



Putting the people we serve at the heart of our services and putting heart into our communities

ANNUAL REPORT 2018/2019





FLORA WALLACE
Chair Management Committee and also
Chair Health and Safety Committee

Committee

as at 31st March 2019

Flora Wallace
CHAIRPERSON

Michael Hesketh
Joint Vice Chair

June Anderson
Joint Vice Chair

Susan Robertson
Treasurer

Rosie Murray

Elisabeth Campbell

Louisa Hesketh

Fiona Speirs

Allyson Black

Liz McNie

CHAIR'S REPORT

Keep stepping on

“Focused hard work is the real key to success. Keep your eyes on the goal and just keep taking the next step towards completing it” is the quote setting the scene for the 2018/19 Annual Report.

It was my first year back in the Chair again, stepping up to take over from Michael Hesketh following his successful 5 year term in office. I can report that it has been a year of stepping forward on a number of fronts - dealing with challenges and gaining rewards.

In September 2018 we submitted an application to take part in a new Scottish Government tenant participation initiative “Next Steps”. The programme is designed to help and support landlords and tenants to review, improve and develop their tenant participation and scrutiny arrangements. The scheme was open to councils and housing associations and applications were assessed by the Scottish Government, Tenant Participation Advisory Service (TPAS) and the Tenants Information Service (TIS). We were delighted to be advised in October 2018 that our application was successful despite being up against stiff competition for a place on the programme.

Our supporting organisation is TIS and there has been some excellent work going on involving tenants and various groups to develop an action plan which we expect to be finalised in Summer 2019. I attended some sessions with the group and there were some brilliant discussions about things we can do to develop our Tenant Participation activities. My thanks go to all involved who gave up their time and offered their views.

Things never stand still and while we were working on the Next Steps programme we were undertaking a number of other actions to keep up

the momentum on tenant involvement including introducing a new phone survey option for our rent consultation exercise over December / January which helped boost the response rate. This was followed up with a “Rent Special” Newsletter in February 2019 in which we fed back on the views received and how the Committee made the decision to increase rents by 2.9% for 2019/20.

The Scrutiny Group kept up their hard work including take part in a void process review and good progress has been made in that area.

On the investment front our Programme and Regeneration Team produced an Investment Special Newsletter for all tenants which explains what is required to meet the goals of the Scottish Housing Quality Standard (SHQS) and the Energy Efficiency Standard for Social Housing (ESSH). It also highlighted the new legislative standards for smoke and fire alarms which cover all tenures and need to be implemented by February 2021. The P&R Team have set out clear plans to achieve these goals and our other investment plans. The newsletter also included an individually tailored insert setting out our investment plans over the next 5 years relating to each property type. We have had some good feedback on this approach and we hope people found it helpful.

In the wider housing world we have been following the changes to the regulatory framework introduced by the Scottish Housing Regulator. We have been taking steps to meet the challenge of the new Annual Assurance approach required from October 2019.

GOVERNANCE

A big event of the year in governance terms was the Special General Meeting held on 31st October 2018 to consider the adoption of updated Rules. The meeting was well attended and the new rules were duly passed.

One of the main changes made was in relation to the composition of the Management Committee. We changed the requirement whereby a proportion of members of the Management Committee had to represent certain sections of the membership categories. That requirement has now been removed. The views expressed to us in discussions with members on this point highlighted that members are content if the management committee members are there to do a good job regardless of their membership status.

Governance Statement

The role of the Management Committee is to provide the leadership and strategic direction of the Association. The members are involved in high level decision making such as policy approval and setting the annual rent increase while taking account of the outcomes for service users. Staff are responsible for operational matters.

Doing the job of a Management Committee member is challenging and rewarding. During the year members have considered the implications of the new regulatory framework introduced

by the Scottish Housing Regulator in 2019 and have worked hard to keep their skills and knowledge up to date. This has included attending in house and external training and taking part in national conferences and seminars. There were also site visits to see what is happening on the ground. Members stopped for lunch at the Plein complex and were joined by some visitors.

