



# ANNUAL REPORT 2022/23

# Contents

<b>Comments from the Chair</b>	<b>1</b>
<b>Introduction by Chief Executive</b>	<b>2</b>
<b>Customer Engagement &amp; Support</b>	<b>4</b>
<b>You said, we did</b>	<b>6</b>
<b>Performance Report Card</b>	<b>8</b>
<b>New Developments</b>	<b>15</b>
<b>Finance &amp; Governance</b>	<b>16</b>
<b>Hanover Leadership Team</b>	<b>19</b>
<b>List of Board Members &amp; Officers</b>	<b>20</b>

# Comments from the Chair

## Gary Devlin



If the previous year's theme was setting our goals, then 2022-23's has been to make strides towards implementing them. Although we are still in the early stages, the past year has seen some great progress towards achieving the goals set out in the Strategy and Business Plan 2022-27, with teams across Hanover working hard to bring our vision together.

The year has seen its share of challenges, most notably, the ongoing effects of Covid-19 and economic pressures on both our business and customers. In particular, rising energy costs have proved to be one of our biggest challenges and we have supported those affected through schemes such as Hanover's Fuel Fund and our Welfare advice service.

Where possible, we have endeavoured to balance our obligations as a social housing provider with providing the best service we can and supporting both customers and our

people. It is important to emphasise that we are a not-for-profit charity, meaning that we reinvest any surplus back into our customers' homes and our services. That's where our main focus has been this year – planning and starting the ball rolling for many exciting projects, as well as getting back on track in areas that have fallen behind due to the pandemic, such as managing our housing stock, or face-to-face customer engagement.

Whilst we recognise the challenges that remain ahead of us, we are hopeful that we will keep on target with working towards our goals, so that we can continue to make a difference for both our people and customers.

# Introduction by Chief Executive Angela Currie



**Welcome to the 2022/23 Annual Report for Hanover Scotland. This report provides an overview of our activities in the previous year and how well we performed.**

Since launching our Strategy and Business Plan 2022-27 last year, we have been making progress and closely monitoring delivery of the 39 key projects via our Delivery Plan. The plan is aligned with our strategic goals: Happy Customers, Desirable Homes and Resilient Organisation. This is to ensure that we are focused on making steady progress in delivering the projects that matter most to both our customers and our people.

Some of the projects completed in 2022/23 include: developing strategic plans for Digital, Net Zero and Procurement; introducing a Hybrid Working model; completing the year-two objectives of the Dementia Plan (2021-24); and improving management of adaptations. We're proud of what we've achieved to date and are excited to see steady progress being made towards our current projects.

**HAPPY  
CUSTOMERS**

**DESIRABLE  
HOMES**

**RESILIENT  
ORGANISATION**

## Pay Review

In 2022, we commenced a Pay Review to both update our pay framework model and to ensure that our jobs remain competitive and desirable. This involved reviewing job descriptions, which resulted in a benchmarking exercise on all 90 of our job roles. As part of this process, we also reviewed allowances and other benefits. These proposals were showcased at the Hanover Engage Events across the country for employees to attend. The full transition to the new Pay Framework will take place over a 3-year period from 1 April 2023 to make it affordable to Hanover. During the process, we also made valuable insights into our organisation and culture, which will help to shape us into being an employer of choice in our sector.

## Drymen – a development of firsts

We are proud of our new development at Drymen, which won Small Affordable Housing Development of the Year 2023 at this year's Scottish Home Awards. Built on the former site of one of our first developments, Drymen is both Hanover's first development in Scotland as a standalone Scottish organisation and is our first site to be built to Passivhaus standards, with homes designed to optimise warmth and energy efficiency. We are monitoring the effectiveness, user-experience and benefits at Drymen, before we decide whether to commit to further developments that use this standard.

## Customer Safety Compliance

We uncovered some challenges around data management in this service. We launched a major project to resolve them once we understood the extent of the issue. We reviewed everything from policies and processes to systems, team structure and overall resource requirements in a very short space of time, thanks to the collaborative working of our teams.

