



*Working together
serving the community*

ANNUAL REPORT

2008 - 2009



VIEW FROM THE CHAIR

Welcome to Fyne Homes Annual report for 2008/2009.

As predicted in last year's report there were major challenges to be addressed by the RSL movement during 2008/2009.

Our development programme funding has reduced dramatically from £8M in 2007/2008 to a mere £3.9M in 2008/2009. There is also the likelihood that funding in future years will continue to decrease.

We continue to progress towards meeting the Scottish Government's target of the Scottish Housing Quality Standard (SHQS) by 2015 and are fully committed to do so despite inflation in the construction industry, particularly within Argyll and Bute, rising well above other sectors of the economy.

We are proud that we continue to use only local contractors in Argyll and Bute for both our development and maintenance works.

Fyne Homes understands the Scottish Government's wish for efficiencies within the RSL sector. We are currently investigating a number of options into how we can reduce our overheads and provide our services more efficiently. In addition we aim to work more closely and collaboratively with other RSLs and organisations who are actively involved in the housing sector within our areas of operation.

The availability of finance and the importance of cashflow are vital to all businesses in the current economic climate. Fyne Homes is fortunate to have lending facilities in place with two major banks which will underpin our development programme and major repair programme until 2011.

Our subsidiary companies Fyne Initiatives and Fyne Futures both continue to expand and flourish.

During the year Fyne Initiatives sold 16 'Homestake' tranches at Ballochgoy, Rothesay; Argyll Street, Lochgilphead and Kilmun whilst Fyne Futures increased the service level agreement it has with Argyll and Bute Council for carrying out recycling services to households in Bute and Cowal.

Both companies recorded small surpluses for 2008/2009.

Elsewhere in this report you will read that 4 schemes were completed during the year at Argyll St, Campbeltown; Mansefield Place, Rothesay; Blarbuie Road, Lochgilphead and Ballochgoy, Rothesay which have added 60 much needed rented units to our housing stock.

Fyne Homes would like to thank all its partners, the Scottish Government, Argyll & Bute Council and all our other funders who make all these developments possible.

I would like to thank all the staff for their hard work during the year and my fellow voluntary committee members who give us so much of their time and have supported me so well as Chair over the last 4 years.

I hope you enjoy reading this report and further details of our activities are available on our website www.fynehomes.co.uk



J.Pemble, Chair



DEVELOPMENT

The autumn of 2008 was a busy time for our development department who had the pleasure of taking handover of 5 new developments adding a total of 60 units to our existing social rented stock and 14 units for sale to first time buyers through the Government's LIFT scheme. The total spend of £3.9M for 2008/09 was significantly less than previous years, an unfortunate reflection of the current financial climate.

Mansefield Place, Rothesay - 19 units for rent

19 new homes at Mansefield Place were completed as anticipated by the end of September 2008 and are now fully occupied by new tenants. The homes, a contemporary mix of stylish 4 bedroom 3 storey townhouses, 3 bedroom terrace houses and 1 and 2 bed flats provide Rothesay with much needed family accommodation. The unique design was a creation of Collective Architecture based in Glasgow who have incorporated many sustainable features into the properties including recycled brickwork, solar panels and additional insulation to reduce heating requirements.



Ballochgoy Rothesay - 18 units for rent and 10 for shared equity

The final phase of the 34 new homes at Ballochgoy was unveiled in September to the delight of new tenants and owners. Due to the hillside location, each home boasts unrivalled views over the firth of Clyde and the site layout is designed to maximise not only the views but also the garden areas around each property to ensure that families have adequate private space.

Blarbuie Road, Lochgilphead - 11 units for rent

The 11 new homes at Blarbuie Road were completed 1 month ahead of programme thanks to the efficient design team led by Bracewell Stirling and M & K MacLeod. The homes are a welcome development to the town of Lochgilphead, providing our tenants with easy access to public amenities and the Lochgilphead Golf Course which faces the development. The homes also boast solar panels and a ventilation system which maintains internal air quality.

Kilmun - 4 units for shared equity

The eagerly anticipated 4 new homes for affordable housing built on the ex - Forestry Commission site at Kilmun, near Dunoon were handed over to the new owners in October 2008. The unique homes, which were constructed using Scottish timber in the frame, cladding and internal finishes were constructed under the Forestry Commission's National Forest Land Scheme which aims to utilise surplus forestry sites for the provision of affordable housing. The homes feature wood burning stoves for space and water heating and utilise the wood fuel available in the surrounding area. Spectacular views over the Holy Loch, spacious, quality homes at affordable prices have meant these homes were hot property in the area and didn't stay available for long!



Ramsay Place, Campbeltown - 12 units for rent

12 new amenity flats were completed on a brown-field site in central Campbeltown in November. The mix of 1 and 2 bed flats designed by Bracewell Stirling and built on the site of 'Ramsay's Garage' are deceptively spacious and close to all local amenities, making them ideal flats for older people and those who wish to live close to the town centre. Heating and hot water is provided via air source heat recovery heat pumps which provides heating, hot water and internal ventilation via one unit within the properties.



