



# **ANNUAL REPORT**

## **2023/24**

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## Comments from the Chair

As Chair of the Board, I am proud of the progress Hanover has made in delivering excellent services that support the housing needs of Scotland's older people. Our focus remains on empowering our customers to live independently for as long as possible, and we are making significant strides towards achieving the goals laid out in our five-year strategy.

I am particularly excited about our ambitious efforts to achieve Net Zero ahead of the Scottish Government's target. Projects such as those at Drymen and New Scone, which focus on green energy solutions, not only contribute to sustainability but also deliver cost savings for our customers.

It is with sadness that we acknowledge the passing of Julia Fitzpatrick, a dedicated board member whose passion and values made a lasting impact on our organisation. Julia's legacy will continue to inspire us as we move forward.

Hanover is rising to meet today's challenges with determination and innovation. We remain committed to making a real difference in the lives of our customers, and I am confident that, together, we will continue to achieve our goals and create lasting positive change.

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**Gary Devlin**  
*Chair of the Board*

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I am delighted to welcome you to the 2023-24 Annual Report and Performance Report Card for Hanover Scotland. This report provides an overview of Hanover's activities and performance over the past year.

We successfully completed Year 2 of our current 5-year Strategy and further embedded our Delivery Plan approach to managing strategic projects. We completed many of our key projects as set out later in this document.

Our key focus has been on delivering high quality customer services to ensure we have happy customers. Our new Happy Customer Strategy was launched late last year and set out a road map to revolutionise how we deliver services. We started the journey by rolling out a customer excellence training programme and are now revamping our service standards and how we report and monitor these.

Last year was particularly challenging for many of our customers in terms of the high cost of living. We increase the amount of welfare rights support we provided, particularly around fuel poverty and this worked well. We will continue to direct support in this way to help those in need in year ahead.

Earlier this year we published our new Customer Engagement Plan to reignite our work to involve our customers in shaping our work and to create fun, vibrant communities within our developments. As a result we've already seen a big increase in involvement levels and we will continue to build on this.

Our digital transformation is well underway. We have installed electronic screens in most of our developments to improve communication with our customers. The new screens are working well and we will continue to work with our tenants on how we use the screens to have the greatest impact.

During the year we published our new People & Engagement Strategy. Part of this strategy included the move away from a union recognition model to introduce a new employee consultation approach, that will allow us to engage much more widely with our employees, which is a significant shift for Hanover and an exciting opportunity.

At Hanover, we cannot achieve our goals without our amazing people. We have really embedded our Wellbeing Programme to recognise that our employees need support on a range of health and wellbeing issues from time to time and this is having a real impact on issues such as sickness absence and turnover.

In September 2023, we also launched our exciting new apprenticeship programme in partnership with QA learning. This will help us attract young people, providing supporting to gain qualifications and undertake valuable work experience.

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**Angela Currie**  
*Chief Executive*

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## Customer Feedback

October 2023 Satisfaction Survey

**40%** of our customers responded to the Satisfaction Survey

**6** scrutiny groups across Scotland discussed the Survey to ensure customers remain involved in the plans we make for the future

**OVER 50%** of Survey participants were satisfied with their opportunities to take part in our decision-making processes

**33%** tenants were neither satisfied nor dissatisfied with this opportunity

Following our Satisfaction Survey, we have updated people on our Happy Customer strategy through our focus groups, digital screens and in other customer communications

2023-24

**150** customers attended regional focus groups

Customers reviewed and scrutinised our Guest Bedrooms and Allocations policies and procedures

Customers were consulted on our website, landscaping contract, utilities contracts and plans towards Net Zero

Customers were advised of our investment plans for repairs and maintenance, including significant heating and roof works

### What opportunities are available for tenants to be involved in these future plans?

- Regular coffee mornings with development managers
- Annual tenants' meetings
- Rent consultation



## Customer Focus

We launched our Happy Customer Strategy in 2023, which indicates our focus on improving the services we provide to achieve the highest levels of satisfaction while also recognising what tenants want from us to stay independent and living their best lives.

Tenants have clearly told us they want more fun social activities at their developments so we are building up our capacity and local connections to meet this.

