clive Feeney, Graeme MacLeod, Sean Dickson, Paul Matthews and Susie McCosh. Retirals from the Board in the past year were David Melrose, Tony Homer, Fraser Kelly, Trevor Jones, Andrew Watson, Steve Wright and Bob Bolton.

Tenants have an important role to play

The Tenant Volunteers have had a very busy year, the highlights of which were celebrating their 10th anniversary and allocating almost £5,000 in grant funding.

The main focus of the group has been ensuring information is easily accessible by the tenants and stepping up their attempts to recruit new faces. Acting as critical friends of the Association they have a great respect for BHA, its staff and the work they do and BHA appreciate the commitment and time they give up freely to be a part of the group.

The group also administers the Community Grant Funding Budget applications for funding towards local community-based projects and events. Up to a maximum of £500 can be awarded.

The Tenant Volunteers are extremely proud to be celebrating their 10th birthday this year and at a celebratory get together presentations were made to current members and two former chairs, Bob Bolton and Nigel Seaward.

Chair George Pickering commented: "I am proud to say that I have been Chair of the Tenant Volunteers for the past five years, and honoured to be here in this their 10th anniversary year".



Celebrating the 10th anniversary of the Tenant Volunteers group are chair George Pickering and Pauline Seaward

"We are a small but passionate group of volunteers who continue to work to express the views of BHA tenants and are always looking for interested tenants to come forward and be part of the group.

"As BHA tenants our voices are important and new members are always welcome so please feel free to get in touch if you would like to learn more about the group and the work we do on behalf of BHA tenants."

Donations

Organisations and groups to benefit this year have included the following:

Duns Community First Responders	£500
ReTweed	£500
Connect Berwickshire Youth Project	£450
Lamberton Village Hall	£500
Berwickshire Schools Under 15 rugby tour	£500
Border Kayak and Canoe Club	£500
Burnmouth Village Hall	£500
Burnmouth Community Council	£500
Berwickshire Group Riding for the Disabled	£500
Boston Court, Duns	£200
Linkim Court, Eyemouth	£200
Gowanlea Court, Coldstream	£200

In the community



A cheque for £5,000 helped Eyemouth's Sea the Change group get up and running



It's thumbs up from Coldstream Brownies who received £400



Chirnside Juniors Football Club welcomed their £250 grant



Residents in Station Drive, Duns, spruced up their street with a donation of plants

Affordability is the key

For BHA value for money is about spending wisely and making the best use of our resources.

Operations Director Jean Gray stresses the importance of BHA being able to demonstrate value for money in the delivery of housing services to its tenants and other stakeholders.

Our focus on delivering efficiencies and investing resources where they add value, is through involving our tenants in defining services by continually seeking their feedback both on an individual level, the Tenant Scrutiny Panel and Tenant Volunteers as well as through the Operations Committee. This enables us to identify our tenant's priorities and shape our services to meet these.

As a small housing association getting value for money is very important to us and we have this in the forefront of our minds in all the spending decisions we make.

We are committed to providing value for money in all of our activities. We aim to work efficiently and effectively, delivering the best service we can at the lowest reasonable cost to maintain high quality. The better our value for money, the more homes we can build and the more we can improve services.

As a housing association, there are many ways we can demonstrate value for money. For example, a key service is building new homes. Along with Housing Association



Jean Gray, Operations Director, with new tenants at Station Drive, Duns

Grant from the Scottish Government we can invest in creating more new energy efficient homes, particularly important when not enough homes are being built to meet people's needs but also important to ensure that people in fuel poverty can afford to live in our communities. We use the grant funding plus our own capital investment to create more assets – that's value for money.

We consciously cut costs. We have cut more than £500k from our operating costs, while at the same time managed to improve our customer satisfaction scores and keep our rent increase at a lower level – another example of value for money. We will

continue to seek new efficiencies every year, through improved procurement contracts, for instance.

As we aim to achieve the Energy Efficiency Standard for Social Housing (EESH) by 2020 we are looking at a more person-centred approach to what we do in your homes.

