



*Berwickshire*  
**HOUSING ASSOCIATION**  
a member of the **BHA** Group

**BHA GROUP - ANNUAL REPORT 2010/11**

# Convener's Report

Welcome to the annual report of our work within the BHA group.

This past year has been one of completing the actions in our Improvement Plan and looking at what we need to address to survive and hopefully become even stronger in the coming years.

As a Board we have been working hard to plan for the future and have welcomed new members with additional skills and experience.

We have now sold our software company Homehunt to another provider, which is currently developing our choice based lettings system and users will be benefiting from this in the coming year.

We have continued to focus on delivering the best possible service to tenants, and have put further resources into that area.



**We now have staff dedicated to offering tenants advice and assistance when they have financial issues, who struggle to sustain their tenancy or are the victims of anti social behaviour.**

We continue to work with a range of partners to develop services to support young people before they become tenants and by helping them into employment locally. We conducted a questionnaire with our older tenants which had a high response rate and gave us the evidence and ideas about what we now need to tackle to help people stay safely in their own home.

Our repairs service has gone from strength to strength and continues to deliver on time and to a high standard. We want to thank the 27 local contractors who are working with us to deliver this service and for the special efforts many of them made to help tenants in need during the winter snows last year.

We continue our programme of replacing bathrooms, kitchens and heating systems. All of these contracts have been delivered on time and within budget again this year.

We have encountered major challenges in finding grant to assist in building new homes, but despite this we did complete and let 12 homes in Duns. We have started to explore new ways of providing additional accommodation for local people in the future.

We have now submitted a proposal to build a community wind farm in Berwickshire, and if it is approved the income it will generate will help us to finance new homes in the future.

Our care company Seton Care is continuing to deliver a wide range of excellent services, all of which are rated highly by the Care regulators in England and Scotland.

- Our day nursery in Duns is providing exceptional child care to local people and continues to develop its service and to proactively fundraise for more equipment.
- Our 'Care at Home' service is delivering more hours of support than ever before to older people in Berwickshire and North Northumberland, and recently moved into brand new offices in Berwick to accommodate this growth.
- Our Sheltered Housing schemes have struggled with funding on the whole but continue to be popular, although faced with reductions in grants we have found other ways to resource our services to allow older people to remain safely in the schemes.
- Finally our residential care home in Berwick continues to be a place of laughter and activity and we are now working hard to develop plans for a more modern facility next to the present one.

I would like to take this opportunity to thank my fellow board members, staff, and all our customers - be they tenants or users of our other services - for their support and involvement over the year and I look forward to us continuing to move forward positively. In her report Helen, our Chief Executive, outlines the challenges facing our customers and how we will work together to assist them in the future.

# Chief Executive's Report

My child is disabled I need a bedroom downstairs, the other week I lost my footing as I carried him downstairs. We were lucky to get away with a sprained ankle but next time?

I can't afford my fuel bills. Why can't you put in a heating system I can afford? You have to help me.

My wages fluctuate every week. I have to put in my payslips to Housing Benefit every week so that they can decide if I am entitled to any contribution that week and how much. I never know when it will come and how much it will be. I am always in arrears.

When I make a mistake or don't get information to them on time the Benefits agency stops all my money but when they owe me money I can wait week after week and they don't seem to care. I am desperate.

Our children are growing up and it is not okay that my son and daughter have to share a room, we are so overcrowded. We have nowhere to store their belongings. Why can't we get a bigger house?

Now my son is 16 and finished school they have stopped our tax benefits and our income is down by £300.00 a month. How will I pay the bills or find money for clothes?

The building society is going to foreclose on our mortgage now I have been made redundant but I still can't get an affordable house the demand for those is huge and I am not at the top of the list.

When I lost my job and our income dropped we found it almost impossible to cover the rent in our private let but we can't get a house with the housing association where the rents are lower because there are too many other people with problems like ours.

I have been independent all my life, now I am not coping so well; I can't do the garden, manage my shopping but I want to stay in my house. Who will help me?

**These are the stories we hear from people as they struggle to make ends meet in this continuing recession.**

Every day staff at BHA hear these stories from customers and we do try to help fix them. This year the needs of all people who have been hit by the recession are particularly tough. The truth is that all our staff care very much about the challenges that local people are facing but we can't always resolve them. However we are talking about the problems people are facing and seeking ways to meet them better. It will take time but we are determined to find ways to help where and when we can. The Chair has spoken about what we feel we have achieved already and this year we will be focusing on the current issues and trying to support local people wherever we can. Here is a list of our plans and intentions.

