

HJALTLAND  
ANNUAL REPORT 2017/18

Hjaltland  
Housing Association



*Breaking new ground...*

## STANEYHILL MASTERPLAN

We received approval on our Masterplan for Stoneyhill. A project which could see as many as 320 new homes being developed in Shetland over the next decade.



Cover page: West, Lerwick  
This page: Stoneyhill development plan

## CHAIRMAN'S REPORT 2017/18

It has been another great year at Hjaltland, and it is my pleasure to introduce our Annual Report for 2017/18, which this year has been combined with our Annual Performance Report.



This is the fifth year that we are reporting our performance against the Scottish Social Housing Charter and I am delighted that our results continue to be so positive.

At Hjaltland Housing Association, we are committed to continuous improvement and providing value for money. Our latest Customer Satisfaction Survey, the results of which are included in this report, shows continued high levels of satisfaction.

Our mission statement is "to deliver a high quality housing service to communities throughout Shetland and be committed to supporting communities remain viable through a culture of partnership working, sustainability and continuous improvement."

We have delivered on this mission in significant ways, which I would like to highlight. Firstly, our close working partnership with Shetland Islands Council has enabled us to complete 36 new homes during the year. We were also able to get on site with the construction of a further 51 new affordable homes for social rent and shared equity.

Secondly, we also received approval on our Masterplan for Stoneyhill. A project which could see as many as 320 new homes being developed in Shetland over the next decade.

The Association spent almost £5.7 million on developing new homes in Shetland during the year, whilst also spending approximately £1 million maintaining our existing homes.

With a turnover of over £8 million, the Association is a significant business within the local economy and will continue to be so for the foreseeable future.

The housing sector generally continues to operate in a changing and demanding environment. With Brexit and the ongoing changes through the Welfare Reform agenda, we must ensure that Hjaltland is prepared to respond positively to these challenges, ensuring we remain financially robust and can deliver services to tenants that are continually improving and demonstrate good value for money.

Having served as Chair for five years, this will be my final introduction to our Annual Report. I would like to thank the members of the Management Committee for their continued support, interest and enthusiasm.

I would also like to thank all the staff at Hjaltland, for they are the ones that deliver the fantastic services to our tenants and customers and ensure that we continue to support the wider Shetland community.

And, of course, special thanks to Bryan and his senior management team; their wise counsel and sound management keep Hjaltland as one of the top housing associations in Scotland.

I leave the post of Chair with the confidence that the Association is in good hands and that very soon it will have over 1,000 homes to let in Shetland. I have enjoyed my time as Chairman and wish all the staff and committee every success for the future.

Robert Hunter  
chairman

“Our mission is to deliver a high quality housing service to communities throughout Shetland and be committed to supporting communities remain viable through a culture of partnership working, sustainability and continuous improvement.”

## HOUSING SERVICES

WE OWN 704 SOCIALLY RENTED PROPERTIES AND CO-OWN 49 SHARED OWNERSHIP PROPERTIES. RENT FOR OUR PROPERTIES INCREASED BY AN AVERAGE OF 4% IN 2017/18.



Lyndhurst Place, Lerwick



Wista, Lerwick

### HOUSING DEMAND

The demand for social rented properties continues to remain high with 573 applicants on our housing list at 31 March 18.

Over 90% of our current tenants would recommend Hjaltland as a landlord to their family and friends.

“Place making is like home making. Home making turns a house into a home. Place making turns a space into a place.”  
David Engwicht, Writer

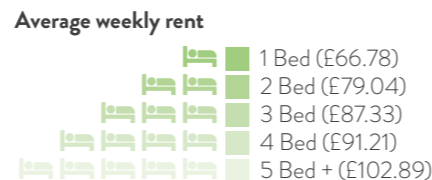
### HOUSING NEED

Central to our mission, we continue to meet the housing need of our applicants in Shetland through our new build development and growth strategy as well as the re-let of our existing stock turnover. We recognise that a stable home is a place where people feel secure and which enables families to make the best of life's opportunities. We were delighted to create 103 new tenancies in 2017/18, 36 of them in newly built properties.

Our average time to re-let properties was 4.31 days (2.81 days when new builds are included). This quick turnaround ensured that the rental income lost through properties being empty was kept low £4,148 (0.1% of our total income).

