

BOARD AGENDA – 19 JUNE 2019

ITEM	AGENDA ITEM	ACTION	PRESENTED BY	PAGE NO	TIME
1	Attendance & Apologies	Noting	Chair	3	
2	Declaration of Interest	Noting	Chair	-	
3	Minutes				5.30pm
3.1	Minute of Meeting 22 May 2019	Approval	Chair	5	-
3.2	Action Sheet	Noting	Chief Executive	9	5.40pm
4	Date of Next Meeting 28 August 2019	Approval	Chair	-	
5	Health & Safety	Approval	Director of Operations	-	

ITEM	AGENDA ITEM	ACTION	PRESENTED BY	PAGE NO	TIME
6	Items For Decision				
6.1	Annual Report & Financial Statements for Year Ended 31 March 2019	Approval	Director of F&CS	11	
6.2	SHR Returns	Approval	Director of F&CS	81	
6.3	Budgetary Performance for Year Ended 31 March 2019	Approval	Director of F&CS	101	5.40pm
6.4	Review of Financial Authorities & Financial Regulations	Approval	Director of F&CS	113	-
6.5	Review of Standing Orders	Approval	Chief Executive	151	6.15pm
6.6	Housing Allocations Annual Report 2018/19	Approval	Director of Operations	212	
6.7	TPAS Conference	Approval	Director of Operations	234	
6.8	Community Grant Request	Approval	Director of Operations	236	
6.9	Investment Programme 2019/20 Monitoring Report	Approval	Director of Operations	240	
6.10	Development Monitoring Report	Approval	Chief Executive	244	

ITEM	AGENDA ITEM	ACTION	PRESENTED BY	PAGE NO	TIME
7	Policies for Approval				
7.1	Risk Management Policy & Strategy	Approval	Chief Executive	258	6.15pm -
7.2	Policy Consultation Response (Adverse Weather Policy, Personal Relationships at Work Policy & Corporate Payroll Policy)	Approval	Chief Executive	268	
7.3	End Violence at Work Charter	Approval	Chief Executive	279	6.30pm

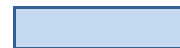
ITEM	AGENDA ITEM	ACTION	PRESENTED BY	PAGE NO	TIME
8	Monitoring Reports				
8.1	Performance Monitoring Report	Noting	Chief Executive	287	6.30pm -
8.2	Repairs Six Month Review	Noting	Director of Operations	289	

MEETING GOES INTO PRIVATE SESSION

Board Meetings 2018/19

Board Members	Notes	30-Aug-18	21-Nov-18	13-Feb-19	06-Mar-19	20-Mar-19	27-Mar-19	22-May-19	
Norman Macleod									
Mairi Bremner									
Calum Mackay				Special Leave	Special Leave	Special Leave	Special Leave	Special Leave	
Alasdair Mackenzie									
Iain Macmillan									
John Mitchell	5								
Roddy Mackay									
John Mackay	3								
Dolene Smith									
Fiona Macleod									
David Blaney	1								
Alexander Gardner	2								
Roddy Nicolson	4								
Paul Finnegan	6								
Norman A Macdonald	7								

- 1 - Appointed as a Community Member on 30 August 2018
- 2 - Appointed as a Tenant Member on 30 August 2018
- 3 - Resigned as a Board Member on 22 January 2019
- 4 - Appointed as a Co-opted Member on 13 February 2019
- 5 - Resigned as a Board Member on 6 March 2019
- 6 - Appointed as Council Member on 7 March 2019
- 7 - Appointed as Council Member on 7 March 2019



Member present at meeting



Member not present at meeting



Cancellation of travel due to weather/
technical problems



Member not required to be present at meeting

Special Leave

Board Training 2018/19

Board Members	Notes	Lobbying Training	Homeless Training	Tenant Satisfaction	Finance Training	Equalities Training	Universal Credit Training	
		28-Jun-18	07-Nov-18	07-Nov-18	21-Nov-18	25-Feb-19	21-Mar-19	
Mairi Bremner								
Alasdair Mackenzie								
Calum Mackay						Special Leave	Special Leave	
Iain Macmillan								
Roddy Mackay								
Norman Macleod								
John Mitchell	5							
John Mackay	3							
Dolene Smith								
Alex Gardner	2							
David Blaney	1							
Fiona Macleod								
Roddy Nicolson	4							
Paul Finnegan	6							
Norman A Macdonald	7							

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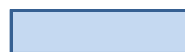
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Member not present at meeting



Cancellation of travel due to weather/
technical problems



Member not required to be present at meeting

Special Leave



HEBRIDEAN HOUSING PARTNERSHIP

Board

Minutes of Meeting held in HHP Board Room, Creed Court on Wednesday, 22 May 2019 @ 5.30pm

ATTENDANCE & APOLOGIES			
1	<u>Attendance & Apologies</u> <table><tr><td> <u>Present</u> Norman Macleod Mairi Bremner Roddy Mackay Dolene Smith Alasdair Mackenzie Roddy Nicolson David Blaney Norman Macdonald Paul Finnegan <u>Apologies</u> Iain Macmillan Fiona Macleod Calum Mackay Alex Gardner </td><td> <u>Staff & Consultants In Attendance</u> Dena Macleod (Chief Executive) John Maciver (Director of Operations) Donald Macleod (Director of Finance & Corporate Services) Angus Smith (Corporate Resources Manager) Angus Macneil (Assets & Contracts Manager) Katrina Rowlands (Development Manager) Gary Macleod (Service Development Manager) Isabel Macmillan (Debt Management Officer) Peter O'Donnell (Investment Manager) Jonathan Fairgrieve (Admin Assistant) Iona France (Governance Officer – Minute Taker) </td></tr></table>	<u>Present</u> Norman Macleod Mairi Bremner Roddy Mackay Dolene Smith Alasdair Mackenzie Roddy Nicolson David Blaney Norman Macdonald Paul Finnegan <u>Apologies</u> Iain Macmillan Fiona Macleod Calum Mackay Alex Gardner	<u>Staff & Consultants In Attendance</u> Dena Macleod (Chief Executive) John Maciver (Director of Operations) Donald Macleod (Director of Finance & Corporate Services) Angus Smith (Corporate Resources Manager) Angus Macneil (Assets & Contracts Manager) Katrina Rowlands (Development Manager) Gary Macleod (Service Development Manager) Isabel Macmillan (Debt Management Officer) Peter O'Donnell (Investment Manager) Jonathan Fairgrieve (Admin Assistant) Iona France (Governance Officer – Minute Taker)
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PRELIMINARY PROCEDURAL MATTERS			
2	<u>Declaration of Interest</u> Norman Macdonald, Roddy Mackay and Paul Finnegan declared an interest in Item 10.6.		
3.1	<u>Minute of Board Meeting 20 March 2019</u> The minute of the Board meeting of 20 March 2019 was submitted and approved as a true and accurate record of the proceedings of the meeting.		
3.2	<u>Action Sheet</u> ITEM 17 The Director of Operations advised three offers had been received for the properties at Braehead and one had been accepted. The legal process was ongoing and the final purchase price would be confirmed to Board Members once this had concluded. The Action Sheet was noted.		
4	<u>Date of Next Meeting</u> The date of the next meeting will be 19 June 2019. Members were advised of the change of date for the November 2019 Board meeting to 19 November 2019.		
5	<u>Health & Safety</u> The Director of Operations advised of an incident which occurred outside the office at Creed Court on Friday 17 May 2019 when a tenant tripped and fell. Discussions were ongoing with HIE to ensure any trip risk was rectified as soon as possible,		

ITEMS FOR DECISION	
6.1	<u>Annual Return on the Charter 2018/19</u> The report presented our Annual Return on the Charter (ARC) 2018/19 and Energy Efficiency Standard for Social Housing (ESSH) to the Board for review and approval. The report summarised performance on arrears, voids, repairs, development and lettings and provided comparisons to previous years' data. The Director of Finance and Corporate Services provided context to the comparison figures. The decrease in the average length of time to complete repairs was due to a policy change in January 2018 on how this time was calculated. The increase in arrears and former tenant arrears were due in part to the impact of Universal Credit but also partly driven by individual cases with large arrears. The level of void loss had decreased as had the number of void properties with no properties void for more than 6 months as at 31 March 2019. The number of applicants on the housing list, along with the number of new applicants added to the housing list continued to trend downwards. The Board reviewed and approved, subject to the reconciliation of any queries raised, the 2018/19: a) Draft Annual Return on the Charter; and b) Draft ESSH.
6.2	<u>Review of Standing Orders</u> The report presented a revised draft of the Standing Orders for consultation with Board Members and Staff. The Chief Executive advised that along with the regular annual review the Standing Orders were revised following the Pay & Grading review with the scheme of delegation to officers updated to include the Head of Executive office and reflect this role would also undertake the Company Secretarial duties. The Chief Executive further advised that, following the consultation period, a Working Group comprising an Audit & Risk Committee member, a Board Member and members of staff would be convened to review the Standing Orders, prior to coming to the Board for approval. Mr Roddy Nicolson agreed to sit on the Working Group. The Board approved the revised Standing Orders for consultation with Board Members and Staff.
6.3	<u>Asset Management Strategy</u> The report provided an update on the progress of the 2016-2020 Asset Management Strategy Action Plan. The Action Plan had been updated to incorporate the requirements of the recent health and safety audit and to reflect the requirements of the 2018 Stock Condition Survey. It was further proposed as part of the Action Plan that the housing stock be reviewed and categorised into core stock, stock under review and non-core stock. The Assets & Contractors Manager advised that the Strategy would be reviewed over the coming 6 months. A timetable for the review will be presented at the August 2019 Board Meeting. The Board approved the Asset Management Strategy Action Plan update.
6.4	<u>Development Monitoring Report</u> The report advised the Board of progress with the Development Programme 2018-2021. The Director of Operations advised that a meeting with Scottish Government had taken place earlier in the week to discuss the detail of the 2019/20 Development Programme and a final plan would be presented to the Comhairle shortly. The majority of the developments for 2019/20 were in progress although Goathill would be a large part of the programme accounting for more than half the anticipated spend. There was a separate report on Goathill on the Agenda. The Development Manager advised that since the Board meeting on 20 March 2019 the sites at Corran Ciosmul, Sealladh A' Chlìseim and Langley Apartments have all been completed and allocated. The contractor Community Benefit requirements have also been delivered at Sealladh A'Chlìseim and Langley Apartments. The developments at Tarbert, Horgabost and Breasclete are now all on site and progressing well. The Breasclete Community Council had suggested the name "Sgeir Ghlais" for the site. This was the only suggestion received and is the name given to the shoreline below the development. Planning permission had been received for the 4 rural Uist sites and they were at building warrant stage, with no site start as yet. The Board: a) approved Sgeir Ghlais as the name for the new development at Breasclete, Isle of Lewis; b) noted the detailed update of developments; c) noted the overview of the Development Programme; and d) noted the feasibility update.