We can:

- Offer support and advice to reduce your fuel bills.
- Look at ways we might fit renewable energy onto your house to reduce your bills.
- Put in the best possible heating system that we can.
- Plan to build extensions where we can to reduce overcrowding.
- Explore ways we can build new homes; some at affordable rents some at higher rents that can allow us to house families of different sizes and needs.
- Have built one house for a family with special needs and hope to do something like that again when we can afford it.
- Have built an extension for a family with one disabled member.
- Are asking families with larger houses to consider down sizing so that a larger family in need can get a suitable home.
- Offer support from our Financial inclusion Officer to navigate the challenging complexities of the Benefits system and to help people access what they are entitled to.
- Offer support to help people cope with all these challenges and retain their home.
- Offer older people support in whatever circumstances for them to stay in their own home.

None of these things are quick fixes and we can't always help people immediately. The most important thing for all of us is to keep listening to our tenants and to address their needs if we can. However hard it is when we are not able to address all the problems, rest assured that we will still keep talking to people and trying to find solutions.

This year has highlighted these problems and these are the ones which will be motivating us to look for solutions and help people to move forward in their lives.

**Helen Forsyth**  
Chief Executive

# Working in our Communities & Supporting our Tenants

The Customer Services Team has been through a significant period of change and whilst this could have caused unsettlement and disruption to our services – it has inspired staff to embrace the internal and external challenges as we continue to improve our services for the benefit of our customers. There is always room for improvement but the following information clearly shows our achievements for 2010/11.

## Allocations

- We built 12 new properties in Duns.
- We re-let 120 properties within the Berwickshire area in 2010/11: 109 of those were general needs with 11 being sheltered/supported accommodation.
- We turned around our void properties in an average of 18 calendar days.
- 35% of the 132 total lets in 2010/11 were allocated to homeless person(s).



## Estate Management

- We regularly arrange estate walkabouts and surgeries within our area.
- Our focus is to deliver a more person centred approach in the way we deliver our services therefore we visit more people within their homes rather than in offices. Our customers communicate better with us and as a result we are addressing issues arising quicker.

## Financial Inclusion

- We employed a full time Financial Inclusion Officer to deliver a customer focused service to tenants and other customers with a view to maximising income, community enhancement and tenancy sustainment. Outcomes for the year included:
- Provision of advice to 240 tenants of which 148 required further assistance.
- Advocating on behalf of tenants which resulted in an increase of benefits to them of £165,625.

## Tenancy Support

- Our Tenancy Support Officer continues to help those who require assistance in their home.
- Our accredited advisor gave energy efficiency advice to tenants suffering due to the rising cost of utility bills.

## Tenant Satisfaction

- Our full Tenant Satisfaction Survey showed 91% of our tenants are satisfied with our overall service.
- Response Maintenance service – 96% tenant satisfaction.
- Planned Maintenance – 100% tenant satisfaction.

## Homelessness Prevention

- We continued to work closely with Scottish Borders Council Homeless Service to help prevent homelessness in our area.
- We provided ongoing support, advice and assistance to our tenants who were in danger of losing their homes; we are committed to ensuring our customers sustain their tenancies and as a result 93% of our customers who were housed in 2009/10 remain within their tenancy.

## Anti-Social Behaviour / Neighbour Nuisance

- We re-focused resources to concentrate on dealing with anti-social behaviour and ensuring we maintain continuous communication with victims.
- We continued to develop relationships with the Police, the Anti-Social Behaviour Unit and other agencies to ensure we tackle Anti-Social Behaviour together.
- We held public meetings within the communities where issues raised were of particular concern to residents.

## Investing in our Homes

- Response Maintenance
- 98.3% emergency repairs completed on time (6 hours)
- 99% urgent repairs completed on time (3 days)
- 97% routine repairs completed on time (10 days)
- Cyclical Maintenance
- External Painting of 337 houses and 210 garages at a total costs of £83,260
- Planned Maintenance



## We continue to invest in our properties annually.

- Heating was installed to 149 houses at £597,000
- 76 new bathrooms at approximate cost of £194,193
- 75 new kitchens at approximate cost of £182,161
- Insulation to 30 houses at £4500
- External Painting of 337 houses and 210 garages at a total cost of £83,260
- Attributes to comply with Scottish Housing Quality Standards to 23 houses at £57,295



## Seton Hall

- 4 out of 5 awarded by environmental health in regards to catering.
- Purchase of adapted car to make it easier to take residents out.
- Fund raising activities including sponsored walk.