Hjaltland works in partnership with Shetland Islands Council and this is reflected in the nomination arrangement that we have with them. Our target for Shetland Islands Council nominations is 50% of lets (excluding shared ownership properties).

**Allocations in 2017/18**  
 36 New lets  
 67 Re-lets (9.54% of total stock)  
 (33 of those were lets to homeless people)



**Average (£85.45)**

## HOUSING SERVICES

### TENANCY SUSTAINMENT

We collected £3,034,827 in rent during 2017/18 which equates to 99.87% of the total rent due to the Association. The total outstanding debt for current and former tenants is £146,419.

Our rental income remains our sole income stream and our housing team continues to prioritise recovery of this debt and work closely with current and former tenants to establish affordable and sustainable repayment plans.

In 2017/18 five tenants were taken to court due to non-payment of rent. All cases were sisted and tenants subsequently agreed to repayment arrangements regarding their outstanding arrears and remain in their homes.

### FINANCIAL INCLUSION SERVICE

Good money management skills and access to appropriate financial products and services is integral to tackling poverty in Scotland. Income maximisation, access to debt advice and the ability to budget and manage money all play an important role in determining life chances.

Our Financial Inclusion Service is committed to achieving good outcomes for service users and is available to all current tenants, former tenants with an outstanding debt owed to the Association, as well as prospective tenants who wish to discuss their anticipated financial obligations in the event of allocation of a tenancy.

In 2017/18 our Financial Inclusion Service assisted 119 tenants, including 42 self-referrals. Service users were supported to claim a total of £23,514 in backdated benefit and Scottish Welfare Fund grants.



Wista, Lerwick

“I don't know where I would be without the service. On payday, I pay my rent and council tax to keep my roof over my head; I always pay on my payday. The financial inclusion officer told me to do that and it helped me big time”  
Service User

↓ **4.3 days**  
 average time to re-let properties, compared to 5.3 in 16/17 (-1 day).

= **0.1%**  
 of rent due lost through properties being empty, which is the same as 16/17.

↓ **75.6%**  
 of tenants who feel that the rent of their property represents good value for money, compared to 77.8 in 16/17 (-2.8%).

= **100%**  
 of new tenancies to homeless applicants sustained for more than a year, which is the same as 16/17.

↓ **99.8%**  
 rent collected as a percentage of rent due, compared to 102.9% in 16/17 (-3.1%).

↑ **4.8%**  
 gross rent arrears as a percentage of rent due, compared to 4.4% in 16/17 (+0.4%).

# HOUSING SERVICES

↓ 69.1%

of tenants satisfied with the opportunities given to them to participate in their landlord's decision making processes, compared to 71.6% in 16/17 (-2.5%).

↑ 81.0%

of tenants satisfied with the management of their neighbourhood, compared to 78.9% in 16/17 (+2.1%).

↓ 0 cases

of court actions initiated which resulted in eviction, compared to 2 in 16/17.



Marthastoon, Aith

# HOUSING SERVICES



Saand View, Eshaness



Arheim, Lerwick

“Being part of the tenant focus group has helped me learn new skills, gain confidence, and learn more about the challenges faced by the Association... Staff have been very supportive and even pick me up and drop me off after the meeting!”  
Tenant Focus Group member

## TENANT INVOLVEMENT

We believe that tenant involvement should be positive and active. Consulting and involving tenants in the services we provide, at a level they feel comfortable, is at the centre of what we do.

To be successful, tenant involvement relies on effective communication between tenants and Hjaltland Housing Association, and their active participation in our decision-making processes.

Our tenants have played a key role in shaping our housing services for many years and we acknowledge the importance of tenant engagement and consultation to ensure continuous improvement and tenant satisfaction.

### This year the Tenant Focus Group worked with the Association to...

- Set the standard of our annual Customer Satisfaction Survey
- Consult and draft a new Pet's Policy
- Review our Aids and Adaptations Policy
- Establish our approach to consultation regarding the new Housing (Scotland) Act 2014

## THE HUB PROJECT

2017/18 saw our fixed term Big Lottery funding come to an end.

