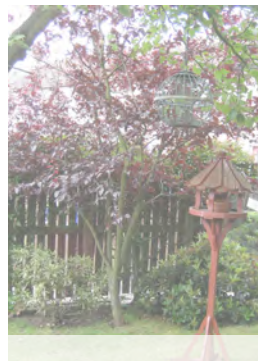
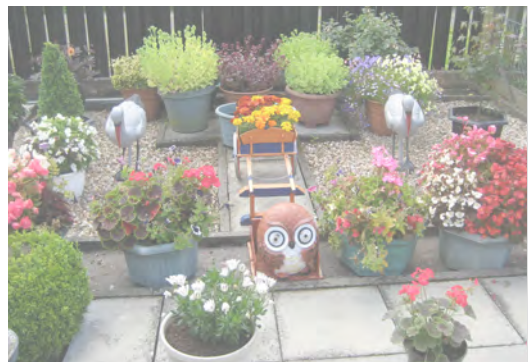


ANNUAL REPORT

2014 - 2015



ORE VALLEY

HOUSING ASSOCIATION

Chair's Report

I am pleased to provide this report at the end of my first year as Chair of Ore Valley Housing Association, which has coincided with the 20th anniversary of the first stock transfer from Scottish Homes to Auchterderran Housing Association, which was the original organisation before its transformation into Ore Valley HA five years later.

The Association's history has involved repeated challenges and the past year has been no different. Many of the issues we face are outwith our direct control and linked to global and national economic difficulties, which amongst other things are limiting opportunities for good local training and employment.

The Association exists to serve local people and we have taken steps during the year to extend and improve the services we provide to our tenants and others who are seeking good quality affordable housing. The work carried out during the year on developing our new vision, mission and values at Ore Valley are intended to underpin our commitment to our tenants and the broader community.

The challenge presented by the on-going implementation of the UK Government welfare reform legislation continues to be a major risk and a concern for us and for many of our tenants. We have taken steps this year to put in place support and information to assist our tenants to understand the issues and to engage in initiatives where appropriate, to improve their employment prospects.

During the year we received information on our performance against the 'Tenants Charter' and we sent this information to all of our tenants in our annual report on the charter. We were pleased to learn that we performed well when compared to the Scottish Average.

We are not complacent about the service we provide and are constantly trying to achieve higher standards.

We carried out further survey work on the value for money of our services and are using the information obtained to influence how we move forward.

We have recognised the crucial importance of communication with our tenants in a broad range of formats and we are taking steps to improve our website and other widely used social media such as Facebook and Twitter.

The completion of the programme to overclad our properties with solid wall construction with insulated render, as well as providing more energy efficient homes has transformed the appearance of some streets. As well as the benefits to our own tenants, we were delighted to be able to facilitate a project that allowed 97 owner occupiers to benefit from the same level of improvement.

As well as insulation, we continued to deliver our rolling programme of kitchen replacement and electrical upgrades.

We are pleased to have been able to continue to provide support to a wide range of community activities and organisations, which really adds to the quality of life of so many people.

Our governance and risk management arrangements are designed to ensure that decisions are taken on the basis of high quality up to date information. Our arrangements were strengthened during the year through outsourcing elements of our finance function to an accountancy firm with substantial expertise in the Housing Association sector.

It has been a busy and wide-ranging year and I would like to thank my fellow Board Members who give their time voluntarily for their exceptional input and also the staff team for their hard work during the course of the year.

Keith Pattenden
Chair

Activities and Achievements Review

Following on from our really good satisfaction results in 2013/2014, we carried out a separate survey on Value for Money, more can be found on page 12.

Developed our first Tenants Performance Report in conjunction with tenants.

Achieved very high performance results; placing us above the Fife and Scottish average.

Reduced the empty properties turnaround times from 23 days in 2013/2014 to 19 days for this reporting year.

We carried out thirty Stage 3 Adaptations, allowing 30 tenants to remain in their own homes and continue independent living. This was funded by £32,000 grants from the Scottish Government and £4,462 from Ore Valley HA.

We subsidised our Grass Cutting Scheme which benefits less able tenants.

We continued to provide the local community with 6 small specialist shops in Lochgelly.