POLICIES FOR APPROVAL	
7.1	<u>Appointments of Consultants Policy</u> The updated Appointment of Consultants Policy was presented for review and approval. The Corporate Resources Manager confirmed that only minor updates had been made to the policy to reflect current procurement legislation. The Board approved the Appointment of Consultants Policy.
7.2	<u>Communications Policy</u> The updated Communications & Communication Tools Policy were presented for review and approval. The Chief Executive advised that there had been no material changes to the policies. It was proposed that the review period for the Communications Policies be changed to 3 years rather than annually. Mr Norman Macdonald stated that it was important that all organisation members of the Community Planning Partnership (CPP) were collectively supportive in terms of communications. The Board approved the Communications Policy and the Communications Tools Policy.
7.3	<u>Corporate Payroll Policy</u> The updated Corporate Payroll Policy was presented for approval for consultation with Staff and Unison. The Chief Executive advised that the policy had been updated following the Pay & Grading review and discussions were ongoing with Unison to agree the process for the annual pay award. The Board approved the Corporate Payroll Policy for consultation with Staff and Unison.
7.4	<u>Entitlements, Payments & Benefits Policy</u> The updated Entitlements, Payments & Benefits Policy was presented for review and approval. The Director of Finance & Corporate Services advised that only minor changes had been made to the policy and the contractors list had been updated. The Board approved the Entitlements, Payments and Benefits Policy.
7.5	<u>Membership Policy</u> The updated Membership Policy was presented for review and approval. The Governance Officer advised that the "local connection" definition had been updated to enable acceptance from applicants who have lived and worked in the Outer Hebrides for a period of 3 consecutive years and not necessarily the last 3 years. The Board approved the Membership Policy.
7.6	<u>Recovery of Sundry Debts Policy</u> The updated Recovery of Sundry Debts Policy was presented for review and approval. The Director of Finance & corporate Services advised that only minor changes had been made to the Policy with the Write Off paragraphs updated and the removal of recharges for furniture packs. The Board approved the Recovery of Sundry Debts Policy.
7.7	<u>Office Health & Safety Policies</u> The Office Fire Safety Policy and the Managing Violence and Aggression at Work Policy were presented for review and approval. The Corporate Services Manager advised that only minor updates had been made to the policies. The Board approved the Office Fire Safety Policy and the Managing Violence & Aggression at Work Policy.
7.8	<u>Personal Relationships at Work Policy</u> The Personal Relationships at Work Policy was presented for approval for consultation with Staff and Unison. The Chief Executive advised that this was a new policy and was based on an EVH Model Policy. The Board approved the Personal Relationships at Work Policy for consultation with Staff and Unison.
7.9	<u>Adverse Weather Conditions Policy</u> The Adverse Weather Conditions Policy was presented for approval for consultation with Staff and Unison. The Chief Executive advised that this was a new policy and was based on an EVH Model Policy. The Board approved the Adverse Weather Policy for consultation with Staff and Unison



Board Action Sheet

Action Point	MINUTE NUMBER	ACTION TO BE TAKEN	DEADLINE/TIMESCALE	ACTION BY	PROGRESS
1	22 May 19 (5)	Board members to be updated on the sale of properties at Braehead and the final purchase price confirmed.		Director of Operations	Negotiations in progress. EPCs being progressed.
2	22 May 19 (5)	Discussions ongoing with HIE re flagstones/paving	31 May 2019	Director of Finance & Corporate Services	Graham and Sibbald have been notified and a local contractor has been arranged to come and inspect the area for improvement works.
3	22 May 19 (6.2)	Revised Standing Orders to June Board for approval	19 June 2019	Chief Executive	Working Group to review Standing Orders arranged for 7/6/19
4	20 Mar 19 (6.1)	OHCPP Agreement to be signed.		Chief Executive	Awaiting OHCPP arrangement for signature.
5	13 Feb 19 (11)	Refresher Health & Safety Training for Board Members to be arranged.		Director of Finance & Corporate Services	Training arranged for 20 June 2019.
6	20 Nov 18 (4)	Meeting of the Subsidiary to be held prior to 31 March 2019	31 March 2019	Director of Finance & Corporate Services	Meeting scheduled for 18 June 2019.
8	29 Aug 18 (16)	Business Plan Monitoring Report to be reviewed following Business Planning Day.	31 August 2019	Chief Executive	In progress, first report will be to August 2019 Board meeting.
9	27 June 18 (16)	Review Financial Regulations following conclusion of Pay & Grading Review.	31 May 2019	Director of Finance & Corporate Services	Revised Authorities being presented to Board in June 2019.

Action Point	MINUTE NUMBER	ACTION TO BE TAKEN	DEADLINE/ TIMESCALE	ACTION BY	PROGRESS
10	27 June 18 (18)	Report to Investment Working Group on continuous Investment Programme with no break at year end.	September 2019	Director of Operations	Planned for future meeting.

ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

Audit & Risk 18 June 2019
Board 19 June 2019

Report by Director of Finance & Corporate Services

Purpose of Report

- 1.1 To present the Annual Report and Accounts for the year ended 31 March 2019 to the Board and Audit & Risk Committee for approval.

Summary

- 2.1 The Annual Report and Accounts for the year ended 31 March 2019 have been prepared and are at Appendix 1. A summary of the Annual Report will be included in the Newsletter and is at Appendix 2.

Competence

- 3.1 The legal, financial or other constraints to any recommendations in this report being implemented are detailed in paragraphs 5.1 to 7.1.

Recommendations

- 4.1 **It is recommended that the:**
- a) **Audit & Risk Committee review the Annual Report for the year ended 31 March 2019 as at Appendix 1 and recommend approval to the Board; and**
 - b) **Board approve the Annual Report and Accounts for the year ended 31 March 2019 as at Appendix 1;**
 - c) **Board approve the summary of the Accounts as at Appendix 2 for inclusion in the Tenants Newsletter; and**
 - d) **Subsidiary Accounts for the year ended 31 March 2019 as at Appendix 3 be noted.**

APPENDIX 1: Annual Report and Accounts for the year ended 31 March 2019

APPENDIX 2: Summary of Accounts 2018/19

APPENDIX 3: HHP Community Housing Accounts for the year ended 31 March 2019

Background Papers:

Writer of Report: Donald Macleod

Tel: 0300 123 0773

Competence

Financial

- 5.1 The Annual Report and Financial Statements report on how the resources for the year ended 31 March 2019 have been utilised. The cost of auditing and producing copies of the Annual Report and Accounts has been provided for in the Annual Report and Accounts.

Legal

- 6.1 The following Partnership rules are applicable:
- a) Rule 69 - The Partnership must keep proper books of accounts to cover its income, expenditure transactions and its assets, liabilities and reserves in line with Part 7 of the Co-operative and Community Benefit Societies Act 2014. It must also set up and maintain a suitable system for controlling its books of accounts, its cash and its receipts and invoices.
 - b) Rule 70 – The Board must send the Partnership's accounts and Balance Sheet to the Partnership's auditor. The auditor must then report to the Partnership on the accounts they have examined. In doing this, the auditor must follow the conditions set out in Part 7 of the Co-operative and Community Benefit Societies Act 2014 and Part 6 of the Housing(Scotland) Act 2010.c)
 - c) Rule 71 - The Partnership must provide the Scottish Housing Regulator and the Financial Services Authority with a copy of its accounts and the auditor's report within six months of the end of the period to which they relate.
- 6.2 The Annual Report and Financial Statements prepared must comply with the Statement of Recommended Practice (SORP) - Accounting by registered social landlords 2014 and the Determination of Accounting Requirements issued by the Scottish Housing Regulator.
- 6.3 The Facility Agreement with our Funder's requires the Partnership to submit an audited Annual Report and Financial Statements within six months from the end of the period to which they relate and also confirmation from our External Auditor that the Financial Covenants have been met.
- 6.4 The following Financial Regulations are applicable:
- a) 5.10.2 – Preparation of annual accounts is to commence immediately after the end of each financial year and draft accounts are to be prepared for consideration by the auditors and by the Resources Committee no later than three months after the year-end.
 - b) 5.10.4 - the draft accounts and audit management letter will be reviewed by the Audit and Risk Committee. On the recommendation of the respective Committees, the draft accounts will be submitted to the Board for approval, and subsequently for adoption at the Annual General Meeting.

Regulatory Guidance

- 7.1 The Regulatory Standards checklist has been completed and there is nothing in the report which would result in a breach of the standards.

Risk

- 8.1 The risk of not complying with the Legal requirements has been mitigated by completing the preparation of the Annual Reports and Financial Statements within three months of the year-end.

Report Details

- 8.1 A set of accounts for the year ended 31 March 2019 have been prepared and are at Appendix 1 to this report. An audit report will be issued at the meeting of the Committee and the Board.
- 8.2 Opportunity to ask questions with regards to the Accounts and performance for the year will be given at the Board meeting.
- 8.3 The key financial factors to highlight in the Annual Accounts are that
- a) Operating surplus of £2,914,154 shows an increase from the previous year of £310,295. The key changes are detailed below:

Area	£000's	Reason
Rental Income	524	Increase driven by annual rent increase and an increase in the number of units through new build. Due to an error in last years prepaid income calculation £70K of rent monies is recognised in 2018/19 which should have been recognised in 2017/18.
Management & Maintenance Administration Costs	25	£210K increase in Internal Fees – driven by increased investment spend in the year and new build programme. £165K increase in employee costs as a result of the annual pay increase and a reduction in post vacancies.
Depreciation	(217)	Increase driven by new build properties completed and component replacements capitalised in the year
Repairs	(239)	£55K increase in Estate Works (Unadopted infrastructure). £106K increase in general repairs of which £32K driven by Voids. Decoration Allowances up £21K as a result of increased investment in homes and rechargeable repairs up by £27K mainly driven by a reduction in recoveries.
Increase in Grants	173	Increase in Grant Amortization & OT Aids & Adaptations funding received in the year
Voids	38	Improvement in Voids driven by the removal of Braehead and Cnoc Mor from the available for letting stock (Pending Disposal)
Bad Debts	11	£11K decrease in bad debts, mainly driven by sundry debts and rechargeable repairs. This is due to a large number of aged debts being written off in March.

- b) Reserves are allocated as shown below

Reserves Allocation				
	General Reserve	Asbestos	Repairs & Renewals	31-Mar Total
	£	£	£	£
Balance at 1 April 2018	26,592,282	1,420,261	2,617,649	30,630,192
Surplus 2018/19	1,726,387			1,726,387
Transferred to Reserve	(540,000)	140,000	400,000	-
Balance at 31 March 2019	27,778,669	1,560,261	3,017,649	32,356,579

** Balance at 1 April 2018 includes an opening balance adjustment to prior year report table. This adjustment is only on this table and the Financial Statements are unaffected.*

- c) Increase of £1,726,387 in net assets reflecting the investment in transfer properties and the continued development work;
- d) Inclusion of the subsidiary HHP Community Housing and the decision not to prepare group accounts due to the immateriality of the trading activity of the Company during the year; and
- e) The statement of comprehensive income includes a significant actuarial loss of £633,000 for 2018/19 which has arisen due to a change in the actuarial financial measurement assumptions in relation to our pension fund.

8.5 A separate report is being presented to the Board and detailing performance for the year against the approved budget.



hebridean housing
partnership



Report & Financial Statements For the Year Ended 31 March 2019

A Registered Society under the
Co-operative & Community Benefit Societies Act 2014 No: 2644R (S)
Registered Charity No: SCO 35767
Scottish Housing Regulator registration: No 359
Property Factor Act: No PF000183

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REPORT AND FINANCIAL STATEMENTS

BOARD OF MANAGEMENT, DIRECTORS AND ADVISERS

Name	Category	Changes during the year	
		Appointed	Resigned
Kevin Paterson	Tenant	7 September 2017 (re-appointed)	29 August 2018
Daniel Coyle	Tenant	7 September 2017 (re-appointed)	27 June 2018
Alasdair Mackenzie	Tenant	30 August 2018 (re-appointed)	
Dolene Smith	Tenant	30 August 2018	
Alex Gardner	Tenant	30 August 2018	
Mairi Bremner	Community	30 August 2018 (re-appointed)	
Calum Mackay	Community	30 August 2018 (re-appointed)	
Norman M Macleod	Community	7 September 2017 (re-appointed)	
Iain Macmillan	Community	30 August 2018 (re-appointed)	
David Blaney	Community	30 August 2018	
John G Mitchell	Councillor	17 May 2017	6 March 2019
Roddy Mackay	Councillor	17 May 2017	
John Mackay	Councillor	7 February 2018	22 January 2019
Paul Finnegan	Councillor	7 March 2019	
Norman A Macdonald	Councillor	7 March 2019	
Fiona Macleod	Board Appointed	29 August 2018	
Roddy Nicolson	Co-opted	13 February 2019	

Secretary and Registered Office

Dena Macleod BA CA
Creed Court
Gleann Seileach Business Park
Willowglen Road
Stornoway
Isle of Lewis
HS1 2QP

Funders

Royal Bank Of Scotland plc
RBS Global Banking & Markets
Kirkstane House
139 St Vincent Street
Glasgow
G2 5JF

External Auditors

Wylie & Bisset LLP
168 Bath Street
Glasgow
G2 4TP

Solicitors

Harper Macleod
The Ca'd'oro
45 Gordon Street
Glasgow
G1 3PE

Bankers

Royal Bank of Scotland plc
17 North Beach Street
Stornoway
Isle of Lewis
HS1 2XH

Directors

Chief Executive : Dena Macleod BA CA
Director of Operations: John Maciver BSc
MPHIL, FCIH
Director of Finance & Corporate Services:
Donald Macleod BAcc, FCCA

Contact Details

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REPORT OF BOARD OF MANAGEMENT

The Board of Management presents its report for the year ended 31 March 2019.

