



# Annual Report

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2022 / 2023

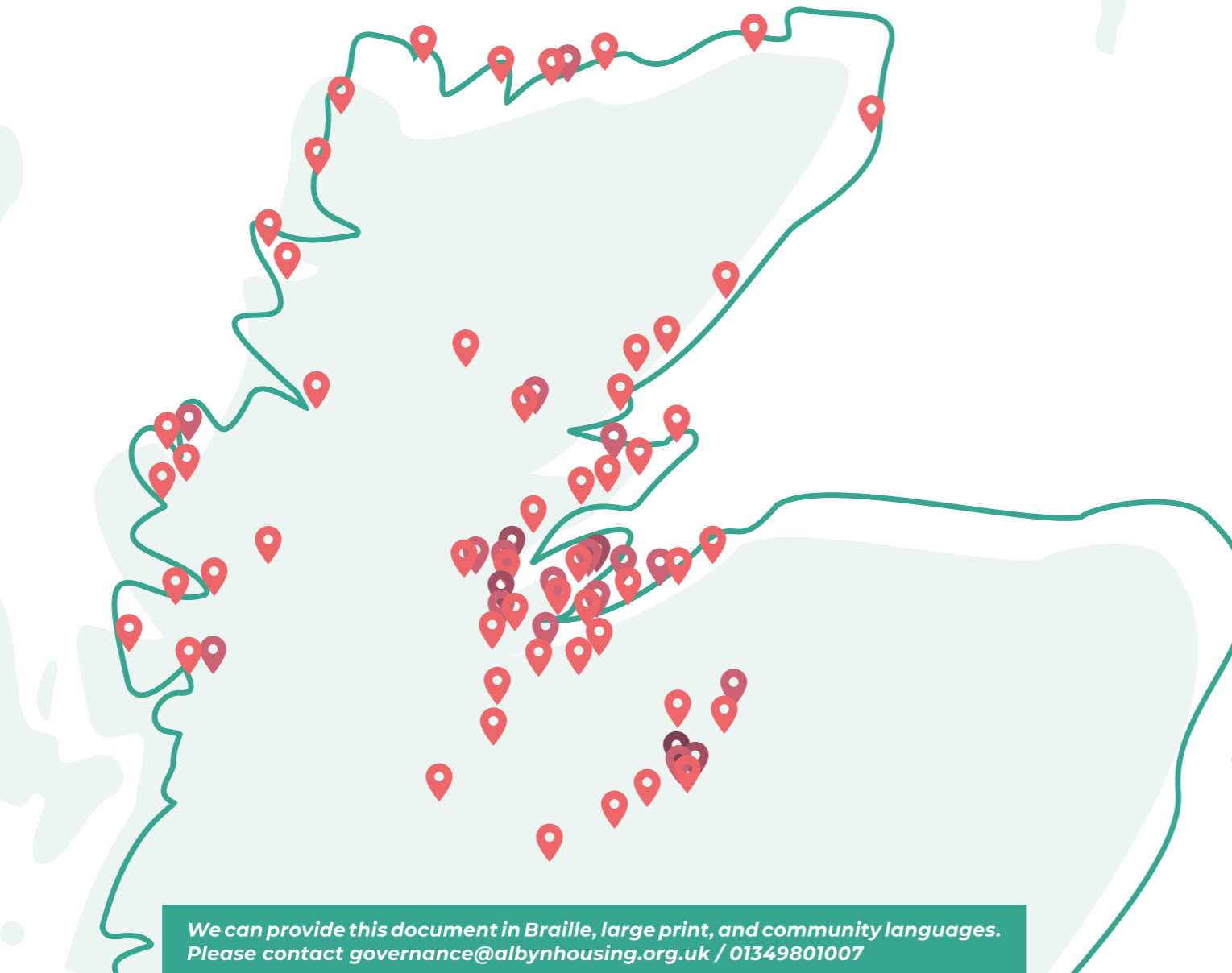


# Welcome

Welcome to the Albyn Housing Society annual report for 2022/23. We hope you enjoy reading about what we have achieved in the year.

