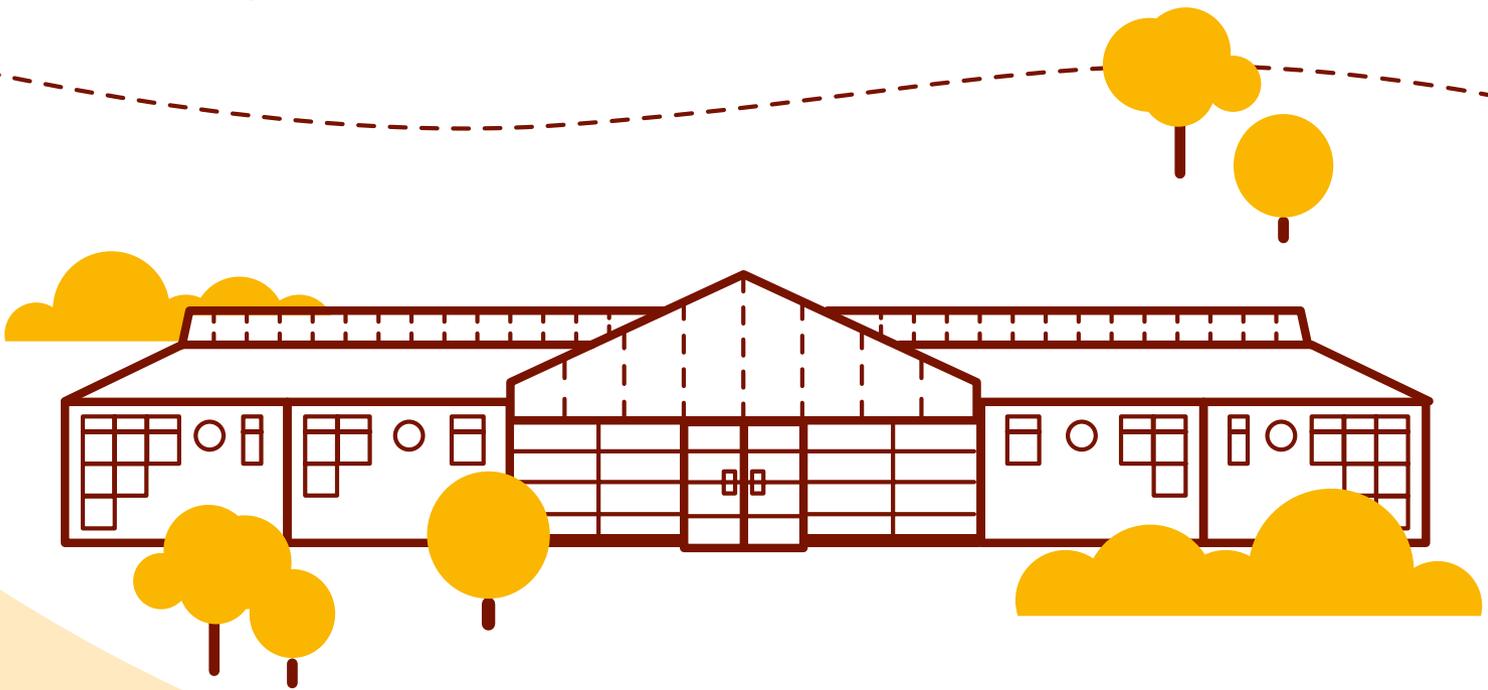


*at home with...*

**fife**   
**housing**  
**group**

# Shaping the future – the journey so far..

**Fife Housing Group**  
**Annual Report 2015/16**



**accountable**  
**firm but fair**  
**open and honest**  
**versatile**

# Shaping the future – the journey so far...



**Nicki Donaldson, Chief Executive**

## **A message from our Chief Executive**

In 2014 we embarked upon a journey, undertaking an initial two year Business Change Programme, designed to help shape the future of our organisation.

Since then we have undergone something of a transformation and, as we near the end of this challenging process, I would like to take this opportunity to acknowledge the hard work which has been carried out by our Board, Resident Scrutiny Group and colleagues alike, embracing the concept that while change may not be easy it is often necessary.

The launch of our new brand logo was certainly one of the most obvious changes implemented during the past year, however, while this may help to represent our new vision, what's actually more important is

the values it represents and the manner in which these have now become embedded throughout our business.

As a result of this, our performance continues to improve and 2016 sees us entering a new phase in our development with strong leadership in place, better equipped to deal with the opportunities and challenges ahead, and I am delighted to say that we are now well on the road to becoming the high performing, forward thinking organisation our tenants, customers and stakeholders deserve.

A handwritten signature in black ink, appearing to read 'N Donaldson'.

# Gone but not forgotten

**We are sad to advise of the recent passing of two of our most dedicated involved tenants.**

## **David Watson (1954 – 2016)**

Joining our Board of Management in 2011 with a background in IT at the Marine and Fisheries department of the Scottish Government, David also studied accounting and made a significant contribution to the work of the Board and the development of Fife Housing Group overall. Dedicated to his role with us and committed to helping us achieve our aims, he will be sorely missed by board members and colleagues alike.

## **Sandy Mather (1957 - 2016)**

Sandy became a Fife Housing Group tenant in January 2014 and subsequently joined the Resident Scrutiny Group, working tirelessly to represent the views of his fellow tenants throughout Fife. Although quietly spoken, he was always forthright in his views, putting forward suggestions to improve services for tenants and doing his utmost to ensure that these improvements were delivered. Sandy particularly enjoyed attending our Community Cafés to engage with other residents about the issues that mattered to them, and will be sadly missed, not only by his colleagues on the Resident Scrutiny Group, but also by everyone else who had the pleasure of working with him.

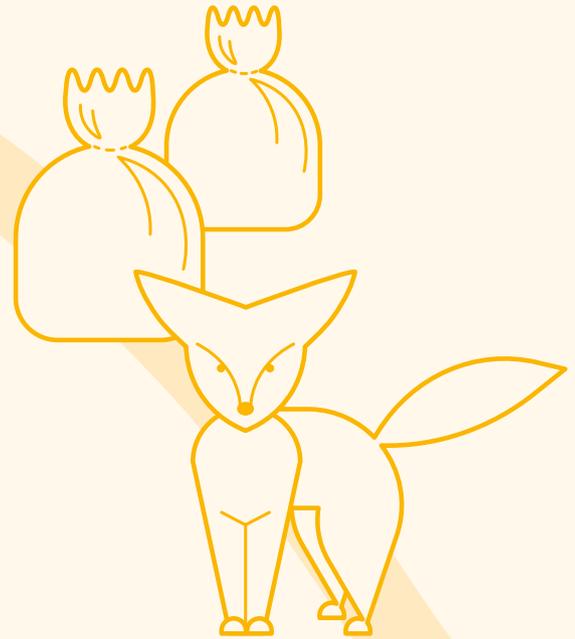
# Monthly highlights

# April

## Keeping up appearances in Kennoway

As part of our commitment to making environmental improvements within the estates we manage, communal recycling bins were installed in specially-constructed bin stores at our flats at New Road in Kennoway, replacing 144 wheelie bins which had caused problems for tenants and other residents by blocking pavements and attracting vermin.

Following this we undertook a full survey of tenants living in both New Road and Leven Road to collect feedback on this initiative and ask for their views on how we could make further improvements to their homes and the area itself. As a result of this, work is ongoing to complete the landscaping behind our New Road properties.



