



Annual Report



2011/2012

Chair's Report



Thomas Allan, Chair

As my second year as Chair of Ore Valley Housing Association comes to an end, I have been pleased with the progress which has been made within the Association and the projects that Ore Valley HA and its subsidiary companies are taking forward.

The work that we have done and are continuing with is all the more important, given the very difficult economic times being experienced within our area of operation. It is important that we strive to continue to develop new housing and other projects, in order to address some of the housing and other social and economic needs faced by the people and communities we aim to support.

The past year has seen a decrease in the number of new housing unit completions, the 14 units at South Street in Lochgelly is the lowest for many years. This

is likely to be repeated next year with the only site start being 14 units in Ballingry.

We have continued to be involved in the development of a range of wider role and regeneration projects which diversify our work. These projects are designed to deliver sustainable positive community benefits.

We also continue the emphasis on improving performance in our core functions, in preparation for the introduction of the Scottish Social Housing Charter.

This has been another challenging year for the Association and it is clear that there will be many further challenges ahead. I would like to thank my fellow committee members, volunteers who give their time freely, and the staff of the Association for all their support and encouragement throughout the course of the past year.

Thomas Allan
Chair





Tenant Participation

The Association is committed to involving and empowering as many tenants as possible to become involved in influencing the decisions which impact on their homes and the services provided by the Association. We also continue to work with Fife Federation of Tenants and Residents Association (FFOTRA) and other tenant groups through this link. FFOTRA are represented on the Association's Management Committee and staff of the Association attend all meetings of the Tenants and Residents Association.

The Association's Management Committee has five out of eleven members who are tenants of the Association and we would encourage any one who wishes to find out more about being on the Committee to approach the Association to find out how they can do this.

In February all the Association's tenants were consulted on the rent review. The majority of tenants indicated that they would agree to an increase of 6% from 1st April 2012.

All tenants were invited to take part in the Association's Tenants Conference which was held on 17th September 2011. The event was well attended and it featured a range of presentations on topical issues provided by external agencies and Association staff. The next Tenants Conference will be held at 10am at the Corrie Centre, Cardenden on 15th September 2012.

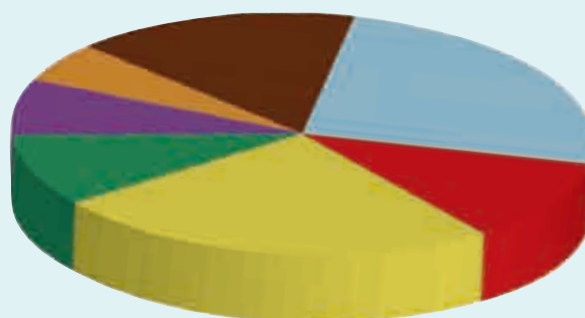
Allocations

During the year 2011/12 a total of 52 properties were let by the Association. 38 of these properties were existing properties and 14 were New Build at South Street, Lochgelly. The average re-let time in calendar days was 25 days.

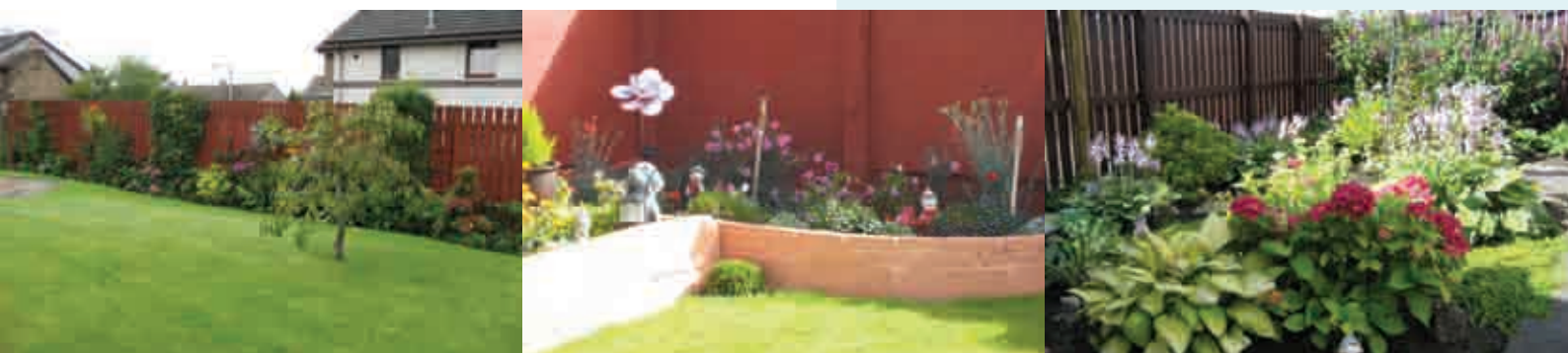
The average turnover time has increased from last year from 18 days to 25 days.