## Digital Progress

We also addressed issues with our IT infrastructure stability, making every day working slightly easier for employees – this will be further developed through our Digital Plan.

## Net Zero

Our new Net Zero Sustainability Plan was approved by our Board in March 2023. One of the Net Zero goals states that: 'by 2032 the majority of our homes will be achieving a high level of energy efficiency and by 2040 our homes will be net zero'. We have already begun making progress towards energy efficiencies through various projects.

# Customer Engagement & Support

## Customer Engagement Plan

Covid had a negative impact on our customer engagement by restricting much of our face-to-face interactions. We've been building this back up and undertook a number of initiatives over the year to involve customers in decision making. This included consultations to inform the specification for our new reactive repairs contracts and our open space maintenance service.

In the year ahead, we will refresh our Customer Engagement Plan with an emphasis on reinvigorating the methods of engagement to increase levels of participation and scrutiny. We will utilise the technology now available in our communal lounges to encourage and support this, as well as support more traditional methods of participation.

## Roadshows

Over 300 tenants attended our summer roadshows to showcase our new strategy and for us to hear from them what priorities they wanted us to focus on. We re-introduced our bi-annual focus groups in the majority of our developments, which are always a hit with tenants. Our focus is now to continue building on this engagement work particularly to tackle loneliness and isolation, which is a key priority for our tenants.

## Volunteering & the Digital Buddies Project

The pandemic sadly had a big impact on our volunteering service, by restricting our ability to meet customers face-to-face, as well as reducing our bank of available volunteers by half. However, our Volunteer Co-Ordinator took the opportunity to rethink the service and both boost our volunteer base and add new roles. We are keen to reinvigorate the

service for our customers which aims to help alleviate social isolation or loneliness, help people manage life a bit easier or simply for enjoyment.

As at end March 2023, we had around 40 volunteers assisting with befriending and helping at social activities.

One of our new schemes, that is in alignment with our Digital Plan's goals to support our customers' journey towards digital, was a Digital Buddies scheme. This scheme was piloted at Veitch's Square, Edinburgh in March 2023, in collaboration with Ace IT, to provide digital advice and training for customers. It was so popular it will be rolled out to more developments in 2023-24.

During the year ahead, we will be refreshing our Volunteering Plan, taking the time to align it with our Happy Customer Strategy, ensuring that our volunteers are focussed on areas that will make a big impact for our customers.

## Focus Groups

There were two regional focus groups held over winter 2022. The meeting for factored owners included discussing satisfaction with their factoring service and areas they would like to see us focus on. At the tenants' meeting, a presentation on Asset Management and Finance was given to the group, as well as discussing other Hanover services, including volunteering and welfare rights.

## Welfare Rights

We have continued to provide a vital, dedicated Welfare Rights service to our tenants to promote increased access to welfare benefits and support

effective budgeting. We have expanded the Welfare Rights Service to include providing direct support to those experiencing hardship, through energy credit vouchers, direct financial aid and shopping vouchers. In total, we have provided over £143,000 of financial assistance to our customers. This service has been invaluable during the cost-of-living crisis with a critical activity being the distribution of financial aid via our Tenant Support Fund to aid those of our customers facing fuel poverty. We have been successful in applying for grants to supplement the fund which has significantly increased the number of customers we can support.

## **Analogue to Digital**

We are focused on the work required to achieve the shift from analogue to digital (a National Programme which is to be implemented by 2025) that will impact on our telephony and telecare-based services. We are working closely with the TEC Services Association (TSA) and the Scottish Government's Digital Office on this approach and are on track to achieve a smooth transition. We are part of the national group looking at the possibility of a shared telecare calls handling software system to be made available to all Alarm Receiving Centers in Scotland.

