



## **PENTLAND HOUSING ASSOCIATION NEWSLETTER ABOUT FUTURE PLANS**



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## **A MESSAGE FROM PENTLAND HOUSING ASSOCIATION BOARD**

### **Dear Tenant**

You may be aware that our Chief Officer resigned last year and when this happens Housing Associations are required to carry out an appraisal of future options. This is done to protect tenants' interests.

The Board carefully considered all the options available to it and basically there are two main options:

- Remain independent
- Work in partnership with another organisation – this could mean either remaining as Pentland Housing Association but being a subsidiary of another organisation or it could mean that Pentland Housing Association is subsumed into another organisation.

In looking at these options it is difficult to compare the options particularly in terms of what is important to tenants – rents and services. So in order that we can do more detailed work then we have agreed to advertise for another Housing Association partner. This would then allow us to explore whether there would be any advantage in looking at partnership.

We know that you as a tenant will have a view on this and we want to hear your views. We also want to provide you with good information about what the future in terms of investment in your house, services for tenants and future rent levels looks like both in terms of remaining independent or going into partnership with another organisation. Tenant Participation Advisory Service Scotland (TPAS) have been engaged by the Board as the Independent Advisor for Tenants and they will be arranging information sessions so you can come and hear what this is about, ask questions and say what is important to you for your home and services in the future.

***TPAS will be sending you an information bulletin very soon.***

If there are any changes to be made to the organisation then there is specific process which includes formal consultation and more importantly a tenant ballot so nothing will happen without your involvement. Your views are at the heart of and key to the whole process of seeking a partner organisation.

We know that there will be a number of questions you may wish to ask and we want to encourage you to contact us by phone, email or call in at the office and we will address these. We will keep a register of all questions presented to us and provide TPAS Scotland as the Independent Adviser the details of these.

Most importantly at this stage no decisions have been taken! The whole process will take approx a year and there will be opportunities for you to be involved at every stage in the process including a Tenants Ballot.

Your views will shape the future of the organisation so nothing will happen unless tenants are satisfied about the proposals for your future housing and services.

As a Board we have to consider the interests of the tenants as you are the people that the organisation exists to serve.

We thought it would be useful to provide some questions and answers so you would have some early information.

Best wishes

Jim Hair

Chair of Pentland Housing Association

## **WHY DO PENTLAND WANT TO CONSIDER LOOKING AT PARTNERSHIP?**

We are a small local organisation and we work in an area where a number of larger Housing Associations work. It makes sense to see whether we could benefit from forming a partnership with them to improve our services and to limit rent increases in the future. However, it maybe that there are other organisations, who do not have a local connection, in Scotland that could bring expertise and a desire to work in this area and this is the reason we have advertised externally.

## **IS THIS BECAUSE PENTLAND IS IN FINANCIAL DIFFICULTIES**

Absolutely not. We are a financially stable organisation with a strong balance sheet. However in the next 5 years the Association will have to spend around £5m to meet new legislative standards and also invest in the existing stock. This is a substantial amount of money and if we could join with a larger organisation there are potential opportunities for more efficiencies particularly around future borrowing.

We are concerned around the cost of our rents projected into the future so another reason for looking at partnership is to see whether we can keep rental costs at an affordable level going forward.

## **SO YOU HAVE MADE UP YOUR MIND THAT PARTNERSHIP IS A BETTER OPTION THAN REMAINING INDEPENDENT**

No. We do not know whether partnership will prove better for tenants or not. We cannot take a view until we know:

Whether there are organisations interested in partnering with us AND

If there are we need to do work to see whether there would be benefits to tenants in relation to services and rents.

If there is no-one interested then Pentland will continue as an independent organisation and we will continue to work on our maintenance planning and improvement.

If there are organisations that are interested then it is important that we look at these options and we provide information to tenants on what this would mean for them.

Ultimately it is for tenants to decide whether a partnership offers better services or whether tenants want Pentland to remain as an independent organisation. Any proposed changes are subject to a formal consultation and a tenant's ballot.

## **IS THIS GOING TO AFFECT MY TENANCY**

Your tenancy remains a Scottish Secure Tenancy with all the legislative protection that this involves. Joining with another Association will make no impact on this as they are also bound by the same legislation and they will be protected by the Scottish Housing Regulator.

## **DOES THIS MEAN THERE WILL NO LONGER BE STAFF OR AN OFFICE IN THE LOCAL AREA**

Pentland Housing want to keep the office and a staff presence in the area. One area that the Board are stressing in respect of the partnership proposals is the need for a long term commitment by partners to the Caithness and North Sutherland area. Any proposal must secure a long term future for housing in the area. The staff team are central to this work and they are an important stakeholder going forward. One of the improvements that the Board and Staff Group have identified is around more tenant engagement and this is a priority whether we stay independent or whether we look at a partnership with another organisation.

## **WHAT ABOUT MY HOUSE – WILL I GET IMPROVEMENTS DONE SOONER**

Pentland Housing Association need to spend a significant amount of money in the next few years, by remaining a small Association there is a significant challenge in investing in stock some of which is of a non traditional build and there will be significant investment requirements in respect of energy in the coming years. A larger partner could potentially have more opportunity in terms of financial investment and this is one of the fundamental reasons behind looking at a partnership is about bringing more investment to the stock. Some of the areas we want to investigate is whether a partnership would bring investment quicker into the stock than if we remained independent.

## **WHAT ABOUT MY RENT – WILL IT INCREASE AND WILL IT REALLY MATTER WHETHER THE ORGANISATION REMAINS INDEPENDENT**

We do not have the information to answer this at the present time. If the organisation remains independent then the organisation's business projections are based on rents increasing each year by RPIX + 1% on the basis of the existing investment proposals. We are re-working the investment proposals as there is new legislation that impacts on our housing and we will also have to meet new energy standards. Once we have this information we will have baseline information that will give tenants information on the costs and what they get if we remain independent. If there is another organisation interested in partnering the organisation then we can look at what they might offer in terms of rent going forward.

## **DOES MY VIEW MATTER**

Absolutely yes. Your view does matter and that is why Pentland Housing Association have engaged Tenant Participation Association Scotland (TPAS) to be the Tenants Independent Advisor. They will help in collating concerns and ensuring that Pentland Housing Association are listening.

We also want tenants involved in the assessment process to choose a preferred partner organisation going forward so you can be part of the process. Let us know your level of interest by using the form at the back and using a SAE or email or phone.

If there are advantages for tenants in seeking a partnership with another organisation then there is a formal legal process required and tenants have opportunities for their voices to be heard. There are two formal consultation processes where the organisation is required to take account of tenants' views and prior to the organisation moving forward to change the constitution they have to hold a tenants ballot. Any ballot has to follow the guidance or good practice issued by the Electoral Commission.