As a partner in the Fife Housing Register (FHR), the Association has allocated all the above properties to applicants who were on the Register. If you wish further information you can contact us on 01592 721917 or download an application by going to www.fifedirect.org.uk and following the links to FHR Form.

The chart shows the split of allocations between the varying waiting lists of the FHR system.



■ Lack of Security	25%
■ Social Medical	11.5%
■ Urgent Housing Homeless	25%
■ Poor Housing	9.5%
■ Urgent Housing Need	7.5%
■ Management	5.5%
■ Other Sources South St.	16%





Type	Response target	Amount of Repairs 2010-2011	Carried Out 2011-2012	Target Achieved on Time 2010-2011	2011-2012
Emergency	2 hours	473	542	91%	90%
Urgent	3 working days + Right to Repair 1 & 3 days	656	656	87%	89%
Routine	14 working days + Right to Repair 5 & 7 days	2366	2550	91%	94%

Reactive Repairs

For the financial year 2011-2012, the Association contracted Morris and Spottiswood to deliver the non gas repairs and Kingdom Gas to deliver the gas heating repairs and gas servicing contract. The contract with Morris and Spottiswood however terminated at the end of the financial year.

We have worked very closely with all our contractors to ensure repairs are completed within given timescales and to a high standard to ensure that our tenants are receiving the highest repairs service as possible. We monitor our own performance and the performance of our contractors to ensure our tenants receive good quality of service

To assist us in monitoring the level of service, workmanship and customer service we carry out quality checks on 10% of all repairs carried out. The Association also employs a Minor Works Officer, which assists to respond quickly to a wide range of small repairs and some emergency repairs.

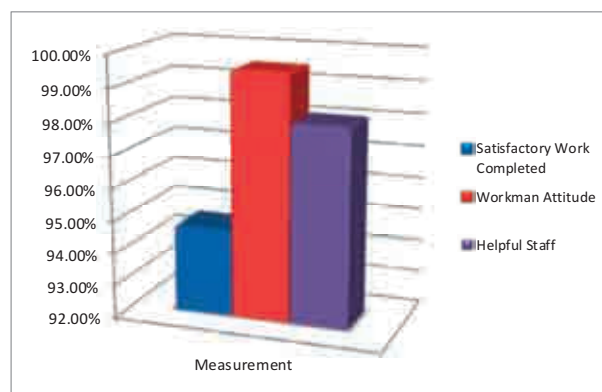
During this financial year we had a total of 3748 reactive repairs in comparison to 3495 in the previous year. Opposite is an outline of the details around timescales, totals and percentage of works carried out on time:

General tenant satisfaction levels with the repairs service are high; however, we continually monitor the responses we receive from tenants after they have a repair carried out. This assists us develop and improve the level of service to our tenants. Please do

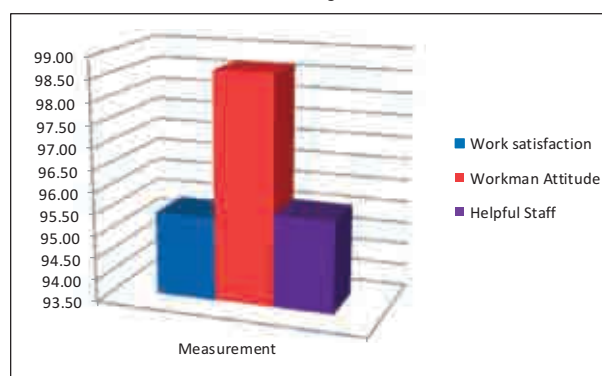
return the repair satisfaction survey on the bottom of every works order sent out to you, it helps us help you.