Over the past six years, 'The Hub Project' provided a wide range of housing and skills outreach activities to meet the individual needs of looked-after children moving out of care in the Shetland Islands. Young people were provided with safe, comfortable accommodation and regular access to support workers during their engagement with the project. Activities included help with the practical aspects of managing a tenancy such as budgeting, cooking and gatekeeping, as well as exploring work and training opportunities.

The knowledge and skills that the project's service users have gained directly through their engagement and participation with the project, funded by the Big Lottery Fund and Shetland Islands Council, has provided young people with the necessary abilities to secure permanent accommodation, access employment or training and building positive relationships with others and their community.

The Care Inspectorate rated the project as 'excellent' in the quality of care and support as well as the quality of leadership and management themes.

“...feedback we received about the service was very positive and highly complementary about quality of care, staff and management. Thank you cards were received by the service which confirmed how much people value the support provided.”

## SUPPORTED HOUSING SERVICES

Testament to the commitment and dedication shown by our staff members who work hard to achieve good outcomes for service users, an inspection of the Association's sheltered housing support services was given an 'excellent' rating by the Care Inspectorate in the quality of care and support and the quality of management and leadership.

Breaking new ground...

## MAINTENANCE

**↑ 100.0%**

of stock meeting Scottish Housing Quality Standard (SHQS), compared to 99.5% in 16/17 (+0.5%).

**↑ 1.7hrs**

average length of time taken to complete emergency repairs, compared to 5.2hrs in 16/17 (-3.5hrs).

**↑ 5.4days**

average length of time taken to complete non-emergency repairs, compared to 5 days in 16/17 (+0.4 days).

**↓ 92.9%**

of repairs carried out right first time, compared to 98.6% in 16/17 (-5.7%).

**↓ 89.2%**

of tenants satisfied with repairs service, compared to 93.9% in 16/17 (-4.7%).

**↑ 18.4days**

average time to complete approved applications for medical adaptations, compared to 17 days in 16/17 (-1.4 days).



Blockwork replacement - Hillock, Boddam

### REACTIVE MAINTENANCE

The Association spent £291,000 on completing 1676 reactive repairs this year. The average time taken to complete non-emergency repairs was 5.4 days with all emergencies completed in an average of 1.7 hours. The Association completed 93% of its repairs right first time and nearly 90% of tenants who received a repair were satisfied with the service.

#### A couple of tenant comments on reactive maintenance:

*"A quick thank you for coming and fixing the various things in my house. I really appreciate how quickly it was done and how easy it was for me."*

*"Thank you to all in the office for their help and unparalleled efficiency in the execution of their duties."*

### PLANNED MAINTENANCE

The Association spent approximately £660,000 this year on fitting new kitchens, carrying out full paints, upgrading heating systems, testing electrical systems and installing new smoke detectors. Work was completed on various schemes throughout Shetland with the blockwork renewals in Boddam and roof replacements in Hillswick being two of the larger contracts completed this year. The Association is now fully compliant with the Scottish Housing Quality Standard (SHQS) and the Energy Efficiency Standard for Social Housing (EESHS).

#### A couple of tenant comments on planned maintenance:

*"Work was all done with as little disruption to the tenant as possible. Thank you."*

*"I would like to thank you for the new kitchen fitted in our home, its very nice, thank you so much."*

## DEVELOPMENT

**↑ 92.8%**

of tenants satisfied with overall service provided by their landlord, compared to 90.3% in 16/17 (+2.5%).

**↓ 85.8%**

of tenants who feel their landlord is good at keeping them informed about their services and decisions, compared to 88.1% in 16/17 (-2.3%).

**↑ 93.5%**

of tenants satisfied with the standard of their home when moving in, compared to 89.4% in 16/17 (+4.1%).



Tingwall nursery visit at our new development at Stura, Tingwall

WITH ITS CONTINUED COMMITMENT TO THE PROVISION OF 'HIGH QUALITY' NEW-BUILD HOMES, THE ASSOCIATION IS NOT ONLY LOOKING TO THE FUTURE, IT IS BREAKING NEW GROUND IN MEETING THE HOUSING DEMAND WITHIN SHETLAND.