# May

## Recruitment – New Director

In May, Kevin Lynch took up the role of Director of Asset and Commercial Business (now Director of Property and Commercial Business). Kevin came to us from Perth College, where he was Head of Estates/Projects Director, and has responsibility for management of active repairs, planned maintenance, development and commercial opportunities.

## Estate walkabouts

Our programme of estate walkabouts for the year began in May with events in Rosyth, Methil and Dunfermline giving residents the opportunity to learn about what matters to their neighbours, meet other stakeholders, hear about our plans for improvement and see for themselves the issues we are managing in their communities.

# June

## Changes to our terms and conditions

Following an extensive review, June saw the implementation of our new terms and conditions for colleagues, developed as part of our ongoing Business Change Programme with a view to improving our effectiveness and efficiency.

## Estate walkabouts

Having begun these events in May as an integral part of our Engagement Strategy, the programme continued with walkabouts in Kirkcaldy and Oakley.

# July

## Garden competition

July saw the launch of our inaugural Garden Competition. In total 25 tenants took part in a very hard-fought competition showcasing some incredibly impressive gardens.

## New website

This month also saw the launch of our new, interactive website, designed to improve access to our services, provide current, quality information and improve engagement with our tenants and customers.

## Engagement

Our commitment to improving engagement with tenants and other customers continued with a further walkabout in the Abbeyview area of Dunfermline and a successful Community Café in High Valleyfield. Our Community Cafés give residents the chance to find out more about our repairs service, website, how we are all working together to make improvements to the local area and the opportunities available for them to get involved.



# August

## Recruitment – New Director

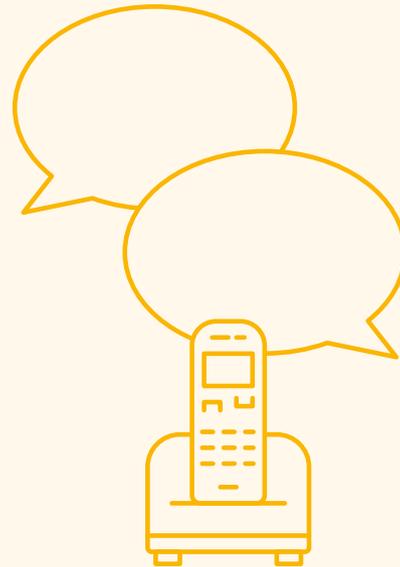
In August, Su Bramley took up the role of Director of Housing having previously worked with us in the roles of Acting Director of Finance and Corporate Services and then of Asset Management. Prior to her time with us Su, who is a qualified Chartered Accountant, worked as a consultant, Deputy Chief Executive and Group Director of Governance.

## Business Change Programme

As part of our ongoing Business Change Programme we began development of new Human Resource and Engagement strategies, the latter of which has been designed to offer tenants and other customers a wide-range of opportunities to become involved and help us to improve and expand our range and standard of services.

## Engagement

Our current Engagement Strategy continued with walkabouts in Hill of Beath, Templehall, Rosyth and High Valleyfield, as well as our second Community Café of the year in Lochgelly.



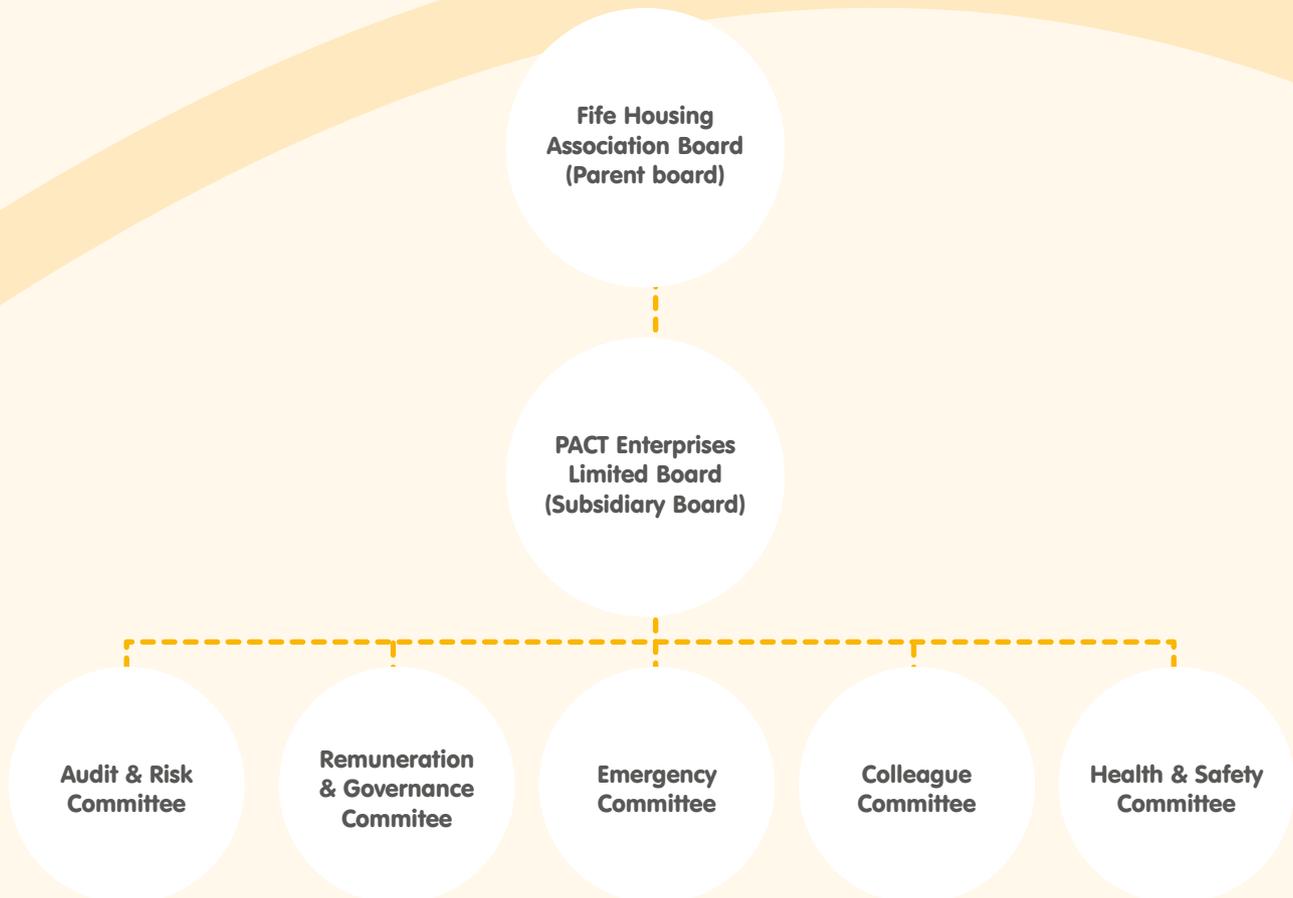
# September

## Annual General Meeting (AGM)

Our AGM was held on 21 September 2015. At this time there was one retirement from our Board of Management and a number of new appointments. Our current Board of Management is detailed on the

next page. It is supported by the Chief Executive and the Executive team. The board and executive work jointly to drive forward the strategic direction which is designed at our annual away day.

