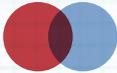


ANNUAL REPORT

2013/14

Hjaltland
Housing Association





CHIEF EXECUTIVE AND CHAIRMAN'S JOINT REPORT

It has been a busy twelve months, with our committee and staff focused on dealing with a wide range of challenges which the whole housing sector is facing.

Tenants are always our prime concern and we are very much aware that many face difficult times in the current economic climate. We are doing our best to help those who are affected by reductions in welfare benefits to prepare for the impact of these. With further changes on the way, including the introduction of Universal Credit, we will continue to work with tenants and other organisations to give the best advice and support we can, indeed this year we relaxed our transfer policy and provided additional support to tenants affected by the 'Bedroom Tax' through our housing outreach worker.

We are also keen to ensure that we continue to maintain and improve our existing houses and we are pleased to be able to deliver a significant programme of planned maintenance and improvement works, with over £600,000 being invested into our existing homes during the year, while keeping our rent increases as low as possible. It is always a fine balancing act but we believe that we have achieved a fair outcome.





With the local economy continuing to grow due to the oil and gas industry and house prices and rents increasing beyond the reach of many families in Shetland, it was important that Hjaltland found a way to continue with an active development programme. With all the difficulties facing associations, we are delighted that our close working relationship with Shetland Islands Council resulted in 22 new homes being completed in Brae and Tingwall with a further 69 on site at the end of the year. The Association also reached agreement to acquire a significant site in Lerwick, with the support of the Scottish Government, which will provide an important land bank for future development and could see as many as 300 new homes being developed over the next 10 to 15 years.

We would like to take this opportunity to thank our staff, our committee members and all our tenants for their support and input into ensuring that Hjaltland remains positioned to achieve its strategy.

Bryan Leask
Chief Executive

Robert Hunter
Chairman

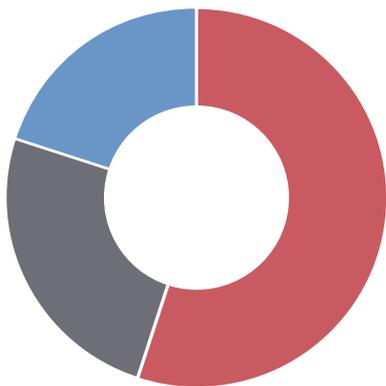




HOUSING

Housing Demand

668 applicants were registered on the housing list as of the 31 March 2014. 59% of applicants require a one bedroom property.

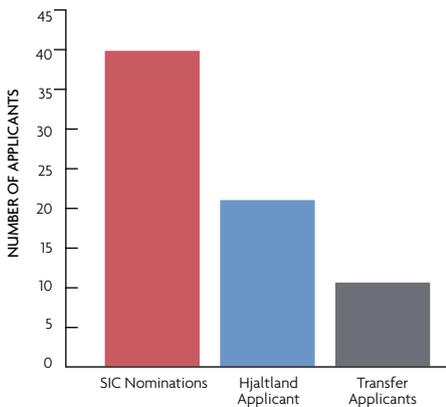


- 1 bed
- 2 bed
- 3+ bed

Allocations

84 properties were allocated this year. 64 were relets and it took the Association an average of seven days to re-let these units. 20 were new properties built in Brae and Tingwall.

In 2013/14 the 84 properties were let in the following ways:



Arrears

In 2013/14, the Sheriff granted the Association decree to evict two tenants for the non-payment of rent.

The outstanding debt in 2013/14 was £156,842 for both existing and former tenants. The Association reviewed its arrears procedures this year following an internal audit. New procedures were introduced to ensure that tenants take immediate action to make payments towards any outstanding debt. Support with payment plans and budgeting was provided by the housing officers and outreach worker where necessary.



Neighbour Complaints

The Association received 69 complaints from tenants residing in our schemes. We work jointly with the Police and the Council's anti-social behaviour team in an attempt to resolve these issues. 79.71% of these complaints were resolved within the targets set.