ON SITE



Bethania, Innellen - 14 units for shared equity

14 new homes are now under construction and are due for completion in April 2010. The homes are designed by Aberdeen based architect Gokay Deveci, well known for his pioneering work in the field of sustainable design. This project will benefit from his knowledge and experience of sustainable building and he will be leading the design team and contractor John Brown (Strone) Ltd to construct all 14 units to the stringent German Passivhaus principles, which demand high

standards of construction and levels of air tightness, the underlying principle being to build a house that can survive without mainstream heating.

Castle St and King St, Rothesay - 25 units for shared equity and 4 units for rent

A landmark grade B listed building in Rothesay is now under development which will transform the Old Council Chambers building and Sheriff Court building into 25 unique flats for sale through the Government's Shared Equity scheme 'LIFT'.

The new flats which are located in the centre of historic Rothesay with spectacular views and close to all local amenities will be for sale to first time buyers in August 2010.



4 new 1 bedroom flats began to emerge from the site of the fire damaged flats on King Street in autumn of 2008. The flats, located in Rothesay's conservation area have spectacular views over Rothesay Castle and will be available for rent from September 2009.

IN THE WINGS

Lochgilphead High School- phase 1 - 43 units for rent and 18 for shared equity

The combined sites of the old Mid Argyll Hospital and the adjacent Lochgilphead High School site is the subject of current proposals to provide a mixed development of homes for rent, shared equity and house plots for sale.

This project is being taken forward in a collaborative manner with local contractor M & K MacLeod which will result in many local jobs in the area being sustained through these difficult financial times. More information will be provided in next year's report.



Rothsay Academy - upper site - approx 40 units

It is the intention to provide homes for sale and rent on this vacant site overlooking the Firth of Clyde and Loch Striven. Proposals are being developed by Collective Architecture; however progress has been slow due to funding limitations at present.

The current financial climate is difficult for all involved in the provision of affordable housing, including Fyne Homes. However, we would like to acknowledge the important contribution of the Housing and Investment team of the Scottish Government in Paisley for their funding and general support. In addition we are grateful for the support of Argyll and Bute Council and the contribution they have made through the Strategic Housing Fund which they control. Without the ongoing support of these organisations we would not have been able to deliver the valuable housing stock which we have across southern Argyll.

HOUSING MANAGEMENT

Housing Management

2008/09 has been another successful year and we continually strive to deliver a high quality Housing Management Service. We have:

- Collected 99.16% of rental income
- Processed 2 rights to buy sales
- Lost only 0.77% of our rental income to voids
- Let 60 new build properties and relet 165 existing properties, totalling 225 allocations

Rent Arrears performance

The Association recognises that prevention and recovery of rent arrears is highly important and continues with our strategy to develop and promote services that are aimed at preventing rent arrears accruing in the first place. It is extremely important to us that we give our tenants and sharing owners as much assistance as possible in maintaining their tenancies.

This year we are delighted to report our lowest current arrears figure of 0.84% (excluding technical arrears). Even though this is good news we will not take our focus off the arrears. We are aware that the current financial climate may have a severe impact on our tenants, and we will continue to focus on arrears prevention and intervention.

Every year, an increasing number of tenants across Scotland are evicted for failing to pay their rent. Although we take a sympathetic view if tenants are experiencing difficulty in paying rent and will do everything we can to prevent tenants from losing their homes, we still need to maximise the income we receive. In order to help achieve this we have served Notice of Proceedings on 145 of our tenants this year and took legal action against 9 which resulted in 6 Decrees for Eviction. Thankfully eviction is a rarity and we continue to explore every opportunity to prevent this from happening.

| Rental Income Targets | Amount Outstanding | Peer group average | Target | Achieved |
|------------------------|--------------------|--------------------|--------|----------|
| Current Tenant Arrears | £33,457 | 3.3% | 2% | 0.84% |
| Technical Arrears | £146,632 | 1% | n/a | 3.70% |
| Former Tenant Arrears | £51,834 | 1.1% | n/a | 1.31% |

Even once a tenant becomes former, we continue to pursue the debt and if we don't have any success in pursuing the debt, we instruct our Debt Collectors for them to pursue.

Tenant Participation

The last year saw us engage a bit more fully with some local individual groups and we were successful in assisting them to attract some funding for community projects.

We continued to use ROVER and once again Santa was able to meet many of our tenants' children to ask what they wanted for Christmas, whilst his elves gave out refreshments to the adults!

The review of the consultation panel saw us end the year with 203 members on the group.