During this financial year we received 455 satisfaction survey forms back from our tenants who had reported repairs in comparison with 673 returned last year. The results are detailed below:

Tenant Satisfaction Survey 2010-2011



Tenant Satisfaction Survey 2011-2012





New Build Developments

This year the Association completed 14 units at South Street, Lochgelly. We remain a partner of the Fife Housing Association Alliance with Kingdom Housing Association being the main developer.

The Association also has a new development in Craigie Gardens, Ballingry under construction, which is due to be completed in October 2012. This development will comprise of fourteen 3-Apartment flats one of which has been designed for a wheelchair user.

This project will be funded through a combination of grant assistance from the Scottish Government & Fife Council and private finance raised by Ore Valley Housing Association. All properties will be allocated using the Fife Housing Register.

Future new build plans are likely to be impacted upon by changes in funding for Housing Association affordable housing developments.

Medical Adaptations

The Association receives funding which is used to adapt the homes of tenants whose medical needs and requirements have changed since moving into their home. These adaptations are known as Stage 3 Medical Adaptations.

Before an adaptation can take place, tenants must first have an assessment carried out by a Social Work Occupational Therapist. After that, the Occupational Therapist will forward their recommendations to the Association. These recommendations highlight the type of work that is required to be done, to assist the tenants in continuing to live comfortably in their home.

During the last financial year 19 tenants benefitted from medical adaptations. We used £12,270.80 of grant funding from The Scottish Government (this exceeded our original budget allocation of £10,000), and £3,974.21 from the Association's own budget.

Work carried out during the year included:

- Installation of Wet Floor Showers
- Closomat Toilet
- Kitchen Alterations

If you have experienced deterioration in mobility or health, which impedes you living in your home, please contact our office for information on stage 3 adaptations.





Planned Maintenance Works in 2011/2012

Electrical testing and follow up work was carried out to 59 of our properties during the year, with the programme rolling on next year. External paintwork was also carried out to 54 properties in Cardenden and 7 properties acquired through the Mortgage to Rent scheme. It is proposed to continue painting properties acquired through the Mortgage to Rent Scheme in the coming year.

During the year we also carried out major refurbishment of two properties and renewed central heating systems in 48 properties.

A Stock Condition Survey was also carried out to all our properties this year. This survey provides the information required for the future planned maintenance programme.

Previous environmental improvements in Bowhill and Dundonald have been maintained and updated by Living Solutions.

We continued in our partnering arrangement with F3 Building Surveyors who supported the Association in the delivery of our planned maintenance programme.

Gas Servicing

The Association will maintain and inspect all gas appliances within its properties, in accordance with all relevant legislation. This covers 100% of all gas heating systems including boilers and gas fires, which were installed by the Association. Services are at least once every 12 months.

In order to meet the Association's current target of 100% of properties serviced within 12 months the Association has scheduled services for every 10 months. Our current contractor is Kingdom Gas who will contact tenants on 3 occasions.

In most cases, appointments are made to allow Kingdom Gas access to carry out the service. Unfortunately, each year, due to tenants repeatedly not providing access, we force entry into the property and carry out the service, we change the locks and the tenants has to collect their keys from the Association's offices. Where a forced access is carried out, all related costs are re-charged to the tenant. In order to avoid this happening to you, please ensure that you make and then keep appointments.

Rent Arrears

In order to provide the services that it does, the Association relies purely upon the income from renting its properties.

The level of services is directly impacted by not being able to collect all the rent that is due, tenants who are not up to date with their rent are termed to be in arrears.

The services that can be affected by tenants being in arrears include reactive repairs and the major maintenance programmes.