### Governance structure



### Board of management as at 31 August 2016

<b>Maureen Garvie OBE, Chair</b>	<b>Appointed September 2014</b>
<b>Patricia Dickson, Vice Chair</b>	<b>Appointed September 2011</b>
<b>Derek Adam, Audit &amp; Risk Committee Convener</b>	<b>Appointed September 2015</b>
<b>Anila Ahmed</b>	<b>Appointed September 2011</b>
<b>Colin McNeill</b>	<b>Appointed September 2011</b>
<b>Stephen Clark</b>	<b>Appointed September 2013</b>
<b>Helen Both</b>	<b>Appointed September 2015</b>
<b>Fiona Hunter</b>	<b>Appointed September 2015</b>
<b>Katherine Dewar</b>	<b>Appointed September 2015</b>
<b>Sandra Stock</b>	<b>Appointed September 2015</b>

### PACT enterprises board of directors as at 31 August 2016

<b>Katherine Dewar, Chair and Non-executive Director</b>	<b>Appointed September 2014</b>
<b>Martin Fleming, Non-executive Director</b>	<b>Appointed March 2015</b>
<b>Kenneth Young, Non-executive Director</b>	<b>Appointed March 2016</b>
<b>Nicki Donaldson, Executive Director</b>	<b>Appointed May 2014</b>

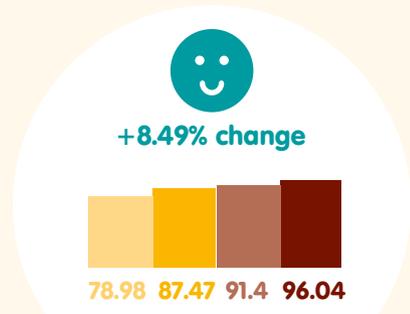
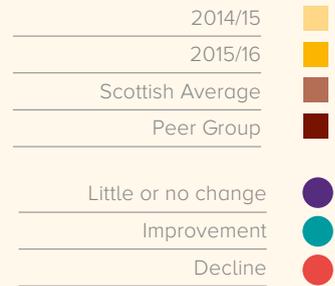
### Leadership team structure



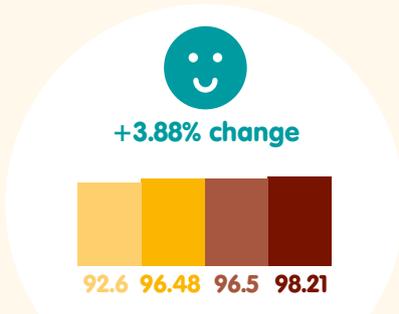
## Stock Condition Survey

In September we also completed a comprehensive condition survey of all our properties, highlighting priority areas for our planned maintenance programme in 2016/17.

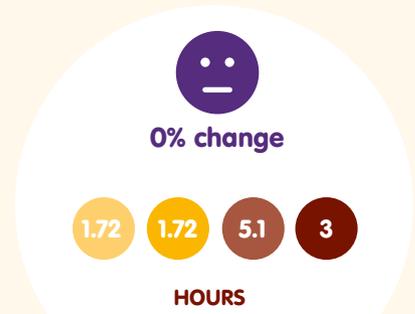
## Repairs and maintenance



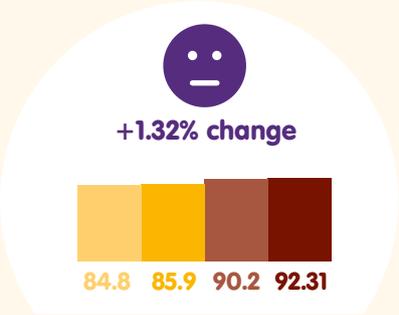
Percentage homes meeting the Scottish Housing Quality Standard (SHQS)



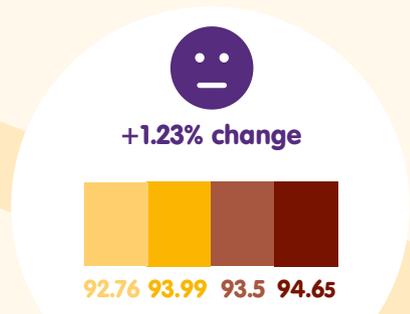
Percentage of homes at or above the required Home Energy Rating levels specified in the SHQS



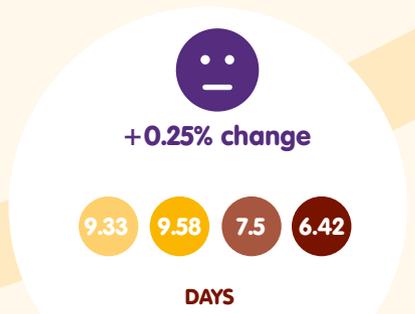
Average length of time taken to complete emergency repairs



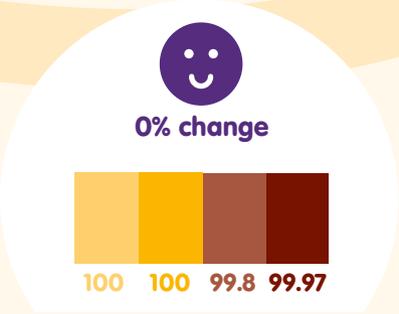
Percentage of repairs carried out in the last year completed 'right first time'



Percentage of repairs appointments kept



Average length of time taken to complete non-emergency repairs



Percentage of properties that require a gas safety record which had a gas safety check and record completed by the anniversary date

\*Percentage change relates to difference between Fife Housing Group's 2014/15 and 2015/16 statistics

We continue to perform well when dealing with emergency repairs, as these are obviously a priority once reported. There is room for improvement when carrying out non-emergency repairs but the winter of 2015/16 was exceptionally wet, which resulted in many of our external repairs falling behind. We have improved repairs completed 'right first time' and, with the implementation of our new organisational structure, hope to see further improvement next

year. Repairs appointments kept are performing relatively well, however, we are working on improving our communication in this area which will hopefully see us meet the performance levels of our peer group as a minimum, within the next 12 months. Meanwhile, we continue to achieve excellent results for our gas servicing due to the combined efforts of our contractor and Business Support Team.

# October

## Letting Standard

Our new Letting Standard, developed with a strong influence from the Resident Scrutiny Group, was implemented in October. This Standard has been created to ensure that all of our properties are maintained to a set level before being let to new tenants.

## Community Café

October also saw our most successful Community Café of the year in Rosyth, with the Halloween-themed event being attended by over 100 residents.



# November

## Completion of Abbeyview regeneration

November marked the end of our redevelopment programme in the Abbeyview area of Dunfermline where we led the construction of 207 new, high quality, energy efficient properties as part of a tripartite agreement with Fife Council and builder, Persimmon Partnerships (Scotland).

A mixture of flats, cottages, townhouses and fully-accessible bungalows replaced the old tenement style flats which were demolished in 2004, making a significant improvement to both the quality of housing available and the local area itself.

## Pension Strategy

In this month we also began the development of our Pension Strategy, with a view to delivering future cost savings and improving financial viability, and are currently in discussions with other Registered Social Landlords to take this forward.

## Colleague Satisfaction Survey

A comprehensive colleague satisfaction survey took place this month, the results of which will be used to develop an action plan and assist us in meeting and exceeding our Investors in People (IIP) standard as we work towards achieving IIP Silver by 2018.



# December

## Rent Review Consultation

The extensive consultation process regarding our annual rental review got underway in December and included two Housing Information Sessions at Pitreavie, four drop-in sessions out in the communities, newsletter articles and delivery of a survey to every home.