Over the last few years, it has become increasingly noticeable that a disproportionate amount of staff time is spent on what we would see as negative issues such as rent arrears, anti social behaviour and estate management issues. This means that we do not get to spend much time on those of our tenants who do not come to our attention because they are conducting their tenancies well. We would like to address this and give something back to those tenants that we rarely see. With this in mind, we are in the process of setting up a Tenant Reward Scheme and are interested in any comments anyone might have about this subject.

Further information will be provided in our quarterly newsletters.

HOME Argyll

The Common Housing Register for Argyll & Bute (HOME Argyll) has been in operation since October 2006. This is a joint partnership between Fyne Homes Ltd, Argyll Community Housing Association, Dunbritton Housing Association, West Highland Housing Association and Argyll & Bute Council with Cairn Housing Association joining as Associate members during the last year.

The overriding aim of HOME Argyll is to provide applicants with good quality information and advice on a range of housing options so that they can make informed decisions regarding their housing options.

At the beginning of HOME Argyll the Partnership made a commitment to regularly review our Allocation Policy and over the last year we have spent a considerable amount of time reviewing the Allocation Policy with staff and Committee Members of each Association.

The next big step in HOME Argyll is to consult with our Applicants on the Policy and incorporate any feed back from them before the final document is adopted.

Demand for housing in Argyll & Bute continues to outstrip the supply of housing stock the partners have and in 2008/2009 HOME Argyll had 4939 applicants on the Waiting List. Fyne Homes also processed 278 new applications in the last financial year.

Fyne Homes will continue to work with the partners to identify applicants housing needs and ensure that applicants are rehoused as quickly as possible.

If you would like more information on HOME Argyll please access our website on www.homeargyll.co.uk or contact the Association on 0845 6077117.

Lettings

It is important that the Association allocate empty properties as quickly as possible to minimise loss of rental income and reduce the time that properties are left empty. Our average time taken to allocate our non low demand properties was 18 days against our target of 28 days. We are also measured on the amount of rental income lost as a result of properties being empty and this year we achieved 0.79% against our target of 1%.

A breakdown of allocation types can be seen below:

| | |
|--------------------------|-----|
| Existing Tenants | 56 |
| Housing list applicants | 112 |
| Local Authority Homeless | 57 |
| Other | 0 |
| Total | 225 |

Summary

Total number of lettable units in management as at March 31st 2009

| | |
|-------|------|
| 1 apt | 29 |
| 2 apt | 489 |
| 3 apt | 616 |
| 4 apt | 211 |
| 5+apt | 30 |
| Total | 1375 |



MAINTENANCE

- Spent £1,677,000 maintaining and upgrading the housing stock
- Issued 4,033 works orders
- Factored 302 owner's properties



Framework Agreements

2008/2009 saw a change to the way the Association procured its maintenance works. Following a review of our procurement strategy, it was agreed that the way forward for this area of the organisation was to establish a network of Framework Agreements under which the delivery of the maintenance service could be carried out within our large geographical area.

Recognising EU procurement rules a documented "Strategic Brief" was prepared and advertised through the Official Journal of the European Union (OJEU). The brief identified the critical success factors for the whole maintenance framework and the desired principles and objectives that Fyne Homes wished to achieve. Following rigorous Pre Qualification Questionnaire (PQQ), tender and interview stages the successful contractors to be awarded the 4 year Frameworks were:

Minor & Major Repairs

Bute: George Hanson (Building Contractor) Ltd
 Cowal: Stewart McNee (Dunoon) Ltd
 Mid-Argyll: MacLeod Construction
 Kintyre: Livingstone & McEachran

Gas Servicing & Repairs

Bute: Bute Gas Services
 Cowal: William Wallace & Son
 Kintyre: Livingstone & McEachran

Cyclical Painterwork

Bute: George Hanson (Building Contractor) Ltd
 Cowal: Donald Gillies
 Mid-Argyll: Donald Gillies
 Kintyre: Donald Gillies

Garden Maintenance Works

Cowal: Argyll Groundcare
 Mid-Argyll: Philip Davidson
 Kintyre: Andrew Duncan

Performance in Reactive Maintenance

Our reactive Maintenance Service covers the day to day repairs that are reported to our office by tenants. These repairs are split according to priority into Emergency, Urgent and Routine. During 2008/2009 the Association carried out 4033 reactive repairs and we achieved the following against our target response times:

| | |
|-------------------|-----------------|
| Emergency Repairs | 6 hours |
| Urgent Repairs | 3 working days |
| Routine Repairs | 10 working days |

| Category | Out-turn 08/09 | Out-turn 07/08 | Peer Group Average 07/08 |
|-----------|-------------------|-------------------|-----------------------------|
| Emergency | 100% | 100% | 95.7% |
| Urgent | 97.3 | 98% | 89.9% |
| Routine | 95 | 94% | 91.3% |

Looking After the Stock

The Association spent £1,677,000 maintaining and upgrading its housing stock. This was made up of £305,000 on routine repairs and maintenance and £384,064 on cyclical maintenance. This figure also includes £987,936 spent on planned maintenance, property improvements and works to allow the Association to achieve the Scottish Housing Quality Standard.