There is an experienced core of office bearers serving the Committee. Flora Wallace took over as Chair from Michael Hesketh in October 2018. Michael continues to serve as Joint Vice Chair alongside June Anderson. Susan Robertson continues as Treasurer. Flora serves on the Executive Committee of Employers in Voluntary Housing (EVH) and acts as Treasurer and Michael is a member of SHARE's Committee.



Continued...

I cannot relate every step taken during the year but I hope that this report gives you a flavour of our activities during 2018/19 and how we are keeping our eyes on our goals and taking steps towards achieving them. Other parts of the report will expand on this.

As the opening quote says - getting there is down to hard work and focus and there have been hard working and focussed people involved in making things happen. Thanks as always go to our tenants and residents with a special mention for the Scrutiny Panel, our "Next Steppers", my committee colleagues and all our supportive partners.

Keep stepping on.

Flora Wallace

CHAIR



MEMBERSHIP AND AGM

As at the end of March 2019 membership numbers stood at 180.

The AGM in September was well attended. In addition to the usual business matters of the meeting itself members were invited to find out more about Tenant Scrutiny and give their views on the proposed new Anti-Social Behaviour Policy. A display on the garden competition entries was well received and the talented gardeners showed brilliant skills and imagination in bringing life and colour to their neighbourhoods for everyone to enjoy.



MICHAEL HESKETH
Chair Audit Committee

Audit Committee Members

Michael Hesketh
CHAIR

Moira Calder
Elisabeth Campbell
Susan Robertson
Allyson Black

AUDIT COMMITTEE

Report 2018/19

The Association has had a programme of Internal Audit in place since 2002 and as Management Committee members we appreciate the value of these exercises to help us gain assurance about our governance and operations and to use the findings to help us improve performance.

We looked on in interest as the Scottish Housing Regulator consulted on their new regulatory framework as they proposed making Internal Audit mandatory for all housing associations. This requirement was adopted in the new framework so it was nice to be a bit ahead of the game as we are already committed to this approach.

During the year the Audit Committee undertook a tender exercise for the Internal Audit function. Henderson Loggie were appointed and the Audit Committee liked their approach of combining a more traditional internal audit approach with a business process review element. They undertook a business process review on our voids management in the year and this was a worthwhile exercise. The recommendations from this, combined with some excellent work by our staff team has seen the average days to relet a void fall from 42.2 as at 31st March 2018 to 36.3 days as at March 2019. I can report that this positive trend has continued and currently average relet times are under 25 days.

The IA programme for 2018/19 covered the following areas

- Gas Safety
- Factoring

There were no priority recommendations arising from these.

We have a forward action plan for 2019/20 based on an Internal Audit Needs Assessment carried out with Henderson Loggie.

External audit is provided by RSM and as Chair of the Audit Committee I am delighted to report that we had an unqualified Audit report for 2018/19, a strong financial position and no issues around financial viability as we are a "going concern"

My thanks go to all my colleagues serving on the Audit Committee, our staff and consultants providing our audit service. By working together we aim to provide a good basis for assurance around our activities.

Michael Hesketh
CHAIR

HEALTH & SAFETY COMMITTEE

Health & Safety Report 2018/19

During the year the Health and Safety Sub Committee members and staff continued to work towards encouraging and supporting a strong health and safety culture within the organisation.

Keeping up to date with the latest developments is a key factor in managing an ever evolving area of our activities as a landlord and an employer. We have strong support in place as our membership of Employers in Voluntary Housing (EVH) means that we have access to comprehensive manuals for both general and housing stock health and safety advice. These are regularly updated with the latest legislation and guidance and the Health & Safety Committee reviews our policies and practices against this.

In May 2018 several members of the Health & Safety Committee attended EVH's Health, Safety & Wellbeing Conference and we were particularly struck by a presentation by Professor Roger Willey on the "Third Age" as he described the evolution of health and safety issues and policies. He certainly made us think about how we should respond to the new challenges of post industrial working conditions and living in the modern world. I firmly believe that taking part in projects like Healthy Working Lives are a great way to support our health and safety culture into the "Third Age".

On that note I am delighted to say that we have successfully retained our Silver Healthy Working Lives accreditation. Our thanks go to the NHS staff who support us in this work.

I am also pleased to report that in the first year of our new Gas Maintenance contract with City Technical Service that 100% of the required safety checks were carried out in time.