## Official brand launch

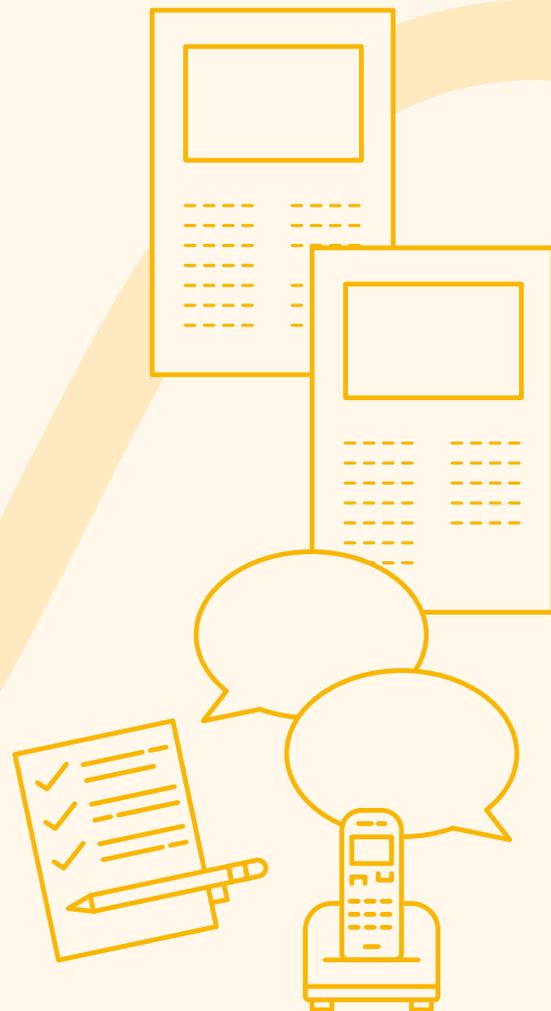
December also saw the official launch of our new brand, representing our vision and values as we move forward, committed to building the foundations of an excellent business for the benefit of both tenants and other customers.

## Estate walkabout

Our final walkabout of the year was held in the New Primrose area of Rosyth.

## Policy approval

Our Membership and Fraud Prevention policies were both approved in this month.

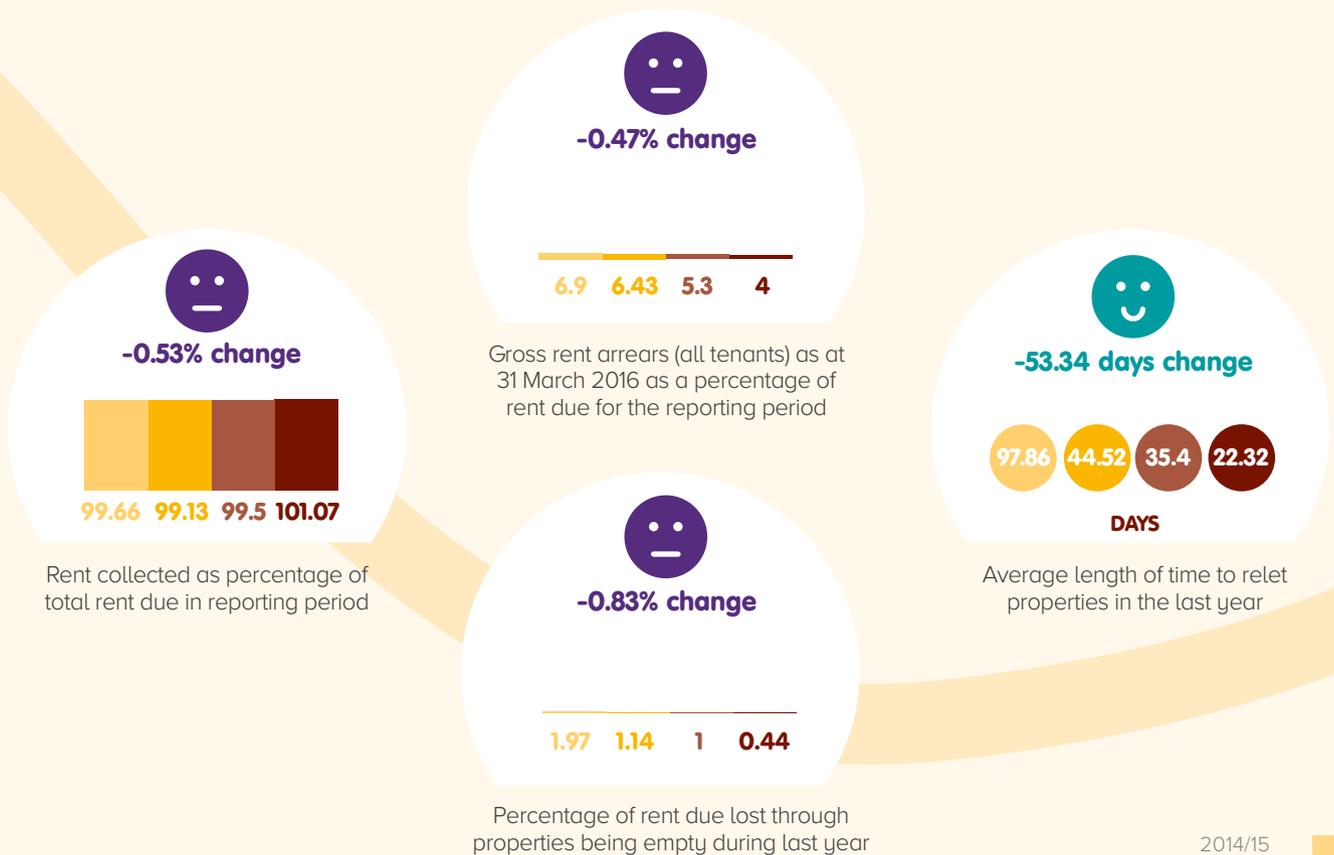


## Approval and implementation of Income Maximisation Strategy

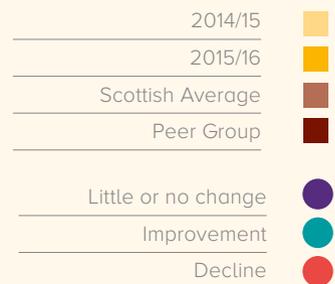
In 2015/2016 our collection of the rent that was due fell slightly from 99.66% in 2014/15 to 99.13%, reflecting the difficult financial positions that existed during this year but also demonstrating the considerable work done to support and advise tenants who were experiencing financial difficulty.

Our Income Maximisation Strategy is designed to reduce arrears and other bad debts, as well as assist with tenancy sustainability. It is being implemented through enhanced visibility on the estates we manage, a robust approach to debt recovery and the creation in our restructure of a new Debt Recovery Officer post.