We are also re-imagining our more formal engagement approaches to capture our tenants voices in shaping the organisation.

Covid had a real impact on what our tenants tell us they want to get involved in and how they want to do this, which is helping us create a new approach.

Our 2023 Tenant Satisfaction Survey and follow up focus groups identified what priorities we should focus on in the future, including what additional service would be useful.

Our main focus is on delivering customer service excellence and we began a major programme that will continue over a 2 year period, to focus on how we improve our approach to provide the best experience to our customers.

Our new Customer Engagement Plan draws on feedback gathered through consultation and engagement with customers to deliver participatory activities locally in developments and provide greater support for informal opportunities.

## Equality and Diversity

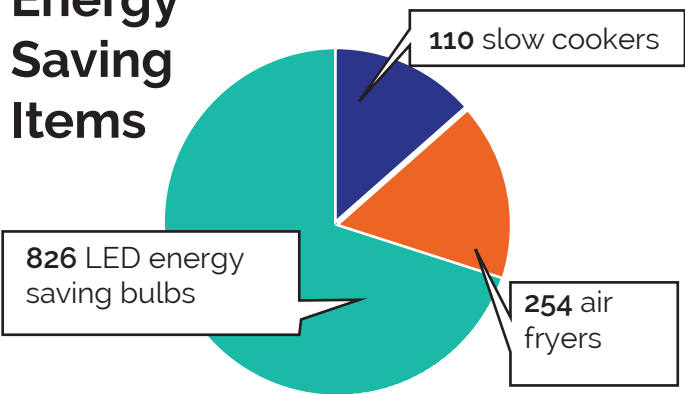
- We surveyed all customers in 2022 asking about their equalities information, and continue to ask new tenants when they apply.
- We know that most of our customers are White Scottish (81%). We are slightly more diverse than the Scottish population (84% of whom identify as White Scottish).
- Just over half of our customers are disabled. We are committed to ensuring that we support our tenants to claim disability benefits to which they are entitled through our Welfare Rights Service, and that homes can be adapted to suit people's needs.
- As a provider of older people's housing, it is not surprising that most of our customers are over 65 (81%). We do provide general needs housing to people of all ages and make sure that we take the different needs of families into consideration.

Gathering this type of information helps to make sure that our landlord services are fair and do not discriminate against anyone



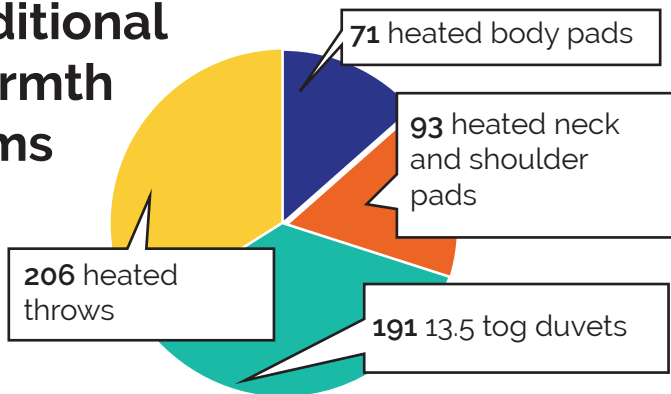
We provide a dedicated Welfare Rights service to our tenants to support increased access to welfare benefits and support effective budgeting. This service has been invaluable during the cost-of-living crisis with a critical activity being the distribution of financial aid via our Tenant Support Fund to support those of our customers facing fuel poverty.

## Energy Saving Items



Our in-house Welfare Rights Service has provided support to our customers 985 times over the year, making use of the £273,500 grants we obtained providing support through our own Hanover Tenant Support Fund, as well as advocacy and help with benefit entitlement.

## Additional Warmth Items



This work included a £50k from the Scottish Federation of Housing Associations (SFHA) to provide our customers in properties with a low EPC rating with practical items to help reduce their energy bills and keep them warm. Those targeted customers were given the option of choosing from energy saving cooking appliances such as an air fryer and/or a slow cooker and LED light bulbs. These use less energy within the home, reducing monthly bills.