MAINTENANCE *cont.*

Planned Maintenance & Property Improvements

Planned maintenance and property improvement works involve the replacement or improvement of components within our properties.

2008/09 was a very busy year with planned maintenance/improvement contracts being let as follows:

Bute

Central Heating replacements to 67 properties

Cowal

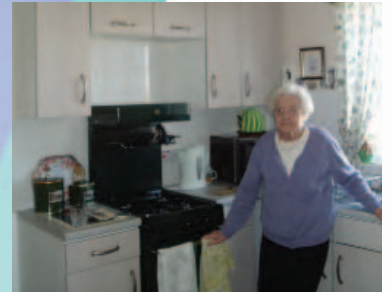
Kitchen Replacements to 20 properties

Central Heating replacements to 23 properties

Kintyre

Entrance door replacements to 19 properties

Rewiring & Bathroom replacements to 117 properties



Cyclical Maintenance

Our cyclical maintenance programme covers works that we carry out on a regular basis (or cycle) to ensure the materials and components within our properties do not deteriorate. In 2008/09 our cyclical maintenance works included the servicing of all our gas central heating systems and appliances, electrical safety testing, gutter cleaning and painterwork to 18 developments in Bute, Campbeltown, Dunoon and Lochgilphead.

Scottish Housing Quality Standard

Our Scottish Housing Quality Standard Delivery Plan sets out the level of investment Fyne Homes requires to make in order to ensure our stock meets the Standard by 2015.

Work such as central heating installations, kitchen replacements, window replacements and energy efficiency measures will all be implemented to ensure the milestones we have set are achieved with 2008/09 seeing the completion of our door entry installation contracts in Bute and Dunoon.

With 91.28% of our properties currently meeting the Standard, Fyne Homes is well on the way to achieving the 2015 deadline.

24 Hour Emergency Cover

This service ensures that residents receive assistance in an emergency and is activated by dialling a “freephone” number. 432 calls were dealt with during the year. (tel: 0800 592 276)

Maintenance Department - Direct Line

A direct telephone line to the Maintenance Department allows tenants from all our areas of operation to easily report repairs and maintenance items. (tel: 0845 052 0039)

Factoring Service

A factoring service is administered on behalf of 302 owner-occupiers.

Backcourt & Common Garden Maintenance

The Association provide a backcourt and common garden maintenance service to all of our residents. This service is carried out by in-house staff in Bute and by our framework contractors in Cowal, Mid-Argyll and Kintyre.

MAINTENANCE *cont.*

Agency Services

Agency work was carried out on behalf of the Bute Branch of the Scottish Veterans Garden City Association (SVGCA).

Aids & Adaptations

Adaptations such as level access showers, stairlifts and grabrails were carried out to 34 Association properties during the year. Funding in the region of £51,000 was received from the Scottish Government for these works.

Gas Safety

The Association has a legal obligation to ensure that we carry out gas safety inspections and services annually in all of our tenanted properties that have gas appliances/central heating systems. In order to allow us adequate time to organise access and complete the services within the statutory 12 month period we start the process of arranging access 10 months after the date of the last inspection. In general, this has allowed us adequate time to ensure services are completed within the statutory twelve month period.

We monitor our performance in relation to meeting our legal obligations on gas safety and the table below summarises this year's results.

We would like to take this opportunity to remind all of our tenants of the importance of providing access to your home to allow us to undertake the annual gas safety inspection. This work is required by law to ensure your home and those around it are safe.

Gas Safety Inspections 2008/2009

| No of services | Services completed within 12 months | Services up to 30 days late | Services up to 90 days late | Services more than 90 days late |
|----------------|-------------------------------------|-----------------------------|-----------------------------|---------------------------------|
| 793 | 789 | 2 | 1 | 1 |

Unfortunately there will always be some instances where the tenant does not grant access within the twelve month period and in these cases we have no alternative but to revert to legal action to force access to the property. While we look upon this as a very last resort we have a duty of care and legal obligation to all of our tenants to ensure their homes are safe and we must do whatever is within our means to undertake these essential safety inspections.

Fuel Poverty

Fyne Homes continued work on our Fuel Poverty Project which aims to indentify tenants at risk of, or, facing fuel poverty issues.

The next stage of this project is to prepare "energy efficiency" packs which will be distributed to tenants at risk of fuel poverty along with analysing our capital works programme in order to prioritise works which will increase the thermal efficiency of our properties.

SUSTAINABILITY

Five years ago we set up a Sustainability Team as our vehicle to address and coordinate initiatives on sustainability - by sustainability we include environmental as well as socio-economic themes.

Green Thread

Many of you will remember our sustainability newsletter entitled Green Thread. After several successful years of publication - the first in December 2004 - we felt that it had succeeded in raising the profile of sustainability and specific projects to staff, Committee and friends of Fyne Homes and decided to widen our approach.