Flora Wallace

CHAIR
HEALTH & SAFETY COMMITTEE

Health & Safety Committee Members

Flora Wallace
CHAIR

Susan Robertson

June Anderson

Wullie Baxter

Liz McGinty

Margaret Torrance





Garden Competition

The Trophy Winners

Mr Johnstone Best Garden – Clackmannanshire (joint)
 Mrs Young Best Garden – Clackmannanshire (joint)
 Mr & Mrs Reid Best Garden - Falkirk/Denny/Stirling
 Mrs Barclay Best Garden - Grangemouth
 Mr Armitage First Time Entrant

Highly Commended

Mr Monument Grangemouth
 Ms Robertson First Time Entrant - Denny

Commended Category

Ms McKay Commended First Time Entrant
 Mr Woods Commended First Time Entrant



Mrs Reid



Ms Robertson



Mrs Young and Mr Johnstone





Bus Trip

Peebles was the destination for the Senior Tenant Bus Trip in September and the feedback was that it was a very enjoyable day. Thanks to TMG for sponsoring this very popular event.



HOUSING MANAGEMENT & INVESTMENT SUB COMMITTEE REPORT

Members Housing Management & Investment Sub Committee

Susan Robertson
CHAIR

Michael Hesketh

Flora Wallace

June Anderson

The Housing Management & Investment Sub Committee deals with two main areas of our work. We look at matters around our housing management policies, services and performance and with the housing stock maintenance and investment.

The Sub Committee had another busy year with the implementation of the new Allocations Policy and the review of the Anti-Social Behaviour Policy. We were also delighted to work closely with the tenant scrutiny group and welcomed their input into a review of the void (empty property) process review.

As well as attending our regular meetings, the sub committee members also undertook further site “walk abouts” in 2018/19 ensuring we get a real feel for what is happening on the ground.

Performance remains steady in most areas with a continued improvement in the time taken to let properties.

Our housing stock grew as we saw 21 new flats developed in partnership with Link being let in Bo’ness. These are a great addition to our stock and we welcome the positive partnership with Link as we take steps to provide new homes.

Our Buy Back on the Open Market Policy (BBOOM) continued successfully. It is supported by Scottish Government’s Housing Association Grant funding (HAG) and we acquired 4 units in the Falkirk area and 1 unit through the Mortgage to Rent scheme.

A big highlight of the year was the opportunity to participate in the Scottish Government’s ‘Next Steps Programme’ and everyone involved really enjoyed the sessions with tenants and staff facilitated by the Tenants Information Service (TIS).

My thanks go to my hard working colleagues on the sub committee, those tenants who gave up their time and joined in with the Next Steps programme and more widely in tenant participation and scrutiny activities.

Susan Robertson
CHAIR





HOUSING MANAGEMENT ACTIVITIES

In 2018/19 just over a fifth of new tenancies were let to households who were either homeless or threatened with homelessness.

At a national policy level local authorities were tasked with a major overhaul of their responses to homelessness and the Association has continued to work with all three local authorities in our area of operation to deliver the ongoing commitment to assist households who are either homeless or threatened with homelessness. This has included participating in “Rapid Rehousing” and “Housing First” events and the Forth Valley Housing & Homelessness Partnership.

The Housing Management Team continued to see the impact of Welfare Reform with Universal Credit going live in all three local authority areas. The number of tenants in receipt of Universal Credit remains relatively low but is increasing at a steady rate. Sarah Nicolson, Tenancy Sustainment Officer plays a key part of the Association’s support for people finding their way through the benefits system.

A full Tenant Satisfaction Survey was undertaken in the year and the headline results of this were published in the Summer Newsletter 2019. Overall tenant satisfaction remains a key priority for the Association. There is a roll out of a programme of ‘reality check telephone surveys’ in 2019/20.

We are continuously reviewing and expanding the range of consultation methods used and there was an improved response rate to the Rent Consultation exercise for 2019/20 where a telephone survey supplemented face to face events and a postal survey. Ways to make views known are always under review and any great ideas out there from tenants and other service users are always welcome.

