



ANNUAL REPORT
2020/2021



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



CHAIR'S REPORT

When the going gets tough ...

Welcome to our 2020/21 Annual Report. What a year that was for all of us. Like all of you we have faced the challenges of Covid 19 in our professional and personal lives. This has caused hardship and disruption for us all and we want to thank each and every one of you involved with the Association, as users of our services or providing services to us, for all your patience, understanding, hard work and resilience. The tough really got going during this one.

Despite the challenges we have remained resilient. Resilience is about flexibility, adaptability and learning and that is what it was all about during lockdown and continues as we move into the world after the pandemic.

There were disruptions to services throughout lockdown with restrictions changing over the year as we moved up and down the Scottish Government protection levels – sometimes with different levels being in force in different areas which affected what we could do. If the rules changed, we adapted.

We recognised the need to keep everyone as safe as we could and Risk Assessment Method Statements (RAMS) were the order of the day for all areas of activity.

We learned new skills and took new approaches. The Management Committee are now all experts on Zoom and we held our meetings virtually, including our AGM. The Tenant Scrutiny Panel adapted the way they work and online meetings kept going. New ways to communicate opened up as we set up a Facebook page.



Resilience is about flexibility, adaptability and learning

Our focus has been to do what we could to keep everyone as safe as possible while still delivering services. We quickly mobilised to get staff working from home as effectively as possible at the outbreak of the pandemic and they responded magnificently. If it needed done – everyone got on with it.

Our main contractors, the McDougall Group and City Technical Services kept services going at all lockdown stages – doing what they could in line with the regulations. We let houses with priority being given to homeless applicants. Other support services such as those provided by Brightbridge, around IT proved invaluable and underpinned our work.

As restrictions ease, we are restoring services such as catching up on repairs that were delayed due to Covid 19, getting the investment programme back up and running with heating, new bathroom, smoke and carbon monoxide detector programmes all back on site.

My thanks go to you all – no matter what your connection is with the Association. We look forward to the future – no matter what it throws at us as we have resilience at our core.

Flora Wallace
Chair Management Committee

Committee as at 31st March 2021

Chair	Flora Wallace
Joint Vice Chair	Michael Hesketh
Joint Vice Chair	June Anderson
Treasurer	Susan Robertson
	Rosemary Murray
	Elisabeth Campbell
	Louisa Hesketh
	Resigned 09/12/2020
	Fiona Speirs
	Liz McNie
	Kath Menzies
	Malcolm Richards
	Sandy Young

GOVERNANCE

Governance Statement

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

Despite lockdown restrictions, regular Management Committee and Sub Committee meetings continued to allow consideration of the business of the Association and decisions to be made. It was a busy year for the Committee and it included submitting the second Annual Assurance Statement to the Scottish Housing Regulator in November 2020. The SHR deemed the Association compliant in its engagement letter issued in 2021.

Members Experience & Activities

The Management Committee is made up of a mix of experienced members and some newer members bringing their skills and expertise to help ensure effective governance. A number of members keep in touch with what is going on in the wider housing world by contributing to the work of other organisations with Flora Wallace acting as Treasurer for Employers in Voluntary Housing, Michael Hesketh serving on the Committee of SHARE (the housing training specialist) and Malcolm Richards took up the role of Board member at the Tenants Information Service. June Anderson and Susan Robertson continue to be active on the tenant participation front including involvement with the Clackmannanshire Tenant and Residents Federation and other national tenant representative bodies.

During the year, long standing Management Committee member, Louisa Hesketh, left her role. We would like to thank her for her well received and common sense contributions to the work of the Committee. We wish her well.

We had a real boost in December when Management Committee member **Kath Menzies** was announced as the winner of the 2020 Housing's Next Generation Young Leader competition. Excellent performance by Kath as she made an impassioned plea for a greater focus on preventing homelessness among young people. We are very proud of her.

Membership and AGM

As at the end of March 2021 membership numbers stood at 140. The Covid lockdown restrictions meant that a live event could not be held but we were able to have our first ever "virtual" AGM with 23 members joining via Zoom. It was different but effective, although everyone missed the usual social vibe and the networking of the usual AGM. The virtual meeting was possible due to the provisions of the Corporate Insolvency and Governance Act 2020. Going forward a Special General Meeting will be held to update the Association's rules to the Scottish Federation of Housing Associations latest 2020 model which will make provisions for virtual meetings in the future if required.