Completed feasibility and design work for a development of new housing in Lochgelly, which will provide 15 flats. It is anticipated that work will commence on site early 2016.

The Association completed its annual planned maintenance programme, involving:

- o An additional phase of a planned kitchen replacement
- o External paintwork
- o Electrical periodic testing
- o Central heating systems
- o Bathrooms
- o External cladding and roughcasting

Through Ore Valley Enterprises, we provide 27 homes for mid-market rent in Lochore.

Through Fife HARCA, the Ore Valley Business Centre has provided 20 businesses with office space, conference facilities, and meeting space for community groups.

We welcomed Claire King as our new Modern Apprentice on a two-year programme.

We undertook a significant review of our Finance department, resulting in outsourcing all senior level function to Chiene + Tait, with day to day function still being delivered by our small in-house team.

Carried out a review of the Second Time Around project, following which the activities of this project ceased.

We spent:

- £51,729 on twenty new boilers and heating systems
- £27,429 on fourteen kitchens
- £4,440 on one roof
- £61,897 for eighty three “no fines concrete houses” in Cardenden to have external cladding and improved energy efficiency
- Facilitated funding (with no cost to OVHA) of £354,000 for 97 home owners to have external cladding fitted to their home
- Spent £216,506 on day to day reactive maintenance and repairs to properties
- Spent £23,016 on major repairs to our properties
- Spent £71,000 on void property repairs
- Spent £51,329 on ground maintenance
- Spent £103,425 on cyclical repairs such as electrical testing, gas servicing, painter work etc

Property Allocations



During the year April 2014 to March 2015, we allocated **51** properties. **48** were properties we already had and **3** were new builds.



2014-2015

19 Days

Average time to re-let a property



2013-2014

23 Days

We are a partner of the **Fife Housing Register (FHR)**, this means we allocate all our properties to people who are on the register. There are lots of different lists within the FHR. Below shows how many people were allocated a property, and from which lists. **7** allocations were our current tenants transferring to new properties.

23 Lack of Security List



12 Social Medical List



5 Homeless List



3 Poor Housing List



1 Urgent Housing Need List



3 Poor Housing Transfer



2 Social Medical Transfer



1 Management Transfer



1 No Immediate Need Transfer



If you wish more information please contact the Housing Management Team on 01592 721917
You can download an application form for the Fife Housing Register from our website.

Tenant Participation

We continue to strive to improve our performance through involving our customers as much as possible so that they can mould and shape the services that we deliver.

In 2014/15 we worked with a group of tenants to deliver our first performance report created by tenants for tenants. We have continued to use our newsletter to report our performance throughout the year using the same template that was designed by our tenants. Our intention for the coming year is to work with tenants to set locally agreed targets for a number of key service areas, including re-let standards and estate management. Additional resources have also been directed to improve our digital communication with tenants so that as many people as possible can have their say about our services.

We also aim to involve our tenants more effectively by developing a Tenants Forum that can monitor our performance in relation to agreed targets set by tenants. Over the next 12 months we will work with local tenants groups and the Tenant Participation Advisory Service (TPAS) so that we can improve overall effectiveness in this key area of our business.

Reactive Repairs

We have been working with Prism Property Solutions (PPS), a direct labour organisation of Fife Housing Association since 2013 for the delivery of our non-gas repairs and maintenance service to you, while Kingdom Gas has continued to deliver the gas related repairs and gas-servicing contract.

We are working very closely with our partners and contractors to ensure that repairs are completed within given timescales and to a high standard. Our own Minor Works Officer, Keith Marley retired in July 2014 so we rely on PPS to continue delivering the excellent service that was provided by Keith.

We monitor our own performance and the performance of our partners and contractors to make sure that our tenants are receiving the highest and most cost effective repairs service as possible. We also carry out quality checks on 10% of all repairs carried out to be certain that the level of service and workmanship we deliver is high.

We provide satisfaction surveys to all tenants who have requested a repair. We use the information from completed surveys to gauge tenant satisfaction and we can report that there has been a high level of satisfaction with our repairs service.

During 2014-2015 we received **253** completed satisfaction survey forms in comparison with **223** returned last year. So if you have reported a repair, we encourage you to complete the survey at the bottom of every works order confirmation and return to us. It helps us to help you and make sure you receive a good service.