It has been another busy year for the Association's staff with the completion of 36 new homes in Lerwick and Scalloway following £5.7 million pounds worth of investment. The Association however is not resting on its laurels with contracts in place for a further 67 properties, 16 of which will be handed over in 2018/19. The hard work doesn't stop there either, having recently broken new ground with the completion of its 700th rental property; the Association was delighted when its Staneyhill Masterplan was adopted as council policy earlier this year. This will result in an additional 320 new homes being provided in Lerwick over the next ten years. It is anticipated the first of the construction contracts will quite literally be breaking new ground on the Staneyhill site in 2019/20.

#### New Build Work Completed before 31st March 2018 (36 units);

Hill Grind & Burnbank Ph2 **11 units**  
Met Office Ph2, Lerwick **21 units**  
Gibblestone Rd, Scalloway **4 units**

#### New Build Works still on site at 31st March 2018 (67 units);

Gaet-A-Gott Ph2, Tingwall **16 units**  
Gaet-A-Gott Ph3, Tingwall **24 units**  
King Harald Street, Lerwick **27 units**



The Observatory, Lerwick

## HJALT LAND HOUSING ASSOCIATION LTD STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2018

	2018	2017	
	£	£	
<b>TURNOVER</b>	<b>4,350,887</b>	4,062,213	
Operating expenditure	(3,136,880)	(3,110,542)	
Remeasurement of pension provision	4,000	516,000	
<b>OPERATING SURPLUS</b>	<b>1,218,007</b>	1,467,671	
Interest receivable	10,782	14,755	Interest earned on bank deposits
Interest and financing costs	(534,062)	(542,121)	Interest paid on mortgages
Gain on disposal of property, plant and equipment	20,964	53,142	Gain on sale of properties
<b>SURPLUS BEFORE TAXATION</b>	<b>715,691</b>	993,447	
Taxation	0	0	Tax due on surplus
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>715,691</b>	993,447	Surplus set aside to fund future repairs to properties

### 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  
 Reduction in amount set aside for past deficit payments to the pension fund  
 Interest earned on bank deposits  
 Interest paid on mortgages  
 Gain on sale of properties  
 Tax due on surplus  
 Surplus set aside to fund future repairs to properties

## HJALT LAND HOUSING ASSOCIATION LTD STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 MARCH 2018

	2018	2017	
	£	£	
<b>FIXED ASSETS</b>			
Housing properties	73,830,347	69,214,390	Total cost of our housing stock after depreciation
Other fixed assets	411,762	429,123	Office property and equipment
	<b>74,242,109</b>	69,643,513	
<b>CURRENT ASSETS</b>			
Stock	1,210	903	Materials
Work in progress	128,692	0	Shared equity properties under construction
Trade and other debtors	226,372	385,982	Money due to us including rent arrears
Cash and bank balances	1,904,627	2,606,491	Funds in the bank
	<b>2,260,901</b>	2,993,376	
<b>CURRENT LIABILITIES</b>			
Creditors: amounts due within one year	(1,205,061)	(1,568,989)	Money we owe to others including bank overdrafts
<b>NET CURRENT ASSETS</b>	<b>1,055,840</b>	1,424,387	
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>75,297,949</b>	71,067,900	
<b>CREDITORS</b>			
Amounts due after more than one year	(68,167,993)	(64,544,392)	Bank loans and mortgages and deferred capital grants
Pension provision	(453,742)	(562,991)	Provision for pension deficit payments
<b>TOTAL NET ASSETS</b>	<b>6,676,214</b>	5,960,517	
<b>CAPITAL AND RESERVES</b>			
Share capital	85	79	Members shares
Restricted reserves	71,220	35,496	Big Lottery funding for the HUB project
Income and expenditure reserve	6,604,909	5,924,942	Sums built up in previous years
	<b>6,676,214</b>	5,960,517	

### GUIDE TO TERMS USED

Total cost of our housing stock after depreciation  
 Office property and equipment  
 Materials  
 Shared equity properties under construction  
 Money due to us including rent arrears  
 Funds in the bank  
 Money we owe to others including bank overdrafts  
 Bank loans and mortgages and deferred capital grants  
 Provision for pension deficit payments  
 Members shares  
 Big Lottery funding for the HUB project  
 Sums built up in previous years

A copy of the Association's audited accounts can be obtained free of charge on request.