Tenant Participation

This year we worked with a tenants' focus group to prepare for the new tenants Charter and the ARC (Annual Return on the Charter). The group explored areas of priority for the Association, developed the tenant satisfaction survey that was circulated this year as well as devising the tenant report card which will be used to report the ARC results to all tenants.

The tenant satisfaction survey was undertaken in November and 85.59% of tenants who responded were satisfied with the service provided by Hjaltland.

In 2013/14 we undertook surveys of tenants on our new schemes in Grodians, Marthastoon and Skerpalea.

The Hub Project

The Hub project supports young people leaving care and is funded by the Big Lottery and the Council. The project is now in its second year. Eleven young people have been part of the project to date with five moving on to their own permanent tenancies. 2014/15 is the final year of a three year project so in the coming year we will be seeking further funding as the project has proved to be very successful.



LOTTERY FUNDED

PARTNERSHIP WORKING IN PLANNED MAINTENANCE

Lifecycle Programme 2013/2014

Works completed this year included:

- New kitchens at Stackhoull and Water Lane.
- Space & Water heating upgrades to various schemes in Partnership with SSE*
- Paint works to various schemes.
- Electrical surveys and smoke detector replacements, various schemes.
- Communal drainage and paths maintenance.
- Boiler and ventilation maintenance.
- Environmental repairs and other minor works to various schemes.

The total expenditure on major works to existing properties this year was £608,612.

Planned and cyclical maintenance costs of £205,833 were incurred on cyclical painting, electrical survey checks, boiler and ventilation maintenance etc. In addition to this £402,779 of costs were spent on existing properties upgrading existing components and carrying out capitalised improvements.

NINES

This pioneering project sees 235 Hjalmland properties benefit from more efficient Quantum heating, while contributing to the local grid through innovative demand side management technologies.

The installations of the new heating systems began in August 2013. In the seven months up to 31st March 2014, 106 – or just under half – of the installations were complete.

* Through the joint Northern Isles New Energy Solutions (NINES) project Hjalmland Housing Association has undertaken partnership working with SSE and Glen Dimplex as part of a major energy efficiency programme and has been successful in getting European Regional Development Funding to assist with this.



Repairs

- In total, the Association completed 1748 day to day repairs in 2013/14.
- Of which 243 were emergency repairs with 98% of them completed on time.
- The remaining 1505 were non-emergency repairs and were completed within an average of five working days.
- Of the 421 tenants who returned their repair feedback form only three were dissatisfied.
- The total amount spent on day to day repairs, excluding administration cost, was £219,197 with an average spend of £344 per property.

ONE STOP SHOP

This has been another busy year for the One Stop Shop, with nearly 350 enquiries handled by the team.

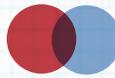
This year Shetland Islands Council's Occupational Therapy Department has requested the team oversee the installation of ceiling track hoists to both private and council-owned properties. Although funding levels for this year have been reduced, the team has worked extremely hard to continue the excellent service so many elderly clients rely on.

Client Diagnosis

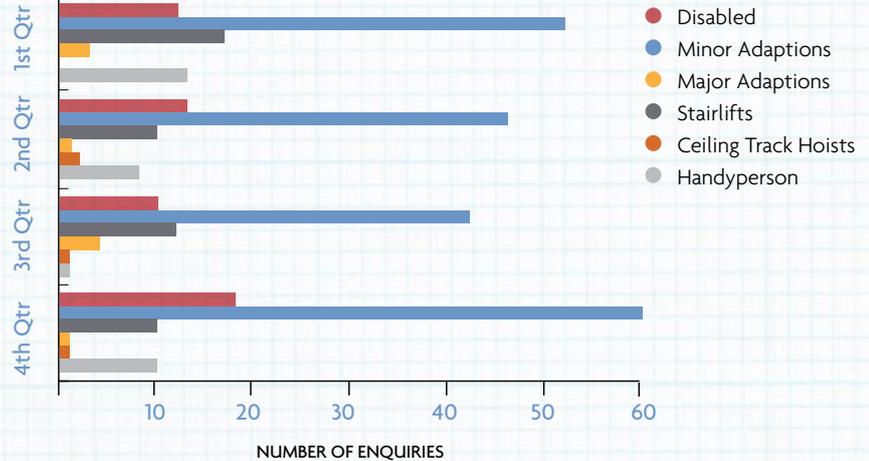
Osteoarthritis and spondylosis which causes the client to struggle in and out of the property

