



Our Values

Openness

We are committed to openness, accountability and integrity in all our business activities.

Respect

We respect diversity and each other and we help all our colleagues to deliver their best.

Trust

Our relationships with each other, with tenants and with our partners are built on trust.

Dedicated

Collectively we are dedicated to providing real homes in balanced Highland communities.

Innovative

We have a track record of delivering innovative developments throughout the Highlands.

Sustainability

We deliver long term housing solutions which contribute to community sustainability.

Quality

We strive to deliver a quality service, to build quality homes and to provide best value.

Affordable

We provide a range of housing to ensure that it is affordable to a wide range of people.





Our Purpose

The principal activity of Albyn is the development, management and maintenance of housing in the Highlands of Scotland for people in housing need. Albyn Housing Society currently manages more than 2000 properties across 60 Highland communities.

Albyn is registered with the Financial Services Authority as a Friendly Society, with the Office of the Scottish Charities Regulator (OSCR) as a charity and with Communities Scotland as a Registered Social Landlord.

We also manage Albyn Enterprises Ltd, a wholly owned subsidiary company formed with the objective of undertaking activities of a non-charitable nature in order to help Albyn Housing Society meet its strategic aims.

Managed property numbers	2006	2005
Tenanted property	1799	1728
Managed on behalf of others	47	53
Shared ownership properties	245	259
TOTAL	2091	2040

Developing property numbers		
Tenanted property	148	149
Shared ownership properties	15	33
Homestake	56	0



Our Strategic Aims

- To offer housing solutions and routes to social inclusion by building, managing and maintaining a range of affordable housing and providing support where it is needed
- To contribute towards community sustainability and regeneration through innovation and relationships built on trust with our customers and partners
- To be an employer of choice delivering quality service and standards across all our activities
- To maintain financial and operational viability
- To respect diversity and ensure accountability, openness, integrity and compliance in the governance of our activities.

Our Vision

Our vision is of diverse communities where people can expand their opportunities, exercise personal choice and maximise their potential. To achieve this, we want to help drive innovation and quality in accessible housing and support services in the Highlands. We have identified a number of objectives that will help us work towards fulfilling this vision:

- demonstrating innovation in barrier-free housing design and where possible, influencing the practice of others to help raise standards generally
- rethinking models of residential support where appropriate
- achieving continuous improvement in the services we deliver and meeting and maintaining high standards of business efficiency and effectiveness
- creating opportunities for significant levels of user involvement in what we do
- being recognised by regulators and strategic partners for delivering excellent performance



Chairperson's Report

Last year, I was delighted to report on how our development budget had increased by more than 50% on the previous year. Once again, thanks to generous support from Communities Scotland and the Scottish Executive's Community Ownership Programme (linked to the Highland Council's proposed stock transfer), we have seen another substantial increase in the budget – a rise of 42% in 2005/06. This is very good news for Highland communities as we have been able to build even more homes and buy land for future development in many areas. To do this effectively, it was necessary to expand our Development team – a move which resulted in the creation of a number of new jobs.

Each year, we survey one-third of our tenants, sharing-owners and owner-occupiers using our Residents Satisfaction Survey. In 2005/06 we received an encouraging reply rate with 44% of residents returning forms. 90% stated that they are satisfied overall with Albyn as their landlord, a figure we hope to improve on in 2006/07. Compared with satisfaction returns for other housing associations (measuring quality of neighbourhood, repairs service, value for money and listening to tenants, for example) we were well ahead at between 2% and 16% higher than the average returns figures.

There are lots of people across the Highlands looking to Albyn for housing and we still have over 5,000 applicants on our lists. Our Housing team has been actively involved in developing a Common Housing Register for the Highlands, along with the Highland Council and others. We seconded a member of staff full-time to help with this. Our partnership working with other agencies flourished during the year and proved particularly effective in relation to our new development at Aviemore and the kitchen replacement contract. Similarly, the Highland Housing Alliance has begun to show just how much benefit can be passed on by adopting joint-working approaches to housing in the Moray Firth area.