OVERVIEW OF BUSINESS

The principal activity of HHP is to provide and manage good quality, affordable accommodation for people in housing need in the Outer Hebrides. HHP is a charitable RSL and owns and manages a range of houses for rent, primarily general need accommodation but also some sheltered and supported accommodation. HHP provides accommodation for homeless people who are referred as statutory homeless and requiring permanent secure accommodation by Comhairle Nan Eilean Siar.

HHP stock at 31 March 2019 was 2,193 with 50 new build units under development.

CORE VALUES

HHP's core value is "Integrity – We honour commitments made to our Tenants and build trust".

The core value is supported by the following five values:

Customer Focus

- We focus on positive outcomes for our customers.
- Customer views will inform the provision and development of our services.

Equal Opportunities

- We will strive to ensure that there is no discrimination evident in the way we deliver services.
- All customers will be treated with respect.
- We shall treat people the way we like to be treated.

Quality of Service-Excellence

- We shall seek to 'do it right' at the first time of asking

Sustainability

- We aim to promote sustainable communities where people want to live now and in the future.

Supporting Staff

- We Provide a challenging, supportive and rewarding work environment.

REGULATION

The Scottish Housing Regulator publishes a Regulation Plan for all social landlords on an annual basis.

The Regulation Plan sets out the level of engagement. HHP, because of its 'systemic importance' in the Outer Hebrides is categorised as 'medium engagement' by the Scottish Housing Regulator in the 2019 Regulation Plan. Given the level of public money invested by HHP on an annual basis it is important that the Regulator has assurance that the organisation is well managed and achieves value for money.

Regular meetings take place with the Regulator to review the risks and challenges facing the business and progress against the Business Plan. 30 year and 5 year financial projections are submitted to the Regulator in April.

The Regulator has expressed satisfaction with HHP's progress for 2018/19.

STRATEGY & OBJECTIVES

HHP's strategy and objectives are detailed in its 30 Year Business Plan. The Business Plan highlights 4 strategic goals which will enable us to deliver our vision over the next five years:



Investment Programme

HHP invested £4.2 million in 2018/19 on improvements to tenant's homes. We continued to combat the high levels of fuel poverty in our islands with 224 new heating systems being installed. In addition, external wall insulation was completed in Dunmore Crescent, Leverburgh which transformed the scheme. The stock condition survey which was carried out in 2018 is informing our investment plan and we have set out a detailed 5 year programme from 2019.

We have procured an investment framework for the delivery of this programme during the year with a number of local contractors being appointed onto the framework.

Scottish Housing Quality Standard (SHQS)

We are addressing exemptions and abeyances as the opportunity arises and in addition we are working to achieve the Energy Efficiency Standard for Social Housing (EESH). Significant investment continues to be made in the housing stock to ensure that the SHQS is maintained.

Repairs & Maintenance

The current Repair and Maintenance contract with FES FM Ltd expires in March 2020. We commenced work to re-procure these services and have appointed consultants to assist us in reviewing the available options. The strong working partnership between HHP and FES has continued with high levels of performance and customer satisfaction being delivered.

New Build Programme

The Comhairle received a major increase in funding for new build housing over the 3 year period to March 2021. We are working closely with the Comhairle to plan and deliver this significantly increased programme including the development of a new

care provision in Stornoway on the Goathill site owned by HHP. Planning approval was obtained in December 2018 for the project which will see HHP deliver a 50 bed housing with care development and 74 houses on the site. Procurement of contractors is underway with a view to a site start being achieved early in 2019/20.

At the 31st of March 2019 there were 50 houses under construction across a number of sites with a further 171 either due to start or at tendering stage.

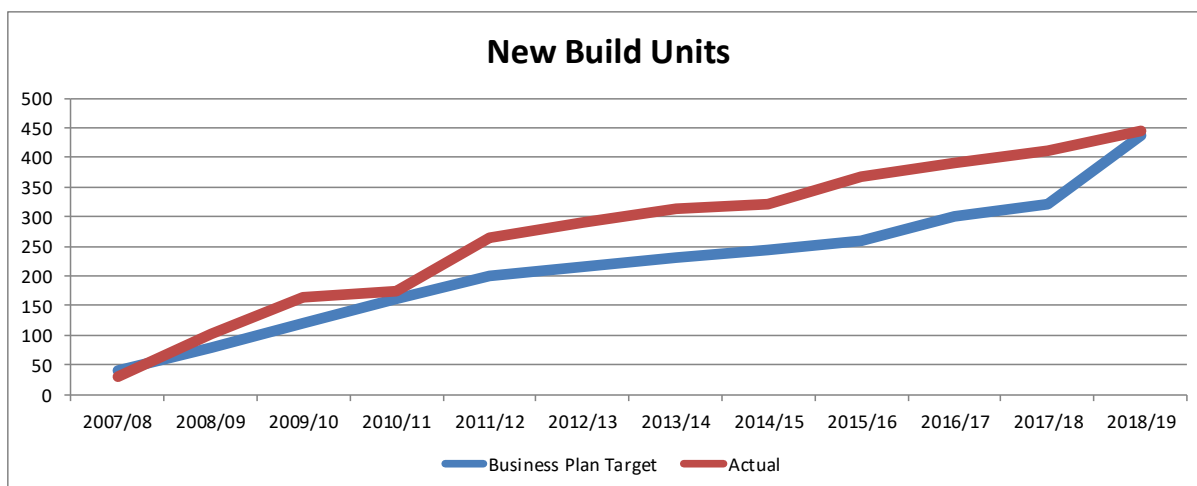
30 houses were completed during the year.

Future New Build Projects

We are carrying out feasibility studies on around 30 sites as we seek to deliver the Comhairle's housing strategy. We are working with local communities and the construction sector to identify potential sites and to try to ensure that we maximise the opportunity provided by this funding.

Corran Cismaol, Barra





DYNAMICS OF THE SOCIAL LANDLORD

The Partnership is focused on providing housing within the Outer Hebrides. The population decline of the last 30 years is continuing and the proportion of young people and children is worryingly low. The proportion of elderly people is forecast to increase significantly. Demand is higher in Stornoway and to a lesser extent in Tarbert, Balivanich and Castlebay. However there is weakening demand in many areas, particularly South Lochs, Bernera & Uig and South Uist. The introduction of the Rapid Rehousing Transition Plan will also shape future strategy for new build programmes.

KEY RISKS IMPACTING ON THE FUTURE

HHP's 30 year business plan is extremely sensitive to changes in the operating environment and in an effort to minimise that risk, a risk strategy and risk register has been prepared. The strategy is updated annually and the register is reviewed quarterly and updated as necessary.

Any risk which materially jeopardises the Partnership's ability to achieve its vision and goals or conduct its business is not accepted. HHP's risk appetite is assessed annually at Board Business Planning days.

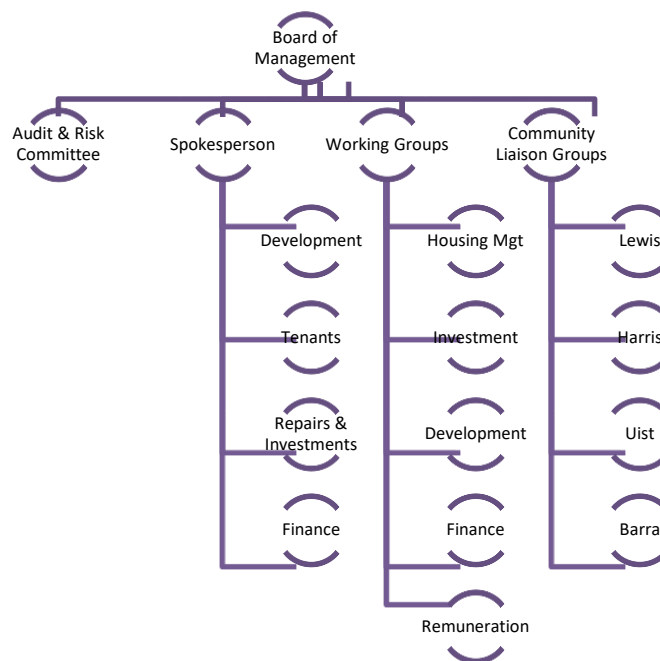
GOVERNANCE & MANAGEMENT

HHP is a registered Co-operative and Communities Benefit Society and is governed by a set of Rules appropriate for a Registered Social Landlord. The Partnership is governed by a voluntary Board of Management which is supported by a Chief Executive, Executive Team and staff. A full list of Board Members is at page 2.

All Board Members and staff are required to operate within a set of Standing Orders, policies and financial regulations.

The composition of the Board includes four tenant representatives. The Board's skill mix is regularly reviewed, and where gaps are identified, Board Members seek to identify individuals from within the Partnership's existing membership and wider environment to strengthen the range of expertise on the Board. The Governance structure is shown in Figure 1.

Figure 1 Board of Management



New Board Members undergo induction training which includes a “buddy” system where an experienced Board Member will make themselves available to assist a new Board member.

The Partnership's Standing Orders allow for one Standing Committee and four Community Liaison Groups. These are currently under-review with proposals to include an additional Joint Consultative Committee.

The Board comprises up to 15 members - 4 tenant members, 3 Comhairle Nan Eilean Siar nominees, 5 community representatives and up to 3 co-optees. There are currently 13 Board members.

HHP's Rules require that two community and two tenant members step down each year. There will be elections for the vacant positions at the Annual General Meeting in August 2019.

Tenant and Community members of the Board hold one fully paid £1 share.

During 2018/19 three shares were issued to new members.

The Board is responsible for the overall strategic direction and objectives of HHP. Key responsibilities include overseeing:

- Approval of Business Plan
- Delivery of Business Plan
- Publishing and annual Assurance Statement
- Ensuring compliance with our values and key objectives
- Establishing strategic plans to achieve objectives
- Appraising the annual financial statements
- Establishing a framework of delegation and system of internal control

- Achieving the highest standards of governance

Currently, HHP's Board has delegated responsibility to the following Standing Committee:

Audit & Risk

The Audit & Risk Committee is responsible for ensuring that the activities of the Board are within the law and regulations which govern the Board, and that an effective internal control system is maintained. Specifically this Committee:

- Reviews HHP's systems of internal control and risk management
- Provides an overview of the internal and external audit functions
- Scrutinises the financial statements
- Monitors the implementation of internal audit recommendations, external audit reports and management letters
- Reviews the internal audit plan and scope of work
- Reviews the effectiveness of the overall risk strategy

Tenant Participation

Our partnership with TPAS continued to broaden and strengthen opportunities for tenants to engage with HHP and to actively participate in a way that suits them. We also support the tenants Forum who have contributed to our procurement of an investment framework and the ongoing work to procure a new Repair and Maintenance service.

TPAS and the Forum have established tenant working groups on repairs and our lettable standard and this helps to inform service improvement opportunities. Work has also continued to support existing tenants and resident's groups and to reach out to all tenants to help them to become involved in the planning and monitoring of services.

A community grant fund was established to encourage local groups who are trying to make an impact in their areas.