Recommendation

Remove steps and provide ramped access into property, maintain access to the outhouse



Enquiries



Client quote after works completed

"Thank you. It is so much easier to get out now and it feels like a little patio where I can sit out in the sunshine"

CONTINUED DEVELOPMENT THROUGH WORKING TOGETHER

This year the Association has seen the completion of the first properties being built as part of an innovative approach to providing new housing in Shetland.

The Association is working very closely with Shetlands Islands Council to ensure there is a continued supply of affordable housing in the islands. The eight property scheme at Ladies Mire in Brae is the first of three funded by the Scottish Government, Hjaltland Housing and the Local Authority to be occupied, with completion of The Excelsior Place and Strand projects expected in the spring and summer of 2014.



New build projects completed before 31st March 2014 (22 units);

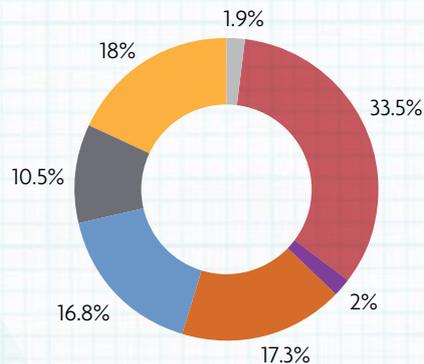
- Ladies Mire Phase 2, Brae – 8 units.
- Strand, Tingwall – 14 units.

New build projects still on site at 31st March 2014 (69 units);

- Strand, Tingwall – 26 units
- North Star/Moonies Wake, Lerwick – 17 units
- Burnbank and Hill Grind, Lerwick – 26 units

Use of Rental Income 2013/14

	£	%
Services	47,035	1.9%
Management and maintenance admin costs	821,003	33.5%
Bad debts	48,029	2.0%
Maintenance	425,030	17.3%
Future maintenance and development	412,864	16.8%
Depreciation	256,660	10.5%
Interest charges	442,051	18.0%
Total income	2,452,672	100.0%



Income and Expenditure Account for the year ended 31 March 2014

	2014	2013
	£	£
TURNOVER	3,028,870	2,715,041
Less: operating costs	(2,182,854)	(1,776,194)
OPERATING SURPLUS	846,016	938,847
Interest receivable	13,609	13,534
Interest payable	(442,051)	(426,826)
Gain on sale of fixed assets	48,186	3,979
SURPLUS BEFORE TAXATION	465,760	529,534
Taxation	0	0
SURPLUS FOR THE YEAR	465,760	529,534

Guide to terms used

Income from rents, service charges and sundry income

Cost of management and repairs to properties (inc. staff costs) and other sundry costs

Interest earned on bank deposits

Interest paid on mortgages

Gain on sale of properties

Tax paid

Surplus set aside to fund future repairs to properties

Balance Sheet Details as at 31 March 2014

	2014 £	2013 £
TANGIBLE FIXED ASSETS		
Housing properties at cost	64,442,444	59,826,559
Less: HAG, depreciation and other grants	(47,524,250)	(44,133,604)
	<u>16,918,194</u>	<u>15,692,955</u>
Other fixed assets	321,004	330,874
	<u>17,239,198</u>	<u>16,023,829</u>
CURRENT ASSETS		
Work in progress	415,751	47,314
Debtors	527,969	762,368
Cash and bank balances	2,627,042	983,750
	<u>3,570,762</u>	<u>1,793,432</u>
CURRENT LIABILITIES		
Creditors: amounts due within one year	(3,325,075)	(1,257,257)
NET CURRENT (LIABILITIES) ASSETS	<u>245,687</u>	<u>536,175</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>17,484,885</u>	<u>16,560,004</u>
CREDITORS		
Amounts due after more than one year	(13,639,566)	(13,180,443)
NET ASSETS	<u>3,845,319</u>	<u>3,379,561</u>
CAPITAL AND RESERVES		
Share capital	74	76
Restricted reserves	35,891	40,034
Designated reserves for major repairs	2,682,510	2,258,267
Revenue reserves	1,126,844	1,081,184
	<u>3,845,319</u>	<u>3,379,561</u>