## Helping customers tackle energy bills - working with Changeworks

### CHANGEWORKS.

With the cost of living and energy bills high up on the priority list, Hanover was one of five housing associations in Scotland who have partnered with Changeworks and secured funding through the Social Housing Fuel Support Fund.

This meant that our tenants had access to expert energy advice and support through the Housing Association Energy Support Service.

Customers could either refer themselves or be referred by Hanover colleagues for energy advice and support.

Customers could also access the Energy Advice Library whenever they choose. We look forward to continuing our partnership with Changeworks this year.

### Our Factoring Service

Hanover has provided a property factoring service for 1,096 owner occupied and shared ownership properties across Scotland.



However, the Board took the decision in January 2024 to withdraw from these services due to the increasing financial and operating risks.

To ensure we upheld our values, we put in place a support package for owners to allow them to work through the selection of a new factoring organisations that could meet their needs. This model has worked well and many of the new arrangements are now in place.

### Housing Stock

Our focus is firmly on upgrading our existing stock and our updated Stock Condition Survey has provided clear picture on what our capital investment requirements are for the next period.

Like most housing providers we are still play a bit of catch up on the works that we paused during Covid.

To achieve this we began the work with our lenders to review our loan covenants to allow higher levels of investment.

This work has allowed us to do more in the current year and we are now focusing on what this will look this in future years once we've undertaken a full Treasury Plan review.

Using our Asset Management Matrix we have identified a number of properties that require additional investment to make them fit for purpose in the future and we started a project to review our options and discuss these with a group of housing associations with similar issues.

Size of Home	Numbers Owned
Bedsit / Studio	32
1 Bedroom	3450
2 Bedroom	790
3 Bedroom	187
4+ Bedroom	32



### Net Zero

Hanover Scotland has committed to become a Net Zero organisation by 2040, five years earlier than the Scottish Government deadline. To achieve this, we rolled out our Net Zero Sustainability Plan in March 2023 and have an internal group responsible for taking forward our many actions including reducing our carbon footprint. We also published our first ESG Report this year which brings together in one place our plans for Economic, Social and Governance reporting



Now that we have appointed an experienced Sustainability Coordinator, we aim to update the original calculations undertaken in 2019/20. We will collect baseline data for 2024/25 and will be using that to report our first Scope 1, 2 and 3 greenhouse gas (GHG) emissions data. To support our carbon reduction plans within 2023/24 Hanover moved away from maintaining a corporate fleet of vehicles.

Due to our geographical dispersion travel is a necessity to move between our developments but a planned approach to ensure travel is only undertaken where necessary and journeys are planned in the most efficient way.

We have recently revised our Vehicles and Occupational Driving Policy to support our aims. In addition, free electric vehicle charging points are available at our offices to encourage employees to use energy efficient vehicles.

To date we have considered our carbon footprint based on our corporate emissions. In 2024/25 we plan to fully calculate our carbon footprint for our corporate offices and, where possible, for our developments, using a carbon calculator provided by SmartCarbon.

We will also use the Science Based Target (SBT) to set a target. What we have been able to do is consider our recently updated Stock Condition Survey that has allowed us to make healthy provisions in our Business Plan.



## New Homes and Upgrades



Drymen Award

### New Homes

In Spring 2023, we were delighted to have been awarded Small Affordable Housing Development of the Year 2023 at the Scottish Home Awards for our Passivhaus development at Drymen. We are very proud of what we achieved at Drymen for our customers.

In September 2023, Patrick Harvie, the then Minister for Zero Carbon Buildings, Active Travel and Tenants' Rights, visited Drymen to tour the development and meet residents. Key members of the project also attended. The Minister took the opportunity to visit two customers homes to hear their experiences of living in a Passivhaus home.

We also completed Phase 2 of a remodelling project at Barrland Court in Giffnock. The project created new 1 bedroom homes from former bedsits, which are now fully occupied. The final phase of this project is now in the planning stages.