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**We can provide this document in Braille, large print, and community languages. Please contact [governance@albynhousing.org.uk](mailto:governance@albynhousing.org.uk) / 01349801007**

# About Albyn

Albyn Housing Society serves over 70 communities in the Highland, providing good quality, affordable housing for thousands of people across the region. Through five decades we have listened and responded to the views of our customers, local government, communities, and businesses in meeting housing needs in the Highland.

## Our vision

Maintain and build quality homes, providing excellent customer service, and giving opportunities for people and communities to flourish.

## Our objectives for 2022/23



### Our customers

We will streamline our customers' journey and improve customer satisfaction by developing a customer experience strategy to deliver a truly brilliant customer experience. Underpinning this strategy will be the successful implementation of Project Phoenix, delivering on our digital transformation agenda, to enable our customers more flexibility in how they interact with us to ensure that every customer is supported and valued.



### Our finances

We will be efficient and effective stewards of our tenants' money and charitable resources to enable the delivery of affordable, quality services for our tenants. We will support the business to invest in stock improvement, systems, and our people.

## Our values

- Being Caring
- Being Adaptable
- Being Professional



### Our people

Our working culture is respectful, effective, engaging, and inclusive and driven by our tenants' needs. We embrace agile and flexible working and the lessons we are learning from COVID-19, enabling cultural change, and driving the people agenda.



### Our homes

We will provide high quality, affordable, sustainable, and energy- efficient homes by implementing an asset management strategy driven by tactical analysis of data and targeted investment.



### Our partnerships

We will use our expertise to influence social housing policy and develop partnerships across the Highlands that add value to our communities.





# Chair's Report



**Lesley McInnes**  
Chair of Albyn Housing Society Board

Welcome to our Annual Report for 2022/23. This year we are celebrating our 50th birthday – a monumental achievement for our organisation and our contribution to providing affordable housing in the Highlands.

Albyn was established in 1973 to provide affordable homes for new workers arriving to work at the Invergordon smelter.

## Our initial aims were to:

- Construct or improve houses, to be kept available for letting and managing houses for letting.
- Provide land or buildings for purposes connected with the requirements of its tenants.
- Have a proper regard to the welfare of its tenants and manage its properties to the highest standards and at reasonable cost.

It is fascinating that 50 years later our aims and objectives have stayed very similar. From a small community based housing society we have grown to a large, systemically important landlord in the Highlands serving over 3800 social rented tenants, 218 mid-market tenants and over 1000 factored owners.

We welcomed new Albyn Board Members in Nicola McLelland, and in Scott McLeod as a Co-optee on our Audit and Risk Management Committee. At Highland Residential Board we welcomed Craig Russell. These new members bring with them legal, HR and housing experience to enhance the skills of our already strong and passionate Boards.

We continue to change and grow Albyn to ensure our customer service to you excels. This includes

redesigning service delivery in our frontline customer and property services teams, working to their specific skills and expertise, and aiming to further improve our performance.

This year we aim to carry out a new customer satisfaction survey, as we move forward with our new specialist teams and continue in our efforts to provide you with an excellent service. These results will help shape our future service delivery and so I would encourage our customers to take part and let us know how we can do better for you.

**I look forward to celebrating with you as we turn our communities golden for our 50th!**



# CEO's Report



**Kirsty Morrison,**  
CEO of Albyn Housing Group

As we celebrate another successful year at Albyn, this Annual Report provides me with the opportunity as Group CEO to reflect on the hard work our teams undertake daily. I am delighted that our staff exhibit our values of being caring, professional, and adaptable in delivering services to you. I hope you enjoy reading the highlights of our year, and of our achievements and successes.

Most significantly our engagement status with the Scottish Housing Regulator was moved from "Compliant Under Review" to "Compliant". A great reflection of the hard work and commitment of our Board and staff teams.

This year has been particularly difficult for many households with the cost of living crisis. Many customers have needed help and support with energy costs and food insecurity. I am pleased that our staff team at Albyn has invested significant time and effort into applying for funding and low energy solutions to support households in need during this challenging time.

## At Albyn we truly embrace innovation

Specially through our FitHomes projects, and our partnerships with Scottish universities to carry out research and development. Our successful application to the Knowledge Transfer Partnership fund has allowed us to recruit an Artificial Intelligence and Machine Learning Associate, and they are working to develop our FitHomes sensors further. This is a really exciting time as Albyn lead the way in new technology specifically designed to allow our customers to live at home, independently, for as long as possible.