### Rent and rent arrears



\*Percentage change relates to difference between Fife Housing Group's 2014/15 and 2015/16 statistics



# January

## Roll-out of organisational restructure

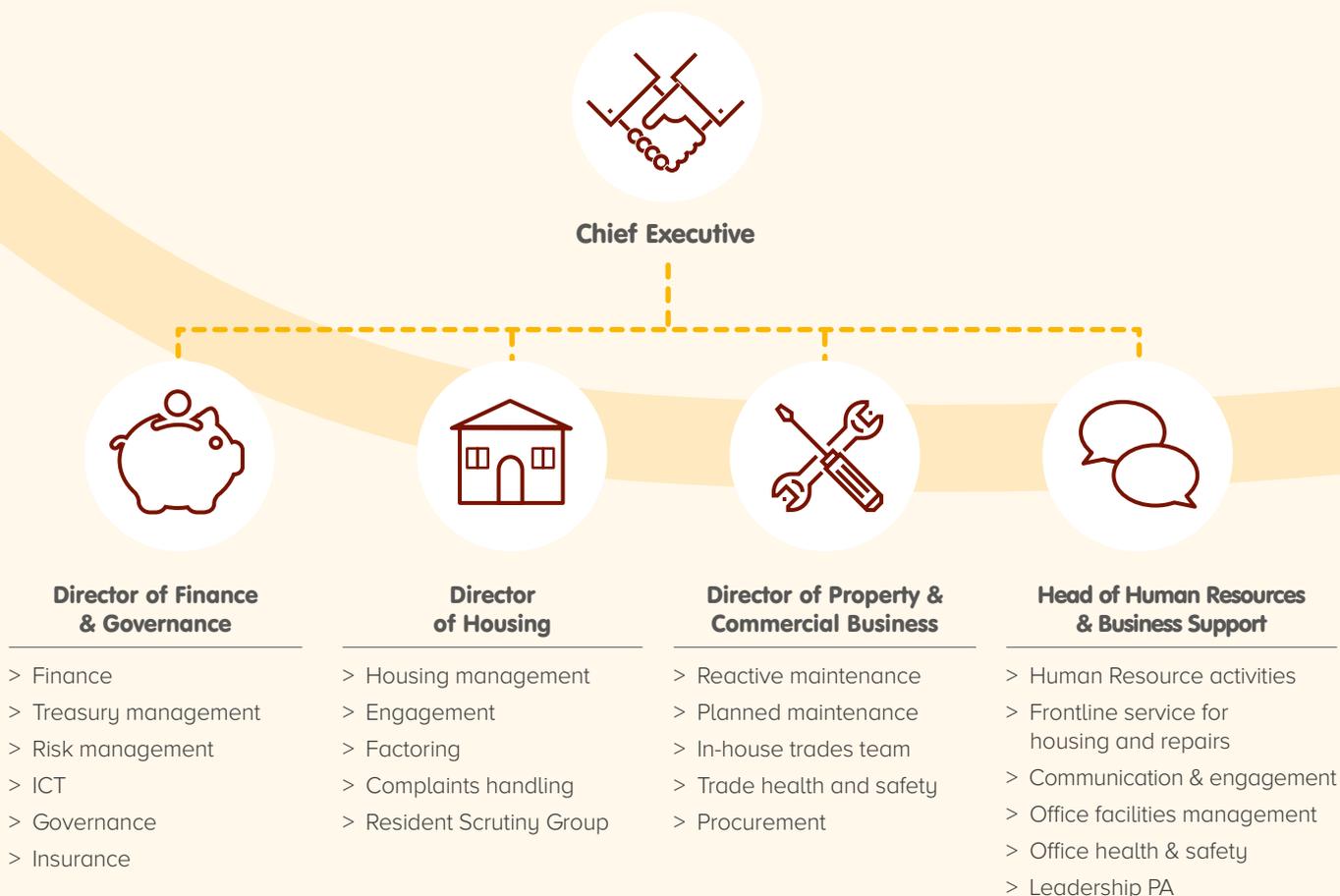
The implementation of our Business Change Strategy continued with the roll-out of our organisational restructure, designed to better meet the needs of our tenants and other customers with a more focused approach to service delivery, tenant centric services, tenancy sustainment, factoring, income management and estate management.

In addition the new structure supports our aims as we strive to provide value for money with a

strong emphasis on performance, stakeholder engagement, taking responsibility and operating an efficient and effective organisation.

As such our business has now been streamlined into five distinct, but interlinked, teams with responsibility for the areas you see detailed below.

As part of this restructure, Caroline O'Donnell was also promoted from Human Resources Manager to Head of Human Resources and Business Support.

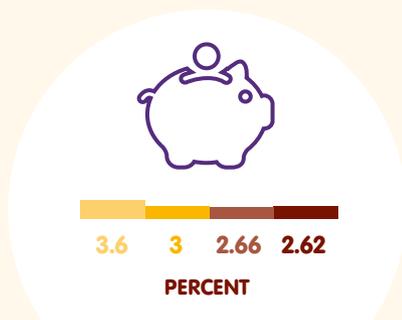


## Results of our rent review consultation

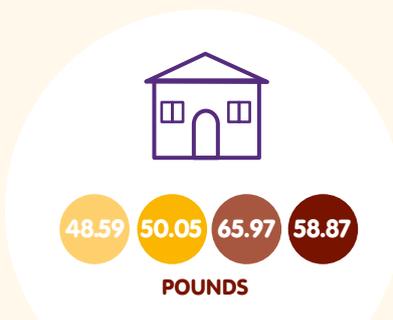
Following our extensive consultation in December, the Fife Housing Group Board approved a rent increase for 2015/2016 of 2.10%. We also gave a

commitment to reviewing how we set rents in the future and this work is currently underway.

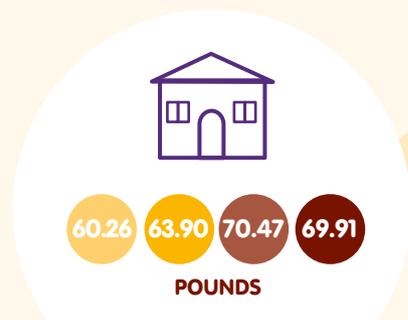
## Rent review



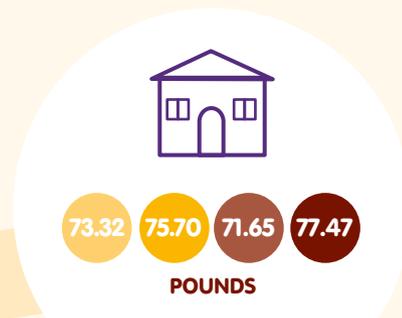
Average rent increase applied



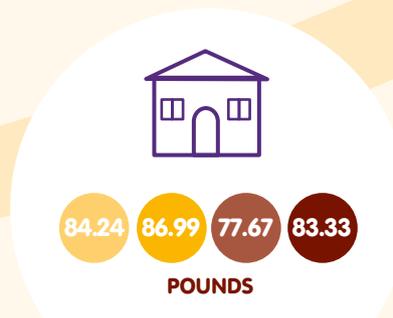
Weekly rent - 1 apt (5 homes)



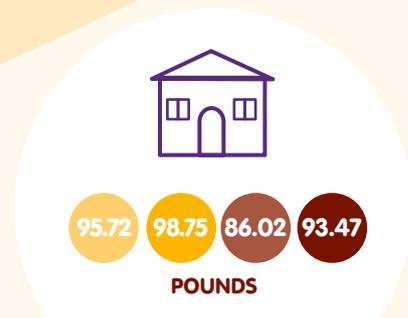
Weekly rent - 2 apt (92 homes)



Weekly rent - 3 apt (1,123 homes)

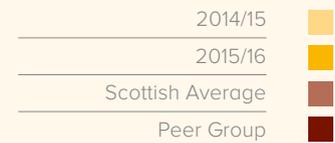


Weekly rent - 4 apt (1,156 homes)



Weekly rent - 5 apt (98 homes)

\*Percentage change relates to difference between Fife Housing Group's 2014/15 and 2015/16 statistics



## Approvals

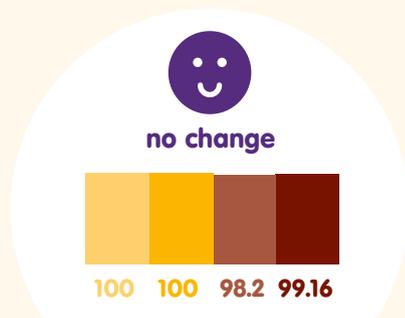
Both our Service Charge Policy and Corporate Social Responsibility Strategy were approved by the Board in January.