Current tenant rent arrears for the year ending 31st March 2012 were £50,083 representing 2.38% of the total amount of rents that the Association expected to collect. This means that the Association has reached and exceeded its target of 3.5% Arrears. During the previous year rent arrears were £72,600 which represented 3.76% of the expected rent collectable.

The new target for the coming year has been set to 2.5% to which the Association will continue to work towards.

The Association also recognise the need to control and collect former tenant rent arrears. This figure stands at £17,329 for the period ending 31st March 2012 and processes are continuing to be used and improved, to increase the collection rates.

Financial Highlights 2011-2012

2011 - 2012, breakdown of every £1 received

	2011-2012
Rent received	85p
Grants from Scottish Ministers	2p
Grants for Development & New Initiative Projects	9p
Other income	4p

2011 - 2012, how every £1 was accounted for

	2011-2012
Development & New Initiative Projects	9p
Other expenditure	2p
Bad debts	1p
Loan interest	22p
Depreciation	16p
Management & Maintenance Admin Costs	27p
Repairing and improving tenants homes	24p
Deficit	-1p

	2011-2012	2010-2011
Total number of houses	628	611
Average weekly rent	£64	£61
Rent increase.....	4.7%	4.0%

INCOME and EXPENDITURE ACCOUNT For the year ended 31 March 2012

	2011/12 £	2010/11 £	10-11 figures re-stated for the effect of Component Accounting A Non-Accountants Guide to the Accounts
Turnover	2,366,027	2,479,636	Income
Less: Operating costs	1,885,306	2,237,934	Cost of Management / Maintenance of properties
Operating Surplus	480,721	241,702	
(Loss) on sale of properties	(300)	(245)	
Exceptional item: release of creditor from contract set aside	0	406,579	Right to Buy, excess receipts
	<u>480,421</u>	<u>648,036</u>	
Interest receivable	35,980	33,155	Interest received
Interest payable	(533,200)	(513,930)	Interest payable on mortgage & bank loans
Surplus / (deficit) for year	<u>(16,799)</u>	<u>167,261</u>	Amount left from income after deducting expenses

BALANCE SHEET As at 31 March 2012

	2011/12 £	2010/11 £	10-11 figures re-stated for the effect of Component Accounting
Fixed Assets			
Housing properties	32,611,516	30,835,729	Housing properties less depreciation
Less: Grants	(21,510,947)	(20,273,306)	Government grants received towards building costs
	<u>11,100,569</u>	<u>10,562,423</u>	
Other	865,374	896,192	Retail Units, office building, vans and office equipment
Investments	1	1	Investments: £1 share, Ore Valley Enterprises Ltd
	<u>11,965,944</u>	<u>11,458,616</u>	
Current Assets			
Debtors	1,409,948	2,123,612	Money owed to us
Cash at bank and in hand	119,894	326,978	Cash at bank and in hand
	<u>1,529,842</u>	<u>2,450,590</u>	
Creditors: amounts falling due within one year	<u>(483,087)</u>	<u>(656,379)</u>	Money we owe to other people
Net current assets / (liabilities)	<u>1,046,755</u>	<u>1,794,211</u>	
Total assets less current liabilities	13,012,699	13,252,827	
Creditors: amounts falling due after more than one year	<u>(12,696,060)</u>	<u>(12,919,388)</u>	Bank loans
	<u>316,639</u>	<u>333,439</u>	
Capital & Reserves			
Share capital non-equity	73	74	Share capital: represents shares paid at £1 each
Designated reserves	-	254,908	Sums built up from this and previous years
Revenue reserves	316,566	78,457	
	<u>316,639</u>	<u>333,439</u>	