I look forward to seeing housing opportunities improve across many Highland communities and I would like to thank the Committee, staff, tenants, contractors, consultants and suppliers for working hard throughout the year to make this a reality.

Jim Oag
Chairperson, Albyn Housing Society Ltd

Chief Executive's Overview

So much of what is successful and important about Albyn's work can be seen in each page of this year's report. I encourage you to read it and recognise the value that we bring to lots of communities in the Highlands.

We have poured resources into building new homes, improving the houses and flats where 2000 households live already, enabling staff to train and develop themselves, creating new job opportunities, and continuing to nurture healthy relationships with other agencies. Our finances are stable and are managed to ensure we will continue our endeavours for the communities we serve. We are committed to improving what we do and being more effective in how we do it. This can be seen in the Looking Ahead section of this report.

If you have comments or suggestions on what we do, then please get in touch. We would be delighted to hear from you.

2005/06 was a good year for us, and we look forward to another in 2006/07.

Calum Macaulay
Chief Executive, Albyn Housing Society Ltd





Corporate Services

Albyn Housing Society is governed by a Committee of Management elected each year by the members of the Society. The unpaid members of the Committee of Management are responsible for determining strategy, policy and overall direction as well as monitoring operational activities. The Executive Team are responsible for achieving the strategy set by undertaking the appropriate operational activities.

As part of our commitment to continuous improvement, we are commissioning an examination into the corporate governance structure of the Society. This will look closely at issues in relation to recruitment, selection, training and monitoring of members.

Tenant involvement and participation are central to Albyn's aims and objectives. In previous years we have grant-aided the Federation of Albyn Residents (FAR) but this arrangement has now come to an end and we are currently reviewing how best Albyn can involve tenants in its activities. An updated audit of our tenant and community participation strategy is underway and meanwhile, we continue to consult with and involve tenants and residents in a variety of ways: support for new residents' groups; policy consultation bulletins issued to all tenants and registered groups; regular updates on our website; and staff and tenant liaison through the Tenant Participation Group.

92% of residents think we are good at keeping them informed

83% of residents think we are good at taking account of their views

90% of tenants are satisfied with Albyn Housing Society as their landlord

90% of residents think the quality of services we provide is good

Over 80% of tenants think their rent is good value for money

84% of tenants are satisfied with our repairs service

92% of residents are satisfied with the overall design of their home

90% of residents think their neighbourhood is a good place to live

Key results from Albyn's 2005/06 Tenant Survey. Compared with other housing organisations in Scotland, our results are above average in all areas.

Good progress was made this year by our Staff Consultative Forum (SCF), a body made up of both committee members and staff, on a variety of matters of joint interest. This included a driver's handbook, a tailored job evaluation process, a new home working policy, a smoke-free policy and mobile and panic alarm procedures.

The year also saw Albyn Enterprises Ltd donate £272,000 to Albyn's development work – an amount raised through its activities in Aviemore.



Housing and Community Services

We continue to work at reducing the amount of time it takes to re-let or let new properties with a view to ensuring that we house people in need and keep our costs as low as possible. Rent loss resulting from empty properties in 2005/06 was £139,000, a total of 2.5% of rental income. The number of void properties let has increased from 190 to 299 during the year, with the proportion of those let within four weeks or less increasing steadily.

Tenon, our internal auditor, was commissioned to undertake a review of our policies and procedures in relation to debt owing from former tenants. The results of the review showed that our collection performance is good but using the recommendations of the report, we hope to improve on our performance over the next financial year. Our performance in collecting debt from current tenants has also been shown to be good – with an overall collection rate of 94.8% and outstanding net arrears at the year end representing 4.8% of total rent roll.

Community regeneration activities continue to underpin the work of the service area with consultations taking place on the Merkinch Community Plan and support provided for a project led by the Pulteneytown People's Initiative for the benefit of school leavers. We also support Highland Council's Community Warden Schemes in Inverness, Invergordon, Pulteneytown, Wick and play an active role in facilitating handyman schemes in Ross-shire and Sutherland.

Ensuring that people in the Highlands, particularly those who may be homeless or who are potentially homeless, have access to appropriate services and information is vital. To this end, we remain committed to supporting the independent Advocacy Service in the Highlands.