## Review of Complaints Procedure

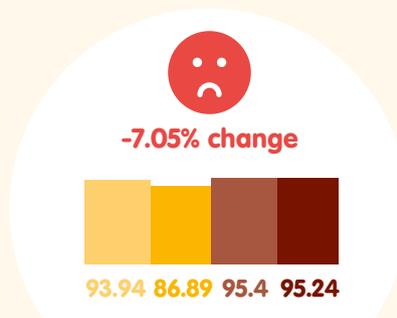
During the year we had 39 Stage 1 and 59 Stage 2 complaints compared to 23 and 32 in the previous year. Our performance in responding to these complaints fell, however, as we experienced significant absence within the team dealing with complaints. We also recognised the increase in Stage 2 complaints

indicated failure to properly deal with Stage 1 complaints on the front line. We have addressed this by moving responsibility for complaints management to our new Engagement Team and creating an additional post to help ensure that all complaints are dealt with in an accurate and timely manner.

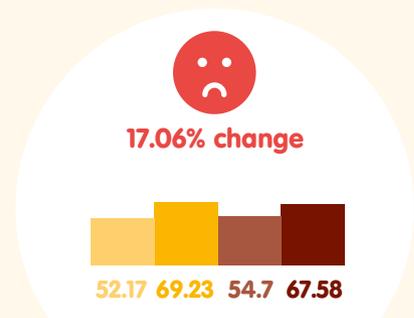
## Complaints



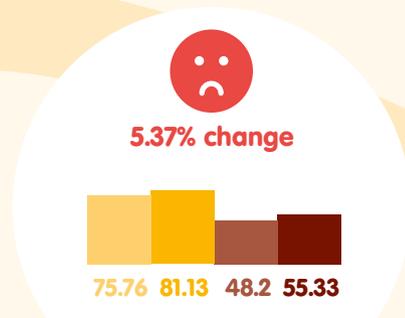
Percentage of complaints responded to in full that were resolved by the landlord - Stage 1



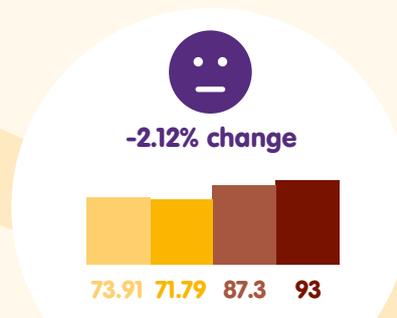
Percentage of complaints responded to in full that were resolved by the landlord - Stage 2



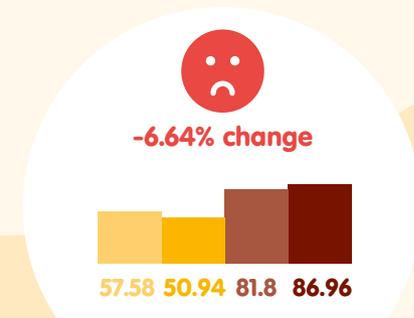
Percentage of complaints upheld - Stage 1



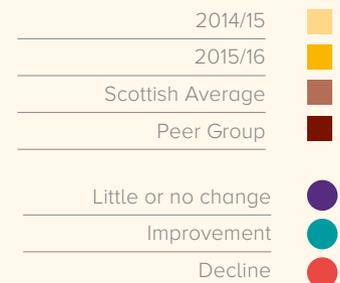
Percentage of complaints upheld - Stage 2



Percentage of complaints responded to within target timescales - Stage 1 (5 days)



Percentage of complaints responded to within target timescales - Stage 2 (20 days)



\*Percentage change relates to difference between Fife Housing Group's 2014/15 and 2015/16 statistics

# February



## Delivery of our Asset Management Strategy

In February we produced our investment plans for 2016/17 which focus predominantly on roofing and damp issues. Following this we began collating information to facilitate the production of a five year planned maintenance programme, prioritising the main issues that affect our tenants.

## Customer Satisfaction Survey results

We also received the results of our Customer Satisfaction Survey which showed significant improvements over the past two years in areas such as our communication and engagement opportunities available.

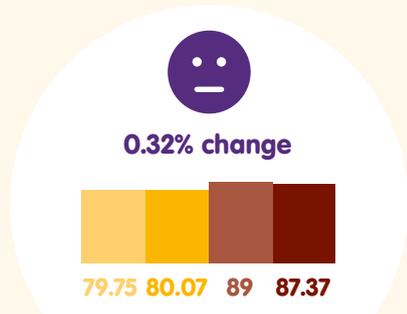
## Internal close decoration of flatted stock

Our planned maintenance programme for this month saw the deep cleaning and redecoration of the communal areas in blocks where we hold majority ownership throughout High Valleyfield, Kennoway, Kirkcaldy, Lochgelly, Rosyth, Inverkeithing, Lumphinnans, Cowdenbeath and Hill of Beath – sprucing them up nicely, just in time for spring.

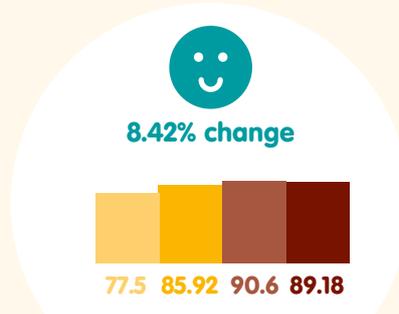
## Lochgelly clean up

As part of our ongoing commitment to improving tenants' homes, local residents and Fife Housing Group colleagues came together to take part in a community clean-up of the bin stores and communal areas behind the flats at Grainger Street, Russell Street and Union Street in Lochgelly.

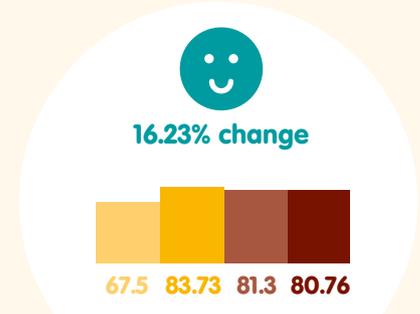
## Tenant satisfaction questions



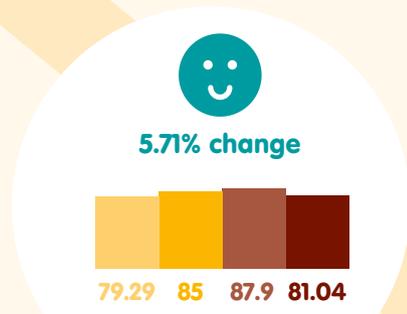
Percentage of tenants satisfied with the overall service provided by their landlord



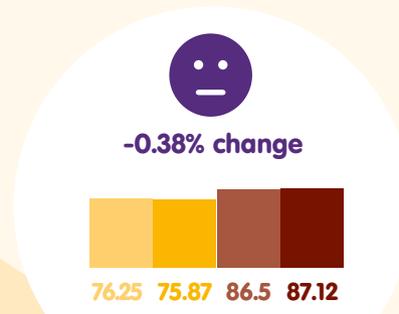
Percentage of tenants who feel their landlord is good at keeping them informed about their services and decisions



