



*healthy happy homes*

25 years of first class affordable rented homes





# Healthy Happy Homes

I am delighted to launch our new 'Healthy Happy Homes' Vision through this, our 25th birthday anniversary report. These are two important milestones for the Group as we look back on some major achievements, but also as we plan for the future and fundamental changes in the way we provide services.

We hope you agree that Healthy Happy Homes brings a fresh new look to our approach and our branding. Gone are pages of mission statements, guiding principles and objectives, in its place is a simple vision statement, which forms the centre pages of this report. This sets out our vision, our key services and our core values in a straightforward way, on one piece of paper, that we hope everyone (customers and staff alike) can relate to.

A vision is something aspirational. It is not specific. Universal happiness, for example, can never be achieved, but our Vision will shape how we create and deliver services in the future. Our improvement programmes will be based around improving the quality of the home environment, both aesthetically and functionally, but also in terms of energy efficiency and doing what we can to reduce fuel poverty. This will create healthier environments that, we hope, people are happy to live in as a result.

There is no rocket science involved here, simply that in everything we do in the future, we will be asking ourselves how this improves or sustains our desire to provide Healthy Happy Homes. If it does not contribute in some way, then we should focus our priorities elsewhere, it is as simple as that. But clearly our three core areas of operation – affordable home management and development, our Care & Repair service, and our subsidiary maintenance company, R3 Repairs Limited, all relate directly to delivering our Vision.

Key to our success are our staff. Our core values demonstrate how we expect our services to be delivered, but internally we are now also working with a 'Healthy Happy Staff' Vision. Earlier this year, we joined a select few companies to have attained the Healthy Working Lives Gold Award which recognises the work we do to ensure our working environment is as healthy as possible. We want to build on this to ensure we are the best employer we can be. Because if we have Healthy Happy Staff, then the quality of our services will be better and we will be one step closer to achieving our Vision.

Again, it's not rocket science.

A handwritten signature in purple ink that reads "R McNeill".

Robert McNeill, Chairman

*There is no rocket science involved here, simply that in everything we do in the future, we will be asking ourselves how this improves or sustains our desire to provide Healthy Happy Homes.*





# 25 Years & Counting



## ELHA ROLL OF HONOUR

### ACCREDITATIONS/CERTIFICATIONS

- Healthy Working Lives Gold Award 2013
- TPAS Tenant Participation 2012
- Happy to Translate 2011
- Scottish National Standards for Information and Advice 2012
- ISO 9001 (R3) 2012
- ISO 14001 (R3) 2013
- OHSAS 18001 (R3) 2013

### AWARDS

- Affordable Housing Development of the Year – 2012 Scottish Homes Awards
- Conversion of the Year (Highly Commended) 2012 Scottish Homes Awards
- UK Housing Awards 2010 – Finalist
- UK Housing Awards 2013 – Finalist
- Housing Excellence Awards 2013 – Finalist
- Contractor of the Year (R3) (Highly Commended) Housing Excellence Awards 2013
- Best Delivery of Customer Service (R3) Select Electrotechnical Awards 2012
- Best Small Contractor (R3) (Highly Commended) Select Electrotechnical Awards 2012
- Best Delivery of Customer Service (R3) (Highly Commended) Select Electrotechnical Awards 2011

### UK FIRSTS

- First to have Star Ratings for our available homes
- First to have staff online
- First to have live rent statements online
- First to develop a partnership to establish a maintenance company
- First to develop a commercial loan agreement with a local authority
- First to have repairs ordering online
- First to have fully automated repairs bookings online
- First to give tenants direct access to staff diaries
- First to develop an assistance scheme for "Bedroom Tax"

Neither the Chairman, our Management Committee, nor I, wish to dwell on the past, which is why the focus of this report is about our Vision and our future. However, it would be wrong not to recognise such an important milestone as our 25th anniversary, and to thank everyone who has played a part in the history of our Association to date.

In my view, three people deserve special mention – our former Director, Sheila Kerr (the original staff member, who by the time she left in 2006 had created an organisation with 947 homes and 25 staff, in short the entire basis for the Group as we know it today), and two Management Committee members, Peter Hayman and Frank Colston, who have served on our governing body on a voluntary basis from the start, and continue to do so, and in my estimation have attended well over 600 committee meetings between them, probably reading around 10,000 reports as a result!

Our 21st anniversary annual report (which is still available on our website, **elha.com**), gives more detail on our history to that point. So, to bring things up to date, it is worth comparing our position now, to that four years ago.

In 2009 we operated from overcrowded, unsuitable offices. Now we have restored and own our Grade B listed Head Office, one of the largest privately owned buildings in the centre of our home town of Haddington. We saved this building from almost certain dereliction and are proud of our new home, which is also much better placed to serve our customers, and many more visit us as a result.