## **Telecare**

The Hanover Telecare service continued to provide critical service to its customers throughout the year, whilst generating a healthy surplus for the organisation as a whole. Our team are examining how the service can evolve to meet the needs of our customers with a focus on more proactive approaches. Digital Office funding was obtained to assist with progressing this initiative. We have established a working group to progress our Telecare Service Improvement Plan which will address operational issues and contribute to improved performance. The plan focuses on improving day-to-

day processes, as well as moving us forward with innovative projects that will support the wellbeing of our customers.

## **Customer Satisfaction**

Our reported satisfaction levels have remained static as we haven't repeated our large-scale survey. This will be undertaken in the third quarter of 2023-24. However, our transactional surveys show strong results on a day-to-day basis. We do know that our satisfaction results will be impacted by the increases in heating and service charges passed onto our customers from the 1st April 2023. Our gas and electricity contracts were due for renewal, and we had previously benefited from low priced contracts, so our customers had been protected from many of the increases others had felt over the past few years.

The size of increase meant that much of this has to be passed to tenants, and we put in place a wide-ranging package of support and financial help to mitigate the worst of this.

## **Broomlee Court Living Well Project**

The Living Well Project is a joint venture with Inch Architecture and Stirling University's Dementia Services. We installed environmental sensors in eight tenants' flats to monitor living conditions inside the homes. We are carrying out energy efficiency improvements to the building and we will compare living conditions before and after the works. Residents have been given iPads so they can monitor the data being collected from their homes. This project is helping us to research the effectiveness of a single environmental monitoring and care operations portal and will help inform our future planned works at other developments.

# You said, we did

As your landlord, Hanover is committed to providing high-quality customer services. We value your complaints, compliments and other feedback and use information from them to help us improve our services.

We meet regularly to review the feedback received from complaints and where we have identified issues with our service or communication, we

endeavour to address the issue and communicate any changes required with relevant employees or contractors. In some cases, procedural or policy changes have taken place.

The table below provides some of our customers' feedback during 2022-23 and what we did resolve the matter.

You said...	We did
<b>...why are our Service Charge increases so high?</b>	To ensure a consistent message, we coordinated the response to all who complained about charges to explain the situation and to offer further support. We recognised the worry experienced by customers and referred them to our Welfare Rights Officer to consider income maximisation.
<b>...we are not providing customers with enough information.</b>	We are reviewing our systems for communication, both with customers and internally. We have improved employee briefings so they are well informed and can provide information to customers.
<b>...there were issues with our mailed communication.</b>	We are reviewing contact details, such as names and addresses, to ensure they are correct.
<b>...you had concerns regarding the energy efficiency of your building.</b>	We worked with specialist contractors to address specific concerns around heating and energy efficiency. They will be key considerations within our ongoing planned maintenance activities.



## You said...

## We did

**...our contractors have not always performed to the expected standard.**

We regularly meet with contractors where we raise any issues to ensure they are meeting our required standards and we have recently procured new contractors.

**...our gardens were not always maintained to the expected standard.**

We have reviewed the open space maintenance contractors and schedule and shared this with customers to explain what work is planned.

**...what is happening with regards to planned improvements?**

We are continuing to deliver our programme and have kept customers updated on where we are in the process of delivering works.

**...our approach to snow handling was not always good enough.**

We discuss severe weather at operational meetings and have plans in place to deal with adverse weather. We displayed posters in developments advising customers how to report a requirement for snow clearing or gritting.

**...our employee performance did not meet your standards.**

We address employee performance through 1-2-1 meetings with managers. This can result in the employee doing training or a review of our procedures.

**...that the standard of work on properties were not good enough.**

We carried out checks to ensure any inadequate works were made good and completed to the customer's satisfaction.

**...repairs work took too long to complete.**

We schedule appointments to meet customers' requirement and keep customers informed about progress if the work cannot be completed on the first visit. We have reviewed our internal communications to ensure works progress efficiently.

# Performance Report Card

## Performance Management

This is Hanover's Performance Report Card for the period April 2022 to March 2023. This information is based on data we provide to the Scottish Housing Regulator (SHR) annually.