## Highlights of the year have been:

- **Supporting our staff teams** by investing in training and development.
- **Formalising our hybrid working arrangements** to ensure staff are visible in our communities, but also have a good work / life balance.
- **£3m invested** in new kitchens, bathrooms, and heating.
- **58 new homes built** – 46 social rent and 12 mid-market rent homes, at a cost of just over £20m.
- **4 site starts** for new homes – including our remaining FitHomes in Nairn.
- **Enhancing our tenant scrutiny process** by extending our customer involvement groups to monitor and evaluate our service delivery, including our development process.
- **Improving the governance framework** and oversight of our subsidiary Highland Residential.



# We are 50!

For 50 years, Albyn has been providing much needed affordable housing in the Highlands and supporting customers and communities to flourish. 2023 year will be a year of celebrating the fantastic role Albyn has played since 1973 and celebrating our future opportunities!

Reaching our 50th Anniversary is an incredible milestone worth celebrating. It is testament to the dedication of our hardworking teams, now and through the years. By celebrating, we reinforce the message that Albyn are dedicated to our customers and are a longstanding asset in the community.



1973	1982	1992-1995	1998	2005	2007	2008	2008	2009	2011	2014	2014	2015	2016	2017	2018	2022
Albyn Housing Society registered	Closure of the smelter in Invergordon	Scottish Homes Transfer of 500 homes	Target set to reach 2000 homes by the year 2000	Expansion of the Invergordon office	Inverness office opened	Highland Housing Register partnership signed	Tidy Tenancy Awards introduced	Biomass fuelled district heating project	TPAS Accreditation	FitHomes research begins	New factoring service created	Money Matters Highland project	£6M committed to major repairs contract	City-Region Deal funding received	Tenants move into FitHomes	Kirsty Morrison appointed permanent Chief Executive



# Cost of Living Support for our Customers

## Energy Fund

With the cost of living crisis developing and significant concern about energy prices, Albyn set aside **£100,000** to support customers needing help with energy costs during 2022/23. We were able to support **1,300** customers with supermarket vouchers to free up money for energy.

## Social Housing Fuel Support Fund

Albyn was successful in applying to the Scottish Government's Social Housing Fuel Support Fund for **£145,000** to help households known to be most at risk from rising energy costs. We were delighted that this fund was able to provide targeted help to **456** customers.

## TRUST Fund

Each housing patch was allocated **£2,000** during 2022/23 to provide short-term support to customers who found themselves in exceptional need. We were able to support **270** customers through this fund in a range of ways depending on need – this included vouchers, food parcels, and support for families at Christmas.

## Winter Hardship Fund (Food)

Albyn was successful in applying to the Scottish Government's Winter Hardship Fund to help customers experiencing food insecurity who had limited or no access to local food projects. We distributed a total of **£21,000** as £50 cash payments to **420** customers through this fund.



In 2022/23, these funds combined supported customers through providing:

- **199** Credit Meter Vouchers
- **212** Prepay Meter Vouchers
- **44** BACS payments in lieu of energy payments
- **116** Air Fryers
- **4** Microwaves
- **3** Slow Cookers
- **3** Energy Efficient Kettles
- **281** Winter Duvets
- **47** Draughtproofing Kits
- **73** Pairs of Thermal Curtains
- **38** Thermal Door Curtains
- **7** Homes Fitted with Carpeting & Underlay



# Customer & Property Services

## Customers

81.4% of ASB cases resolved

98.9% of complaints responded to in full at Stage 1

122 homeless households provided with a home

110 medical adaptations to tenant homes at a cost of £158,000

64,200 calls made to Albyn and 28,138 follow up calls made by our staff

## Property

374 properties benefited from a mix of new kitchens, bathrooms, windows, and heating systems

7.3 hours on average to complete emergency repairs

7.04 days on average to complete non-emergency repairs

85.96% of reactive repairs 'right first time'

86.8% of customers satisfied with repairs or maintenance

Customer and Property Services is responsible for the delivery of all tenancy and repairs services to Albyn customers. Providing a truly brilliant customer experience is at the heart of everything we do and shapes the services that we deliver.

**We want to ensure that our customers** place the highest value and trust in what we do and how we do it. We use our knowledge of customers and listen to their feedback to build strong relationships with them that drive our services.