Wider Role Projects

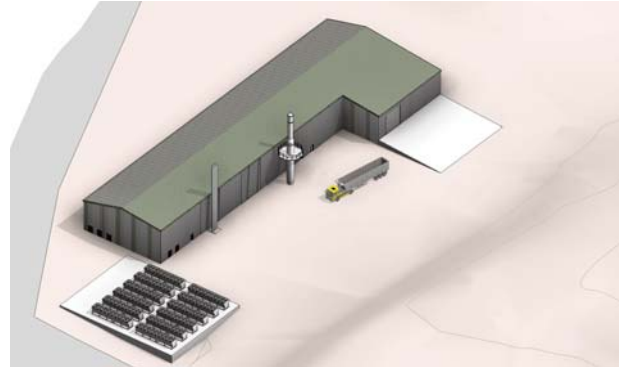
The past year has been a very busy one for Ore Valley Housing Association as it further develops a number of sustainability projects aiming to address critical local issues including fuel poverty, carbon emissions, unemployment and affordable warmth. Significant steps have been taken to bring to fruition these schemes that will significantly improve the lives of our tenants and residents within our local communities.



Cardenden Heat and Power:

Cardenden Heat and Power, (CHAP) is the Association's biggest sustainability project, in terms of both scale and reach, and aims to deliver affordable heat and hot water to residents in Cardenden through an insulated network of pipes buried underground throughout the village. The scheme will also generate a significant amount of green electricity for

CHAP Energy Centre



re-sale back to the national grid as well as generating annual carbon savings that will essentially make Cardenden 'carbon neutral'.

The project was awarded planning permission in February 2012 for the construction of the main energy centre and an application for a licence from SEPA was submitted. Significant steps in securing the considerable level of funding required for the project were also taken in the past year and further legal discussions and community engagement have also been carried out.

Fibre-optic Broadband:



As part of the CHAP scheme's infrastructure we are planning to install a fibre-optic network, taking advantage of the groundworks that will be undertaken for the installation of the project's heat network. The installation of the network has been incorporated in to the overall project plan and will see the establishment of one of the UK's biggest community broadband systems.

Rosewell Ethical Development



Fife Community Wind:

The Association has been developing a wind turbine project for several years but unlike most large-scale commercially-focused turbine schemes, ours aims to ensure that the communities closest to the devices will benefit directly and equitably from the project. The scheme aims to install turbines at three sites across Fife including Dundonald, Methil and Leven. The green electricity that will be generated will be sold back to the grid and the net profits shared between the Association and the local community.

The past year has seen the completion of a number of areas of scientific work including the measurement and analysis of the wind speeds at each site as well as the detailed environmental studies being carried out to ensure that the turbines will not have a negative impact on the local wildlife. The technical elements of the project such as the grid connection, turbine selection and financial modelling work have all been further developed and the next stage is submitting the planning permission applications for the three sites.

Rosewell Drive:

The Association continues to look at ways of increasing the provision of affordable housing across Fife and this year Ore Valley Enterprises entered into an agreement with Sharp Construction which will see the development of new housing on Rosewell Drive in Lochore.

The photograph at the bottom of page 8 shows the site as at March 2012, we are looking forward to being able to provide images of the new site in our next annual report.

Ore Valley Business Centre:

The business centre in Lochgelly which was designed, built and owned by Fife HARCA has now been open for over a year and continues to offer state-of-the-art spaces for new and existing businesses in Fife. The centre has also hosted a number of public and private events including a community exhibition following on from the Lochgelly Charrette that details the extent of the regeneration work already carried out in the town as well as what future plans entail.

Right to Buy and Mortgage to Rent

The Right to Buy currently applies to 146 of the Associations tenants, who are still in their original property which were transferred over to Ore Valley Housing Association from Scottish Homes. This means that these tenants still have a Preserved Right. During the year there were no applications received for the Right to Buy.

As a result of legislation, (Housing (Scotland) Act 2001), tenants who have moved from their original property were deemed to have automatically given up their Right to Buy. Tenants, who started their tenancy after September 2002, do not have the Right to Buy.

Another scheme partially funded by the government that the Association takes part in is the Mortgage to Rent Scheme. This enables Owner Occupiers who are in financial difficulty to apply for a Housing Association to purchase their home with assistance of the Grant Funding. The owner occupier then becomes the tenant of the Housing Association. The Housing Association was approached by the Scottish Government and subsequently took part in the Scheme to purchase 3 homes this year.