Health & Safety

The Board places the highest priority on the Health and Safety of tenants, staff and contractors. A Health and Safety group chaired by the Director of Operations meets regularly with a remit to ensure the Health and Safety requirements are being met by the Partnership. The group commissioned an audit on our landlord responsibilities during the year and an action plan to further strengthen our approach was developed and is being taken forward.

Political & Charitable Donations

There were no political donations made by HHP during the financial year. A total of £5,000 was donated during the year to the following local charities:

£1,000	Autism Eilean Siar
£1,000	Eilean Siar Foodbank
£1,000	Western Isles Kidney Patients Association
£1,000	Caraidhean Uibhist
£1,000	Cobair Bharriagh

Disclosure of Information To Auditors

The Board Members who held office at the date of approval of this Board report confirm that, so far as they are each aware, there is no relevant audit information of which the Partnership's auditors are unaware; and each Board Member has taken all the steps that he/she ought to have taken as a Board Member to make himself/herself aware of any relevant audit information and to establish that the Partnership's auditors are aware of that information.

Auditors

A resolution to appoint auditors for the next financial year will be proposed at the Annual General Meeting in August 2019, following a re-tendering exercise.

Employee Policies

The 30 year Business Plan recognises that the well-being of staff is critical to successful service delivery. A core objective is to be a good employer that attracts and retains high quality staff. HHP will ensure that there is sufficient and well trained staff to deliver high quality services. A Pay and Grading review was undertaken during 2018/19 and is being implemented in 2019/20.

Recruitment

HHP want staff to feel safe in their working environment and that they are treated fairly irrespective of colour, age, disability, religion or sexual orientation. A Recruitment Policy has been developed which aims to:

- Recruit and select the best candidate for every vacancy;
- Ensure that access to employment opportunities is based on fair, objective and consistent criteria.

Training

HHP is committed to the training and development of all its employees and Board Members. A new post has been established to support the Training and development of staff and Board members. Regular training needs assessments are carried out for

Board Members which feed into Training Plans and a training programme for staff has been compiled from training needs highlighted during the staff appraisal process.

INTERNAL FINANCIAL CONTROL

The Board of HHP is responsible for establishing and maintaining systems of internal financial control within the organisation. By their nature these systems can provide reasonable, but not absolute, assurance against material mis-statement or loss. The internal control framework is supported by organisational control measures including, financial and business planning, performance monitoring and reporting, project management and communication systems. The internal control framework also relies on formal governance measures including a structure of corporate policies, authorities and responsibilities delegated from the Board to the Executive Team.

Framework of Internal Control

The key methods by which the Board establishes the framework for providing effective internal financial controls are dealt with in the next part of this report.

Management Structure

The organisation for which the Board has overall responsibility is governed by a set of Standing Orders, which reserves specific powers to the Board and delegates functions and powers to its Officers, Committee and Working Groups. The Executive Team, comprising of the Chief Executive and the Directors, has two main functions; Operations and Finance & Corporate Services.

Audit & Risk Committee

The Audit & Risk Committee consists of six members. Meetings are normally held six times a year to review and approve annual internal and external audit plans, reports and the action taken on issues raised by audit. In addition, the Audit and Risk Committee reviews the corporate risk management arrangements including the Risk Register.

System of Internal Control

The key elements of the system of internal control are as follows:

- Regular meetings of the Board, which has a schedule of matters specifically reserved for its approval and which are the subject of regular standard reports as required;
- Appointment of Internal Auditors who work to the standards of the Institute of Internal Auditors and produce an annual internal audit plan and regular internal audit reports;
- The review of reports prepared by Internal Auditors by the Audit and Risk Committee on a regular basis;

- A corporate financial plan with a detailed annual budget, regularly revised forecasts, a comparison of actual with budget and key performance indicators all of which are reviewed by the Board.

Identification of Business Risk

Risk management lies with the Board supported by the Executive Team. Key risks have been identified as part of the business planning process and scored to reflect the likelihood of this occurring. Mitigation strategies are put in place to minimise the impact of identified risk on the organisation.

The three most significant risks identified during 2018/19 were changing demographics and reducing population, not having a competitive contractor market and BREXIT. Other significant risk factors include the impact of Universal Credit and the potential impact from a severe weather event.

Increased costs are also being experienced by local contractors on supplies which will inevitably lead to increased costs in maintenance and new build. The Board met on 6 March 2019 and reviewed and set the partnership's risk appetite for the coming year.

Corporate Risk

The Risk Register, which is updated and reviewed at each Audit & Risk Committee, is organisation wide and shows each risk, the significance of the risk and the probability of these risks occurring. The Register also details the impact of the risks should they occur and who will have responsibility for devising and implementing suitable controls and mitigating actions.

Management Information Systems

Management Information Systems have been established which provide monthly information on key aspects of the business. Management accounts comparing actual results against budget are presented to the Board along with performance against key financial and non-financial indicators.

Internal Audit

On 1 April 2016 the Board re-appointed Scott-Moncrieff as their Internal Auditors. The Internal Auditors report directly to the Audit and Risk Committee.

The External Auditors have placed reliance on the work carried out by the Internal Auditors on the accounting systems.

Investment Appraisal

The Financial Regulations provide the framework and procedures for investment appraisal. Expenditure beyond certain levels requires to be approved by the Board. A Fixed Asset Register is in place which details all the assets owned by the Partnership.

Investment

On 1 June 2010 HHP Community Housing Limited was formed as a non-charitable subsidiary of the Partnership. During 2018/19 there was no activity. The Board during its business planning session have asked officers to explore potential new areas of business activity. The majority of the proposed areas of activity would need to be undertaken by the subsidiary due to their nature.

BOARD STATEMENT ON INTERNAL FINANCIAL CONTROL

The Board acknowledges its ultimate responsibility for ensuring that the RSL has in place a system of controls that is appropriate for the business environment in which it operates. These controls are designed to give reasonable assurance with respect to:-

- the reliability of financial information used within the Partnership, or for publication;
- the maintenance of proper accounting records;
- the safeguarding of assets against unauthorised use or disposition.

STATEMENT OF BOARD RESPONSIBILITIES

It is the Board's responsibility to establish and maintain the systems of internal financial control. Such systems can only provide reasonable and not absolute assurance against material financial mis-statement or loss. Key elements of the Association's systems include ensuring that:

- formal policies and procedures are in place, including the ongoing documentation of key system and rules in relation to the delegation of authority, which allow the monitoring of controls and restrict the unauthorised use of the Partnership's assets;
- experienced and suitably qualified staff take responsibility for important business functions and annual appraisal procedures have been established to maintain standards of performance;
- forecasts and budgets are prepared which allow the Management Team and the Board to monitor the key business risks, financial objectives and progress being made towards achieving the financial plans set for the year and for the medium term;
- monthly financial management reports are prepared promptly, providing relevant, reliable and up to date financial and other information, with significant variances from budget being investigated as appropriate;
- regulatory returns are prepared, authorised and submitted promptly to the relevant regulatory bodies;
- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the Board;
- the Audit Committee/Board received reports from management and from external and internal auditors to provide reasonable assurance that control procedures are in place and are being followed and that a general review of the major risks facing the Partnership is undertaken;
- formal procedures have been established for instituting appropriate action to correct any weaknesses identified through internal or external audit reports.

The Board has reviewed the effectiveness of the system of internal financial control in existence in the Partnership for the year end 31 March 2019. No weaknesses were found in internal financial controls which results in material losses, contingencies or uncertainties which require disclosure in the financial statements or in the auditor's report on the financial statements.

The Board of Management is responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Partnership and to enable them to ensure the Financial statements comply with the Co-operative & Community Benefits Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2014. It is also responsible for safeguarding the assets of the Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. It is also responsible for ensuring the Partnership's suppliers are paid promptly.

STATEMENT OF DISCLOSURE TO AUDITORS

In so far as the Board of Management are aware:

- There is no relevant audit information (information needed by the Partnership's auditors in connection with preparing their report) of which the Partnership's auditors are unaware, and
- The Board of Management have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Partnership's auditors are aware of that information.

On behalf of the Board
Norman M Macleod
Chair



OPERATING AND FINANCIAL REVIEW

PERFORMANCE AND FINANCIAL REVIEW

A summary of the key performance areas for the year are detailed in the following paragraphs.

Housing Services

Universal Credit (UC) full service commenced in the Outer Hebrides in September 2018. We have revised and updated our systems and processes as the UC system changes and continue to do so. The number of cases has steadily increased and as feared there has been some increase in arrears in these cases. We are working closely with our tenants to help them adapt to the new system. We obtained 'trusted partner' status with DWP which enables us to provide some additional help to tenants.

The 'bedroom tax' is mitigated in full again this year through Discretionary Housing Payments (DHP) and we acknowledge the support of the Comhairle with this.

Weak demand for housing across most areas has continued to be a concern and one which the Board continues to monitor closely. We continue to explore options to address this and have taken the decision to dispose of stock which is not delivering good solutions for tenants and which impact negatively on the business. Partnership working is critical if we are to address the demographic challenges which contribute to this weakening demand and we continue to seek to encourage and develop this.

Void rent loss has improved as a result of the decision to dispose of some stock. However, low demand in certain areas continues to impact on our void loss performance and the average days taken to let properties is fairly high at 27.7 days. If difficult to let properties are excluded, properties were let in an average of 18 days. This is a reasonable performance and we are working to improve on this.

The level of anti-social behaviour remains low and we did not take any legal enforcement action during the year. This good partnership working between HHP, Police Scotland and the Comhairle continued focusing on a preventative approach.

Partnership working is very important to us and we work through the Community Planning Partnership and other multi-agency partnerships including Domestic Abuse Forum and Poverty Action Group to deliver good outcomes for our tenants and communities.

Tenant Participation

Tenant Participation activity has focused on developing links with interested tenants across the islands and supporting existing tenant groups and encouraging new ones. The Western Isles Housing Association Communities Forum is working to establish itself as a focus for participation across the islands and is supported by our partnership with TPAS. Providing a variety of means of participation is particularly important in a large geographic area such as the Outer Hebrides where we have a high number of small schemes consisting of less than 20 houses which makes participation challenging. Our annual tenant events were again held in Stornoway, Balivanich, and Castlebay during the year and we continue to review our approach to these. We have sought to reach out in Uist through representation at many of the local summer events and we have been well supported by partners for which we are grateful.

OPERATIONAL REVIEW

Planned & Cyclical Maintenance

The 5 year planned maintenance programme continued to protect homes and the wider environment. As in previous years the large amount of fencing within housing areas poses a challenge and work to these has been limited as priority is given to the fabric of the houses themselves. However, we are now undertaking a programme of environmental works through our investment programme.

Cyclical maintenance programmes were completed during the year including ensuring that gas, air source and oil heating systems were serviced within a 12-month period. Servicing of fire alarms, stair lighting, door entry systems and stairlifts was also carried out.

Investment Programme

This was the final year of our 4 year framework contract and £4.2m was invested in tenant's homes delivering the following improvements during 2018/19:

Heating Systems	224	Kitchens:	64
Bathrooms:	49	Windows:	98
Roughcasting:	30	Roofing:	4
Environmental/Fencing Work	59		

Alleviating fuel poverty remains a key priority and this is demonstrated by our investment in new heating systems. We installed 80 Air Source Heat Pumps in off-gas areas which deliver a good affordable solution for our tenants. However, we also examine other heating options and installed a further 70 infra-red heating systems primarily in one bedroom properties during the year. These are being evaluated to ascertain tenant's experiences and whether they will meet EESSH requirements. They are currently assessed as exemptions.

Aids & Adaptations

We were awarded £324K of funding from the Scottish Government which delivered 261 different measures benefiting 120 tenants with health and mobility problems. We worked closely with the Occupational Therapy Service in assessing need and determining priorities and waiting time was kept to a minimum for those requiring assistance.

Fuel Poverty & EESSH

Levels of fuel poverty in the Outer Hebrides are the highest in the UK along with those in Orkney and we remain committed to doing all that we can to address this. As noted previously we invest heavily in tenants homes to improve energy efficiency particularly through replacing solid fuel heating systems with Air Source Heating and installing new gas combi boilers where gas supply is available.