During 2014-2015 we had a total of **2362** reactive repairs in comparison to **2583** in the previous year. Below is a summary of timescales, totals and percentage of works carried out on time.

	Response Target	No. of repairs carried out		Repaired on target	
		2013 - 2014	2014 - 2015	2013 - 2014	2014 - 2015
Emergency	4 Hours	198	369	100%	97.5%
Non - Emergency	Reactive Maintenance	2385	1993	87%	92.5%

New Build Housing Developments

This year we had no plans to commence the building of any new homes, however we have been working on development proposals for a small site which we own at Cook Square in the centre of Lochgelly, our proposal is to develop 15 new flats with work commencing early in 2016.

Through one of our subsidiary companies, Ore Valley Enterprises Ltd., we are currently considering further opportunities to deliver mid-market rent housing in areas where they are needed.

As always we will continue to explore opportunities for new development where there is identifiable community need for new housing, either through the housing association or through its subsidiary.

We are active members of the Fife Housing Alliance along with Fife, Glen and Kingdom Housing Association's and we will continue to engage in development activity utilising all of the efficiencies which the Alliance can deliver.

Right To Buy

The Right to Buy currently applies to only a number of our tenants who are still in their original property when it was transferred to us from Scottish Homes.

This means that these tenants still have what is known as a Preserved Right to Buy. During 2014/2015, there were no applications received from tenants to buy their home.

Due to legislation contained within the 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 a Right to Buy.

The Housing (Scotland) Act 2014 states that the Right to Buy is ending for all tenants of social housing in Scotland on 1 August 2016. No applications will be accepted after 31 July 2016.

Medical Adaptations

Every year we receive some funding to adapt the homes of tenants whose medical needs and requirements have changed since moving into their home. These are called medical adaptations. To determine if our tenants satisfy the requirements for a medical adaptation, their needs have to be assessed by a competent person, such as a health practitioner.

30 medical adaptations were completed in 2014/15. The average time tenants had to wait to have the works completed, counting from the date we received the assessment of need to completion, was **63** days.

In 2014/15 we used **£32,000** of grant funding from The Scottish Government and **£4,462** from the Association's own budget. The works we carried out included modifying floors to provide level access, **9** wet floor showers; **1** stair lift and **20** handrails and banisters.

Planned Maintenance Works in 2014/2015

Planned maintenance and property improvement remains a high priority for us. Following the completion, review and refinement of the housing stock condition survey, we either completed or commenced a range of works during the past financial year.

Electrical testing was carried out to 150 of our homes during 2014/2015, with the programme rolling into next year. Phase 3 of our kitchen replacement programme benefited **14** homes. External paintwork was also carried out to **82** properties. Central heating systems were renewed in **20** homes.

We have been carrying out on-going environmental improvements and maintenance, and have continued in our partnering arrangement with F3 Building Surveyors who supported us in the delivery of our planned maintenance programme.

Rent Arrears

In order for us to provide the services we do, we rely purely upon the income that comes from renting out our properties.

Therefore, the money we have available for these services are directly related to the amount of rent we collect each year.

Rent arrears are made up of ex-tenant arrears and current tenant arrears. Current tenant rent arrears as of 31st March 2015 were £69,622 which is 2.8% of the total amount of rent that we expected to collect. This is an improvement of 0.2% on the figure reported for 2013/14. Our target for 2015/16 is to have current tenants arrears of no more than 2.5%.

Almost 12% of our tenants are in arrears by £350.00 or more. We will continue to direct additional time and resources, so that staff can work with tenants to try and reduce this number. We will also continue to target support to assist any tenants who may be adversely affected by welfare reforms so that they are better able to budget their money and pay their rent.

Gas Servicing

We maintain and inspect all gas appliances within our homes, in line with our legal requirements. This covers 100% of all gas heating systems including boilers and gas fires.

Gas services must be carried out at least once every 12 months so in order to meet this target our contractor, Kingdom Gas, has been programming services every 10 months. Kingdom Gas will contact tenants up to 3 times and in most cases, appointments are made to allow them access to carry out the service.

Unfortunately, each year, due to tenants repeatedly not providing access, we have to take additional measures to ensure our tenants are safe, such as disconnecting and capping the gas supply if we were unable to service the appliances. 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.