Finance and IT Services

This year, we have found ourselves in a strong financial position with two million pounds deposited as cash funds. We continued to invest in a major repair programme replacing kitchens and heating systems, spending £876,000 in total. This was after our investment in new kitchens and heating systems for our properties in Easter Ross, we made £840,000 surplus after this expenditure.

We have also allocated substantial funds over the next five years to meet our commitments under the Scottish Housing Quality Standards. Cash surpluses will continue to be made subject to the roll-out of our major repair programme.

Two new funding packages were entered into during the financial year – one with the Royal Bank of Scotland, providing a five million pound facility capable of being drawn down on a revolving basis and one with Dunfermline Building Society giving ten million pounds worth of funds to be drawn down for completed rented properties.

	2006 £000's	2005 £000's
Surplus for the year	840	749
Transfer (to) designated reserves major repairs	(800)	(700)
Transfer (to) designated reserves furniture replacement	(22)	(51)
Retained reserves	18	(2)

Table 2: Albyn Housing Society Ltd financial results 2005-2006



Development Services

2005/06 has been the busiest year on record for development services. £14,692,000 was spent - a significant increase on the £10,352,000 allocated to projects during the previous year. £9,521,000 was funded by grants received from Communities Scotland and Highland Council.

The Scottish Executive Low Cost Ownership Initiative has given us the opportunity to direct more resources towards Homestake Highland, a shared equity scheme aimed at first time buyers or people on low income. The scheme gives the homestaker the title to the property and an equity share – usually between 60% and 80% - with the remaining share provided by a grant from Communities Scotland and administered by Albyn. During 2005/06, we spent £4,365,000 on Homestake properties and received £3,317,000 in grants from Communities Scotland towards the initiative. The properties are being marketed by Albyn and Cairn Housing, one of our partner agencies.

Property Maintenance Services

The service was the subject of a review conducted by DTZ Pieda Consulting in 2005/06. The purpose of the review was to identify areas where service delivery could be improved. Overall, the results were positive, but with some areas earmarked for improvement, namely, increasing staff numbers to meet the service needs of an increasing number of tenants; and making sure that all properties supplied with gas are serviced annually.

In May 2005, we submitted our initial delivery plan to Communities Scotland for meeting the requirements of the Scottish Housing Quality Standard (SHQS). All affordable housing in Scotland must meet the prescribed quality set out in the standards by 2015. Most of Albyn's properties already meet these standards, but where there are failings, they tend to be related to a property's energy efficiency rating. In June 2006, we resubmitted our delivery plan to take account of the work required on these properties and the costs involved.

Support Services

The purpose of Support Services is to provide flexible support for people who may be homeless or who are at risk of homelessness. We offer a range of services to help people manage their tenancy successfully and currently provide services to clients in Inverness and Nairn. Our aim is to extend our services to other areas with the agreement of the Highland Council.

Following inspection by the Care Commission, we were delighted to be presented with a favourable



report. Where recommendations for improvement were made, these were quickly adopted.

This year saw us engage successfully in a consultation process with Highland Housing and Community Care Trust to establish a rent guarantee scheme for tenants of private landlords in the Inner Moray Firth area.



Looking Ahead

Housing and Community Services are introducing additional management resources in 2006/07 to help monitor and manage voids and arrears performance more effectively.

Following a comprehensive review, the Local Lettings Initiative is being adapted to create a better model for community needs assessments based on our previous experiences and taking into account the views of local communities.



Support Services anticipates extending a rent guarantee scheme for tenants of private landlords to other areas of the Highlands following adoption of the scheme in the Inner Moray Firth area. IT staff are preparing to upgrade software over the course of the next twelve months. A Document Management System is being introduced to improve efficiency in the area of storage and retrieval of information.

Following on from the refurbishment of additional office space at our premises in Invergordon, the next stage in the upgrade of our premises will take place in 2006/07 when our current premises adjacent to the new offices are renovated.