We continued our partnership with Citrus to provide impartial advice and assistance to tenants on switching energy suppliers.

On the wider scale we worked with partners to establish an Energy Supply Company (ESCO) which was launched in February 2018. This company, Hebrides Energy partnered with Our Power to supply electricity and we also entered into a void switching arrangement with Our Power. Unfortunately, Our Power ceased trading in January 2019 which was a major disappointment to the housing sector as a whole.

Work continued with other Highland Housing Associations and Councils on lobbying MSPs, the Government, OFGEM and SSE on prices within the Highlands & Islands which are the highest in the UK. Strong representations were made to the Scottish Government on their fuel poverty consultation, stressing our concerns at the proposed new definition. This was successful in achieving amendments to the definition to reflect the particular challenges in remote rural areas.

FINANCIAL REVIEW

Comprehensive Income

The turnover for the year to 31 March 2019 was £11.270 million (2018: £11.194m) against operating costs of £8.356 million (2018: £8.590m). Operating costs for the year included £0.393 million (2018: £0.371) of capital investment written off against expenditure and £0.430M of construction costs on Shared Equity properties. The main source of income was from rental income of £8.911 million (2018: £8.423m) with £0.823 million (2018: £0.930m) received in grant from The Scottish Government. Turnover on other activities included factoring, reflecting the requirements of the Property Factors Act 2011. There were 3 Shared Equity properties sold during the year (2018: 8).

The operating surplus on Letting Activities was £2.919 million, 33% of Net Rental Income (2018: £2.639 million, 32% of Net Rental Income).

Funds are being transferred into designated reserves for:

- a) Future Repairs and Renewals on new build properties;
- b) Funding costs for removing asbestos from transferred properties which may be incurred as a result of the investment programme.

Financial Position

HHP's Financial Position is shown on Page 29. The key factors affecting the balance sheet are:

- a) The value of housing properties under construction has increased as a result of the increase in the Partnership's development plan;
- b) The addition of 30 new units for rent funded largely from Affordable Housing Supply Programme (AHSP) Grant from the Scottish Government;
- c) Stock increased to reflect the Work in Progress on the Mackenzie Avenue Share Equity scheme;
- d) Decrease in creditors less than one year due to the repayment of £500K of retained Right To Buy (RTB) receipts to Scottish Government and a reduction in Trade Payables at the year end.

Cash Flow

The Cash Flow is shown on page 30. The net change in cash equivalents was £3.907 million (2018: £2.978m). The principal cash outflows were operating, development costs and investment in assets with cash inflow bolstered by RTB receipts and RHI Income.

Current Liquidity

At 31 March 2019 HHP had cash and short-term deposits of £6.302 million (2018: £10.209m). It is not anticipated that there will be a requirement to draw down funds during 2019/20.

Capital Structure & Treasury Management Policy

HHP's activities are funded on the basis of a Business Plan, which is updated annually. The main elements of HHP's long term funding are a loan facility arranged with the Royal Bank of Scotland (RBS) and provided by The Scottish Government. The RBS loan facility allows HHP to borrow up to £15 million. In broad terms, the current Business Plan assumes that borrowing will increase each year until the maximum of £15 million is reached in 2021 reflecting the significant investment and development programme in the first ten years of the plan. Debt is progressively paid off in subsequent years and is projected to be fully paid off by 2036.

The Board receives updates each quarter which detail the debt, cash and interest received. All proposed changes to banking arrangements and bank signatories are approved by the Board.

The Treasury Management Policy was approved in January 2012. The Treasury Management Policy sets down the framework for investing and managing cash, raising loans, interest rate management and the use of financial derivatives by the Group. A key objective of the Policy is to ensure that the Partnership's loan portfolio represents the optimum balance of risk in interest rate, loan maturity and fixed rate exposure.

PLANS FOR THE FUTURE

HHP plans to invest £19.97 million over the next 5 years ensuring the Scottish Housing Quality Standard is maintained in all its properties. £15.087 million of private finance has been earmarked for the new build projects due for completion in the next 5 years. There has been a significant increase in the size of the development programme as a result of increased grant monies being made available by Scottish Government to Local Authorities as part of the More Homes Scotland programme.

INDEPENDENT AUDITORS REPORT

Opinion

We have audited the financial statements of Hebridean Housing Partnership (the 'Partnership') for the year ended 31 March 2019 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Reserves, the Cashflow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Partnership's affairs as at 31 March 2019 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Co-operative and Communities Benefit Societies Act 2014, the Housing (Scotland) Act 2010, the Determination of Accounting Requirements 2014.

Basis For Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions Relating To Going Concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Board of Managements' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Board of Management have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Partnership's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other Information

The Board of Management are responsible for the other information. The other information comprises the information included in the annual report, other than the

financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters On Which We Are Required To Report By Exception

In the light of the knowledge and understanding of the Partnership and its environment obtained in the course of the audit, we have not identified material misstatements in the Board of Managements' Report.

We have nothing to report in respect of the following matters where The Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- The information given in the Report of the Board of Management is inconsistent with the Financial Statements;
- Proper books of accounts have not been kept by the Partnership in accordance with the requirements of the legislation;
- A satisfactory system of control over transactions has not been maintained by the Partnership in accordance with the requirement of the legislation;
- The financial statements are not in agreement with the books of accounts; or
- We have not received all the information and explanations necessary for the purposes of our audit.

We have nothing to report in respect of these matters.

Responsibilities Of The Board Of Management

As explained more fully in the Boards' Responsibilities Statement set out on page 14, the Board of Management are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board of Management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Management are responsible for assessing the Partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Management either intend to liquidate the Partnership or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities For The Audit Of The Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

<http://www.frc.org.uk/auditorsresponsibilities>.

This description forms part of our auditor's report.

This report is made solely to the Partnership's members, as a body, in accordance with the Co-operative and Communities Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Partnership's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Partnership and the Partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

Wylie & Bisset LLP
Chartered Accountants
Statutory Auditor
Glasgow

Date: 19 June 2019

REPORT BY THE AUDITORS TO THE MEMBERS OF HEBRIDEAN HOUSING PARTNERSHIP LIMITED ON CORPORATE GOVERNANCE MATTERS

Corporate Governance

In addition to our audit of the Financial Statements, we have reviewed your statement on page 15 concerning the Partnership's compliance with the information required by the Regulatory Standards (for systemically important RSLs) in respect of internal financial controls contained within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes which are issued by the Scottish Housing Regulator.

Basis of Opinion

We carried out our review having regard to the requirements to corporate governance matters within Bulletin 2006/5 issued by the Financial Reporting Council. The Bulletin does not require us to review the effectiveness of the Partnership's procedures for ensuring compliance with the guidance notes, nor to investigate the appropriateness of the reason given for non-compliance.

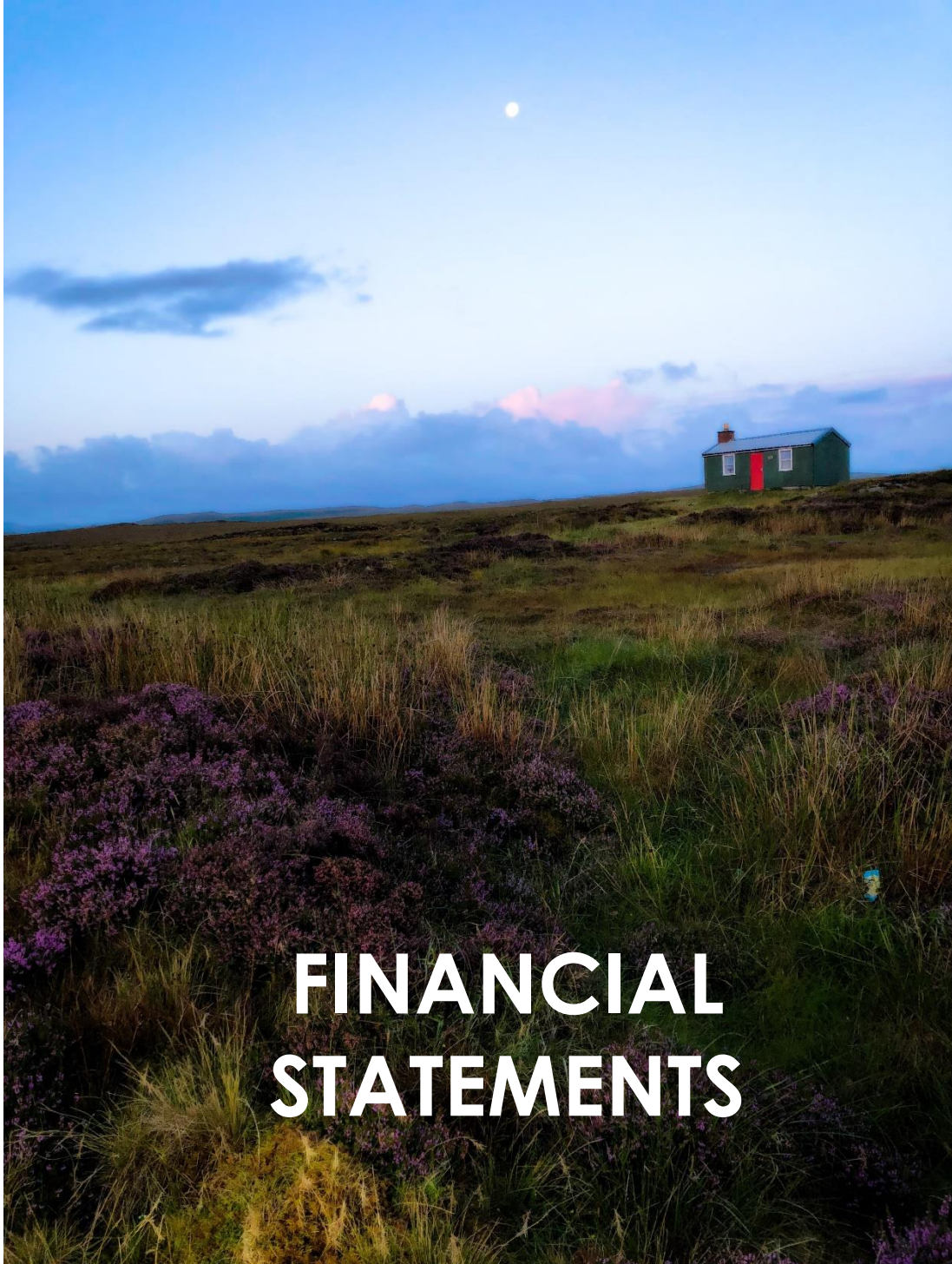
Opinion

In our opinion the Statement on Internal Financial Control on page 12 has provided the disclosures required by the relevant Regulatory Standards (for systemically important RSLs) within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes issued by the Scottish Housing Regulator in respect of internal financial controls and is consistent with the information which came to our attention as the result of our audit work on the Financial Statements.

Through enquiry of certain members of the Board and Officers of the Partnership and examination of relevant documents, we have satisfied ourselves that the Board's Statement on Internal Financial Control appropriately reflects the Partnership's compliance with the information required by the relevant Regulatory Standards (for systemically important RSLs) in respect of internal financial controls contained within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes issued by the Scottish Housing Regulator in respect of internal financial controls.

Wylie & Bisset LLP
Chartered Accountants
Statutory Auditors
Glasgow

Date: 19 June 2019



FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME AS AT YEAR 31 MARCH 2019

		31 March 2019	31 March 2018
		£	£
	Notes		
Turnover	3	11,269,972	11,194,205
Operating expenditure	3	(8,355,818)	(8,590,346)
Operating surplus	3	2,914,154	2,603,859
Loss on disposal of property, plant & equipment		(242,482)	(173,603)
Interest receivable	6	23,290	15,571
Interest payable and financing costs	7	(335,576)	(367,925)
Surplus before tax		2,359,386	2,077,902
Actuarial (loss)/gain in respect of pension scheme	22	(633,000)	2,425,000
Total comprehensive income for the year		1,726,386	4,502,902

The results for the year relate wholly to continuing activities.