**We provide housing to customers** with a range of housing needs across 70 Highland communities, and we are proud to offer our customers homes that are fit for the future as we develop technology that enables them to live independently for longer.

Our aim is to support our customers in the face of the challenges many of them may encounter.

**Our experienced staff provide** this support where they can, and we work closely with external agencies and partners in order to signpost customers when necessary. All of our customers will use the repairs and maintenance service at some stage of their tenancy, and getting work completed efficiently and effectively is important to us. We are aware that an excellent repair service can benefit our customer's quality of life and enjoyment of their home.

The repairs and maintenance service we provide is one of the largest items of revenue expenditure at Albyn and therefore value for money is vital. Our customers recognise that repairs are funded directly from rents, and rightly expect to receive a high-quality service.

With the rise in energy prices, increased inflation and a struggling economy, it's been an extremely difficult time for everyone. However, for those on lower incomes – including many of our customers - this amounts to nothing less than a cost of living crisis not seen in over 60 years.

**We identified** that an increasing number of customers were struggling to manage and sustain their tenancies. While a wide range of factors were contributing to this, the cost of living crisis was adding considerable pressure to many households, with access to support limited or non-existent in some areas.



## We Took A Proactive Approach

to support our customers through this period by:

- Appointing a **Tenancy Sustainment Manager**, tasked with developing a new team focused on supporting tenants to succeed in their tenancies and exploring opportunities to access external funding support.
- Developing a **Directory of Help & Support**, which was issued with our Autumn tenant newsletter and is also available on the Albyn website.
- Introducing **pop up surgeries** in our more rural areas with a focus on money advice and energy efficiency.
- Targeting **financial support** totalling £304,000 to over 1,500 tenants.



## Finance & Corporate Services

Finance & Corporate Services has provided support over past year to make sure that Albyn and its subsidiary companies have the infrastructure to deliver upon operational plans.

Our finance services include accounting for financial resources and making sure that we have sufficient cash liquidity to implement our plans, and that all matters of compliance with funders and regulators are evidenced.

Our corporate services include the provision of specialist support and advice across several areas including health & safety, ICT, marketing & communications, governance and compliance matters.

The 2022/23 financial year has seen increased pressures placed upon the business operating environment through the ongoing impact of high inflation coupled with significant increases in interest rates.

Whilst our financial performance in 2022/23 was weaker than the previous year, we have been able to manage the twin challenges of inflation and interest rate rises to operate well within our lending covenants, whilst at the same time supporting customers through lower than inflation rent rises. Through consultation with our customers, Albyn was able to deliver an increase in rents for the 2023/24 year of 5%, which was way below the average levels of inflation.

The year has also seen the roll out of a new Housing Management System as a central part of our ICT strategy implementation. We invested £15.3million in our development programme, handing over 58 new homes in the year with a further 100 units due for completion in the next financial year.

We carry long term debt of £94.15million which supports our new home developments. Due to rising interest rates, interest costs in the year increased to £3.6million from £2.8million in the previous year, as the impact of higher base rates affects our variable rate facilities. Our loan portfolio remains balanced, comprising of fixed and variable rate facilities to manage risk whilst limiting exposure.

**“2022/23 was defined by the changes in the external economic environment. We have seen 13 consecutive increases by the Central Bank in order to tackle inflation which places pressure on our cost base through interest costs on variable rate facilities. We have stress tested our Business Plan to ensure that our programme of spending and investment remains properly managed across a range of scenarios as we look into future years.”**

**Andrew Martin**

Executive Director of Group Services

**“The last year and all its challenges have shown that nothing can be taken for granted, recovery from the pandemic and a cost of living crisis has been difficult for everyone, however, it has strengthened the resilience of our team and made us more determined and committed to deliver improvements to the services we provide. I am certain that the decisions we are making as an organisation ensure that the customer comes first and gives hope that the future looks brighter. I am delighted that we are providing homes and creating communities in which people can thrive. As a team we can look back with real pride on what has been achieved in 2022/23 and brace ourselves for more change to come. We look forward with real optimism and a spring in our step for the year ahead.”**

**Maureen Knight**

Executive Director of Operations



**£15.3**  
Million invested in our  
development programme



**£23.6**  
Million turnover



**£5.2**  
Million operating surplus



**£16.3**  
Million rent collected



# Human Resources

The HR (Human Resources) team is here to support Albyn's business objectives. Our role is to get the right people with the right skills in the right jobs working at Albyn. We support our managers and staff to make a positive difference to our customers, and to themselves.