### Major Upgrade & Remodelling

In early 2024, we completed an £860,000 project in Scone, which transformed 25 homes, previously at risk of demolition, to make them warmer and cheaper to heat whilst focusing on our net zero aspirations. The one-bedroom bungalows located at Hanover Gardens in Scone, near Perth, were each fully retrofitted by Glasgow-based energy services company Union Technical to improve thermal efficiency.

The project, which also included ventilation improvements, will help customers to make substantial savings on their energy bills.



*Moir Mackay, development manager at New Scone with staff from Union Technical*



Hanover's Board has, in the course of 2023-24, reviewed the results for this year and has also reviewed the spending and financial projections for the next five years. We have provided the Board with detailed financial forecasts and we have updated our long term financial forecasts to reflect the challenges that Hanover faces. These challenges include current economic factors such as rising energy costs, the cost of living crisis and high levels of inflation.

The Board approved our five-year Business Plan and it provides resourcing plans to enable us to deliver the first year of our five-year corporate strategy.

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 ongoing difficult economic environment.

The long term impact of COVID-19 and the falling levels of inflation and ongoing high levels of interest being experienced means our short-term plans are continuously monitored and will be adapted to recognise any financial implications from the changing economic landscape.

The Board has a reasonable expectation that Hanover has adequate resources to continue in operational existence for the foreseeable future.