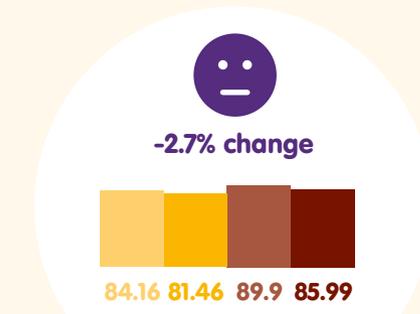
Percentage of tenants satisfied with the opportunities given to them to participate in their landlord's decision making process



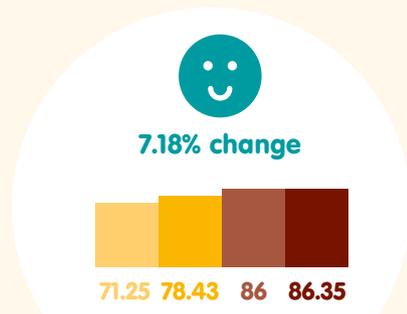
Percentage of tenants satisfied with the standard of their home when moving in (tenants who moved in in the last year)



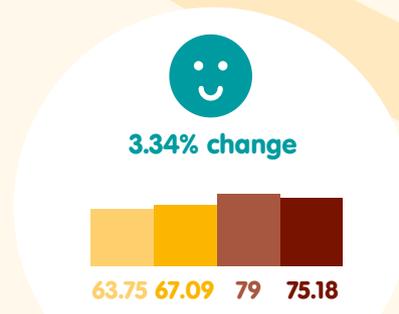
Percentage of tenants satisfied with the quality of their home



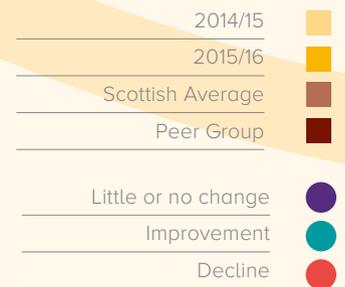
Percentage of tenants who had repairs or maintenance carried out in the last 12 months, who are satisfied with the service



Percentage of tenants satisfied with the management of the neighbourhood they live in



Percentage of tenants who feel the rent of their property represents good value for money



\*Percentage change relates to difference between Fife Housing Group's 2014/15 and 2015/16 statistics

# March

## Business Change Programme

Delivery of the first stage of our Business Change Programme came to an end with full implementation of our new organisational structure and initial steps towards the rationalisation of our Pitreavie and Lochgelly offices.

As part of this process the Board also approved our Human Resources and Engagement strategies and agreed the development of our Information and Communication Technology (ICT) strategy, Value for Money (VFM) and Procurement policies.

## Customer profiling

With the bonus of funding provided by the Department of Work and Pensions (DWP) we were able to employ two colleagues who carried out interviews and completed customer personal profiles for almost 50% of tenants. This work is continuing into 2016/17 to enable us to gather data on all tenants, which should help us to prioritise our services towards those tenants who require additional support.

## Asset management

During the last year we have invested in the region of £2.1million on planned maintenance for our properties. These works included new bathrooms, kitchens, heating upgrades, roof replacements, external painting and internal close decoration of our flatted stock.

## Retirement

In March we also bid a fond farewell to our Finance Director, Andrew Clark, who retired having been with the company for over 19 years.

## Resident Scrutiny Group (RSG)

The Group completed their first major service review looking at the processes that underpin the carrying out of maintenance, both reactive and planned programmes and this resulted in an action plan which was approved by the Board.

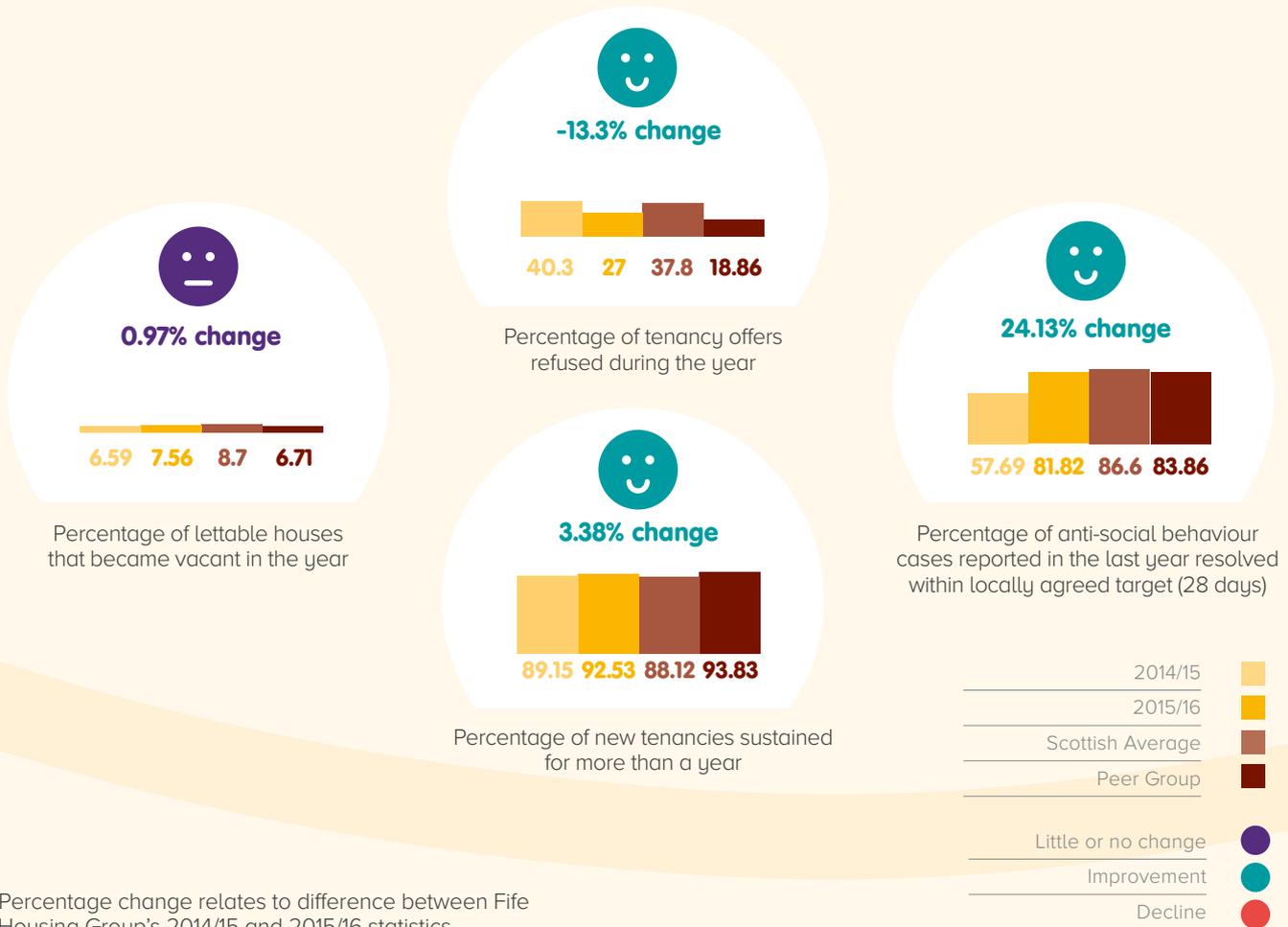


## Tenancy Sustainability Strategy

As part of our efforts to establish and promote sustainable tenancies we carried out in excess of 20 walkabouts during the year, including two this month in Crombie and the Aberdour Road area of Dunfermline, at most of which

we were accompanied by partner agencies such as the Community Wardens from Fife Council, Councillors and a large number of residents who were keen to be a part of improving their community.