140 Association Members
as at end of March 2021

23 Members attended our
first ever "virtual" AGM
joining via Zoom due to
Covid lockdown restrictions





AUDIT COMMITTEE

Audit Committee Report 2020-21

The Audit Committee plays a key role in the management of risk within the organisation. Our remit covers external audit, internal audit and keeping the risk register under review to ensure risks are flagged up to the Management Committee and acted on.

I am delighted to say that the members managed to cover a significant programme of work during the lockdown and great support was provided on the Internal Audit front by Henderson Loggie and on external audit we benefitted from the experience of RSM.

The internal audits carried out during 2020/21 included

- **Performance Management and Key Performance Indicators**
- **Gas Safety** – this is undertaken annually by the Association together with a technical audit of the service
- **Tenant Participation**
- **Follow Up reporting**

There were no priority recommendations made as part of any of the audits.

Members focused on fraud during the year and work was done to ensure cyber security measures were taken. Henderson Loggie were helpful in sharing trends regarding fraud across the sector to assist our fraud surveillance of the sector.

External audit services continued to be provided by RSM and the 2020/21 audit was concluded smoothly as both parties were well geared up for a remote audit.

Given the pandemic situation there was a focus on “going concern” by the auditors and they reported that they have no concerns around this.

We had an unqualified Audit report for 2020/21, we are in a strong financial position and there are no issues around financial viability as we are a “going concern”. Given all this I am delighted as the Chair of the Audit Committee to report that the organisation has demonstrated business resilience in a most challenging year.

My thanks go to all my colleagues serving on the Audit Committee, our staff and consultants providing our audit services. Their determination, willpower and motivation helps drive our business resilience.

Michael Hesketh
Chair Audit Committee

The organisation has demonstrated business resilience in a most challenging year

Audit Committee Members

- Chair
- Michael Hesketh
 - Elisabeth Campbell
 - Susan Robertson
 - Kath Menzies
 - Malcolm Richards
 - Rosemary Murray
 - Louisa Hesketh





HEALTH & SAFETY COMMITTEE

Health & Safety Report 2020-21

During the year the Health & Safety Sub Committee continued its work on reviewing policy, risk assessments and performance. It is a huge area of work and I appreciate all the help from staff and member colleagues to support me in taking on the role of Chair for the first time.

Training proved helpful too and I attended a SHARE session on questions management committee members should be asking about health and safety. If any members are thinking of joining the Management Committee, from my experience, I can testify that you will be well supported in the role.

There was a continuing focus on managing health and safety in the face of the pandemic where the “goalposts” seemed to shift all the time as lockdown rules changed and new variant viruses appeared but the good news is that new solutions were developed such as vaccinations.

On site and across our housing stock we used our Risk Assessment Method Statements (RAMS) to keep everyone as safe as possible. All gas safety checks were carried out in time, other than when people were shielding. Some work was delayed due to the pandemic, but I am delighted to say that we are catching up with that going forward. The Stock Fire Risk Assessment scheduled for 2020/21 is being updated during 2021/22 and Fire and Carbon Monoxide Detector works are on course to be completed by the compliance date of February 2022.

Our staff were the much appreciated backbone during the pandemic and kept services going with a focus on safety. Managing homeworking and supporting staff was one focus for our health and safety activities. We introduced a Wellbeing Programme for staff to support them. This was well received and we have now established a STEPS group – Staying Together Encouraging Positive Solutions. The group are doing well and working on a number of projects.

This is a huge area of work and I would like to thank the members of the team for all their hard work and support. We are looking forward to another busy year and have plans in place for a number of new projects including drawing up a Resident Safety Handbook.

Malcolm Richards
Chair Health & Safety Committee

H&S Committee Members

Chair Malcolm Richards
 Flora Wallace
 June Anderson
 Susan Robertson
 Wullie Baxter
 Liz McGinty
 Margaret Torrance



“I saw a recent tv advert regarding new legislation in Scotland and having interconnected smoke alarms. I feel a lot safer in my home knowing all the alarms are working together and if a fire was to start in one room all alarms will sound giving us an early warning.”

TENANT ON NEW FIRE DETECTOR INSTALLATION

PROGRAMME & REGENERATION ACTIVITIES

Scottish Housing Quality Standard, Energy Efficiency Standard Social Housing and Major Investment

SHQS & EESSH

The Covid pandemic affected the delivery of the Association's investment programme with contractors facing stop / start situations as the rules were subject to change. Where possible contractors were on site and progress was made in a number of areas including new heating, bathrooms, energy and safety measures.