## Community Services (homecare):-

- Appointed Community Support Services Manager who works for this area of service only and can concentrate efforts on improvements and developments.
- Move of office from William Elder Building in Berwick to Chandlery in Berwick and to Duns to reflect the work on both sides of the Border.
- Purchase of additional vehicle to improve ability to get to vulnerable customers in very rural areas and during bad weather.
- Extension of service offered to include administration of medication – all staff fully trained in medication.
- 93% of service users always or frequently happy with care provided - results from September 2010.
- Creation of Admin trainee role to help with the increase in work.

## Little Reivers:-

- Completion of garden project with help from Blackhill Wind Farm funding.
- Application for funded places completed for SBC. Once complete this will remove the need for children to attend the school for 2 hours out of their day.
- Award of 5 out of 6 in Inspection by Care Commission (now SCSWIS).
- Introduction of 'allpay' making payments easier for parents.
- A number of fund raising events including Xmas raffle.

## Sheltered Housing:-

- Changes at Linkim Court, after SBC removed the supporting people funding, to ensure service continued for tenants.
- Numerous outings and social activities at all 3 Courts.

## Wheels 2 Work

- 6 mopeds made available for young people in Berwickshire to lease to enable them to access employment, training or further education.

## Overall:-

- Bronze award from IIP as part of group award.
- Creation of handyman role and recruited to fill post.
- And THE SNOW and the impact this had on all areas of service and the way in which the staff coped.



## Building new homes with less grant – now how do you do that?

### Demand Outstrips Supply

On average for every home available for let we have fifty applicants. With every allocation, therefore, forty nine households are disappointed. BHA is keen to build more homes for local people but with the grant for new build housing falling from 70% of costs to nearer 40% this becomes increasingly challenging. Even with bank borrowings grant funding at this level leaves a shortfall if rents are to remain affordable.

### Taking the initiative

With the Scottish Government encouraging innovation there are opportunities for BHA to take a more creative approach and we are progressing a range of exciting projects that we hope will enable us to build more homes and to invest further in our existing homes.

### A wind farm at Hoprigshiels

Berwickshire Housing Association working with another charity, Community Energy Scotland (CES), has submitted a planning application for a three wind turbine community wind farm at Hoprigshiels farm, near Cockburnspath. There are no private shareholders so all the profits will go to the charities, two thirds to BHA, one third to CES. CES will use the funds to support their work with communities throughout Scotland wishing to benefit from renewable energy, whilst BHA's share will enable the Association to build twenty new homes a year for twenty five years, even with lower levels of grant.



### Clean Green Power

Our assessment of the wind resource at Hoprigshiels suggests an annual electricity generation equivalent to that used by 4500 houses, saving carbon dioxide emissions in the region of 8000 tonnes a year. This is substantial and offsets entirely the emissions created by the electricity used by all BHA tenants.

Additionally we are looking at the possibility of roof mounted solar panels on BHA homes, generating electricity to reduce fuel costs to tenants. Whilst the amount of electricity generated will only be a part of that used by tenants, early indications suggest fuel savings of up to £200 per house per year. We will shortly be piloting some installations and subject to their success we will consider rolling out roof mounted solar panels to more homes. Clearly not all houses will be suitable for this, roofs being overshadowed or facing away from the sun, but potentially this technology could bring benefits to many BHA tenants.

### Land Review

BHA also owns land throughout Berwickshire and we will be conducting a land review to identify opportunities for development. We anticipate this will include potential new build housing but also other uses where unused land could be put to better community use, allotments, gardens, community orchards etc. We are also looking at possibilities where we have surplus garages, identifying where we could use these for better purpose.

### Shorter tenancies and housing for sale

Other opportunities we are exploring is the building of homes which are let on shorter tenancies, a proportion of the houses then being sold after a number of years when house prices have increased. The cash from the sales can then be used to pay off some of the debt, allowing us to retain some of the houses for long term affordable let. If, for example, we built ten new houses at a cost of £100,000 each, and house prices were to increase at 5% per year for five years, the sale values would mean we could sell five of the houses and retain the remaining five for long term let.

### Mid market rents and shared equity

Additionally in some areas there may be demand for housing at higher rent, so called mid-market rents, or for shared equity, properties where the occupant owns part of the house, for example 75%, the Housing Association owning the remainder. If house prices increase and the house is sold, the increase in value is shared between the occupier and the housing association in proportion to their ownership.