The strict processes we have in place and the co-operation of most of our tenants has ensured that in 2014/15, 100% of the gas services were completed on time.



FINANCIAL HIGHLIGHTS 2014-15

Financial Highlights

Breakdown of every £1 received:	2014-2015	2013-2014
Rent received	80p	87p
Grants	19p	8p
Other Income	1p	5p

How every £1 was accounted for:	2014-2015	2013-2014
Development & New Initiative Projects	15p	6p
Interest Payable	24p	27p
Management and Maintenance admin costs	27p	28p
Repairing and improving tenants homes	17p	19p
Other expenditure - bad debts	1p	3p
Depreciation	13p	15p
Surplus/Deficit	3p	2p

Number of Properties	659	659
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INCOME & EXPENDITURE ACCOUNT			
For the year ended 31 March 2015	2014-2015	2013-2014	Notes:
Turnover	3,084,893	2,658,261	Income
Less: Operating Costs	2,299,202	1,919,059	Cost of Managing/Maintaining the properties
Operating Surplus	<u>785,691</u>	<u>739,202</u>	
Gain/(Loss) on sale of properties	-	12,473	Right to buy
	<u>785,691</u>	<u>751,675</u>	
Interest receivable	38,559	35,964	
Interest payable	(739,502)	(749,884)	Interest on mortgage and bank loans
Surplus / (deficit) for year	<u><u>84,748</u></u>	<u><u>37,755</u></u>	

BALANCE SHEET			
As at 31 March 2015	2014-2015	2013-2014	
Fixed Assets			
Housing Properties	34,804,511	35,026,064	Housing properties less depreciation
Less: Grants	(23,106,669)	(23,098,751)	Grants received towards building costs
	<u>11,697,842</u>	<u>11,927,313</u>	
Other Fixed Assets	978,836	867,728	Vans, Office Equipment, Retail Units etc
	<u>12,676,678</u>	<u>12,795,041</u>	
Current Assets			
Debtors	1,644,369	1,427,074	Money owed to us
Cash at bank and in hand	907,335	1,178,791	
	<u>2,551,704</u>	<u>2,605,865</u>	
Creditors: amounts due within one year	(692,238)	(602,982)	Money we owe to other people
Total assets less current liabilities	<u>14,536,144</u>	<u>14,797,924</u>	
Creditors: amounts owed after more than one year	(14,030,908)	(14,377,437)	Bank loans still to be repaid
	<u><u>505,236</u></u>	<u><u>420,487</u></u>	
Capital and reserves			
Share Capital non-equity	76	75	Represents members shares at £1 each
Revenue reserves	505,160	420,412	Company's reserves
	<u>505,236</u>	<u>420,487</u>	

Cardenden Heat and Power

Our biggest project in terms of scale is the Cardenden Heat and Power (CHAP) project. The primary aims of CHAP are to provide affordable heat and hot water to local residents, as well as the generation of green electricity that will be sold back to the National Grid. The project will use waste wood as its fuel in the heat and power plant, which is to be erected on the former Bowhill colliery site. This process will generate hot water steam which will drive a turbine to generate electricity. The remaining hot water will then be distributed throughout the village via a network of underground insulated pipes to individual houses.

During this past year there has been considerable effort put in the project. We continue to work with the European Energy Efficiency Fund (a European funding programme which supports large-scale renewable energy projects in Europe) to develop the scheme. The Scottish Government also continues to support the scheme through the Warm Homes Fund (a loan scheme which supports district heating projects).

CHAP has its own board of directors. Some of its members are also on the Board of Ore Valley Housing Association.

Wider Role

Fife Community Wind

Fife Community Wind is our wind turbine project to provide three wind turbines, one each in Dundonald, Methil and Leven. What makes this project different is that 50% of the net profit from the sale of electricity generated by each turbine will go back to the community.

In the last 12 months we reached the stage of securing planning permission for the Methil and Dundonald sites as well as the grid connection for both that will allow us to export the power generated. We also worked further on the technical specifics of each site including choosing the correct turbine type, further environmental impact studies and finding project funders. We have also been seeking potential buyers of the green electricity the turbines will generate.