Participation in the Next Steps Programme and the development of the Tenant Scrutiny Panel the Association has ensured that Tenant Participation and Scrutiny remain at the heart of Housing Management activities. There were a number of “Pop up” events held in conjunction with other agencies to encourage people to come and discuss issues and find out what is going on.





PROGRAMME & REGENERATION ACTIVITIES

Scottish Housing Quality Standard, Energy Efficiency Standard and Major Investment



As at March 2019, 91.35% (1299 properties from 1422) of the Association's properties met the Scottish Housing Quality Standard (SHQS) and 85% (1213/1422) are currently meeting the Energy Efficiency Standard Social Housing (ESSH) which has a target delivery date of December 2020.

The areas of non-compliance for SHQS are where owners have not agreed to take part in door entry improvement work or where access has not been granted for heating replacement works. The Association has undertaken considerable work in producing a Door Entry Strategy in an attempt to persuade owners to pay for a share of this

improvement work and some have agreed. The small number of properties (2 in total) are not meeting the standard due to no access being provided for heating replacement. The number is reducing and budget is set aside to deal with these at change of tenancy or as part of the wider heating projects annually.

A major 3 year window replacement project, based on a framework agreement was completed during 2018/19. As part of the investment required to improve energy efficiency a programme of External Wall Insulation (EWI), Cavity Wall Insulation (CWI) and boiler replacement was undertaken during 2018/19 and continues into 2019/20.

“All the workers were well mannered, kept us informed about what they were doing”

Tenant comment on boiler replacement

Key Investment Areas

- ✓ 83 New Gas Central Heating/ Boilers upgrades to provide more efficient systems installed by Everwarm
- ✓ 39 tenants benefitting from lower energy use through External Wall Insulation, Cavity Wall Insulation, Roofing and Rendering (2 year project to complete 76 properties) by Everwarm
- ✓ 108 external store roofs re-covered at the Mar Estate, Alloa
- ✓ 70 tenants benefitted from new energy efficient and secure by design windows and door fitted by CMS
- ✓ Cyclical Painterwork was carried out at 213 properties in the Clackmannanshire and Falkirk area by Novus
- ✓ 69 tenants benefitted from replacement bathrooms
- ✓ Electrical safety upgraded works were completed at circa 500 tenanted properties and new lighting at communal areas by GD Chalmers.



**“Good work. Well done.
Very helpful. 10/10”**

- Tenant comment on boiler replacement

“Excellent work carried out”

- Tenant comment on windows contract

**“Really good
and friendly”**

- Tenant comment on
sanitaryware

**“Very well organised and
efficient, It went well from
start to finish”**

- Tenant comment on medical adaptations

Adaptations

Adaptations to properties are also carried out and grant funding is received from the Scottish Government. Minor adaptations are funded directly by the Association. Our thanks go to the Scottish Government for this very valued financial contribution to help tenants enjoy their homes in more comfort.

Adaptations 2018/19

Local Authority Area	Major Adaptations
Falkirk	12
Clackmannanshire	9
Stirling	6
Total	27
Minor Adaptations	18

Gas Servicing

The Programme and Regeneration Team administer gas servicing arrangements. This was the first year of operation of a new gas contract which was awarded to CTS for a 3 year period from April 2018. There has been a consistently good performance in ensuring 100% of gas safety checks due were carried out in time. There are also independent quality checks in place to look at the quality of work and internal audit reviews provide assurances on the processes involved in managing the gas maintenance arrangements.

Development Activities

The housing stock grew from 1396 as at March 2018 to 1422 as at March 2019

In June 2018 21 units were acquired on a turnkey basis in Bo'ness as part of our partnership approach with Link.

A Buy Back on the Open Market Policy (BBOOM) is in place. This scheme is supported by Scottish Government Housing Association Grant funding (HAG) and 4 units were acquired in the Falkirk area and 1 unit was delivered through the Mortgage to Rent scheme.

KEY NUMBERS

Housing Stock Breakdown by Area as at 31st March 2019

The number of housing units increased by 26, from 1396 as at March 2018 to 1422 at the end of March 2019.

Local Authority Area	31st March 2019
Falkirk	852
Clackmannanshire	408
Stirling	162
Total	1422
Total 2017/18	1396

Breakdown by Apartment Size

The following table shows the breakdown of stock by size. The majority of properties have 2 or 3 bedrooms.