As at March 2021 91.21 % of the Association's properties were meeting the Scottish Housing Quality Standard (SHQS) and 95.5% were meeting the Energy Efficiency Standard Social Housing (EESSH), which had a target delivery date of December 2020. The 64 properties not meeting EESSH 1 were planned for energy efficiency works in 2020/21 and are now included in the 2021/22 programme.

The areas of non-compliance for the SHQS are where owners have not agreed to take part in Door Entry System (DES) improvement work or where access has not been granted for heating replacement works. Only 1 property fails meeting the SHQS Energy Efficiency Standard at the year end. This is due to a refusal by the tenant of a new heating replacement.

Despite being hampered by restrictions as these are eased there has been good progress.

The Housing (Scotland) Act 1987 was amended to reflect the new requirements around smoke detectors and heat detectors (FCMD). This means properties across all tenures need interlinked smoke and heat detectors and there needs to be a carbon monoxide detector in homes where there are carbon fuelled appliances.

There was good progress being made towards this before the lockdown and the programme was due for completion by the original target date of February 2021. In recognition of the impact of the pandemic the Scottish Government has extended the deadline until Feb 2022. The good news is that revised completion date for the Association's FCMD programme is October 2021.

The contractors involved in delivering investment have performed well under very difficult situations and tenants have been very patient given the delays. Our thanks go to all.

A full stock condition survey was commissioned for 2020/21 but completion has been delayed due to pandemic restrictions. This is due to be completed summer 2021. This information will help inform future investment plans.

KEY INVESTMENT: Gas & General Repairs

25 New gas Central Heating Boilers & upgrades to provide more efficient systems installed by Everwarm

102 Tenants benefitted from replacement bathrooms or kitchens by Everwarm

Electrical safety upgrades works continued.

700 tenanted properties benefitted from the installation of new Fire & Carbon Monoxide Detector Alarms (FCMD) and new lighting at communal areas by GD Chalmers

All above were affected by Coronavirus Lockdown and will recommence in 2020/21 when safe to do so.





“The new heating controls are simple to use and helps me reduce my energy consumption and bills.”
TENANT ON HEATING UPGRADES

City Technical Services (CTS) have delivered gas repair and maintenance works since 2018. Their good performance continued during the pandemic restrictions with all safety checks completed on time, other than where tenants were shielding.

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.



The McDougall Group (TMG) continues to provide day to day repairs and they continued to provide a reliable and much appreciated callout/emergency service right from the start of lockdown, ensuring that operatives worked in a safe way.

As restrictions eased the types of repairs that could be carried out were expanded and the team at TMG has worked hard to catch up with any backlogs.

All of our contractors involved in delivering investment have performed well under very difficult circumstances and tenants have been very patient given the delays and disruption. Our sincere thanks go to all.

Development Activities

The housing stock grew from 1428 as at March 2020 to 1433 as at March 2021. The increase in numbers was due to the successful operation of our BBOOM scheme (Buy Back On Open Market).



Medical 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 2020/21

Local Authority Area Adaptations	Major
Falkirk	10
Clackmannanshire	9
Stirling	2
Total	21
Minor Adaptations	13



HOUSING MANAGEMENT & INVESTMENT

Housing Management Activities

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

One key achievement of the Housing Management Team was continuing to let properties during the lockdown restrictions with a focus on assisting with homelessness. Additional safety measures and cleaning were put in place which increased average relet days but homes continued to be provided for new tenants with staff going on site to make it happen.

Arrears performance in 2019/20 had been strong however the first quarter of 2020/21, unsurprisingly, saw a significant rise in the both the number of tenants in arrears and the amount owed. The Association's procedures were reviewed with a renewed emphasis on support and sustainability and the Scottish Government introduced a hold on all planned evictions. The arrears position started to improve in July 2020 with a year end gross non technical arrears figure of 6.6% compared to 6.2% in the previous year

Tenancy sustainment was supported through an ongoing innovative partnership project with Link Housing Association delivering the HoME project – "Help on Managing Everything" and the response and outcomes to date have been very positive. The Association also employs an in-house Tenancy Sustainment Officer offering benefits advice to tenants.