## Outlook

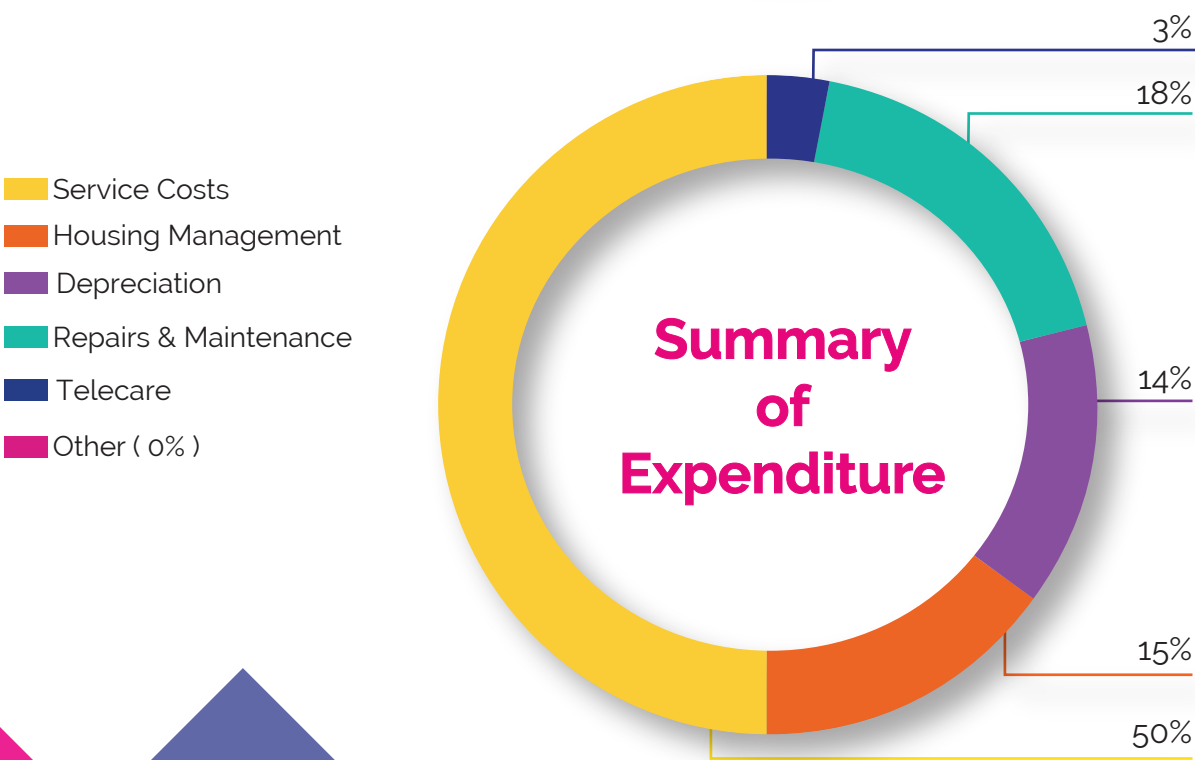
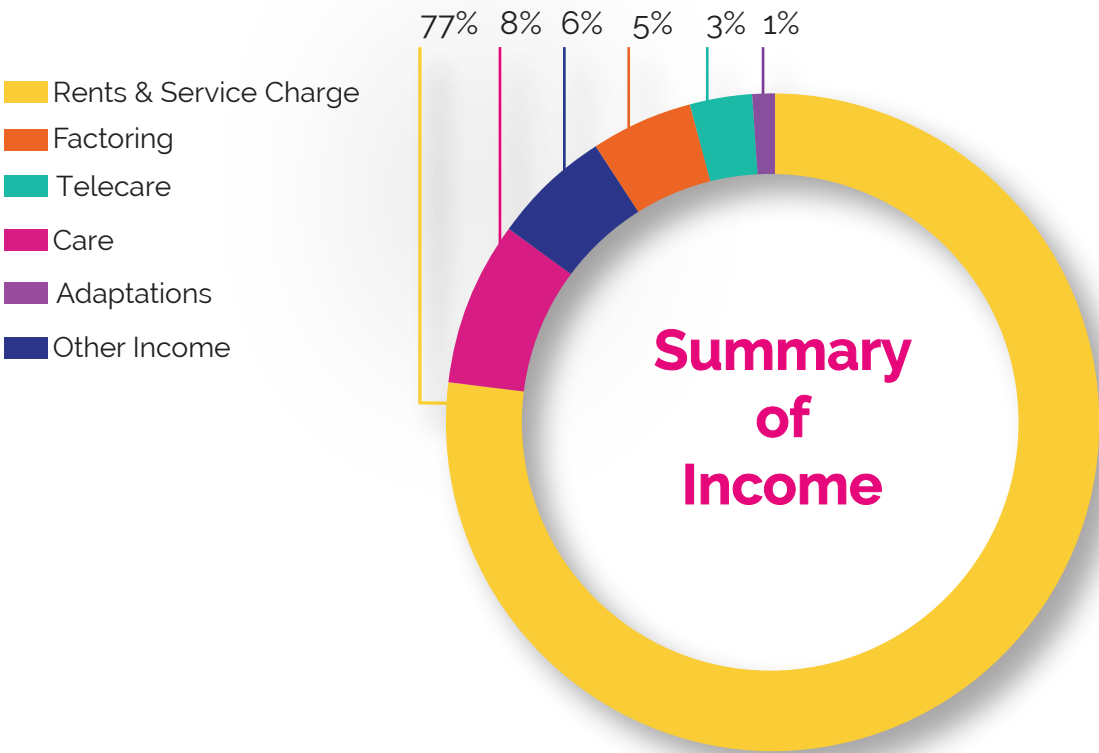
Hanover continues to meet the challenges in relation to economic uncertainty, in the context of reductions in public sector spending, and remains committed to investment in the maintenance and upgrading of our customers' homes. On the basis of the assumptions used in the projections of income and expenditure, longer term plans over the next 30 years offer a satisfactory picture of viability.

## Statement of Comprehensive Income

For the year ended 31 March 2024

		2024 £'000	2023 £'000
Turnover	2	52,922	46,038
Less: Operating Costs	2	(49,682)	(42,137)
Gain on disposal of housing property		<u>329</u>	<u>44</u>
<b>Operating surplus</b>		<b>3,569</b>	<b>3,945</b>
Interest receivable and other income	7	69	25
Interest payable and financing costs	8	(2,246)	(1,923)
<b>Surplus before taxation</b>		<b>1,392</b>	<b>2,047</b>
Taxation	21	<u>(5)</u>	<u>(6)</u>
<b>Surplus for the year</b>		<b>1,387</b>	<b>2,041</b>
Actuarial (Loss) / Gain on pension obligations	20	<u>(1,977)</u>	<u>(1,732)</u>
<b>Total comprehensive income for the year</b>		<b>(590)</b>	<b>(309)</b>