This year focussed on supporting Albyn to transition from working under a pandemic to introducing new hybrid ways of working that benefitted our staff, while maintaining excellent customer services.

Following the introduction of the People Strategy, HR worked to support Albyn through 'Putting People First'. This involved embedding our values through staff engagement, learning and development, and supporting a performance driven culture.

In 2022/23 we held ten staff engagement meetings, two of which were face to face. The face to face event in October focussed on how we support our tenants in the cost of living crisis. We also carried out two staff surveys and drafted a staff engagement plan to be introduced in 2023.

Pay talks were successfully concluded in the light of the cost of living impact on staff as well as customers, and an in-year cost of living payment was made to all staff, as well as offering new health & well-being resources to support them during this challenging time.

Following staff surveys, 'Hub, Home & Roam' hybrid working was successfully trialled across the year and introduced as our preferred way of working in April 2023.

This was our 'Year of Learning' and we ensured our people had the 'right skills' through learning and development.

The 'great resignation' did have an impact on our turnover; however, we are able to maintain our FTEs and at the same time reduce our sickness absence.

As part of ensuring the right people with the right skills were in the right jobs, HR supported the redesign and successful introduction of Customer and Property Services – involving over 60% of Albyn staff.

***"The HR team is deeply committed to embedding Albyn's values of 'Caring, Adaptable and Professional' in all the work we do to support our staff, and their support of our tenants. Like the cleaner in NASA, who helps put a 'man on the moon,' the HR team is part of Albyn's drive to offer a truly brilliant customer experience."***

**Laurie MacLeod**  
Head of HR and  
Organisational Development



**1**  
Hub, Home & Roam  
hybrid trial and introduction



**78**  
Staff at the end of 2022/23



**2.4%**  
Days lost through sickness



**10**  
Staff engagement  
meetings

# Customer Involvement & Innovation



**1**  
New online scrutiny  
model developed with  
tenants and staff



**1**  
Tenant Board Member &  
1 tenant Board Co-optee



**35**  
Newbuild FitHomes  
delivered

We engage with our customers through our Customer Services Involvement Group, our Tenant Editorial Group, and our new Tenant Performance Monitoring Group. We carry out consultations with customers on things such as the annual rent increase and work with resident groups throughout the Highlands.

Through our FiTHomes project we are working with public sector partners to deliver innovative digital solutions to our customers that enable them to live independently in their homes for longer.

Albyn is committed to involving customers in our day to day work, performance reviews, and in strategic decision making through our Board. Making sure we understand the needs of our customers and enabling their voice to be heard is fundamental to the service we deliver. Access to mainstream services such as health, transport and shopping are all getting harder, especially for those living in our remote and rural areas. We need to adapt to deliver new and better ways of working, partnering with other agencies and community groups to enable joined up solutions. The development of a new online scrutiny model has enabled us to engage with more customers

from across the whole geography of the Highlands, ensuring we have a real tenant voice at the heart of our organisation. That tenant voice has led us to develop new innovative solutions that have improved engagement and that have played an active role in enabling our customers to remain in their homes longer through the development of our independent living FitHomes technology.

Digital inclusion and connectivity are major issues that need to be addressed and we have been working with relevant agencies to identify how we can mitigate the cost and improve accessibility to services for our most vulnerable customers. Technology needs to work for everyone - not just those who can work a computer or smart phone. Choice must be at the heart of our service offer to ensure we deliver an inclusive experience for all our customers.

***"I feel that these FitHomes are the way forward for anyone with care or support needs - they are the new sheltered housing. I hope we see many more of them going forward."***

**Customer Feedback**  
on FitHomes

***"The customer feedback about the FitHomes makes the long journey we have had to get here worthwhile - nothing worthwhile is ever easy, but we are now seeing the benefits coming through in real life experience and feedback."***

**Lucy Fraser**  
Head of Innovation



# Governance

Albyn is regulated by the Scottish Housing Regulator and from late 2021 our regulatory status had been 'Compliant Under Review'. Since then, our staff and Board have worked hard to implement our Board Action Plan which has resulted in the strengthening of our governance practices. As a result, our regulatory status was restored to 'Compliant' in March 2023.