These financial statements were approved by the Board on 19th June 2019 and were signed on its behalf by:

Norman Macleod
Chair

Dena Macleod
Secretary

Calum Mackay
Board Member

The notes on pages 31 to 53 form part of these financial statements

STATEMENT OF CHANGES IN RESERVE AS AT YEAR 31 MARCH 2019

	Share Capital £	Unrestricted Fund £	Total Reserves £
Current Year			
Balance at 1 April 2018	203	30,630,193	30,630,396
Movement in Share Capital	3		3
Surplus from statement of comprehensive income		1,726,386	1,726,386
Balance at 31 March 2019	206	32,356,579	32,356,785
Prior Year			
Balance at 1 April 2017	197	26,127,291	26,127,488
Movement in Share Capital	6		6
Surplus from statement of comprehensive income		4,502,902	4,502,902
Balance at 31 March 2018	203	30,630,193	30,630,396

The notes on pages 31 to 53 form part of these financial statements

STATEMENT OF FINANCIAL POSITION AS AT YEAR 31 MARCH 2019

		31 March 2019	31 March 2018
		£	£
	Notes		
Fixed Assets			
Tangible Assets-Social Housing	8	83,824,774	77,108,646
Tangible Assets-Property, plant & equipment	9	2,285,271	1,514,469
Investments	10	2	2
		<u>86,110,047</u>	<u>78,623,117</u>
Current Assets			
Stock		672,649	241,633
Trade and other debtors	11	2,198,587	1,106,305
Investments		5,681,883	6,164,763
Cash and cash equivalents		620,447	4,044,434
		<u>9,173,566</u>	<u>11,557,135</u>
Less: Creditors amounts falling due within one year	12	<u>(2,663,407)</u>	<u>(3,849,683)</u>
Net current assets		<u>6,510,159</u>	<u>7,707,452</u>
Total assets less current liabilities		<u>92,620,206</u>	<u>86,330,569</u>
Creditors: amounts falling due after more than one year	13	(10,877,254)	(10,529,203)
Deferred Capital Grants	14	(47,331,167)	(44,034,970)
Pension Liability	15	(2,055,000)	(1,136,000)
Net Assets		<u>32,356,785</u>	<u>30,630,396</u>
Reserves			
Share Capital	16	206	203
Income & Expenditure reserve		32,356,579	30,630,193
		<u>32,356,785</u>	<u>30,630,396</u>

These financial statements were approved by the Board on 19th June 2019 and were signed on its behalf by:

**Norman
Macleod**

Chair

Dena Macleod

Secretary

**Calum
Mackay**

Board
Member

The notes on pages 31 to 53 form part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2019

		31 March 2019	31 March 2018
		£	£
Net Cash inflow from operating activities	Note 1	1,699,221	3,739,210
Cashflow from investing activities			
Purchase of tangible assets		(10,188,996)	(4,759,095)
Proceeds from sale of tangible fixed assets		273,013	1,236,582
Grants received		4,584,978	3,130,235
Interest received		23,290	15,571
Acquisition of Shares			
Cashflow from financing activities			
Interest paid		(261,166)	(241,543)
Repayments of borrowings		(37,207)	(142,533)
Net change in cash equivalents		<u>(3,906,867)</u>	<u>2,978,427</u>
Cash and cash equivalents at the beginning of the year		10,209,197	7,230,770
Cash and cash equivalents at the end of the year		<u>6,302,330</u>	<u>10,209,197</u>
		<u>(3,906,867)</u>	<u>2,978,427</u>

The notes on pages 31 to 53 form part of these financial statements.

NOTES TO THE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2019

Cashflow from Operating Activities

	2019	2018
	£	£
Surplus for the year	2,914,154	2,603,859
<i>Adjustments for non-cash items:</i>		
Depreciation of tangible fixed assets	2,921,938	2,704,817
(Increase)/Decrease in stock	(431,016)	(226,558)
(Increase)/Decrease in trade and other debtors	(1,092,282)	316,438
(Decrease)/Increase in trade and other creditors	(1,124,225)	452,318
Pension costs less contributions payable	252,000	236,000
Carrying amount of tangible fixed asset disposed	(284,495)	(847,691)
<i>Adjustments for investing or financing activities:</i>		
Proceeds from the sale of tangible fixed assets	(242,482)	(173,603)
Government grants utilised in the year	(1,288,781)	(1,452,751)
Interest payable	74,410	126,382
	<u>1,699,221</u>	<u>3,739,210</u>

NOTE 1 - ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Financial Statements, except where noted below.

Base Of Accounting

The Financial Statements of the Partnership are prepared in accordance with FRS 102 as issued by the Financial Reporting Council and comply with the requirements of the Co-operative and Community Benefit Societies Act 2014, Part 6 of the Housing (Scotland) Act 2010, the Determination of Accounting Requirements 2014 issued by the Scottish Housing Regulator and the Statement of Recommended Practice (SORP) for social housing providers issued in 2014.

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain properties and financial instruments. The principal accounting policies that have been applied consistently to all periods presented in these financial statements are set out below.

The preparation of financial statements in conformity with FRS102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies selected for use by the Partnership. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3. Use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates. Hebridean Housing Partnership Ltd is a public benefit entity (PBE).

Preparation Of Consolidated Financial Statements

The Financial Statements contain information about Hebridean Housing Partnership as an individual company and do not contain consolidated financial information as the parent of a group. The Partnership has taken the option not to prepare consolidated Financial Statements due to the immateriality of the results of its subsidiary, HHP Community Housing Limited as detailed in Note 10.

Turnover

Turnover, which is stated net of Value Added Tax, represents income receivable from lettings and service charges, fees receivable, revenue grants and other income.

Grant Income

Grant Income received is matched with the expenditure to which it relates. Social Housing Grant received as a contribution towards the capital cost of a housing development is recognised in line with the accrual model. The accrual model results in the grant being recognised over the expected useful life of the housing property structure and its individual components. Where grant is paid as a contribution towards revenue expenditure, it is included in turnover.

Deposit And Liquid Resources

Cash, for the purpose of the cash flow statement comprises cash in hand and deposits repayable on demand, less overdrafts repayable on demand. Liquid resources are current asset investments that are disposable without curtailing or disrupting the business and are readily convertible into known amounts of cash at, or close to, their carrying value.

Pension Costs

The Partnership participates in the Highland Superannuation Scheme and contributions to the pension scheme are calculated as a percentage of pensionable salaries of the employees, determined in accordance with actuarial advice. The actual pension cost is charged to the income and expenditure account based on contributions to the fund. In accordance with FRS102 the future payments in respect of the past service deficit plan have been discounted and recognised as a provision within the financial statements.

Housing Properties

Housing properties are stated at cost less accumulated depreciation. The cost of properties is their purchase price together with capitalised repairs. Housing properties in the course of construction are stated at cost and are not depreciated. Housing properties are transferred to completed properties when they are ready for letting and are stated at cost. The development cost of housing properties includes:-

1. Cost of acquiring land and buildings; and
2. Development expenditure including administration costs

Where it is considered that there has been any impairment in value this is provided for accordingly. Expenditure on schemes that are subsequently aborted is written off in the year in which it is recognised that the schemes will not be developed to completion.

Improvements To Housing Properties

The Partnership capitalises repairs and improvement expenditure on its housing properties which result in an enhancement of the economic benefit of the asset.

Impairment

Reviews for any impairment of housing properties are carried out on an annual basis where the estimated remaining economic life of those properties exceeds 50 years. Impairment is recognised where the carrying value of an income generating unit exceeds the higher of its net realisable value or its value in use. Value in use represents the net present value of expected future cash flows expected from the continued use of these assets. Any impairment of assets would be recognised in the Statement of Comprehensive Income. The Board took the decision last year to dispose of properties at Cnoc Mor in Lewis and Braehead in South Uist. Regulatory consent has been obtained along with that of our funder. No Impairment has been reflected on these units given their current carrying value.

Shared Ownership

Shared ownership properties are split proportionately between current and fixed assets based on the first tranche proportion.

First tranche proportions will be accounted for as current assets and the related sales proceeds shown in turnover; and

The remaining element of the share ownership property will be accounted for as a fixed asset and any subsequent sale will be treated as a part disposal of a fixed asset.

Commercial Properties

Commercial Properties are valued at existing use value.

Provisions

The Partnership only provide for contractual liabilities that exist at the balance sheet date.

Taxation

Income and capital gains are generally exempt from tax if applies for charitable purposes.

Depreciation

Depreciation is charged on a straight-line basis to write off the cost of each asset, less any estimated residual value, over its expected useful life, as set out below. Assets are depreciated in the year of acquisition, from the date of their acquisition, and in the year of disposal, up to the date of disposal. Land is not depreciated.

Housing Properties & Offices

All of the major components comprised within the Partnership's housing properties and offices are treated as separable assets and their costs (after the deduction of any related social housing grant) are depreciated by reference to the expected useful life of each component, on the following basis:

	Years
Roofs	50
Kitchens	20
Bathrooms	30
Showers	10
Heating Boilers	15
Heating Systems	20
Window & Doors	25
Other External Components	15
Structure	60

Other Fixed Assets

All other Fixed Assets are depreciated by reference to the following expected useful lives:

	Years
Furniture, Fittings and Office Equipment	5
Computer Hardware and Software	4

Sale of Housing Accommodation

Properties are disposed of under the appropriate legislation and guidance. All costs and grants relating to the share of property sold are removed from the Financial Statements at the date of sale. Any grants received that cannot be repaid from the proceeds of sale are abated and the grant removed from the Financial Statements.

Capitalisation of Development Overheads

Staff costs that are directly attributable to bringing housing properties into working condition for their intended use are capitalised.

Value Added Tax

The Partnership is registered for VAT. A large proportion of its income, including rental receipts, is exempt for VAT purposes, giving rise to a partial exemption calculation. Expenditure with recoverable VAT is shown net of VAT and expenditure with irrecoverable VAT is shown inclusive of VAT. VAT on refurbishment works expenditure included in the development works agreement with Comhairle Nan Eilean Siar is fully recoverable. Expenditure on these works is shown net of VAT.

Bad & Doubtful Debts

Provision is made against rent arrears for current and former tenants as well as other miscellaneous debts to the extent that they are considered potentially irrecoverable.

Leased Assets

Rentals payable under operating leases are charged to the income and expenditure account on a straight line basis over the lease term.

Designated Reserves

Designated reserves are unrestricted reserves earmarked by Directors for particular purposes.

Financial Instruments

Loans provided to HHP Community Housing Limited are classed as basic under the requirements of FRS102, and are measured at amortised cost. In the case of payment arrangements that exist with customers, these are deemed to constitute financing transactions and are measured at the present value of the future payments discounted at a market rate of interest applicable to similar debt instruments.

NOTE 2 – CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities.

Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

NOTE 3 – TURNOVER, OPERATING COSTS AND OPERATING SURPLUS

	2019			2018		
	Operating Turnover £	Operating Costs £	Operating Surplus £	Operating Turnover £	Operating Costs £	Operating Surplus £
Income and Expenditure from Lettings						
Social Lettings (Note 4)	10,767,686	(7,849,027)	2,918,659	10,069,915	(7,430,707)	2,639,208
Other Activities (Note 5)	502,286	(506,791)	(4,505)	1,124,290	(1,159,639)	(35,349)
TOTAL	11,269,972	(8,355,818)	2,914,154	11,194,205	(8,590,346)	2,603,859

NOTE 4 – PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS FROM SOCIAL LETTING ACTIVITIES

	General Needs Housing £	Supported Accommodation £	Shared Ownership £	Other £	Total £	2018 £
Income from rent and service charges						
Rent receivable net of service charges	8,784,756	74,279	3,643	-	8,862,678	8,375,916
Service charges	45,536	-	2,526	-	48,061	48,036
Gross Income from rents and service charges	8,830,292	74,279	6,168	-	8,910,739	8,423,952
Less voids	(55,873)	-	-	-	(55,873)	(93,629)
Net Income from rents and service charges	8,774,419	74,279	6,168	-	8,854,867	8,330,323
Grants from Scottish Ministers	-	-	-	-	-	-
Release of deferred capital grant	1,288,781	-	-	-	1,288,781	1,249,903
Other Revenue Grants	624,038	-	-	-	624,038	489,690
Total Turnover from social letting activities	10,687,238	74,279	6,168	-	10,767,686	10,069,916
Expenditure						
Management and Maintenance Administration costs	2,128,461	23,584	2,948	-	2,154,993	2,180,797
Service charges	-	-	-	-	-	-
Planned and Cyclical Maintenance including major repairs	1,171,533	1,401	-	-	1,172,934	1,097,391
Reactive Maintenance	1,523,458	8,914	-	-	1,532,372	1,369,369
Bad Debts-rents and service charges	66,790	-	-	-	66,790	78,333
Depreciation of social housing	2,896,947	22,866	2,126	-	2,921,938	2,704,817
Impairment of social housing	-	-	-	-	-	-
Operating costs for social letting activities	7,787,188	56,765	5,074	-	7,849,027	7,430,707
Operating surplus on letting activities for 31 March 2019	2,900,050	17,514	1,094	-	2,918,659	2,639,209
Operating surplus on letting activities for 31 March 2018	2,594,850	44,162	197	-	2,639,209	

NOTE 5 – PARTICULAR OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS FROM OTHER ACTIVITIES

	Grants from Scottish Ministers	Other Revenue Grants	Other Income	Total Turnover		Other Operating Costs		Operating Surplus/ Deficit	
				2019	2018	2019	2018	2019	2018
	£	£	£	£	£	£	£	£	£
Stage 3 Adaptations	-	-	-	-	-	-	-	-	-
Factoring	-	-	4,048	4,048	4,681	3,796	4,605	252	76
Development & construction of Property Activities	-	-	62,240	62,240	27,599	65,295	61,254	(3,055)	(33,655)
Sale of Developments	198,546	-	231,000	429,546	1,085,631	429,546	1,085,631	-	-
Management Services	-	-	6,452	6,452	6,379	8,154	8,149	(1,702)	(1,770)
Amortization capital reserve	-	-	-	-	-	-	-	-	-
Total from other activities 2019	198,546	-	303,740	502,286		506,791		(4,505)	
Total for other activities 2018	504,981	-	619,309		1,124,290		1,159,639		(35,349)

NOTE 6 - INTEREST RECEIVABLE AND OTHER INCOME

Interest Receivable and Other Income		
	2019	2018
	£	£
Interest receivable on deposits	23,045	15,330
Interest receivable on loan to subsidiary	245	241
	<u>23,290</u>	<u>15,571</u>

NOTE 7 – INTEREST PAYABLE AND SIMILAR CHARGES

Interest Payable and Similar Charges		
	2019	2018
	£	£
Interest Payable	230,372	212,023
Other Financing costs	71,204	68,902
Net Cost on pension	34,000	87,000
	<u>335,576</u>	<u>367,925</u>

Other financing costs include commitment, non-utilisation fees, the amortisation of transaction costs on the funding arrangements.

NOTE 8 – TANGIBLE FIXED ASSETS SOCIAL HOUSING

Tangible Fixed Assets				
SOCIAL HOUSING	Housing Properties held for letting £	Housing Properties under construction £	Shared Ownership held for letting £	Total £
Current Year Cost				
At start of the year	92,349,616	4,353,513	127,643	96,830,772
Additions during the year	3,680,966	6,163,904	-	9,844,870
Transfers in year	5,136,865	(5,136,865)	-	-
Disposals	(570,938)	(17,405)	-	(588,343)
At end of year	100,596,509	5,363,147	127,643	106,087,299
Depreciation				
At start of year	(19,647,666)	-	(74,460)	(19,722,126)
Provided in year	(2,842,121)	-	(2,126)	(2,844,247)
Eliminated on Disposal	303,848	-	-	303,848
At end of year	(22,185,939)	-	(76,586)	(22,262,525)
Net Book Value				
At end of year	78,410,570	5,363,147	51,057	83,824,774
Prior Year				
At start of the year	88,562,082	2,324,267	127,643	91,013,992
Additions during the year	2,979,366	4,066,305	-	7,045,671
Transfers in year	2,030,518	(2,030,518)	-	-
Disposals	(1,222,350)	(6,541)	-	(1,228,891)
At end of year	92,349,616	4,353,513	127,643	96,830,772
Depreciation				
At start of year	(17,384,363)	-	(72,334)	(17,456,697)
Provided in year	(2,644,503)	-	(2,126)	(2,646,629)
Eliminated on Disposal	381,200	-	-	381,200
At end of year	(19,647,666)	-	(74,460)	(19,722,126)
Net Book Value				
At end of year	72,701,950	4,353,513	53,183	77,108,646

Development administration costs capitalised amounted to £146,485 (2018: £73,960) for which Social Housing Grants amounting to £nil (2018: £nil) were received in the year.

The proceeds of property disposals in the year were £38,258 (2018: £655,932). These units cost £NIL (2018: £1,236,142) and had a net book value of £NIL (2018: £854,942). HAG of £148,149 (2018: £148,149) was repaid in the year with no further HAG repayable at the balance sheet date.

The cost of new components capitalised in the year was £8,817,831 (2018: £5,009,884)

Components with a cost of £549,745 (2018: £246,516), HAG of £NIL (2018: £111,150) and accumulated depreciation of £309,936 (2018: £145,645) were disposed of in the year.

NOTE 9 – TANGIBLE FIXED ASSETS – PROPERTY, PLANT & EQUIPMENT

TANGIBLE FIXED ASSETS						
Property, Plant & Equipment	Heritable Property £	Commerical Property £	Office Equipment £	Computer Equipment £	Other Equipment £	Total £
Current Year Cost						
At start of the year	691,166	939,280	91,840	323,338	95,112	2,140,736
Additions during the year	621,846	-	-	210,783	-	832,629
Transfers in year	-	-	-	-	-	-
Disposals	-	-	-	(74,166)	-	(74,166)
At end of year	1,313,012	939,280	91,840	459,955	95,112	2,899,199
Depreciation						
At start of year	-	(166,551)	(84,436)	(285,574)	(89,707)	(626,268)
Transfers in year	-	-	-	-	-	-
Provided in year	-	(22,498)	(3,357)	(32,155)	(3,816)	(61,826)
Eliminated on Disposal	-	-	-	74,166	-	74,166
At end of year	-	(189,049)	(87,793)	(243,563)	(93,523)	(613,928)
Net Book Value						
At end of year	1,313,012	750,231	4,047	216,392	1,589	2,285,271
Prior Year						
At start of the year	683,060	939,280	81,515	295,160	104,967	2,103,982
Additions during the year	241,134	-	-	28,178	470	269,782
Transfers in year	(233,028)	-	10,325	-	(10,325)	(233,028)
Disposals	-	-	-	-	-	-
At end of year	691,166	939,280	91,840	323,338	95,112	2,140,736
Depreciation						
At start of year	-	(144,052)	(79,344)	(266,534)	(85,574)	(575,504)
Provided in year	-	(22,499)	(5,092)	(19,040)	(4,133)	(50,764)
Eliminated on Disposal	-	-	-	-	-	-
At end of year	-	(166,551)	(84,436)	(285,574)	(89,707)	(626,268)
Net Book Value						
At end of year	691,166	772,729	7,404	37,764	5,405	1,514,468

NOTE 10 – INVESTMENTS

Investments			
		2019	2018
		£	£
Investment in subsidiary undertaking		1	1
Investment in Hebrides Energy CIC		1	1
		<u>2</u>	<u>2</u>
	<u>Activity</u>	<u>Registered</u>	<u>Shareholding</u>
HHP Community Housing Ltd	Dormant	Scotland	100%
Hebrides Energy	Offer competitive electricity tariffs	Scotland	11.1%

NOTE 11 – TRADE & OTHER RECEIVABLES

Trade and other receivables		
	2019	2018
	£	£
Rental Arrears	158,370	137,108
Less: provision for bad debts	(91,476)	(78,663)
	<u>66,894</u>	<u>58,445</u>
Amounts owed by subsidiary undertaking (due within 1 year)	16,552	16,307
Other debtors	113,099	503,373
Prepayments and accrued income	1,834,291	338,069
Other debtors (due in more than 1 year)	167,751	190,111
Total	<u>2,198,587</u>	<u>1,106,305</u>

NOTE 12 – CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

Creditors-Amounts falling due within one year		
	2019	2018
	£	£
Trade payables	560,762	837,361
Contract retentions	242,908	174,908
Accruals and deferred income	1,158,102	1,174,413
Rent in advance	80,334	60,509
HAG creditor	121,301	105,911
HAG Repayable	-	148,149
RTB Receipts Repayable on demand	500,000	1,348,433
Total	<u>2,663,407</u>	<u>3,849,683</u>

Outstanding retentions will be financed initially from cash balances.

NOTE 13 – CREDITORS – AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Creditors-Amounts falling due after more than one year		
	2019	2018
	£	£
Bank term loans	4,908,996	4,946,203
RTB Receipts due to the Scottish Government	5,968,258	5,583,000
Total	10,877,254	10,529,203
Bank Term loans are secured by specific charges on the Partnership's properties and are repayable at varying rates of interest.		
The above creditors are due are follows:		
	£	£
Between one and two years	-	-
Between two and five years	385,258	-
In five years or more	10,491,996	10,529,203
	10,877,254	10,529,203

At the year end the Partnership's outstanding loan balance was £4.908 million. A committed facility of £15 million was available from the Royal Bank of Scotland along with an uncommitted overdraft facility of £0.250 million. Loan arrangement fees incurred in setting up this facility are included in debtors and are being amortised over the period of the loan drawdown. Security over the housing properties has been granted to the Royal Bank for the period of the lending facility. Section 107 consent has been granted.

NOTE 14 – DEFERRED CAPITAL GRANTS

Deferred Capital Grants					
	Housing Properties held for letting £	Housing Properties under construction £	Shared Ownership held for letting £	Property Plant & Equipment £	Total £
Current Year Cost					
At start of the year	(39,880,921)	(3,440,720)	(51,497)	(661,832)	(44,034,970)
Additions during the year	(614)	(3,972,478)	-	(612,500)	(4,585,592)
Disposals during the year	614	-	-	-	614
Transfers in year	(3,074,808)	3,074,808	-	-	-
Amortised in year	1,285,945	-	2,059	777	1,288,781
At end of year	(41,669,784)	(4,338,390)	(49,438)	(1,273,555)	(47,331,167)
Prior Year					
At start of the year	(39,173,175)	(1,818,175)	(53,555)	(642,946)	(41,687,852)
Additions during the year	(1,149,798)	(2,905,235)	-	(225,000)	(4,280,033)
Disposals during the year	480,164	-	-	-	480,164
Transfers in year	(1,282,690)	1,282,690	-	205,337	205,337
Amortised in year	1,244,578	-	2,059	777	1,247,414
At end of year	(39,880,921)	(3,440,720)	(51,497)	(661,832)	(44,034,970)

NOTE 15 – PROVISIONS FOR LIABILITIES & CHARGES

Pension Fund		
	2019 £	2018 £
At 1 April 2018	1,136,000	3,238,000
Created in Year	919,000	(2,102,000)
At 31 March 2019	2,055,000	1,136,000

NOTE 16 – SHARE CAPITAL

Share Capital		
	2019 £	2018 £
Shares of £1 each issued and fully paid		
At 1 April 2018	203	197
issued during period	3	6
At 31 March 2019	206	203

Shares were held by the following Board members during the year:

Norman Macleod, Calum Mackay, Iain Macmillan, Alasdair Mackenzie, Mairi Bremner, David Blaney, Alex Gardner, Dolene Smith, Fiona Macleod and Roddy Nicolson.