Stock By Apartment Size 31st March 2019*	Units	% of Total Stock
1 Apartment	8	0.6%
2 Apartments	163	11.4%
3 Apartments	691	48.6%
4 Apartments	518	36.4%
5 Apartments and over	42	3.0%
Total	1422	100%

*Note: The number of apartments is normally made up of living room plus number of bedrooms. Some properties have a dining room which would be classed as a separate apartment.

Allocations – How Our Properties Were Let

Allocations from Direct Waiting List	69
Transfers from Direct List	5
Allocations from nominations	78
Others	1
Total Lets	153

Breakdown of Lets by LA Area

Clackmannanshire Council	23
Falkirk Council	125
Stirling Council	5
% of all lets to homeless applicants	22.22%
Waiting List as at 31st March 2019	823

Performance At A Glance

Performance Area	2017/18	2018/19
Rent collected as percentage of total rent due in the reporting year	101.41%	101.31%
Gross tenant non technical arrears as % of gross rental income	6.45%	6.7%
Average length of time taken to complete non emergency repairs. Measured in days.	5.22	5.58
Percentage of properties that require a gas safety record which had a gas safety check and record completed by the anniversary date	100%	100%
Percentage of rent lost through properties being empty during the last year	0.95%	0.86%
Average length of time taken to re-let properties in the last year. Measured in days		
All lets including low demand	42.92	36.31
Standard demand	39.82	36.5
Number of void properties over 6 months at year end	0	0

Complaints

The Association has adopted the Scottish Public Services Model Complaints Procedures for Registered Social Landlords. The model policy is currently under review by the Scottish Public Services Ombudsman (SPSO) and the Association took part in their survey in December 2018 which sought views on potential changes to the model policy.

Compared to 2017/18 there was an improved performance in dealing with Stage 1 complaints in the 5 day target time and 1 Stage 2 complaint exceeded the target time of 20 days. A higher percentage of complaints were upheld in each category than from the previous year.

Complaints Performance 2018/19	Completed 2018/19	% completed in response time	Upheld-Fully or Partially
Frontline Complaints - 5 days response time	131	94.93%	63.77%
Investigative Complaints - 20 day response time	18	94.74%	84.21%

FINANCIAL SUMMARY

Finance & Investment Activities



	2018/19	2017/18
Income	£	£
Rents	5,801,487	5,468,315
Voids	(50,987)	(50,894)
Service Charges	2,859	0
Factoring	72,513	76,031
House Sales - Gain on Sale	(5,651)	12,522
Interest Received	37,183	26,091
Other Income	13,716	16,176
Grants (Revenue)	146,272	207,926
Total Income	6,017,392	5,756,167



	£	£
Expenditure		
Management Costs	1,755,763	1,620,772
Grant Expenditure	5,080	70,099
Reactive Maintenance	915,465	577,810
Planned Maintenance/Special Services	1,046,056	1,233,593
Other Expenditure	86,229	92,207
Bad Debts	95,578	53,835
Interest Payable/Financing Costs	648,616	602,698
Depreciation of Social Housing	762,958	695,210
Pension Valuation Adjustment	0	(5,000)
Initial Recognition of Multi-Employer Defined Benefit Scheme	94,000	0
Actuarial Losses in Respect of Pensions Scheme	342,000	0
Total Expenditure	5,563,745	4,941,224
Surplus for Year	453,647	814,943



	£	£
Capital & Reserves		
Share Capital	180	192
Revenue Reserves	14,169,367	13,715,720
Capitalised Expenditure - Investment in Housing	1,149,060	1,276,376



Revenue Reserves

The Association is in a strong financial position. It is important that we build up reserves to pay for our future investments in our housing stock.

As part of our last refinancing exercise we ensured that the facility provided funds for growth. Adding new homes positively adds to our income stream and our asset value. Our reserves will also ensure we can pay our funding commitments as they fall due.

Our Paragon Year

April
2018

- Scottish Housing Regulator set out its new Regulatory Framework and members and staff attend various information session through out the year.
- Committee got out and about and went off on a Stock Tour.
- Getting ready for the year ahead included a Healthy Working Lives Healthy Eating Event which was held to raise funds for CHAS (Children's Hospices Across Scotland).