### More homes for local people

Whilst there is no simple answer to building new homes with less grant, there are possibilities, and BHA will ensure we consider all opportunities available to us in seeking to build more, good quality, affordable homes for local people.

## Interest Rate Fixings

Interest costs represent over 14% of our total costs and relatively small changes in market rates, which are out-with our control, can result in materially higher interest costs. To protect us from rises in interest rates we have 75% of our borrowing on fixed rates i.e. rates that do not change when the Bank of England changes the base rate or when other market rates change.

These fixings are in three lots, each with a different interest rate and time period over which that rate is fixed. Having fixings for different time periods also help to limit our risk of changing market rates when we make or renew fixings. The Financial Review and Planning Committee (FRAP) monitor all our Treasury management arrangements including the interest rates on loans.

## Building new homes

During the year ended 31 March 2011 we completed twelve new homes in Duns and two respite units. The houses received Housing Association Grant (HAG) from the Scottish government and the respite units were partly funded by Scottish Borders Council. We took out a new loan from Clydesdale Bank plc especially for this development and it was our first loan from them.

This project was approved some time ago and the level of HAG support was higher than we would likely achieve today. The higher the HAG level the more affordable the rent all other things being equal. The rules for getting HAG have changed and we are having to adapt to these new rules and how we are able to secure and build quality affordable homes will likely require a new approach to developments discussed elsewhere in this report.

## Wind farm

We secured funding from the Scottish government to carry out a feasibility study for a windfarm. Income from the windfarm could be used to replace previously higher HAG levels and help to sustain a new build programme in BHA without impacting on existing rent levels.

Berwickshire Limited, a wholly owned subsidiary of BHA bought the majority stake in a joint venture limited liability partnership (LLP). The other partner is Community Energy Scotland Trading. The joint venture purchased all the feasibility study work from BHA and has applied for planning permission for the windfarm. A significant amount of work has been done in regard to community consultation and to explain how the majority of benefits from the windfarm flow back to BHA and will be used for new affordable housing.

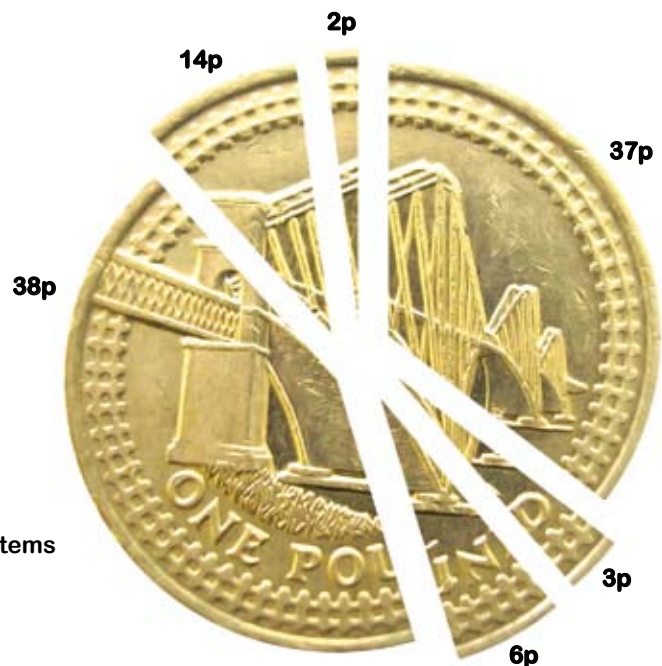
## Charitable Status

On 27th May 2011 BHA achieved charitable status with OSCR. We are working on achieving charitable status with HMRC (tax authorities). Charities can claim tax relief on income and gains, and on profits from some activities, as well as claiming tax back on income received on which tax has already been paid, for example on bank interest and Gift Aid donations.

## How we spent money in the 2010/11 year

- Our income for the year from social lettings activities was 2.4% higher in 2010/11 than in the 2009/10 year.
- The surplus for the year 2010/11 was £188,730. Revenue Reserves and Designated Reserves together total £4,687,488 at the year end.
- We have £1,557,910 cash in the bank as well as an undrawn loan facility of £2.8 million as at year-end.
- During the 2010/11 year our cash position was virtually unchanged with a small net draw-down of £59,989

## How we spend your Pound...



37p	Management & Administration
3p	Sheltered Housing Service Costs & Alarm Systems
6p	Past Service Pension - 3 Years
38p	Maintenance on Housing Units
14p	Interest
2p	Bad Debts & Provisions



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