## HJALT LAND TRADING LTD INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2018

	2018	2017	
	£	£	
<b>TURNOVER</b>	<b>652,187</b>	626,232	Income from property sales, grants and fees
Less: operating costs	(640,331)	(612,830)	Cost of property sales, staffing and administration
<b>OPERATING SURPLUS</b>	<b>11,856</b>	13,402	
Interest receivable	1,220	2,277	Interest earned on bank deposits
<b>SURPLUS BEFORE TAXATION</b>	<b>13,076</b>	15,679	
Taxation	(2,484)	(3,136)	Tax due/(refund)
<b>SURPLUS FOR THE YEAR</b>	<b>10,592</b>	12,543	

### GUIDE TO TERMS USED

Income from property sales, grants and fees  
 Cost of property sales, staffing and administration  
 Interest earned on bank deposits  
 Tax due/(refund)

## HJALT LAND TRADING LTD STATEMENT OF FINANCIAL POSITION

	2018	2017	
	£	£	
<b>CURRENT ASSETS</b>			
Debtors	52,066	5,534	Money due to us including fees
Cash and bank balances	264,186	331,230	Funds in the bank
	<b>316,252</b>	336,764	
<b>CURRENT LIABILITIES</b>			
Creditors: amounts due within one year	(206,370)	(237,474)	Money we owe to others including Hjaltland Housing
<b>NET CURRENT ASSETS</b>	<b>109,882</b>	99,290	
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>109,882</b>	99,290	
<b>RESERVES</b>			
Income and expenditure account	109,882	99,290	Surplus set aside for future years
<b>SHAREHOLDERS FUNDS</b>	<b>109,882</b>	99,290	

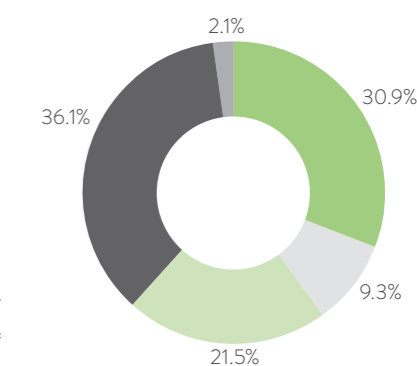
## USE OF RENTAL INCOME 2017/18

FOR THE YEAR ENDED 31 MARCH 2018

### How our rental income is spent

Cost of running the organisation	970,059	30.9%
Day-to-day maintenance costs	291,482	9.3%
Planned maintenance and improvements	676,105	21.5%
Mortgage interest and repayments	1,134,679	36.1%
Other	66,519	2.1%

**TOTAL INCOME** **3,138,844** **100.0%**



Breaking new ground...

# HJALTLAND

## ANNUAL REPORT 2017/18

Hjaltland  
Housing Association

### COMMITTEE MEMBERS 2017/18

Robert Hunter – Chair  
James Anderson  
Liz Anderson  
Peter Coleman  
Kerry Eunson  
Jeff Goddard – Treasurer  
Leah Irvine  
Dennis Leask  
Gordon Mitchell  
Colin Nicholson  
Theo Smith  
Agnes Tallack – Vice Chair

### HJALTLAND TRADING LIMITED – DIRECTORS

Robert Hunter – Chair  
Jim Anderson  
William Henderson  
Gordon Mitchell  
Helen Robertson  
Agnes Tallack  
Martin Watt

### STAFF

#### Housing Services

Melanie Dawson  
Rhona Goudie  
Mark Henry  
Estelle Smith  
Josie Leask  
Michelle Lyon  
Philip Morrison-Gale  
Leigh-Anne Sinclair  
Jo-An Tallis

#### Property Services

Heidi Andrews  
Arnie Arcus  
Duncan Clubb  
Bryan Gear  
Paul Leask  
Edward Low  
Jason Montgomery  
Ali Morris  
Larry Smith  
Andy Walterson

#### One Stop Shop

Alison Coles  
Avril Smith

#### Finance and Administration

Lillian Anderson  
Susan Gray  
Eunice Isbister  
Aimee Labourne  
Bryan Leask

### BANKS

Bank of Scotland  
Nationwide Building Society  
Royal Bank of Scotland

### SOLICITOR

Harper Mcleod

### AUDITORS

RSM UK Audit LLP  
Quinn Internal Audit and Business Support Services

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