Guide to terms used

Total cost of our housing stock
Depreciation and grants received towards these costs

Office property and equipment

Shared equity units in construction
Money due to us including rent arrears
Funds in the bank

Money we owe to others including bank overdrafts

Bank loans and mortgages

Members shares
Big Lottery funding for the HUB project
Funds set aside for future repairs, pension payments etc
Sums built up in previous years

Hjaltland Trading Ltd - Financial Report 2013/2014

	2014	2013
	£	£
TURNOVER	575,819	724,295
Less: operating costs	(569,305)	(704,141)
OPERATING SURPLUS	6,514	20,154
Interest receivable	2,911	3,363
Interest payable	0	0
LOSS BEFORE TAXATION	9,425	23,517
Taxation	(1,885)	(4,703)
LOSS FOR THE YEAR	7,540	18,814

Guide to terms used

Income from property sales, grants and fees
Cost of property sales, staffing and administration

Interest earned on bank deposits
Interest paid

Tax due/(refund)

	2014	2013
	£	£
CURRENT ASSETS		
Stock	1,208	0
Debtors	5,463	9,554
Cash and bank balances	422,670	444,669
	429,341	454,223
CURRENT LIABILITIES		
Creditors: amounts due within one year	(365,908)	(398,330)
NET CURRENT (LIABILITIES) ASSETS	63,433	55,893

Materials held for work to be completed
Money due to us including fees
Funds in the bank

Money we owe to others including Hjaltland Housing

TOTAL ASSETS LESS CURRENT LIABILITIES	63,433	55,893
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RESERVES

Profit and loss account	63,433	55,893
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Surplus set aside for future years

MEMBERS' FUNDS	63,433	55,893
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WHO'S WHO

COMMITTEE MEMBERS 2013/14

Jeff Goddard
Robert Hunter – Chair
Louise Rosie – Vice Chair
James Anderson
Peter Coleman – Vice Chair
John Dally
John Handley
William Henderson
Gordon Mitchell
Vaila Simpson
Theo Smith
Hazel Sutherland – Treasurer
Agnes Tallack

HJALTland TRADING LIMITED – DIRECTORS

Robert Hunter – Chair
John Dally
William Henderson
Alex Miller (resigned 28/05/13)
Gordon Mitchell
Vaila Simpson
Louise Rosie
Martin Watt

STAFF

Housing Services

Kirsten Abernethy
Fiona Cluness
Melanie Dawson
Saul Day
Lynn Freeman
Mark Henry
Shaunee Jamieson
Judith Leask
Fiona Robertson
Leigh-Anne Sinclair
Estelle Smith
Luke Suddaby
Jo-An Tallis
.....

Property Services

Heidi Andrews
Arnie Arcus
Bryan Gear
Paul Leask
Edward Low

David Peterson
Lawrence Smith
Richie Smith
Louise Thomason
Vinnie Walterson
.....

One Stop Shop

Avril Smith
Alison Coles
.....
Finance and Administration
Malcolm Gray
Susan Gray
Eunice Isbister
Bryan Leask
Renee Pottinger
.....

BANKS

Bank of Scotland
Nationwide Building Society
Royal Bank of Scotland

SOLICITOR

Harper Mcleod
.....

AUDITORS

Baker Tilly
TIAA
.....

CONSULTANTS

Arch Henderson & Partners
DA Adamson & Partners
Gilberts Architects
H James Nisbet
John Duguid Partnership
Michael Thomson
Mott MacDonald
PJP Architects
Redman & Sutherland
Richard Gibson Architects



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LERWICK AND EDINBURGH



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