We will talk to you about your circumstances. Affordability is a huge issue in our area so, for us, it isn't just about fitting the cheapest system, we will ensure that we fit something that is affordable to you and where possible target families suffering fuel poverty.

Creating more energy efficient homes



Station Drive, Duns



Acredale, Eyemouth



Glebe Place, Chirnside



A key service is building new affordable homes in the community.

- 2017/18 saw the completion of 16 general needs properties in Duns and the reconfiguration of eight properties at Gowanlea, Coldstream, to amenity flats.
- We are now on site at Acredale in Eyemouth and Chirnside. Before the end of the year a further development will start in Duns.

Our Performance



Homes & rents

INDICATOR	LAST YEAR	THIS YEAR	UP/DOWN/ BETTER/WORSE
Total number of homes	1773	1782	UP BETTER
Total rent due to be collected	£7 Million	£7.2 Million	UP BETTER
Percentage average weekly rent increase to be applied	2%	2%	SAME



Tenant satisfaction

INDICATOR	LAST YEAR	THIS YEAR	UP/DOWN/ BETTER/WORSE
Percentage of tenants satisfied with the overall service	83%	88%	UP BETTER
Percentage of tenants who felt their landlord is good at keeping them informed about their services and decisions	82%	89%	UP BETTER
Percentage of tenants satisfied with the opportunities to participate in the landlord's decision making	66%	82%	UP BETTER



Quality and maintenance of homes

INDICATOR	LAST YEAR	THIS YEAR	UP/DOWN/ BETTER/WORSE
Percentage of homes meeting the Scottish Housing Quality Standard	83%	86%	UP BETTER
Percentage of tenants satisfied with the quality of their home	83%	86%	UP BETTER
Percentage of tenants satisfied with the standard of their home when moving in	85%	81%	DOWN WORSE
Percentage of reactive repairs carried out in the last year completed right first time	96%	96%	SAME
Percentage of repairs appointments kept	99%	98%	DOWN WORSE
Percentage of tenants who have had repairs or maintenance carried out in the last 12 months who were satisfied with the repairs and maintenance service	97%	96%	DOWN WORSE



Neighbourhoods

INDICATOR	LAST YEAR	THIS YEAR	UP/DOWN/ BETTER/WORSE
Percentage of anti-social behaviour cases resolved within locally agreed targets in the last year	62%	79%	UP BETTER
Percentage of tenants satisfied with the management of the neighbourhood they live in	77%	90%	UP BETTER



Value for money

INDICATOR	LAST YEAR	THIS YEAR	UP/DOWN/ BETTER/WORSE
Percentage of total rent due collected in the previous year	98%	99%	UP BETTER
Percentage of rent due not collected through homes being empty in the last year	1.3%	1.2%	DOWN BETTER
Average length of time in days taken to re-let homes in the last year	17	14.5	DOWN BETTER
Number of properties re-let in the year	145	159	UP BETTER
Percentage of tenants that think their rent is good value for money	79%	85%	UP BETTER



What our tenants have said about our maintenance and repair work:



The gardeners attending here every week are truly ace! They are so friendly, sociable and on the ball

Boston Court, Duns.



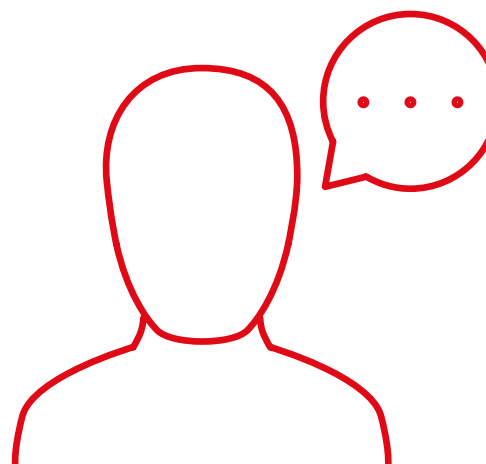
Very happy with the speed of the repair. Young man was very quick and helpful

Burnmouth



Very quick repair service and very helpful. All done and no problem

Eyemouth



Wind farm exceeds all expectations in first year

BHA's innovative and award winning wind farm, The Fishermen Three, has exceeded all expectations in its first year of operation.

