



# ANNUAL REPORT /

2013-2014



“Putting people first, regenerating communities, creating opportunities and building the future together”

# Reflecting on 2013-14

## OUR CHAIR'S REPORT

It is with some pleasure and a considerable amount of relief that I am able to present this report.

Cordale's members and tenants will be well aware that we have successfully steered our way through a tumultuous year. At some points over the last year, there remained the distinct possibility that Cordale's very existence as a local housing association, providing services locally in Renton and the Vale of Leven, was under serious threat.

Our members played a key role in considering Cordale's options. I am grateful for the high level of support at the Special General Meeting in January 2014, when 93% of you voted for Cordale to enter into a partnership with Caledonia Housing Association. Although we are now a subsidiary company within the Caledonia Group of Housing Associations, we delivered the objectives of the partnership. We retained and achieved all of the things that mattered to us.

We move into the future as a financially viable housing association, having addressed our most immediate cashflow issues. We have retained our local office, local staff and local Committee of Management. Our tenants will continue to live in high quality accommodation, and receive first class local services. We can also rely on the specialist services and advice of our partner Caledonia. The pooling of our costs in the Group also means we are more efficient and can keep our costs down – and ensure our rents remain affordable.

We also needed to address the quality of decisions we were making as a Committee and the quality of supporting information to help us make these decisions. The quality of information we receive at Committee meetings has improved considerably. We have started on a programme of Committee member training. Whilst we intend that Cordale's residents will always form the majority on our Committee, we are trying to achieve a better balance of skills by attracting people on to the Committee who have good business skills.

This will help us to remain focused on the core of our business – providing services that benefit our tenants. However, we will continue to work with our partners Caledonia to provide new affordable housing for the people of Renton and the Vale of Leven. In looking forward, we will complete the programme of improving our practices. This will make sure that Cordale never again repeats the mistakes of the past that almost dealt a fatal blow to our association.

ISABEL BARR



“We move into the future as a financially viable housing association”



# Performance HIGHLIGHTS 2013/14

Some key facts and figures at a glance...

## Achieving Customer Excellence

- 90% of our tenants were satisfied with our service. Only 4% were dissatisfied
- 93% of our tenants were satisfied with Cordale's repairs service

## Maintaining our Homes

- We completed 1,618 repairs in occupied properties at a cost of £144,110. This was an average of 3 repairs per property.
- 100% of emergency repairs were completed on time. On average they were completed in 1.18 hours
- On average non-emergency repairs were completed in 3.29 days.
- We spent £20,140 on repairing properties during periods between tenancies to ensure they met our lettable standard. All of the new tenants who returned survey forms were satisfied with the standard of their home when they moved in.
- We believe all of our housing stock achieves the Scottish Housing Quality Standard (SHQS) and will be taking steps in 2014/15 to verify these figures
- 15 adaptations were completed at a cost of £21,256 enabling tenants with particular needs to remain in their home.

## Income and Service Performance

- Rental income totalled almost £2 million. This was over 97% of the total rent due.
- £2,164 rent was lost during periods between tenancies. This was 0.1% of the total annual rent due.
- Rents were increased for 2013/14 by an average of 4.1%. This represented an RPI + 1% increase as we worked to ensure that as far as possible rents remained affordable
- 33 rented properties became vacant during year - just over 6.4% of our total housing stock.
- 33 rented properties were relet, in an average time of 6.5 days.
- 90% of new tenancies that started during 2013/14, were still in place a year later.

# Financial REVIEW



**Financial strength and long term viability is critical to Cordale's future. Along with improvements in governance practices, this was one of the two principle drivers of the constitutional partnership.**

Financial information provided below summarises results of the last full year prior to partnership registration on 1 April 2014. The improvement on closing figures at the end of March 2014 in comparison with anticipated figures for much of the year, reflected a number of factors.

These include the receipt for sales of land to Caledonia Housing Association that generated a receipt of £1.2 million which, without the partnership, would not have been available to Cordale. They also reflect the suspension of the planned maintenance programme – an action which would not be sustainable in the long term, either in terms of deteriorating stock condition for Cordale's tenants, or to comply with regulatory requirements.

Further budget control measures instigated in the planning stages prior to the registration of the partnership were put in place. These included the termination of a number of outsourced services, most notably financial administration services, which were replaced at a nominal cost by Caledonia Housing Association. In addition, Caledonia Housing Association provided senior level staff on site at no cost to assist Cordale with its preparations for securing consents for the partnership. Similarly specialist skills were provided by other Directors of Caledonia most notably in development project preparation and investment planning

Moving forward, Cordale will work with Caledonia Housing Association to implement further measures in 2014/15 which will improve financial control, management and administration of its business. This includes budget control measures; sound financial and treasury management; comprehensive risk management arrangements; and realising efficiencies through improved procurement practices.

The combination of these factors will be central to Cordale's work and will ensure a financially sound and viable future, free from the financial difficulties that beset the organisation in the last two years and threatened its very existence.

**"Cordale will work with Caledonia Housing Association to improve financial control, management and administration of its business."**



# Financial Income and Expenditure summary

|                        | 31/3/2014<br>£ | 31/3/2013<br>£ |
|------------------------|----------------|----------------|
| Turnover               | 2,203.1        | 2,170.1        |
| Operating surplus      | 622.1          | 435.9          |
| Gain on sale of Assets | 1,210.0        | 6.7            |
| Exceptional Costs      | 0.0            | (114.7)        |
| Net Interest Payable   | 307.4          | 363.6          |
| Net Surplus/(Deficit)  | 1,524.7        | (35.7)         |

## Balance Sheet Summary

|                       |            |            |
|-----------------------|------------|------------|
| Housing Assets        | 57,389.8   | 58,709.5   |
| Grants                | (45,026.5) | (46,558.2) |
| Property depreciation | (2,395.1)  | (2,142.9)  |
| Other Fixed Assets    | 376.2      | 387.1      |
|                       | 10,344.4   | 10,395.5   |
| Current Assets        | 2,173.3    | 1,089.8    |
| Current Liabilities   | (602.5)    | (703.6)    |
| Long Term Liabilities | (8,681.4)  | (9,072.5)  |
| Net assets            | 3,233.8    | 1,709.2    |

## Represented by

|                     |         |         |
|---------------------|---------|---------|
| Share capital       | 0.3     | 0.3     |
| Revenue Reserves    | 1,654.2 | 90.8    |
| Designated Reserves | 1,579.3 | 1,618.1 |
|                     | 3,233.8 | 1,709.2 |



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