Four years ago, we had 28 staff, now we have over 80. Part of the reason for this is that four years ago we had no maintenance company, now we have R3, which is going from strength to strength, creating secure employment and putting millions of pounds into our local economy, whilst more importantly, improving one of the core services we provide to our tenants. Another is that in 2009 we had 1,087 properties in management, now we have 1,291, a 19% increase.

We have received recognition at awards ceremonies across the UK, and are proud of our 'UK firsts' where we have developed new services before any other affordable home provider, as our 'Roll of Honour' shows. But this is not the time to reflect on past glories, the current political and economic climate provides huge challenges and risks to us.

We oppose the cuts that are being made to welfare benefits, but our innovative approach to dealing with the "Bedroom Tax" has generated significant national interest – we can at least demonstrate that we will think creatively to try to help those most affected by these changes. Welfare reform though is something different, and whilst it threatens both our rental income levels and increased costs, we see many positive aspects to the reform of a benefits system that in so many ways is out of date. We will work positively to embrace these changes and seize the opportunities it creates to deliver better, more personal, services to our tenants and service users – all in the context of creating Healthy Happy Homes.

Martin Pollhammer, Chief Executive

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our vision



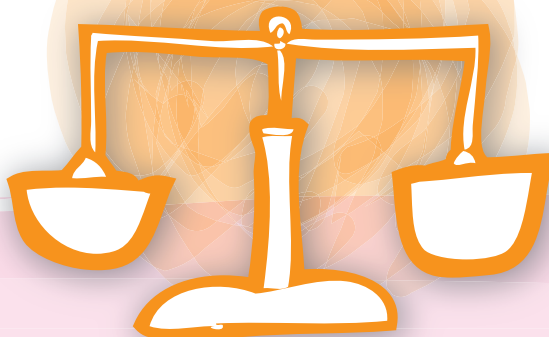
we provide

we are

Professional



Honest



- : First class affordable rented homes
- : Excellent customer care
- : Expert maintenance services
- : Support for independent living



Reliable



Friendly



25 years of first class affordable rented homes

# Results

## FINANCIAL INCLUSION SERVICE

Our Financial Inclusion Service, provided in partnership with Castle Rock Edinvar Housing Association, started operating in 2011, and has had an immediate positive effect for our tenants. The service is free, confidential, and available to any tenant seeking financial advice.

In 2012/13, 184 cases were referred to the service, with 157 cases closed by the end of the financial year. As a result, the following gains were made for our tenants:

**Backdated benefits £20,637**

**Ongoing benefits value (annually) £141,261**

**Social fund awards £5,627**

**Other £5,567**

**Each tenant helped was better off by an average of £1,350 per year!**

## ANTI-SOCIAL BEHAVIOUR

We aim to respond to complaints about Anti-Social Behaviour in 3 days for the most serious (Category A) complaints, and within 10 days to Category C complaints (more details about our approach are available on our website). In 2012/13, we responded to over 87% of these complaints within our timescales. In total, we recorded 171 complaints about Anti Social behaviour last year as follows:

**Category A - 1**

**Category B - 21**

**Category C - 149**

## MUTUAL EXCHANGES

With the shortage of housing locally, mutual exchanges, or home swaps, are playing an increasingly important role in helping people move home.

In 2012/13 we received 69 applications for mutual exchanges. All applications must be processed within 28 days, our average processing time last year was 19 days.

**38 were approved**

**13 were refused by us**

**13 were refused by the other landlord**

**5 were withdrawn by one of the applicants**

Reasons for refusal included:

**The condition of one of the properties was unacceptable**

**Rent arrears**

**Anti-social behaviour**



## ACCOMMODATION

91% of all our allocations were made to Priority Pass holders, who account for only 15% of Registered Applicants.

On average, we received over 90 applications for every home we advertised.

As at 31 March 2013, our Housing Register had:



**3,333 live Registrations**

**77 Registrations 'on hold'**

**508 Applicants with Priority Passes:**

<b>Gold Plus</b>	<b>112</b>	<b>22%</b>
<b>Gold</b>	<b>32</b>	<b>6%</b>
<b>Silver</b>	<b>280</b>	<b>55%</b>
<b>Bronze</b>	<b>84</b>	<b>17%</b>

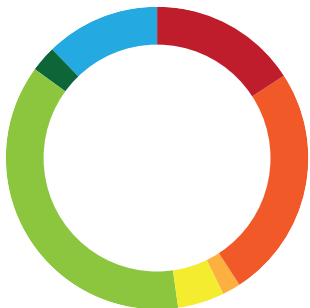
Last year, we created 75 new tenancies and allocated them as follows:



<b>Gold or Gold Plus</b>	<b>26</b>	<b>35%</b>
<b>Silver</b>	<b>21</b>	<b>28%</b>
<b>Bronze</b>	<b>4</b>	<b>5%</b>
<b>Nomination from East Lothian Council</b>	<b>13</b>	<b>17%</b>
<b>Management Transfer</b>	<b>2</b>	<b>3%</b>
<b>No Priority</b>	<b>9</b>	<b>12%</b>

## INFORMATION & ADVICE

Over the year, our Information and Advice Service offered advice to over 1,020 people (the graph below sets out these by category). In addition, our website had over 100,000 visitors last year, of which 56,000 were new visitors and 47,000 were return visitors to the site.