With this in mind, we ceased the production of Green Thread *pur se*, but instead sought to incorporate some sustainability articles into our tenants' newsletters. This enables us to reach a wider audience and, for the first time, to present sustainability issues to our tenants.

EASY

An example of the work we do in the Sustainability Team is EASY. We have set up a new project known as 'EASY' (Energy Awareness Scheme for You). EASY aims to collect information to calculate 'daily average energy consumption' figures across a range of heating types and property types within our Housing Stock.

This data will provide Fyne Homes with valuable information relating to the overall efficiency of our properties by looking at the type of property, the heating system, number and lifestyle of occupants and any energy saving adaptations to the home.

FH staff are collecting the information by calling on specific tenants and recording electricity and gas meter readings at any given time. This information is fed into a database which calculates a daily energy consumption figure, and will provide the basis for our analysis. Equipped with this information, Fyne Homes will enhance their abilities to commission energy efficient housing in the future.

Environmental Data

Over recent years we have monitored our environmental performance using several key performance indicators (KPIs). The results are given below - with 'traffic lights' to indicate the trend of the past 12 months compared with 2007/08.

The headline result of last year was reduced travel resulting in lower carbon dioxide emissions from our vans and staff cars. This is the result of a conscious effort to reduce travel and to car share wherever possible. Overall, an excellent result - and one which benefited our accounts as well as the environment.

The use of video conference saved 7,474 miles in 2008/9 - 1,000 less than the previous year. This saved 2.4 tonnes of carbon dioxide that would otherwise have been emitted - carbon dioxide is one of the main gases that contributes to climate change. Although the mileage was down, the VC was only used a little less frequently this year than last; 36 times compared to 38. Hence the drop in miles saved by VC is partially explained by a lower number of miles being saved per meeting.






We note some interesting use of VC this year. For example, Development used VC for 9 of the 12 Ramsay Place meetings which saved 1,242 car miles and 18 ferry crossings. Two consultants also attended two of these meetings, thereby saving themselves mileage from Glasgow to Campbeltown. Another example is the greater use of VC by Housing who used VC for 3 out of 7 Team meetings which saved over 1,000 miles and a considerable amount of staff time.

The use of VC not only reduces our impact on the environment. It also saves us considerable amount in time and money. We would like to see greater the use of VC increase in the future.

In regard of office energy, our result for 2008/09 was similar to the previous year. However, this masks a 22% increase in gas use at our head office which was offset by savings in electricity consumption due to reduced energy use at Campbeltown, Lochgilphead and our Rothesay boardroom. We need to consider why gas increased at Rothesay and see whether we can reduce our consumption this winter.

You can see that in regard to using recycled paper, we've had another good year - 98% (including envelopes) is an excellent demonstration of our commitment. However, not reducing our paper use is disappointing given our increased emphasis on electronic media - another area to concentrate on in the future.

How have we done in 2008/09

| Indicator | Units | 2002/03 | 2003/04 | 2004/05 | 2005/06 | 2006/07 | 2007/08 | 2008/09 | Trend |
|---|------------|---------|---------|---------|---------|---------|---------|---------|---|
| Carbon dioxide emissions: office energy* A large increase in gas use at our head office was offset by a reduction in electricity use elsewhere. | Tonnes CO2 | 63 | 53 | 57 | 63 | 58 | 64 | 64 |  |
| Carbon dioxide emissions: work travel. A welcome 17% decrease from last year - giving our best result since we started monitoring. This was achieved through a reduction in van use (26%) and staff car use (16%) - meaning 13,411 less miles travelled this year. | Tonnes CO2 | 20 | 22 | 22 | 23.5 | 20.7 | 21.9 | 18.3 |  |
| Carbon dioxide emissions saved from video conferencing VC saved 7,474 miles in 2008/9 - down 1,000 on last year - although down a little on last year, the VC was used 36 times during the year and saved us both time and money - as well as 2.4 tonnes of carbon dioxide emissions. | Tonnes CO2 | 1.9 | 1.9 | 2.5 | 3.0 | 3.4 | 2.8 | 2.4 |  |
| Paper use (including envelopes). A similar amount to last year - disappointing to not achieve significant reductions given our increased focus on electronic solutions to paper use. NB: this is Rothesay only. | Reams | 659 | 832 | 709 | 576 | 833 | 709 | 716 |  |
| Proportion of recycled paper (including envelopes). A slight increase in last year - but a very good performance to maintain such a high level of recycled paper use. NB: this is Rothesay only. | % | 77 | 87 | 91 | 88 | 91 | 97 | 98 |  |

Key for Trends (compared to 2007/08)



Favourable trend



Similar to last year



Unfavourable trend

* The office energy figures are based on meter readings, although some assumptions were required when analysing the data.