After consulting with a group of residents, we have included peer group comparisons. Our peer group is made up of similar housing providers that we can directly compare ourselves with. They are specialist housing providers.

Our peer group is:

- Abbeyfield Scotland
- Ark Housing Association
- Bield Housing & Care
- Blackwood
- Blue Triangle (Glasgow) Housing Association
- Key Housing Association
- Loretto Housing Association
- Scottish Veterans Housing Association
- Trust Housing Association
- Viewpoint Housing Association

## Housing stock and average weekly rents

Average Weekly Rents				
Size of home	Numbers owned	Hanover's Rent	Scottish Average	Difference from Scottish Average
<b>Bedsit / Studio</b>	25	£113.02	£78.26	44.4%
<b>1 Bedroom</b>	3457	£127.67	£83.46	53%
<b>2 Bedroom</b>	790	£134.39	£86.28	55.8%
<b>3 Bedroom</b>	189	£120.36	£93.96	28.1%
<b>4 Bedroom</b>	33	£125.86	£103.72	21.3%

The SHR calculation for average rent includes service charges. As Hanover provides a lot of services to customers that incur a higher level of service charge, our average rent charge is a bit higher than that of others and is not directly comparable with the Scottish Average.

## Getting Good Value

	2020-21	2021-22	2022-23	Peer Group Av.	Scottish Av.
<b>Rent Arrears and Collection</b>					
<b>Rent collected from current and former tenants as a percentage of rent due</b>	100.29%	100.37%	99.45%	99.38%	99.03%
<b>Rent arrears of current and former tenants as a percentage of rent due</b>	1.05%	1.35%	1.46%	2.54%	6.86%
<b>Rent arrears of current and former tenants written off as a percentage of former tenant arrears</b>	38.34%	53.52%	39.05%	40.47%	27.08%

Our rent arrears are lower than peer group average and significantly lower than Scottish average. Housing Teams and the Welfare Rights Officer work closely with our customers to help them pay their rent.

## Getting Good Value

	2020-21	2021-22	2022-23	Peer Group Av.	Scottish Av.
<b>Void Works and Lettings</b>					
<b>Average re-let times in days (standard re-lets)</b>	95.59	67.01	86.97	84.19	55.61
<b>Percentage of tenancy offers refused during the year</b>	36.72%	37.92%	34.27%	20.42%	30.87%
<b>Percentage of lettable self-contained houses that became vacant in the last year</b>	12.88%	14.51%	13.46%	12.13%	7.42%
<b>Rent loss (£000's) due to empty properties (voids)</b>	£1,192,915	£1,147,243	£1,054,712	n/a	n/a
<b>Rent loss due to empty properties (voids) as a percentage of rent due</b>	3.62%	3.42%	3%	3.36%	1.4%

Relet times continue to be very high across the sector and particularly within our own peer group. We will continue to focus on what we can do to reduce relet times, which will also reduce rent loss due to properties being empty.

## Housing Quality and Maintenance

	2020-21	2021-22	2022-23	Peer Group Av.	Scottish Av.
<b>Void Works and Lettings</b>					
<b>Hanover homes meeting the Scottish Housing Quality Standard</b>	98.93%	82.96%	89.90%	91.72%	79.02%
<b>The number of times Hanover did not meet its statutory duty to complete a gas safety check</b>	103	46	31	55	1032
<b>Average length of time taken to complete emergency repairs (hours)</b>	3.97	3.42	4.13	4.51	4.17
<b>Average number of working days taken to complete non-emergency repairs (urgent and routine)</b>	6.45	5.7	6.25	6.58	8.68
<b>Percentage of Repairs right first time</b>	97.36%	92.59%	89.96%	88.36%	87.80%
<b>Average time to complete adaptations (days)</b>	98.10	116.75	39.28	60.59	46.83

Average times to complete repairs have increased due to higher volumes of repairs as well as ongoing logistical challenges and contractor availability. Improvements to our adaptations procedure have helped us to significantly reduce the time taken to complete medical adaptations and bring this significantly below peer group and Scottish average.