Income and Expenditure





## Board Members

**Ashley Campbell** CIHCM (Vice Chairperson)

**Gary Devlin** ACA CPFA (Chairperson)

**Adele Erwin** BEng (Hons)

**Julia Fitzpatrick** MA (Hons) FCIH (resigned 27 June 2023)

**Kathleen McAdams** FCIPD

**Fraser Mitchell** MA MSc

**Christa Reekie** Mag phil; LLB (co-opted 25 May 2023)

**Dr Louise Reid** PhD MSc MA (Hons) (Vice Chairperson) (resigned 20 September 2023)

**Joanne Roger** FCIPD (resigned 20 September 2023)

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

**James Rowney** MCIBS MBA MRICS

**Alan Stewart** LLB (Upper Second Class) Hons, DPLP

**Donald Taylor** MBA BSc (Hons) (co-opted 25 May 2023)

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

**Catherine Wyllie** BA CA (resigned 20 September 2023)

**Bryony Willett** CIHCM (co-opted 10 August 2023)

## Officers

**Angela Currie** CIHCM Chief Executive

**Wendy Russell** BSc Director of Business Support and Transformation

**Maurissa Fergusson** BSc (Hons) DipArch ARB Director of Asset Management (appointed 28 August 2023)

**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)

## Governance

We had three Board Members resign during the year with three new co-optees joining in May and August 2023, two of whom were then fully elected in September. We welcome Christa Reekie and Bryony Willett to the Board, who bring with them a wealth of experience in the social housing sector.

### Christa Reekie

As part of her role as Director of Development and Housing at Scottish Futures Trust Christa was responsible for the implementation of the National Housing Trust, the first mid-market rent initiative in Scotland, and other related affordable housing projects. She is interested in combining her commercial and legal skills with strategic thought, particularly in the housing sector, and also has a keen interest in the realistic implementation of ideas and strategies.



### Bryony Willett

Bryony has been Chief Executive of Maryhill Housing since 2017. She joined Maryhill in August 2015 as Director of Housing. Prior to Maryhill Bryony worked at Islington Council for nine years having started as a graduate trainee. Her expertise includes strategic planning, housing management, asset management, health and safety, business planning, external funding bids, regeneration options appraisals, resident engagement, service development and contract management. Bryony has previously held Board positions at the Chartered Institute of Housing Scotland, Thistle Housing Association and Hyelm Housing Association in London.



## Remembering Julia

One of those resigning was Julia Fitzpatrick who sadly passed away in December 2023.

As a champion for equality and inclusion, Julia's contribution to the housing sector has been immense over the years.

Hanover has chosen to honour her memory as part of our annual employee Spotlight awards by presenting an award for an employee who demonstrates the values and principles Julia also demonstrated throughout her career in housing.



Julia Fitzpatrick

## Performance Management

This is Hanover's Performance Report Card for the period April 2023 to March 2024. This information is based on data we provide to the Scottish Housing Regulator (SHR) annually.

Our peer group is made up of specialist housing providers who are similar to us and to whom we can directly compare ourselves.

Our peer group (SHN) 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
Beds/Studio	32	£124.32	£82.24	51.2%
1 Bedroom	3450	£143.40	£87.27	63.2%
2 Bedroom	790	£147.36	£90.29	63.2%
3 Bedroom	187	£128.37	£98.30	30.6%
4+ Bedroom	32	£131.57	£108.29	21.5%