Ore Valley Business Centre

The Business Centre is a facility with 21 various-sized office spaces available to rent at affordable prices. It is owned and managed by Fife HARCA, a charitable subsidiary of OVHA. Located in Lochgelly's Main Street, its modern design has helped in the redevelopment of the town centre.

Last year was very busy at the Business Centre and the number of tenant businesses has increased to 19 and the number of jobs created and range of events held in the building has expanded. We have hosted exhibitions, conferences, training sessions and meetings and the centre is playing a critical role in the economic regeneration of the local area.

In November, the business centre won the Vision in Business for the Environment of Scotland (VIBES) award in the Co-operation category as a result of the partnership approach led by Ore Valley that led to its development. The centre will now be put forward for the prestigious European Business Awards for the Environment (EBAE) that are held every two years and play a crucial role in demonstrating progress on environmental and sustainability issues worldwide.

Rosewell Drive

Ore Valley Enterprises, a subsidiary company of Ore Valley Housing Association is now managing 27 new build properties at Rosewell Drive, Lochore. These homes are not part of our core social housing stock. Instead they are leased privately to tenants on a mid-market rent basis.

This regeneration project involved an innovative approach that included the demolition of 24 former Fife Council flats, which were replaced with a mix of 2, 3 and 4 bed roomed houses and flats.

The refurbishment of four additional flats is nearing completion as part of an energy efficiency project (Retrofit for the Future) developed in conjunction with Sharp Construction, Napier University and Fife Council. Designed with families in mind, these 2, 3 and 4 bedroom homes offer tenants a good quality affordable alternative to private rented accommodation.

Governance Framework

How are we managed?

We have a framework which ensures that we are accountable to our tenants and regulatory bodies.

We have appointed board members

Board members are elected at the Annual General Meeting (AGM), however in between AGM's, we can co-opt people onto the Board, they will then be elected at the next AGM. Any general member is entitled to stand for membership of the Board; there can be a maximum of 15 members and it meets around every 6 weeks.

Experience and training

Our Board members bring a wide range of knowledge and experience to the Association and are provided with additional training, we currently have 10 Board members, 2 of whom are tenants. We are looking to recruit tenant representatives to our Board, if you are interested in finding out more, then please get in touch with us.

Other Committees

Finance, Audit & Risk Management Committee

Meets every 3 months and considers:

- i. Accounting policies and practices and any changes to them.
- ii. The extent to which the financial statements are affected by any unusual transactions in the year and how they are disclosed.
- iii. Whether the Association is obtaining good value for money from its external auditor.
- iv. External audit works on behalf of the Association's Board and recommends to main Board, appointment of the external auditor.
- v. Whether there are sufficient, systematic reviews of risks faced by the Association and its subsidiaries, whilst reviewing internal financial control and risk management systems, in conjunction with our internal auditors.

Development & Wider Role Committee

Meets every 3 months and considers:

- i. Whether or not the Association is obtaining good value for money from its Development and Wider Role projects.
- ii. Whether there are sufficient, systematic reviews in relation to the risks faced through Development and Wider Role projects.
- iii. To consider the financial implications of any Development and Wider Role projects.
- iv. To consider the impact on the environment, Ore Valley's reputation and society, of any Development and Wider Role projects.
- v. To consider any potential new Development and Wider Role projects prior to submission to the Association's Board.

Value For Money

Economic times continue to pose challenges for all and we are aware that customers have a right to expect their rent to be good value, so it is important that we get the most out of available resources, whilst being effective in the businesses we deliver so that customers are more able to hold us to account.

What Does Value For Money (VFM) Mean?

We think it means, delivering maximum value to all customers whilst minimising costs. That said, we do believe it is about keeping costs and wastage low, but also that this cannot be the only consideration; we also know that effectiveness and responsiveness are crucial to making the best use of available, or limited resources.

As a small Housing Association, it is important that we constantly review our expenditure, services and processes, which means that we look at paying the right price for the goods and services we buy, while understanding that the right price is not always the cheapest. This is not a new approach, but one that we have looked to hone during this year and will continue to develop in the years to come.

This focus on delivering VFM and continuous improvement is helping us develop and invest in keeping Ore Valley strong for both current and future tenants.

VFM is not entirely straightforward, as outcomes are not just about getting the most for the money we collect in rents, it is also about what difference we make to the environment and community, social and economic benefits.