## Housing Quality and Maintenance

	2020-21	2021-22	2022-23	Peer Group Av.	Scottish Av.
<b>Managing Tenancies</b>					
<b>Percentage of anti-social behaviour cases reported in the last year which were resolved</b>	95.95%	88.68%	100%	98.37%	94.21%
<b>Staff Indicators</b>					
<b>Percentage of staff turnover in year</b>	11.55%	12.74%	14.95%	19.9%	n/a
<b>Percentage of working days lost through staff sickness</b>	5.75%	6.08%	5.90%	6.2%	n/a
<b>Telecare and Factoring</b>					
<b>Telecare response within 60 seconds (percentage)</b>	90.63%	88.5%	87.2%	N/A	N/A
<b>Average annual management fee per factored property</b>	£342.89	£344.34	£352.84	£301.71	£107.59

Telecare performance is currently being considered as part of the Telecare Service Improvement Plan.

## Satisfaction

	2020-21	2021-22	2022-23	Peer Group Av.	Scottish Av.
<b>Tenant and Resident Satisfaction</b>					
<b>Percentage of tenants satisfied with the overall service provided by Hanover</b>	81.53%	81.53%	81.53%	84.52%	86.70%
<b>Percentage of tenants satisfied that Hanover is good at keeping them informed about services and decisions</b>	81.72%	81.72%	81.72%	82.40%	89.68%
<b>Percentage of tenants satisfied with opportunities to participate in Hanover's decision making process</b>	64.76%	64.76%	64.76%	69.58%	85.86%
<b>Percentage of tenants satisfied with the quality of their home</b>	85.12%	85.12%	85.12%	87.56%	84.16%
<b>Percentage of tenants satisfied with repairs and maintenance carried out in the last year</b>	85.62%	85.62%	85.62%	87.16%	88.02%
<b>Percentage of tenants satisfied with Hanover's management of the neighbourhood</b>	75.05%	75.05%	75.05%	79.11%	84.30%
<b>Percentage of tenants who think Hanover rent represents good value for money</b>	76.47%	76.47%	76.47%	77.49%	81.79%

The satisfaction results are based on the survey carried out in 2021. A new survey will be completed in 2023. Repairs Satisfaction data is taken from those who responded to transactional surveys following repairs being carried out to their property.

## Complaints

	2020-21	2021-22	2022-23	Peer Group Av.	Scottish Av.
<b>Average time in working days for a full response for all N/A stage 1 complaints (target 5 days)</b>	3.5	4.1	4	4.2	5.8
<b>Average time in working days for a full response for all N/A stage 2 complaints (target 20 days)</b>	16.4	17.7	19.7	17.6	19.3
<b>Percentage of all complaints responded to in full - Stage 1</b>	99.26%	98.05%	98.98%	97.96%	95.34%
<b>Percentage of all complaints responded to in full - Stage 2</b>	94.06%	95.65%	98.65%	96.95%	92.53%

In 2022/23, we received 554 complaints - 489 Stage 1 complaints and 65 Stage 2 complaints. Also in 2022/23, we responded to 560 complaints – 487 Stage 1 complaints and 73 Stage 2 complaints. Complaints responded to in full can include complaints carried over from the previous reporting year and exclude complaints still open at the end of the reporting year.



# New Developments

We continue to consider development opportunities on a case-by-case basis where there are strong strategic links underpinned by a robust business plan. A key issue for the viability and sustainability of individual development opportunities remains the availability and level of capital grant funding.

We are well placed to manage a modest development programme and in 2022 we completed 15 properties at Conic Way/Montrose Way in Drymen and 25 properties at Jasmine Drive, Elgin. Both have a mix of amenity, wheelchair accessible and general needs units.