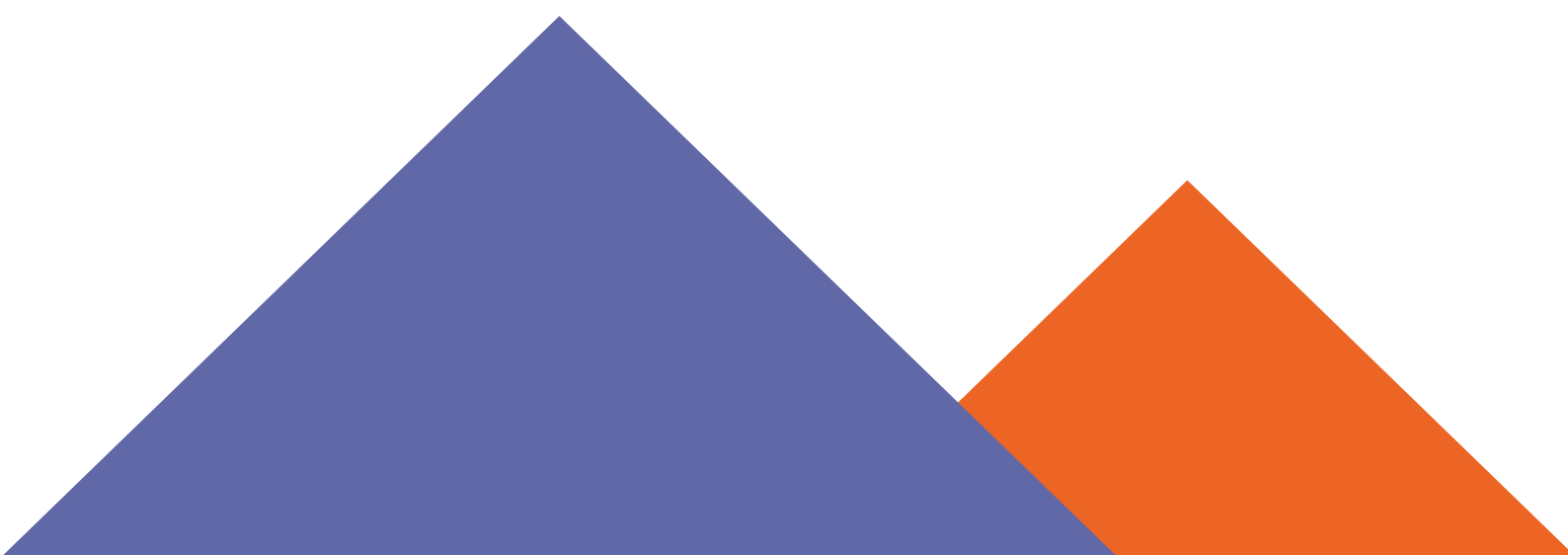
The SHR calculation for average rent includes service charges. As Hanover provides a lot of services to customers that incur a higher level of service charge, our average rent charge is a bit higher than that of others and is not directly comparable with the Scottish Average. In 2023/24, our service charge increased, on average, by more than 7%.



Getting Good Value

	2021-22	2022-23	2023-24	Peer Group Av.	Scottish Av.
Rent Arrears and Collection					
Rent collected from current and former tenants as a percentage of rent due	100.37%	99.45%	98.85%	98.17%	99.43%
Rent arrears of current and former tenants as a percentage of rent due	1.35%	1.46%	1.77%	2.67%	6.73%
Rent arrears of current and former tenants written off as a percentage of former tenant arrears	53.52%	39.05%	35.94%	33.72%	26.02%

Our rent arrears continue to be lower than peer group average and significantly lower than Scottish average (which includes local authorities). Our Housing teams and Welfare Rights Officer work closely with our customers to help them pay their rent. The high level of write-offs are being addressed as part of a wider review of arrears and recharge procedures.



## Getting Good Value

	2021-22	2022-23	2023-24	Peer Group Av.	Scottish Av.
<b>Void Works and Lettings</b>					
Average re-let times in days (standard re-lets)	67.01	86.97	75.87	79	56.72
Percentage of tenancy offers refused during the year	37.92%	34.27%	37.15%	20.48%	30.48%
Percentage of lettable self-contained houses that became vacant in the last year	14.51%	13.46%	14.07%	11.93%	7.18%
Rent loss (£000's) due to empty properties	£1,147,243	£1,054,712	£1,250,595	N/A	N/A
Rent loss due to empty properties as a percentage of rent due	3.42%	3%	3.02	3.19	1.39

After a large spike post pandemic, relet times are now decreasing slowly across the sector. In 2023/24, Hanover performed better than its peers. We are now measuring a few more performance indicators in relation to empty properties to help us better understand what we can do to further reduce relet times, which will also reduce rent loss due to properties being empty.