** A favourable/unfavourable trend is taken to be when the increase/decrease is more than 5%.

THE WIDER ROLE

Once again our subsidiary companies Fyne Futures Ltd and Fyne Initiatives Ltd, which are involved in community and commercial activity, have posted small trading surpluses.

FYNE FUTURES

Bute Recycling Centre

The service to provide a kerbside and bring-site recycling service to Bute and West Cowal continues to exceed expectations. The target of 400 tonnes of recyclable materials to be collected was surpassed with 410 tonnes being collected, an increase of 15 tonnes from the previous year.

Bio Diesel

The project to produce bio-diesel from waste cooking oil has to date been a great success. The Knowledge Transfer Partnership with Caledonian University has been completed and bio-diesel is now being produced on site. Such is the success and scale of production all of Fyne Futures vehicles are now powered using the bio-diesel.

Bute Produce

Produce is now growing on site and links with schools and community groups have been established to build local involvement in the project. The project allows trainees who are unemployed to gain knowledge and experience in Horticulture. The team has been working hard and the site is now taking shape with two polytunnels, now well established.

Other projects which the company has been involved in over the past year include:-

Rural People and Places

Aimed at increasing understanding of rural issues and factors affecting housing and homelessness in rural areas using creative Arts, including drama, this project will provide two short term employment and training opportunities

Recycling, Sustainability and Employment

This project is aimed to support community based recycling operations in Argyll & Bute to provide employment and training opportunities for vulnerable unemployed people, whilst assisting them to develop their skills to provide longer term employment opportunities.

Revive Rothesay

A shop has been set up in Deanhood Place, Rothesay to sell good quality recycled furniture. Staffed by dedicated volunteers, this is another venture which is thriving



FYNE INITIATIVES

LiFT (Low-cost Initiative for First Time buyers)

Shared Equity housing sales have seen 16 properties being sold under the scheme which allows potential owners to raise a mortgage, normally between 60% - 80%, of the value of the property and take full ownership. The properties sold include:

4 bedroom detached houses in Kilmun, 2 and 3 bedroom semi detached houses in Rothesay and 2 bedroom flats in Lochgilphead. The average share taken by owners was 62% which means for as little as £55,500 a new owner could get onto the property ladder.

2 developments are currently on site at The Old Courthouse, Rothesay and Tigh Na Cladach, Innellan which will provide 25 and 14 properties respectively. To support the marketing of these properties and give information such as floors plans, a dedicated website was launched earlier this year - www.fynefirst.info



Rural Home Ownership Grants (RHOG)

Fyne Initiatives continues to act as the agent on behalf of The Scottish Government to administer delivery of RHOGs throughout Fyne Homes area of operation. To assist in maintaining local, rural communities, one RHOG was granted a total of £54,000 being allocated. Five other RHOG applications are in the process or being appraised and it is hoped that funding will be secured for these applications in the next financial year.

EXTRACTS FROM THE ACCOUNTS

Income & Expenditure for the year ended 31st March 2009

| Income | 2007/2008 £,000 | | 2008/2009 £,000 | |
|---------------------------------|--------------------|-------|--------------------|-------|
| Rental Income | 3,669 | [92%] | 3,938 | [93%] |
| Investment Income | 87 | [2%] | 39 | [1%] |
| Other income | 249 | [6%] | 245 | [6%] |
| Total | 4,005 | | 4,222 | |
| Expenditure | | | | |
| Staff costs | 1,342 | [34%] | 1,359 | [33%] |
| Office Overheads | 591 | [15%] | 590 | [15%] |
| Maintenance | 818 | [21%] | 1,027 | [25%] |
| Loan Charges | 874 | [22%] | 773 | [19%] |
| Depreciation | 290 | [8%] | 324 | [8%] |
| Total | 3,915 | | 4,073 | |
| Surplus/deficit for year | 90 | | 149 | |

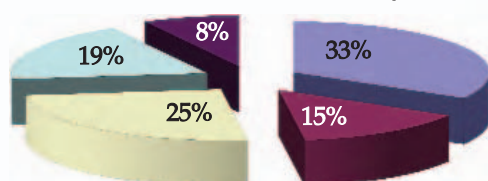
A full set of the Audited Accounts of Fyne Homes Limited is available at any of our offices

Facts and Figures

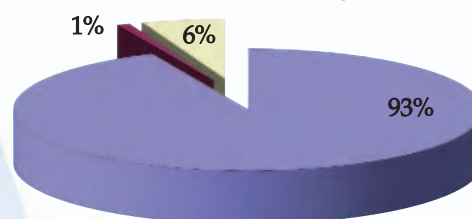
Extracts from the accounts for the year ended 31st March 2009

- Total investment by Fyne Homes Limited now exceeds £95 million
- Private Finance loans now total £14.5 million
- Scottish Government funding for 2008/2009 was £2.37 million
- Total reserves at the year end were £3.51 million.