In order to be clear about what VFM means for Ore Valley, we need to be clear about our purpose and role. We also need to be clear about the relationship between service costs and service levels, so that our tenants can understand more clearly what is driving rent levels.

During this year, we have begun to develop a process that offers tenants meaningful engagement in VFM through a VFM survey. This showed that customers thought the following to be important:

"How well maintained my home is and whether I get the improvements that I feel it needs"	34.8%
"How affordable my rent is"	27.3%
"How good the Association's repairs service is"	13.6%
"Whether rents have increased recently"	9.1%
"How satisfied I am overall with the Association"	3.0%
"How well I feel I am kept informed by the Association about its services and decisions"	1.5%
"How good the customer service provided by the Association is"	1.5%
"Other"	9.1%



Board and Staff Teams

Executive Team

Andrew Saunders CEO
Joanne Cargill Executive Support Officer

Corporate Support

Kerry McLeod Depute CEO
Maryjane Elder Corporate Support Officer
Max Scotto Corporate Support Officer (Left July 2015)
Keith Marley Minor Works Officer (Retired July 2014)
Claire King Modern Apprentice (Joined November 2014)

Housing Management

Colin McInnes Housing Manager
Karen Burt Housing Officer
Tommy Braid Housing Officer
Kittaya Sung Housing Officer
Ryan Doyle Trainee Housing Officer (as of November 2014)

Business Development

Nick Clark Business Development Manager
Victoria Murdoch Business Development Assistant

Finance Team

Ann Millett Finance Manager (Left April 2015)
Teri Grubb Finance Assistant
Kerry Curtis Finance Assistant

New members of staff after 31st March 2015:

Isabelle Salter Communications Officer
Danielle Porteous Tenancy Support Worker
Lesley Cunningham Corporate Support Officer



Board Members

Keith Pattenden Chair
Susan McDonald Vice Chair
Andrew Gibb Secretary
Tom Allan
Rosalind Eals
Alan Davison
Mark McLintock
Tom Dougan
Rory Gaffney
Gavin Smith

The Future

In considering the future we have to acknowledge that the world generally and our own environment particularly is changing dramatically and quickly. What is not changing is our commitment to the people we provide housing and services too.

The technology, systems and equipment available to facilitate improvement and revolutionise communications between us and our tenants needs to be embraced and we are determined to do so in the coming year.

Tenant Participation is a key priority for the coming year, our intention is to review structures for involving tenants and to establish arrangements that will allow as many tenants as possible to participate in reviewing and shaping our services.

Since the first stock transfer from Scottish Homes in 1995 and subsequent new housing developments being completed, we have not carried out a comprehensive review of our rental structure. During the year, we intend to commission and complete this review combined with a study on rent affordability. We will consult widely, with tenants having the opportunity to contribute to the review. This is a significant undertaking and an extremely important piece of work in order to make our rent setting arrangements more transparent, understandable and demonstrably fair.

The full impact of the outcome from the Independence Referendum and the UK Parliament elections has still to be fully established, although it seems clear that the newly elected UK Government intends to pursue an austerity agenda.

This is likely to impact directly on us, in particular in relation to welfare reform issues and also through fairly dramatic changes to renewable energy subsidies affecting some of the projects we have been working on. We will continue to work to support tenants in relation to welfare reform and will also attempt to deliver energy efficiency improvements either through renewable energy projects or otherwise.

On a positive note, we have been developing proposals to provide 15 flats on a site we own adjacent to our Cook Square development in Lochgelly. We hope to be in a position to start construction work early in 2016. We will continue to review opportunities to deliver new affordable housing within central Fife and elsewhere.

In relation to our existing housing stock, we will continue with a programme of improvements which will include kitchen renewals, electrical upgrades and will also consider whether it is possible to improve the standard of cavity wall insulation in our traditionally constructed housing.

We look forward to a busy year ahead and welcome comments and views on all aspects of the service we provide.



Andrew Saunders
Chief Executive Officer



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

Keegans, Glasgow
F3 Building Surveyors,
Edinburgh

Structural Engineers

Scott Bennett Associates Ltd.,
Dunfermline

IT Support

IT First, Grangemouth

Web Developer

Untangled Web, Edinburgh