May
2018

- Next Steps Programme got into its stride with an Action Planning Session.
- Members of the H&S Sub Committee attended the EVH Health Safety and Wellbeing Conference.



June
2018

- This month saw the completion of the Bo'ness Cadzow Ave site and the new tenants moved in. This was a partnership project with Link Group.



- External auditors on site so a busy time for the Finance Team.
- Following some excellent work by the Working Group of tenants and Knowledge Partnership the questions for the Tenant Satisfaction Survey were developed

July
2018

Aug
2018



- Kelly Adams, partner RSM of our external audit provider attended Management Committee and presented unqualified accounts for signing off by Management Committee.
- Great news as Evelyn Mathershaw was appointed to the role of Housing Manager.

Sept
2018



September was a bit hectic !

- A well attended AGM was held with lots of interest in the information stalls on proposed new policy on Anti Social Behaviour and Tenant Scrutiny.
- An application was submitted to take part on the Scottish Government's Next Steps programme and fingers were crossed for success!
- Staff and committee members attended the SFHA Governance Conference
- The Annual Bus Trip headed off to Peebles.
- A Cats Protection League "pop up" event in Grangemouth was run in conjunction with the Estates Team
- Our Annual Sun Flower Competition for staff was judged and the Estates Team came out tops. We raised funds for the Beatson Cancer Charity Fund through running this competition.



Oct
2018

- Success – our application for the Next Steps Programme came up trumps !
- A busy October included a Halloween Tenant Conversation event which we combined with a Special General Meeting to allow members to approve our proposed Rule changes.
- We also surprised Jean Murray one of our longest serving Management Committee members with a presentation on her achievements as she had recently stood down from her role. Well done - Jean over 20 years service and well appreciated.
- Tenant Conversation coffee morning held in Plean complex.



Jan
2019

- The Management Committee met to decide on setting the Annual Rent increase at 2.9%.
- The Next Steps Tenant Participation programme got underway with Sharon Donohoe of the Tenants Information Service leading the initial session. Special guest Anne Cook, Social Housing Team leader took part in the session. Lots of good chat around participation.
- The Management Committee development day held. Session including reviewing governance and setting out a forward training covering lots of areas including health and safety, committee appraisal and more.



Nov
2018

- The Audit Committee was busy with the deadline set for the return of tenders for the Association's internal audit services.



Feb
2019

- Lots of information on offer as we sent out our Rent Special and Investment News to all tenants.
- The Rent Special concentrated on giving feedback to tenants on the consultation exercise, rent affordability, the forward investment plan and how the rent increase decision was made.
- Investment Special Newsletter issued for all tenants explaining what is required to meet the goals of the Scottish Housing Quality Standard (SHQS) and the Energy Efficiency Standard for Social Housing (ESSH). Included was an individually tailored insert setting out our investment plans over the next 5 years relating to each property type.



Dec
2018

- Rent increase consultation activities got underway and a good level of response was received. In addition our usual ways to consult we added a telephone survey carried out by independent survey experts. Knowledge Partnership. Thanks to everyone who took part on the exercise.
- New Internal Auditors appointed, Henderson Loggie, following a tender exercise which included quality interviews.
- Our annual donation was made to the Foodbank.



March
2019

- Dogs Trust “pop up” event held in Gill Park, Denny.
- Budget setting meeting held setting out forward investment plans for 2019/20.





Putting the people we serve at the heart of our services and putting heart into our communities

ABOUT THE ASSOCIATION

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Registration

Regulation Registration Number HAL 298

Co-operative and Community Benefit Societies Act 2014 No. 2521R(S)

Scottish Charity Number SC 036262

Property Factor Registration PF000282

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RMS UK Audit LLP

Internal Auditors:
Henderson Loggie

Funders:
GB Social Housing
The Royal Bank of Scotland

Insurance Brokers:
Bruce Stevenson Ltd

Affiliations & Memberships

SHARE

Employers in Voluntary Housing

Scottish Federation of Housing Associations

Housing Association Internal Audit Forum

CVS Falkirk & District