The Corporate Sub-Committee has led the way on starting a Governance Review of Albyn to make sure we are properly set up to represent the interests of the communities we serve and to be an effective business. Alongside the review there is an Option Appraisal to consider opportunities for growth and working with other agencies. DTZ Consulting has been appointed to complete both of these.

Following the closure of our Federation of Albyn Residents (FAR), new approaches to Tenant Participation are being developed. These will be considered by a Tenants' Conference in late 2006. A small group of staff, lead by the Chief Executive, are preparing a draft Equalities & Diversity Action Plan for consultation. 2006/07 will see the new Job Evaluation scheme implemented across all of Albyn's employees.

Development staff are now working on delivering Albyn's largest-ever development programme and ensuring a successful roll-out of the Homestake shared equity scheme by meeting demanding sales targets via the proposed Homestake Highland joint venture company.

2007 will see the completion of the £5m+ regeneration partnership project at MacLennan Crescent, Inverness. The development has had a positive and beneficial effect in the local area as evidenced by increasing private sector activity in the area.

Development Services look forward to the completion of our innovative project at Aviemore North and its formal assessment for 'Ecohomes' accreditation.



Income and Expenditure Account

For the Year ended 31 March 2006

	2006 £000's	2005 £000's
Turnover	5,955	5,358
Operating Costs	(4,580)	(4,128)
Operating Surplus	1,375	1,230
Sale of housing accommodation	575	512
Interest receivable	50	91
Interest payable and other charges	(1,160)	(1,084)
Surplus on ordinary activities before tax	840	749
Taxation on surplus on ordinary activities	0	0
Surplus for the year	840	749

The results relate to continuing activities.

The Society has no recognised gains or losses other than those included in the surplus above, and therefore no separate statement of total recognised gains and losses has been presented.



Balance Sheet As at 31 March 2006

	2006		2005	
	£000's	£000's	£000's	£000's
Tangible fixed assets				
Housing properties - gross cost less depreciation		95,313		82,309
less Housing Association Grant		(63,908)		(55,173)
less Other Grants		(6,095)		(5,389)
		25,310		21,747
Other fixed assets		624		337
		25,934		22,084
Current assets				
Stock - Homestake	1,048		0	
Debtors	1,781		1,432	
Cash in hand	1,999		2,037	
	4,828		3,469	
Current liabilities				
Creditors due within one year		(4,185)		(2,837)
Net current assets		643		632
Total assets less current liabilities		26,577		22,716
Creditors: amounts falling due after more than one year		(21,806)		(18,785)
Net assets		4,771		3,931
Capital and reserves				
Share capital		1		1
Designated reserves - major repairs		4,310		3,510
Designated reserves - furniture replacement		187		165
Revenue reserves		273		255
		4,771		3,931

These financial statements were approved by the Committee of Management on 27 June 2006

A copy of Albyn Housing Society's Report of the Committee of Management and Financial Statements for the year ended 31 March 2006 can be obtained free of charge from our Invergordon Offices
The 2005/6 accounts have been audited and an unqualified audit report has been given



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Register of Friendly Societies
No. 1776R (S)

Register of Registered Social Landlords
(Communities Scotland) No. HAL 64
The Care Commission No. CS2004073046

Scottish Charity No. SCO27123

Committee of Management 2005/06

Jim Oag (Chairperson)
Isabell McLaughlan (Vice-Chairperson)
George Kelman (Secretary from 16 August 2005)
Duncan Allan (Elected to and Co-opted from 16 August 2005)
Maureen Cairney (Elected to and Co-opted from 31 January 2006)
Christine Cameron
Jennifer Cameron (Secretary until 16 August 2005)
Jim Convery
May Duncan
Anne MacLean
Ella MacRae
William Milne
John Rodewald (Elected from 16 August 2005)
Fiona Samson
Bryan Summerfield (FAR Nominee until 16 August 2005)

Executive Team 2005/06

Helen Barton, Housing & Community Services Director
Donald Lockhart, Development Services Director
Calum Macaulay, Chief Executive
Ken Millar, Property Maintenance Services
Robin Nairn, Finance & IT Services Director

www.albynhousing.org.uk