Our Drymen development was historic in being a rebuild of one of our first original developments, as well as being our first site to be built to Passivhaus standard. Working with ECD Architects, we built our first Passivhaus development of 15 one and two bedroom homes in Drymen, Stirlingshire. Features include optimal solar orientation, thermal comfort, excellent indoor air quality and wildflower meadow for increased biodiversity. Passivhaus standard buildings use up to 90% less energy for heating and cooling, and up to 70% less energy than conventional buildings. An evaluation framework will help us understand the benefits of this standard in the year ahead.



# Finance & Governance

## Financial Performance

The Board has reviewed the results for 2022-23 and has also reviewed the financial forecasts for the next five years. Long-term financial forecasts have been updated regularly to reflect the changes in the current operating environment due to the impact of factors such as rising energy costs, cost of living crisis and high levels of inflation.

Our five-year Business Plan was approved and that provides the financial plans for the delivery of our strategy. The level of cash balances at the end of 2022-23 of £5.1m had increased from last year and plans are underway to ensure we are maximising the return on any surplus cash balances. A £20m loan has been agreed, that can be used to fund any development requirements for the next two years. This means Hanover has the financial resources at its disposal to allow it to continue to operate on a going concern basis.

Hanover has considerable financial resources together with long-term income from its customers, and the Board believe that Hanover is well placed to manage its business risks successfully despite the current uncertain economic outlook. The legacy impact of COVID-19 and the high levels of inflation being experienced will be monitored and plans in the short and long term will be adapted if required to take account of any changes.

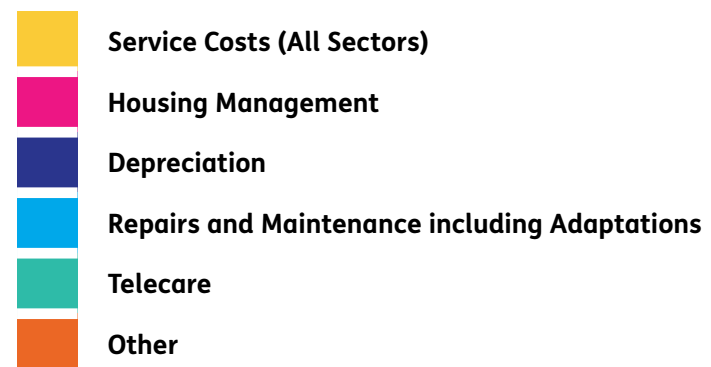
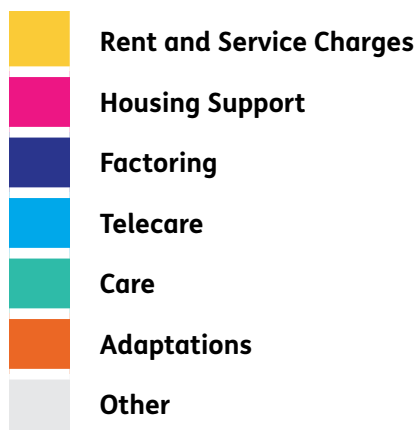
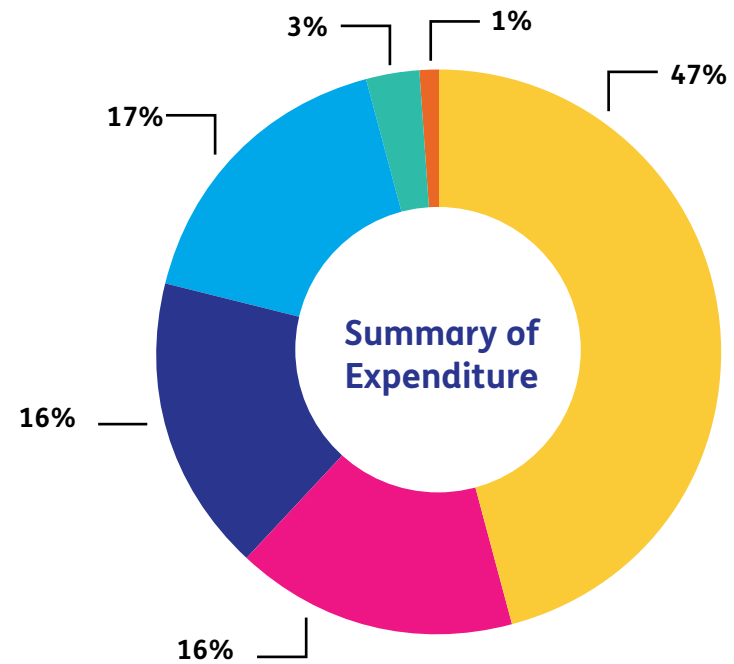
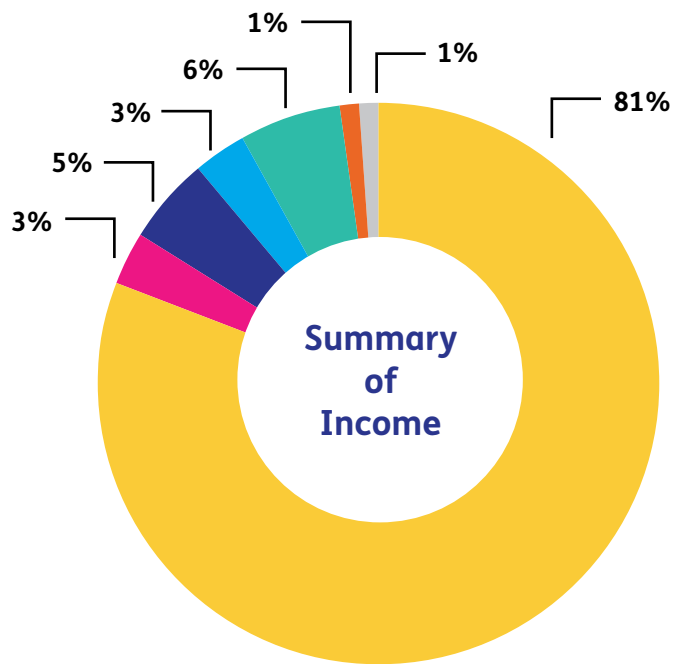
## Outlook