## Allocations and tenancy matters



\*Percentage change relates to difference between Fife Housing Group's 2014/15 and 2015/16 statistics

We made 206 general needs lettings during the year compared to 214 the previous year, including a number of lettings to people who were homeless and this is done through our continuing relationship with FrontLine Fife. We had 88 cases of anti-social behaviour compared to 104 cases in the previous year.

This is partly due to our increased focus in identification and response to anti-social behaviour which will not be tolerated. Our increase in estate Walkabouts and Community Café events also afforded tenants a greater opportunity to come and talk to us about what they would like to see within their community.

# The shape of things to come

Although the initial stage of our Business Change Programme has now come to an end this really represents the first steps on our journey as we continue to develop as a business, focussing on 'Getting the basics right' and embedding the values which support this vision across the organisation.

As such we have already begun work on a number of projects which will help to ensure that this culture of tenant and customer focus with a strong emphasis on providing value for money continues into 2016/17 and beyond...

## **Improving all areas of our key performance indicators**

Our ARC Improvement Group meet monthly to review our performance in a number of key areas. Each team is assigned a number of actions to encourage improvements within their area and best practice is sought and reviewed regularly, with a view to improving our performance and subsequently improving tenant satisfaction and/or lowering operating costs.

## **Delivery of Welfare Reform Strategy**

All colleagues have been receiving update training in changes within welfare reform, the key issue for this year being the impending introduction of Universal Credit which took place in April 2016. Our aim is to ensure that colleagues have the skills and experience necessary to be able to advise and support tenants and future tenants when discussing property affordability and access to benefits.

## **Management of our void properties**

We are bringing about a significant reduction in the number of empty properties, and the related rent loss which comes from not having let those homes, through closer team working and an improved attention to performance. Doing so is also bringing many previously empty properties back to market, making additional homes available to help meet increased demand.

## **Seeking new commercial business and trading opportunities**

Our intention is to bring in commercially-beneficial business opportunities to supplement income, share fixed costs and expand the range of services offered by reviewing how we provide services across the organisation, with a view to maximising our commercial income. We are also exploring where we can share costs with other Registered Social Landlords (RSLs) and other organisations.

## **Achieving Investors in People (IIP) Silver by 2018**

We are working towards this by embedding a culture of leadership, performance-focus and customer-focus across the organisation by developing leadership skills at operational management level and implementing a training plan for colleagues and board members which both meets the needs of the business and promotes our culture, vision and values throughout it.

# Financial information

# Financial information

<b>Our income for the year arose from the following sources:</b>	<b>2014/15 £'000</b>	<b>2015/16 £'000</b>
Net rental income	10,100	10,594
House sales	310	318
Other income	1,170	1,103
Grants from Scottish Executive and other agencies	70	324
Interest received	15	8
<b>Total income</b>	<b>11,666</b>	<b>12,347</b>
<b>We incurred expenditure on the following:</b>	<b>£'000</b>	<b>£'000</b>
Repairs	1,609	1,731
Planned maintenance	766	1,208
Management costs	3,025	3,200
Service costs	94	100
Interest payable	2,645	2,602
Cost to Association of houses sold	132	115
Other costs	430	433
Depreciation of housing properties	2,860	2,375
Bad debts	291	51
Expenditure before exceptional item	11,852	11,815
Change in value of pension assets	-12	112
Tax	21	58
<b>Total expenditure</b>	<b>11,861</b>	<b>11,984</b>
<b>(Deficit) / surplus</b>	<b>-195</b>	<b>363</b>

Statement of total recognised surpluses and deficits:	2014/15 £'000	2015/16 £'000
<b>(Deficit) / surplus for the year</b>	<b>- 195</b>	<b>363</b>
Unrealised deficit on housing property valuation	24	287
Actual return less expected return on pension scheme assets	-39	1,083
Effect of change in the actuarial assumptions	- 5,652	- 137
<b>Total recognised (deficits) / surpluses for the year</b>	<b>- 5,862</b>	<b>1,596</b>
Prior year adjustment	0	0
<b>Total (deficits) / surpluses recognised since last annual report</b>	<b>- 5,862</b>	<b>1,596</b>

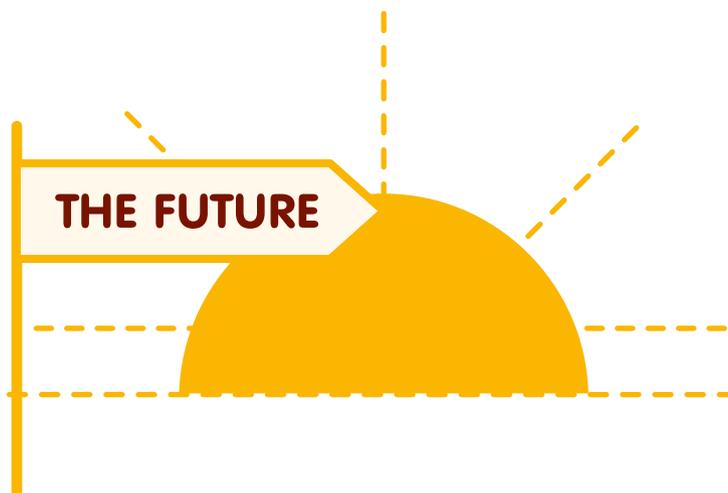
Summary of the Group's Balance Sheet as at 31 March	2014/15 £'000	2014/15 £'000	2015/16 £'000	2015/16 £'000
Fixed assets		82,051		84,130
Current assets	5,862		3,766	
Current liabilities	3,114		2,470	
<b>Net current assets</b>		<b>2,748</b>		<b>1,297</b>
Other provisions (holiday pay / deferred tax)		- 72		- 104
Pension liability		- 3,444		- 2,583
<b>Total assets less current liabilities</b>		<b>81,283</b>		<b>82,739</b>
Long term debts		83,158		83,018
<b>Net assets</b>		<b>- 1,875</b>		<b>- 279</b>
Revenue reserve		-13,385		- 11,789
Revaluation reserve		11,510		11,510
<b>Capital and reserves</b>		<b>- 1,875</b>		<b>- 279</b>

This year's results are reported under FRS102 for the first time, with the results for 2014/15 having been restated to enable meaningful comparisons to be made.

Group Turnover increased by 6% year on year with operating expenditure being contained to last year's level, such that our operating surplus increased by £658k with the surplus after taxation increasing by £558k. That surplus was enhanced by a reduction in the Pension Deficit of £1.1m, such that the surplus recognised since in the year was £1.6m. This compares favourably with last year's restated

loss of £5.9m, which arose because of the increased liability in that year for our loan-based derivatives.

FRS102 has also required that we record the liability for those loan-based derivatives in our Balance Sheet, and whilst we recognised a surplus of £1.6m in the year, reserves ended a negative £279k. Despite recording these long-term liabilities, we remain able to meet our obligations to tenants through good working capital control, and the ability to secure future development funding.



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**Our opening hours are:**  
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**Friday: 8.30am - 4.30pm**

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Scottish Charity Number SC025647  
Scottish Housing Regulator Registration Number 295  
Registered Society under the Co-operative and Community Benefit  
Societies Act 2014 Registration Number 2476 R(S)  
Property Factor Registration No. PF000142