The wind farm at Hoprigshiels, near Cockburnspath, generated 24,052 MWh in its first year - enough to boil a full kettle about 106 million times!

The project has also provided an initial community benefit payment of £37,500 - split equally between Cockburnspath and Cove Community Council and Oldhamstocks Community Council.

The amount of energy the turbines have produced is equivalent to the annual energy needs of 7,758 homes according to Ofgem figures, which means it's powering the equivalent of all the Berwickshire Housing Association homes, and a further 6,000 households in the area.

By supplying energy to the National Grid, the wind farm will create revenue for BHA of around £20 million over the next 25 years - enough to allow them to build 500 new homes over that period.



BHA's Chief Executive Helen Forsyth said:

This has been a very good first year for us. It has been fascinating learning about the running of the wind farm and we are very upbeat about the future and the income we will be able to put back into the communities.

The year's financial highlights

BHA's Turnover increased by 1.6% in the year and is mainly from rental income, with revenue grants of £71.9k to support adaptations, employability and affordable warmth projects.

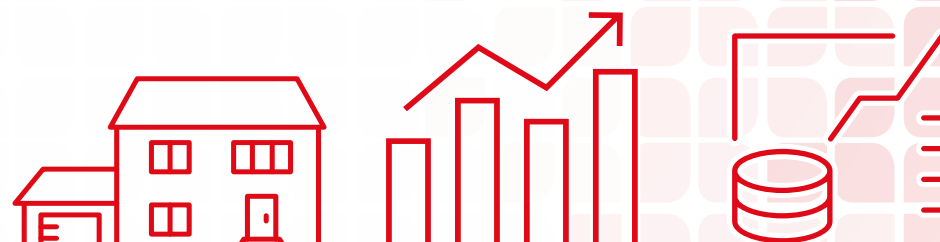
Operating Costs increased by 4.9%. The most significant was an increase of £0.2m in relation to Management and Maintenance Administration Costs, with a further £0.1m in Depreciation of Social Housing. This led to a reduction in the Operating Surplus for 2017/18.

Other Debtors reduced from £1.0m in 2016/17 to £0.3m in 2017/18 with Cash at Bank and in Hand rising from £1.1m to £3.9m.

There were also increases in the Creditors falling due after more than one year (Loans), additional Deferred Income for Social Housing Grants received in 2017/18 and a further improvement in the Pension Deficit Liability. Net Assets reflected a modest increase in the year from £38.1 m to £38.9m.

Financials

How have we performed



	2018 (£)	2017 (£)
Housing Properties	65,892,080	63,729,143
Other Fixed Assets	73,225	99,766
Investments	1	1
	65,965,306	63,828,910
Current Assets	5,570,802	3,330,362
Creditors: amounts due in one year	2,493,305	2,882,271
Net Current Assets / (Liabilities)	3,077,497	448,091
Creditors: amounts due after one year	21,292,582	20,834,407
Deferred Income	8,933,715	5,341,420
Net Assets	38,816,506	38,101,174
Capital & Reserves		
Share Capital	138	150
Revenue Reserves	15,519,588	14,785,005
Revaluation Reserve	23,069,844	23,316,018
Designated Reserve	226,936	
	38,816,506	38,101,173
Total Turnover from Social lettings	7,387,817	7,300,586
Management & Maintenance Admin Costs	2,848,735	2,626,417
Depreciation of Housing Properties	1,718,425	1,618,131
Service Costs	172,967	175,744
Planned and Cyclical Maintenance incl Major Repairs	600,320	614,279
Reactive Maintenance	855,680	801,032



How we spend your pound?

	(£) 1.00
Management & Maintenance Admin Costs	0.46
Depreciation of Housing Properties	0.28
Service Costs	0.03
Planned and Cyclical Maintenance incl Major Repairs	0.10
Reactive Maintenance	0.13



Our values

- + Proud to put customers first
- + Open, honest and caring
- + Embrace and drive change
- + Go that extra mile
- + Adaptable, adventurous and creative
- + Enjoy our work and get more done



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