# Housing Quality and Maintenance

	2021-22	2022-23	2023-24	Peer Group Av.	Scottish Av.
Major Works and Cyclical Maintenance, Responsive Repairs and Adaptations					
Hanover homes meeting the Scottish Housing Quality Standard	82.96%	89.90%	88.49%	92.27%	83.36%
The number of times Hanover did not meet its statutory duty to complete a gas safety check	46	31	1	2	2633
Average length of time taken to complete emergency repairs (hours)	3.42	4.13	3.4	4.29	3.96
Average number of working days taken to complete non-emergency repairs (urgent and routine)	5.7	6.25	6.57	6.52	8.95
Percentage of Repairs right first time	92.59%	89.96%	88.99%	87.43%	88.41%
Average time to complete adaptations (days)	116.75	39.28	40.88	63	44.77

Average times to complete repairs were impacted by high volumes of repairs (particularly urgent/emergency repairs) as well as several contractor changes. We continue to perform significantly better than our peers in terms of completion times for both repairs and medical adaptations.



## Neighbourhood &amp; Community

2021-22

2022-23

2023-24

Peer Group Av. Scottish Av.

## Managing Tenancies

Percentage of anti-social behavior cases reported in the last year which were resolved

88.68%

100%

100%

95.98%

94.29%

## Corporate Health

2021-22

2022-23

2023-24

Peer Group Av. Scottish Av.

## Staff Indicators

Percentage of staff turnover in year

12.74%

14.95%

16%

21.04%

N/A

Percentage of working days lost through staff sickness

6.08%

5.90%

5.08%

5.74%

N/A

## Telecare and Factoring

2021-22

2022-23

2023-24

Peer Group Av. Scottish Av.

## Telecare and Factoring

Telecare response within 60 seconds (percentage)

88.5%

87.2%

84.8%

N/A

N/A

Average annual management fee per factored property

£344.34

£352.84

£371.65

£251.04

£115.12

Telecare performance continues to be considered as part of the Telecare Service Improvement Plan.

## Satisfaction

	2021-22	2022-23	2023-24	Peer Group Av.	Scottish Av.
Tenant and Resident Satisfaction					
Percentage of tenants satisfied with the overall service provided by Hanover	81.53%	81.53%	76.69%	85.97%	86.49%
Percentage of tenants satisfied that Hanover is good at keeping them informed about services and decisions	81.72%	81.72%	77.7%	86.11%	90.46%
Percentage of tenants satisfied with opportunities to participate in Hanover's decision making process	64.76%	64.76%	51.8%	74.27%	87.67%
Percentage of tenants satisfied with the quality of their home	85.12%	85.12%	70.62%	87.51%	84%
Percentage of tenants satisfied with repairs and maintenance carried out in the last year	85.62%	85.62%	77.65%	83.89%	87.31%
Percentage of tenants satisfied with Hanover's management of the neighbourhood	75.05%	75.05%	63.03%	82.11%	84.68%
Percentage of tenants who think Hanover rent represents good value for money	76.47%	76.47%	62.08%	77.95%	81.59%

These satisfaction results are based on the survey carried out in 2023. Customer satisfaction has decreased significantly across the sector, and Hanover was no different. The themes underlying the low customer satisfaction scores are being addressed as part of the Happy Customer Strategy.

## Complaints

	2021-22	2022-23	2023-24	Peer Group Av.	Scottish Av.
Average time in working days for a full response for all N/A stage 1 complaints (target 5 days)	4.1	4	3.9	4.2	5.1
Average time in working days for a full response for all N/A stage 2 complaints (target 20 days)	17.7	19.7	17.4	17	17.5
Percentage of all complaints responded to in full - Stage 1	98.05%	98.98%	99.15%	98.32%	96.70%
Percentage of all complaints responded to in full - Stage 2	95.65%	95.65%	89.84%	91%	90.69%

In 2023/24, we received 591 complaints - 466 Stage 1 complaints and 125 Stage 2 complaints. In the same year, we responded to 581 complaints - 466 Stage 1 complaints and 115 Stage 2 complaints. Many of the themes causing our customers to complain are being addressed as part of the Happy Customer Strategy.





## ONLINE

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SC014738 and Registered Property Factor no. PF000140