Tenant and owner involvement flourished with the Tenant Scrutiny Panel (TSP) and recently formed owners group meeting virtually during lockdown. The TSP members have continued to scrutinise overall performance, the Association's response to Covid 19, they continued to closely monitor performance in reactive repairs and provided a tenant's perspective in the development of the consultants' brief for the rent harmonisation exercise which will commence in 2021/22.

They were also involved in the review of the Association's Tenant Participation Strategy and an updated version was published in October 2020 covering a two-year period.

An owners' working group has been recently established looking at the impact of changes to the Factors Code of Conduct and reviewing the Factoring Policy.

The Association remains committed to collecting meaningful tenant feedback and continues to work with Knowledge Partnership who provide survey services to the Association. In July 2020, a survey was undertaken looking specifically at the Association's response to the Covid 19 pandemic and there was a positive response to this with 93.2% of tenants reporting being satisfied with the way in which the Association managed housing and maintenance services during lockdown.

Members Housing Management & Investment Sub Committee

Chair Michael Hesketh
 Flora Wallace
 June Anderson
 Malcolm Richards
 Susan Robertson



HOUSING STOCK

One key achievement of the Housing Management Team was continuing to let properties during the lockdown restrictions

Housing Stock Breakdown by Area as at 31st March 2021

The number of housing units increased from 1428 as at March 2020 to 1433 at the end of March 2021.



Local Authority Area	31st March 2021	31st March 2020
Falkirk	858	853
Clackmannanshire	416	416
Stirling	159	159
Total 2020/21	1433	1428

The Covid 19 Pandemic had an impact on performance figures as reflected in the following table

Performance Area

Performance Area	2020/21	2019/20
Rent collected as percentage of total rent due in the reporting year	98.58%	98.64%
Gross tenant non technical arrears as % of gross rental income	6.6%	6.2%
Average length of time taken to complete non emergency repairs. Measured in days	10.97	7.14
Percentage of properties that require a gas safety record which had a gas safety check and record completed by the anniversary date (note: 9 properties completed late due to shielding in the year from 1402 with a gas appliance)	99.35%	100%
Percentage of rent lost through properties being empty during the last year	0.81%	0.75%
Number of void properties over 6 months at year end	0	0

“Big benefit having location and test button easily accessible, I feel I will probably test the alarms more frequently now.”

TENANT ON NEW FIRE DETECTORS



Complaints

The Association has adopted the Scottish Public Services Model Complaints Procedures for Registered Social Landlords.

The number of complaints fell during the year and we saw the use of the resolved category in a number of cases, with 3% of frontline complaints being concluded by way of resolution.


Complaints Performance 2020/21

Completed 2020/21	% completed in response time	Upheld- Fully or Partially
Frontline Complaints - 5 days response time		
73	89%	72%
Investigative Complaints - 20 day response time		
18	94%	83%


FINANCE

Financial Summary 2020/21

Finance & Investment Activities



	2020/21	2019/20
Income	£	£
Rents	6,169,125	6,048,256
Voids	(58,285)	(42,458)
Service Charges	5,043	3,489
Factoring	56,479	22,097
House Sales - Gain on Sale	(16,952)	(27,532)
Interest Received	5,239	29,219
Other Income	10,962	25,669
Grants (Revenue)	149,338	146,845
Total Income	6,320,949	6,205,585



Expenditure	£	£
Management Costs	1,559,011	1,699,122
Grant Expenditure	0	0
Reactive Maintenance	837,642	1,052,023
Planned Maintenance/Special Services	898,463	841,116
Other Expenditure	67,441	47,766
Bad Debts	128,873	(12,705)
Interest Payable/Financing Costs	597,662	654,879
Depreciation of Social Housing	862,883	813,483
Initial Recognition of Multi-Employer Defined Benefit Scheme	0	0
Actuarial (Gain)/Loss in Respect of Pensions Scheme	605,000	(515,000)
Total Expenditure	5,556,975	4,580,684
Surplus for Year	763,974	1,624,901



Capital & Reserves	£	£
Share Capital	140	162
Revenue Reserves	16,558,242	15,794,268
Capitalised Expenditure - Investment in Housing	393,693	1,030,928



“I’ve lived in my property for some 43 years now. Paragon are the most helpful landlord I have dealt with – from the smallest to the largest thing, nothing is too much bother.”
TENANT





About The Association

Published by

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Registration

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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