Hanover continues to meet the challenges of the economic uncertainty, in the context of reductions in public sector spending, and remains committed to investment in the maintenance and upgrading of our customers' homes. On the basis of the assumptions used in the projections of income and expenditure, Hanover can demonstrate its viability for the next 30 years.

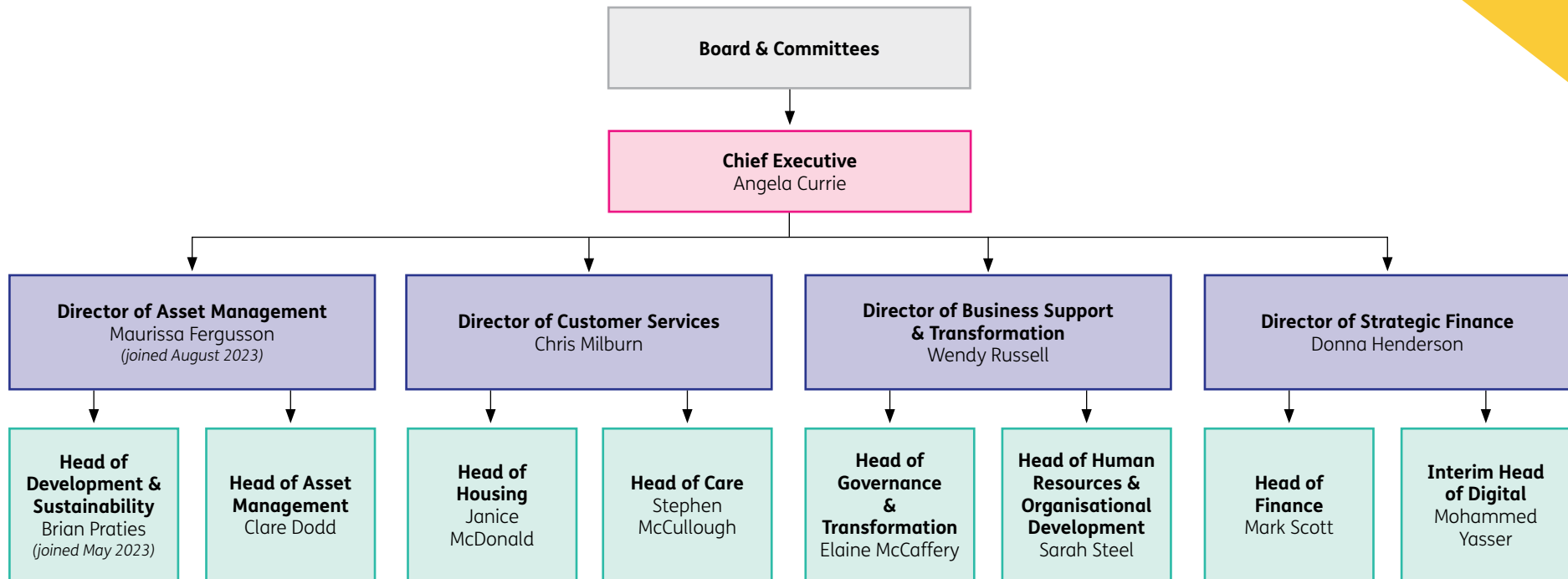
## Statement of Comprehensive Income

For the year ended 31 March 2023

	2023 £'000	2022 £'000
Turnover	46,038	43,838
Less: Operating Costs	(42,137)	(39,600)
Gain on disposal of housing property	44	280
<b>Operating surplus</b>	<b>3,945</b>	<b>4,518</b>
Interest receivable and other income	25	-
Interest payable and financing costs	(1,923)	(1,922)
<b>Surplus before taxation</b>	<b>2,047</b>	<b>2,596</b>
Taxation	(6)	(12)
<b>Surplus for the year</b>	<b>2,041</b>	<b>2,584</b>
Actuarial (Loss) / Gain on pension obligations	(1,732)	2,677
<b>Total comprehensive income for the year</b>	<b>309</b>	<b>5,261</b>



# Hanover Leadership Team



# List of Board Members & Officers

## Board Members

**Gary Devlin** ACA CPFA (Chairperson)

**Julia Fitzpatrick** MA (Hons) FCIH

**Fraser Mitchell** MA MSc

**Joanne Roger** FCIPD

**James Rowney** MCIBS MBA MRICS

**Margaret Whoriskey** MBE PhD MPhil BA (Hons)

**Catherine Wyllie** BA CA

**Dr Louise Reid** MA (Hons) MSc (Vice Chairperson)

**Alan Stewart** LLB (Hons), DPLP

**Adele Erwin** BEng (Hons)

**Ashley Campbell** CIHCM

**Rob Rowe** MA (Hons) C Eng

**Prof Sir Geoffrey Palmer** Kt OBE DSc

*(resigned 21 September 2022)*

## Officers

**Angela Currie** CIHCM

Chief Executive

**Wendy Russell** BSc

Director of Business Support and Transformation

*(appointed 1st May 2022)*

**Joanna Voisey**

Director of Asset Management

*(resigned 30 September 2022)*

**Donna Henderson** ACMA

Director of Strategic Finance

**Christopher Milburn** MBA MBCS

Director of Customer Services

More details about our current board members and officers can be found on our website:

[www.hanover.scot/about/our-people/meet-our-board](http://www.hanover.scot/about/our-people/meet-our-board)

[www.hanover.scot/about/our-people/meet-our-team](http://www.hanover.scot/about/our-people/meet-our-team)





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