EXPENDITURE 2008/09



INCOME 2008/09



■ Rental Income ■ Investment Income
■ Other Income

■ Staff Costs ■ Office Overheads ■ Maintenance
■ Depreciation ■ Loan Charges

EXTRACTS FROM THE ACCOUNTS *cont.*

Balance Sheet as at 31st March 2009

Fixed Assets

| | | |
|------------------------------|-------------------|------------|
| Housing Properties at cost | £ 93,957,757 | |
| Less Grants and Depreciation | <u>76,854,030</u> | 17,103,727 |

Other Fixed Assets

| | | |
|-----------------------------|-----------|---------|
| Heritable Properties | £ 281,205 | |
| Commercial Properties | 143,216 | |
| Office Equipment | 157,071 | |
| Computer Equipment | 11,233 | |
| Motor Vans | 8,731 | |
| Other Equipment Investments | <u>52</u> | 601,508 |

Investments

1

Current Assets

| | | |
|-----------------------------|----------------|-------------|
| Debtors and Prepaid Charges | £1,328,408 | |
| Cash and Bank Balances | <u>130,740</u> | £ 1,459,148 |

Current Liabilities

| | | |
|-------------------------------|-------------|----------------|
| Creditors and Accrued Charges | £ 1,099,890 | <u>359,258</u> |
| | | £18,064,494 |

Long Term Loans

| | | |
|-------------------------|------------------|--------------|
| Scottish Government | £ 440,515 | |
| Abbey National Treasury | 3,116,729 | |
| Bank of Scotland | 722,247 | |
| Clydesdale Bank | 848,866 | |
| Nationwide BS | 796,469 | |
| Royal Bank of Scotland | <u>8,409,681</u> | (14,334,507) |

Retirement Benefit Pension Scheme Deficit

| | |
|--------------------|---------------|
| (<u>159,000</u>) | (£14,493,507) |
| | £ 3,570,987 |
| | ===== |

Represented by:

| | |
|---------------------------------------|------------------|
| Share Capital | 187 |
| Designated Reserves for Major Repairs | 2,105,675 |
| General Reserve | <u>1,465,125</u> |
| | £ 3,570,987 |
| | ===== |

Auditors

Scott Moncrieff
25 Bothwell Street
Glasgow

Internal Auditors

Alexander Sloan
144 West George Street
Glasgow

Solicitors

T C Young
7 West George Street
Glasgow

GOVERNANCE

Management Committee

| | | | |
|-------------|---|---------------|-----------------|
| J. Pemble | <i>Chair</i> | D. Gardiner | |
| R. Reid | <i>Vice Chair</i> | F. McCowan | |
| J.L.Bulloch | <i>Convener Staffing Committee</i> | T. MacKay | <i>Co-optee</i> |
| P. Lingard | <i>Secretary and Convener Housing Committee</i> | B. Paterson | |
| J. McMillan | <i>Convener Audit Committee</i> | G. Sutherland | |
| D. Williams | <i>Convener Technical Services Committee</i> | H. Thomson | |
| S. Davies | | | |

Fyne Homes would like to acknowledge almost 50 years dedicated service of Donald McIntyre who sadly passed away in November 2008. Donald became a member of William Woodhouse Strain Housing Association Ltd (subsequently Fyne Homes) in 1961, and continued to play an active part in the Association until his health deteriorated in 2007.

Deirdre Forsyth and Freda Ferguson resigned from the Management Committee after 10 and 3 years service respectively and their colleagues on the Management Committee thank them very much for their support over the years.

Tom MacKay was co-opted onto the Management Committee in March 2009 bringing the complement of Committee members up to 13.

5 people took out membership of Fyne Homes during the year giving us an active membership of 187 as at the end of March. The Association encourages tenants or residents in our areas of operation who support the aims of the association and wish to play an active role in the affairs of the association to become members. Membership is through the purchase of a £1 share and entitles the member to vote at the AGM and stand for election to Committee.

Committee agreed 1 new policy during the year and a further 19 were approved following review.

Our internal Auditors, Alexander Sloan carried out reviews of our processes in Finance, Development and relationship with our subsidiaries. We are pleased to report that during the audit visit there were no significant control weaknesses identified that could result in material loss to the Association.



TENANT SATISFACTION

Resident Satisfaction Survey - high satisfaction levels

During September 2008 Knowledge Partnership undertook an independent postal survey of all our tenants, sharing owners and owners and we are delighted to report Fyne Homes tenants are happy with the quality of services provided by the Association. The survey covered a range of topics such as:

- Satisfaction with services
- Information, consultation and participation
- Estates and wider neighbourhood
- Housing

The results were presented to Committee and Management at their Strategy Day in November and they were very pleased with the outcome of the survey.

Comparison with the last survey shows that in your eyes our performance as a landlord has improved in many areas and we are committed to making sure this continues! However, we will analyse the results further to establish areas where improvements can be made.