Management Committee and Staff Teams

Staff Team

Andrew Saunders
Director
Joanne Cargill
Executive Support Officer
Kerry McLeod
Corporate Support Manager
Maryjane Elder
Corporate Support Officer
Max Scotto
Corporate Support Officer
Vicky Murdoch
Community Development Officer

Karen Salmond
Corporate Support Assistant
Nick Clark
Business Development Manager
Colin McInnes
Housing Manager
Karen Burt
Housing Officer
Tommy Braid
Housing Officer
Kittaya Sung
Housing Officer

Laura Herd
Housing Assistant
Keith Marley
Minor Works Officer
Ann Millett
Finance Manager
Teri Grubb (P/T)
Finance Assistant
Joyce Lavelle (P/T)
Finance Assistant

New Staff Member

We are pleased to welcome a new member of staff during this year. Joyce Lavelle joined the Finance team in the role of Financial Assistant.

Committee Members as at 31 March 2012

Thomas Allan - Chair
Myra Donaldson - Vice Chair
Keith Pattenden - Secretary
Rosalind Eals
Catherine Reilly
Thomas Nisbet
Andrew Wallace
Alan Davidson
Mark McLintock
Susan McDonald
Peter Graham

The Future



Andrew Saunders, Director

Before looking to the future; a quick refresher on the past: Stock transfers from Scottish Homes were completed in 1995 and 1997, involving the transfer of 411 homes.

During the past 10 years a further 294 homes have been added through a combination of new build, Mortgage to Rent Scheme and other government schemes.

During the same period the Association has sold a number of properties through the Right to Buy. The result is that the Association now has 628 housing properties, an increase of just under 53% since 1997.

We currently have a development of 14 flats on site at Craigie Gardens in Ballingry, however demand for housing continues to grow across all of our housing stock, and we and our partners within the Fife Housing Register are unable to meet these growing demands in the short to medium term.

Government investment in social housing continues to be under pressure and it is anticipated that there will be further reduction in per property subsidies; this is likely to result in traditional new development of traditional affordable housing for rent slowing down, or perhaps coming to a halt. If we are to continue to develop much needed new homes, we must consider alternative tenure options such as shared equity or mid-market rent, if it proves viable to do so.

Probably the most significant challenge for generations that we and our communities are facing comes through UK Government proposals for welfare reform. We will see changes in entitlement to Housing Benefit and the manner in which Housing Benefit is paid to tenants, which may in turn make the management of rent arrears more challenging and as importantly, may remove significant sums of money from the local economy. Throughout the coming year we will be working with our tenants to raise awareness of these changes and address potential issues that come out of the proposed changes.

Ore Valley will continue to be at the forefront, in the search for innovative solutions for developing housing and generating income which delivers benefit to the communities which we work within.

Our work on the development of renewable energy projects will continue, with the objective of delivering lower energy costs, reducing carbon emissions and generating income. Progress on these initiatives has been slower than we would have hoped, we do however expect to finalise projects in the coming year.

As always, as well as addressing, even in a small way, the needs of those who do not have their own home, we will continue to invest in the maintenance and improvement of the Association's existing housing stock, using the housing stock condition survey completed during the past year.

Following last year's business plan review, the Association will undertake a comprehensive organisational review in the coming year. The aim of the review is to ensure that we have a structure set up to address the increasing demands placed upon us as we move forward with a programme of continuous improvement.

The years ahead are likely to be extremely challenging economically. We will explore innovative solutions, which will allow us to address existing and future needs for housing, deliver high levels of customer satisfaction, continue to enhance our work with communities and as always we will strive to do the best that we can.

Andrew Saunders
Director





Consultants:

Solicitors:

Clarkson Hamilton, Kirkcaldy

Auditors:

Bird Simpson, Dundee

The Internal Audit Association
(TIAA), Edinburgh

Finance Services:

Chiene & Tait, Edinburgh

Bankers:

Royal Bank of Scotland
Scottish Building Society

Architects:

E.C.D.A., Glasgow

Quantity Surveyors:

Flemings, Cupar
F3 Buiding Surveyors, Edinburgh

Structural Engineers:

Scott Bennett Associates Ltd.,
Dunfermline