**Some of the highlights this year have been:**

- Streamlining our Board and Committee structure.
- Reviewing our Board and Committee remits.
- Improving our Annual Assurance process.
- Recruiting new Board members.

*Albyn is a shareholding Society and is open to membership applications from those interested in the work we do, with shares costing £1. For more information about how to join, please contact: [governance@albynhousing.org.uk](mailto:governance@albynhousing.org.uk) / 01349 801 007.*

## Our Subsidiaries

Albyn has three wholly owned subsidiaries. Together, we are called the Albyn Group.

- **Highland Residential Limited** – formed to undertake factoring and low cost home ownership and rental.
- **Albyn Enterprises Limited** – formed to undertake activities of a non-charitable nature that will help Albyn to meet its objectives.
- **Suund Limited** - formed for the potential exploitation of innovation. Currently a dormant company.



As the parent of these subsidiaries, the Albyn Board provides strategic oversight to ensure that they operate in a way that is consistent with and contributes to our values, purpose, and objectives.

*"It has been a huge honour to work with our Boards, Committees, Leadership and Staff teams. Our values of being caring, professional and adaptable, certainly fit the bill. The Albyn Group remain focused on best practice in all areas of compliance - not just because we have to, but because it is the right thing to do."*

**Audrey Murphy**

Interim Director of Governance & Business Improvement



**82%**  
Attendance at Board and Committee meetings



**4**  
Board Strategy & Risk sessions



**53**  
Shareholding members

# Our Board

The Board of Albyn is elected by our shareholding members. It is the responsibility of the Board to drive our strategy and overall direction. Our Board Members undertake this work in a voluntary, unpaid capacity.

As of 31 March 2023, the Board included the following members:



**Lesley McInnes**  
Chair



**Carl Patching**  
Vice Chair



**Ian Fosbrooke**  
Secretary



**Clea Warner**  
Board Member



**David Cargill**  
Board Member



**Fiona Mustarde**  
Board Member



**Jim Convery**  
Board Member



**Angela Currie**  
Board Member



**Nile Istephan**  
Board Member



**Nicola McLelland**  
Board Member



**Scott MacLeod**  
Co-optee



# Our Leadership Team

The Leadership Team is responsible for the day to day management of Albyn.

It works closely with the Board to set the strategic direction of the Albyn, and with our operational managers to ensure the effective delivery of services to our customers.



**Kirsty Morrison**  
Chief Executive Officer



**Maureen Knight**  
Executive Director of Operations\*



**Andrew Martin**  
Executive Director of Group Services\*\*



**Audrey Murphy**  
Interim Director of Governance & Business Improvement



**Laurie MacLeod**  
Head of Human Resources & Organisational Development

\* Director of Customer & Property Services in 2022/23  
\*\* Director of Finance & Corporate Services in 2022/23

# Highland Residential (Inverness) Ltd



**12**  
New MMR properties let



**23**  
MMR properties re-let



**41**  
LIFT & shared equity home re-sales



**15**  
Home sales

Highland Residential is a wholly owned subsidiary of Albyn and provides sales, lettings, and factoring services. Within the sales team we provide both LIFT NSSE (Low-income first-time buyer, new supply shared equity) sales and open market estate agency services. Within the lettings team we manage a large MMR (mid-market rents) portfolio and have a number of private lets. We also provide an extensive factoring service throughout the Highlands.

A huge success this year has been the strengthening of the Highland Residential Board which has brought a focus to its strategic direction and improved the scrutiny applied to the performance of the business. We have developed our governance arrangements to provide the Albyn Board with improved oversight of Highland Residential, as well as delivering staff training on the position and purpose of Highland Residential within the Albyn Group structure.

*“Highland Residential is a much needed service and provides affordable housing options to people in the Highlands. The contribution of Highland Residential to the core work of Albyn is something that I am very proud of. The Highland Residential team has been open to changes in how we report on performance and engage with customers - these improvements have been well received and will continue to be our focus for the next few years.”*

**Audrey Murphy,**  
Interim Director of Governance & Business Improvement