Some of the key findings are highlighted below:

- *97% satisfied with the services provided by Fyne Homes (2% increase)*
- *97% satisfied with the association as a landlord. (2% increase)*
- *96% satisfied with the association's repairs service (6% increase)*
- *98 % felt that the association kept them well informed (3% increase)*

We would like to think that we provide the best possible service to all our service users and we accept that there are always going to be times when we could do better. In addition to carrying out periodic independent resident surveys we therefore carry out a number of in house surveys to collect opinions on how well the Association is performing and where we need to make improvements. The Association also needs to know that the services we provide, which after all are paid for by your rents, are those that you want and are valued by you. If you receive a survey form we would be extremely grateful if you would take a few minutes to complete and return the form as it is only with your co-operation that the Association can continue to make improvements and maintain the high standards we hope you currently enjoy. Your input is very much appreciated.

A summary of the in house surveys carried out in 2008/2009 follows:

Reactive Repairs

All repairs requests incorporate a satisfaction slip which allows customers to comment on the quality of service received. This information helps us to improve the service we deliver and is fed back to contractors and staff. It is also reassuring to know when we have performed well. The response rate was up on last year from 30% to 36%.

| Question | 2007/2008 | 2008/2009 |
|---------------------------------------|-----------|-----------|
| Carried out in timescale | 91% | 95% |
| Quality of repair | 93% | 95% |
| Contractor's courtesy | 98% | 99% |
| Precautions taken to protect property | 99% | 98% |
| Tidying up and removing rubbish | 99% | 98% |
| Service provided by Maint. Dept | 96% | 95% |

TENANT SATISFACTION *cont.*

Quotes from tenants

"Great job well done thanks"
"Work carried out within 3 hours of making telephone call - excellent"
"Thank you for a wonderful job"
"Excellent work thanks for very fast repair"
"First Class Service"
"Very prompt speedy repair- very good service"

Stage 3 Adaptations

A total of 42 residents benefited from having adaptations carried out to their homes during the year. Surveys were sent out to 35 residents who were still in the homes for which the adaptations were carried out.

- *95% said the adaptation had increased their level of mobility and independence*
- *95% were happy with the standard of work and conduct of the contractor*
- *84% felt that information by the Association on level and timescale of work was satisfactory*

Complaints

We always aim for the highest possible standard of service; however there may be occasions when people feel they have just cause for complaint. This gives us the opportunity to rectify any mistake or if more appropriate better explain the reasons for our actions.

The Association received 31 formal complaints. Eight of the complaints received were upheld, 7 were partially upheld, 9 were rejected and 1 withdrawn. We are pleased to report that no complaints were referred to the ombudsman.

84% of the complaints were acknowledged within our 3 day target.

New Developments

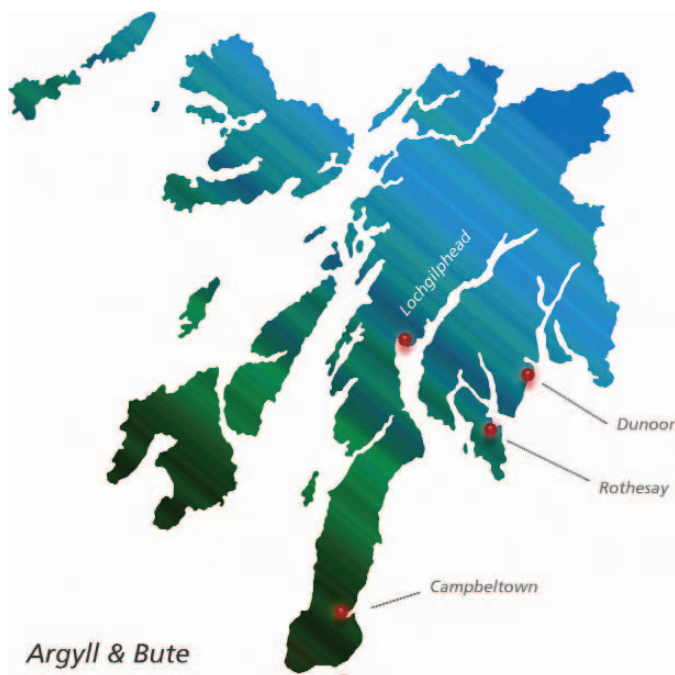
In order to assess tenant satisfaction with regard to new developments, surveys are sent out to all residents 6 months after the development comes off site. During this financial year a survey was carried out for Kirn Place, Dunoon.

A summary of the results are detailed below:

| Kirn Place | |
|----------------------|------|
| Design | 95% |
| Specification | 93% |
| Environment | 89% |
| Level of rent | 100% |
| Office & Staff | 100% |
| Landlord | 100% |
| Information provided | 100% |







Incorporating:
William Woodhouse Strain Housing Association
and Bute Housing Association

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Scottish Federation of
Housing Associations

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