<i>Rent Arrears</i>	<b>16%</b>	●
<i>Housing Benefit</i>	<b>25%</b>	●
<i>Repairs &amp; Maintenance</i>	<b>2%</b>	●
<i>Mutual Exchange</i>	<b>5%</b>	●
<i>Housing Options</i>	<b>37%</b>	●
<i>Homelessness / Security of Tenure</i>	<b>3%</b>	●
<i>Other enquiries</i>	<b>12%</b>	●

## RENT ARREARS

Rent arrears increased to 3.47% of collectable rent, to over £170,000. We have worked hard in a challenging environment to reduce our arrears, and this work continues to be a priority for us. Our void performance has also improved and is within target, as is void loss. We are also pleased with our repairs performance, a sure sign that our maintenance company, R3, is delivering the quality of service we expect.

	<b>Target</b>	<b>Actual</b>
<b>Rent Arrears</b>	<b>3.0%</b>	<b>3.41%</b>
<b>Void Period*</b>	<b>21 days</b>	<b>19 days</b>
<b>Void Loss**</b>	<b>0.75%</b>	<b>0.57%</b>

\*The 'void' period is the time between a tenancy ending and a new one starting - i.e. any period where a house is empty and we are not receiving any rent for it.

## ROUTINE REPAIRS

	<b>Target</b>	<b>Actual</b>
<b>Emergency (2 hours)</b>	<b>98%</b>	<b>100%</b>
<b>Right to Repair (2 days)</b>	<b>100%</b>	<b>100%</b>
<b>Urgent (3 days)</b>	<b>95%</b>	<b>94%</b>
<b>Routine (10 days)</b>	<b>95%</b>	<b>95%</b>
<b>Gas services carried out on time</b>	<b>100%</b>	<b>100%</b>

## COMPLAINTS

We received 5 formal complaints during the year. We resolved all of them first time and all within our timescales for responding. None were referred to the Ombudsman.



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# Healthy Happy Finances

Despite incurring significant planned maintenance expenditure and increased pension costs during the year, and increasing the provision we make for bad debts (in response to the challenges presented by welfare reform and welfare benefit cuts), we managed to achieve a surplus of £4k.

We spent a total of £2.15m during the year on the repair and maintenance of our homes; £0.7m on day to day maintenance, £0.85m on planned and cyclical repairs and £0.6m on the replacement of major components (kitchens, bathrooms and heating systems). We transferred £0.36m from our designated reserves to help fund this expenditure.

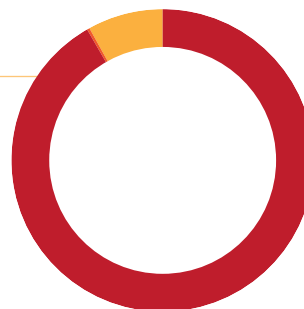
During the year we acquired three additional properties under the mortgage to rent scheme, increasing the total number of properties we have in rent to 1,291.

As a consequence of the reduction in grant levels, we have had to reduce our housing development programme and spent minimal amounts on the development of new properties. The total spent on property additions (£0.9m) consists primarily of the acquisition of the three additional properties and the £0.6m component replacement programme undertaken during the year. These housing property additions were funded by a mixture of grant income (from the Scottish Government) and our own internal resources.

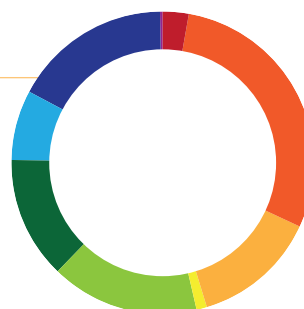


## Year Ending 31 March 2013

Income	£	%
Rent and Service Charges	4,954,321	91.5%
Sale of properties	0	0%
Interest receivable	27,329	0.5%
Other Activities	420,765	8%
<b>Total</b>	<b>5,402,415</b>	<b>100%</b>



Expenditure	£	%
Services	154,351	3%
Management & Maintenance Administration	1,581,290	29%
Reactive maintenance	723,056	13%
Bad Debts	57,385	1%
Planned and Cyclical Maintenance	853,229	16%
Housing Depreciation	698,736	13%
Other activities	408,341	8%
Interest Payable	921,878	17%
Surplus (Transfer to reserves)	4,149	0%
<b>Total Expenditure</b>	<b>5,402,415</b>	<b>100%</b>



Scottish Charity No. SC028900

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