NOTE 17 – KEY MANAGEMENT EMOLUMENTS

OFFICER'S EMOLUMENTS		
	2019	2018
	£	£
Senior Officers are defined as the Chief Executive, the Director of Finance & Corporate Services and Director of Operations		
Aggregate emoluments payable to Directors exceeding £60,000 (excluding pension contributions and benefits in kind)	221,125	214,777
Emoluments payable to the highest paid officer (excluding pension contributions)	83,400	79,677
During the period the Directors' emoluments (excluding pension contributions) fell within the following band distributions:		
More than £60,000 but not more than £70,000	-	-
More than £70,000 but not more than £80,000	-	1
More than £80,000 but not more than £90,000	1	-
Pension contributions	15,012	14,820
The directors are members of the Highland Superannuation Fund and employer's contributions are paid on the same basis as other members of staff.		
Total Expenses reimbursed in so far as not chargeable to UK Income Tax		

NOTE 18 – EMPLOYEE INFORMATION

The average number of persons employed during the year was: 52

At 31 March 2019 the number of employees of the Partnership, including Executive Directors, was 43 (FTE), (2018 – 45 FTE).

EMPLOYEE INFORMATION		
	2019	2018
	£	£
Staff costs (for the above persons)		
Wages and Salaries	1,266,816	1,173,680
Social Security costs	114,939	110,828
Employers' pension costs	241,960	222,769
FRS102 Pension Adjustment (Note 22)	252,000	236,000
	<u>1,875,715</u>	<u>1,743,277</u>
Staff costs capitalised	<u>(516,413)</u>	<u>(297,067)</u>
	<u>1,359,302</u>	<u>1,446,210</u>

NOTE 19 – OPERATING SURPLUS

OPERATING SURPLUS		
	2019	2018
	£	£
Operating surplus is stated after charging:		
Depreciation	2,906,073	2,697,392
Amortised capital grants	(1,288,781)	(1,247,414)
Repairs:cyclical, major, day to day	2,705,306	2,466,760
Auditor's remuneration		
-in their capacity as auditors	13,530	13,530
-in respect of other services	<u>-</u>	<u>-</u>

NOTE 20 – TAXATION

The Partnership is a registered charity and is therefore exempt from Corporation Tax on its charitable activities. No corporation tax was due on the non-charitable activities in the year (2018: nil).

NOTE 21 – CAPITAL COMMITMENTS

CAPITAL COMMITMENTS		
	2019	2018
	£	£
Capital expenditure which has been contracted for but has not been provided for in the financial statements	28,504,787	10,453,943
Capital expenditure which has been authorised by the Board but is not contracted	28,622,213	41,415,127
	<u>57,127,000</u>	<u>51,869,070</u>
This is to be funded by:		
Funding from the Scottish Government	20,357,400	24,908,500
Private Finance	36,769,600	26,960,570
	<u>57,127,000</u>	<u>51,869,070</u>

NOTE 22 – PENSIONS

The Partnership participates in the Highland Superannuation Fund (HSF) which, as part of the Local Government Pension Scheme is a defined benefit statutory scheme based. From 1 April 2011 the scheme has operated the career average revalued earnings with 1/120th accrual benefit rate. Contributions are charged to the Income and Expenditure Account so as to spread the cost of pension over employees' working lives. These contributions are determined by formal actuarial valuation which takes place every three years, the last valuation was to 31 March 2017. The main purpose of the valuation is to determine the financial position of the Scheme in order to determine the level of future contributions required so that the Scheme can meet its pension obligations as they fall due.

The actuarial valuation assesses whether the Scheme's assets at the valuation date are likely to be sufficient to pay the pension benefits accrued by members as at the valuation date. Asset values are calculated by reference to market levels. Accrued pension benefits are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

During the accounting period, the Partnership paid contributions at a rate of 19% of pensionable salaries.

As at the balance sheet date there were 50 active members of the Scheme employed by the Partnership. All new employees join the scheme and have the option to withdrawn after a short period if they so choose.

The fund is administered by Highland Council in accordance with the Local Government Pension Scheme (Scotland) Regulations 1998 as amended.

It is not possible in the normal course of events to identify the share of underlying assets and liabilities belonging to individual participating employers. As the Scheme is a multi-employer arrangement where the assets are co-mingled for investment purposes, benefits are paid from the total scheme assets, and the contribution rate for all employers is set by reference to the overall financial position of the scheme rather than by reference to individual employer experience. Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS17 represents the employer contribution payable.

The Scheme Actuary has prepared an Actuarial Report that provides an approximate update on the funding position of the scheme as at 31 March 2019. The funding update revealed an increase in the assets of the Scheme to £10.052 million and indicated a decrease in the shortfall of assets compared to liabilities to approximately £2.055 million.

Since the contribution rates payable to the Scheme have been determined by reference to the last full actuarial valuation the following notes relate to the formal actuarial valuation as at 31 March 2017.

Employer Membership Statistics			
	Number	Total Salaries/Pensions £000's	Average Age
	31-Mar-17	31-Mar-17	31-Mar-17
Actives	50	1095	50
Deferred Pensioners	31	50	49
Pensioners	13	146	63

Investment Returns

The return on the Fund in market value terms for the period to 31 March 2019 is estimated below based on actual Fund returns as provided by the Administering Authority and index returns where necessary. Details are below:

Actual returns from 1 April 2018 to 31 March 2019	6.40%
Total returns from 1 April 2018 to 31 March 2019	6.40%

Major Categories Of Plan Assets As A % Of Total Plan Assets

The bid value of the Fund's assets are estimated to be £1,990,571,462 based on information provided by the Administering Authority.

Period Ended	31-Mar-19	31-Mar-18
Equities	70%	68%
Bonds	15%	16%
Property	12%	13%
Cash	3%	3%

Financial Assumptions

Period Ended	31-Mar-19	31-Mar-18
Pension increase Rate	2.50%	2.40%
Salary increase Rate	3.50%	3.40%
Discount Rate	2.40%	2.70%

Historic Mortality

Period Ended	Prospective Pensioners	Pensioners
31-Mar-19	CMI2016 model assuming current rates of improvement have peaked and will converge to a long term rate of 1.25% p.a.	CMI2016 model assuming current rates of improvement have peaked and will converge to a long term rate of 1.25% p.a.

Commutation

An allowance is included for future retirements to elect to take 50% of the maximum additional tax-free cash up to HMRC limits for pre-April 2009 service and 75% of the maximum tax-free cash for post-April 2009 service.

Changes In Fair Value Of Plan Assets Defined Obligation & Net Liability For The Year Ended 31 March 2019

Period ended 31 March 2019	Assets £000's	Obligations £000's	Net Liability/ Asset £000's
Fair Value of Plan Assets	9,307	-	9,307
Present Value of liabilities	-	10,413	(10,413)
Present value of unfunded liabilities	-	30	(30)
Opening Position at 31 March 2018	9,307	10,443	(1,136)
Service Cost	-	486	(486)
Net Interest			
Interest on income on plan assets	253	-	253
Interest cost on defined benefit obligation	-	287	(287)
Total Net interest	253	287	(34)
Total defined benefit cost recognised in P & L	253	773	(520)
Cashflows			
Plan Participants contributions	78	78	-
Employers contributions	233	-	233
Contributions in respect of unfunded benefits	1	-	1
Benefits paid	(163)	(163)	-
Unfunded benefits paid	(1)	(1)	-
Expected closing position	9,708	11,130	(1,422)
Remeasurements			
Changes in demographic assumptions	-	-	-
Changes in financial assumptions	-	975	(975)
Other experience	-	2	(2)
Return on assets excluding amounts in net interest	344	-	344
Total remeasurements recognised in Other Comprehensive Income (OCI)	344	977	(633)
Fair Value of plan assets	10,052	-	10,052
Present value of funded liabilities	-	12,075	(12,075)
Present value of unfunded liabilities	-	32	(32)
Closing position at 31 March 2019	10,052	12,107	(2,055)

NOTE 23 – PROPERTY STOCK

The number of units of accommodation owned by the Partnership was as follows:

Property Stock				
The number of units of accommodation owned by the Partnership was as follows:				
	Units in Management		Units under Development	
	2019	2018	2019	2018
Unimproved				
New Build	389	359	50	79
Improved	1,777	1,778	-	-
General Needs Housing	<u>2,166</u>	<u>2,137</u>	<u>50</u>	<u>79</u>
Shared Ownership Accommodation	3	3	-	-
Supported Housing Accommodation	24	24	-	-
Total Housing Stock	<u>2,193</u>	<u>2,164</u>	<u>50</u>	<u>79</u>
Other Property				
Garages	42	42	-	-
Commercial	6	6	-	-
Heritable-Partnership's offices	3	3	-	-
Total Other Property	<u>51</u>	<u>51</u>	<u>-</u>	<u>-</u>

NOTE 24 – REVENUE COMMITMENTS

Operating Leases		
	2019	2018
At 31 March 2019 the Partnership had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:	£	£
Within one year	6,721	8,066
In the second to fifth year inclusive	-	6,721
	<u>6,721</u>	<u>14,787</u>

NOTE 25 – RELATED PARTY TRANSACTIONS

Board Members

During the period the tenancies held by tenant Board Members were held on normal commercial terms and they are not able to use their position to their advantage.

The Partnership retains a register of Members' interests. There are no interests in related parties requiring to be declared.

Transactions entered into with members and rent arrear balances at 31 March are as follows:

Rent Charges	£12,291
Arrears	£150

Any transactions with the Comhairle are made at arm's length, on normal commercial terms and the Councillors cannot use their positions to their personal advantage.

HHP Community Housing Ltd

HHP Community Housing Ltd is a wholly owned subsidiary of Hebridean Housing Partnership, a company incorporated in Scotland. All of the directors are Board Members of HHP.

At the year end HHP Community Housing owed Hebridean Housing Partnership £16,552 (2017: £16,307) which is included in other debtors Note 11.

NOTE 26 – LEGISLATIVE PROVISIONS

Hebridean Housing Partnership Limited ("HHP" or "The Partnership") is registered under the Co-operative and Community Benefit Societies Act 2014 (previously known as the Industrial and Provident Societies Act 1965) and is a Housing Association registered with Scottish Housing Regulator (previously Communities Scotland) under the Housing (Scotland) Act 2010. HHP has charitable status and is registered with OSCR.



HHP is a registered society under the Co-operative and Community Benefit Societies Act 2014, Registered Number: 2644R(S), Registered Office: Creed Court, Gleann Seileach Business Park, Willowglen Road, STORNOWAY, Isle of Lewis HS1 2QP. It is a charity registered in Scotland, Charity Number:SCO35767, registered as Registered Social Landlord with the Scottish Housing Regulator, Registration Number:359 and registered as a Property Factor, Registration Number PF000183

Email: info@hebrideanhousing.co.uk

Web: www.hebrideanhousing.co.uk

Phone:0300 123 0773

Statement of Financial Position as at 31 March 2019

	31 March 2019 £	31 March 2018 Non-accountant's guide £	
Tangible Fixed Assets			
Tangible Assets-Social Housing	83,824,774	77,108,646	Houses we own
Tangible Assets-Property, plant & equipment	2,285,271	1,514,469	Offices and equipment
Investments	2	2	Share in Subsidiary & ESCO
	<u>86,110,047</u>	<u>78,623,117</u>	
Current Assets			
Stock	672,649	241,633	
Trade and other debtors	2,198,587	1,106,305	Money owed to us
Investments	5,681,883	6,164,763	Short term deposits
Cash at bank and in hand	620,447	4,044,434	
	<u>9,173,566</u>	<u>11,557,135</u>	
Creditors: amounts falling due within one year	<u>(2,663,407)</u>	<u>(3,849,683)</u>	Money we owe others
Net current assets	<u>6,510,159</u>	<u>7,707,452</u>	
Total assets less current liabilities	<u>92,620,206</u>	<u>86,330,569</u>	
Creditors: amounts falling due after more than one year	<u>(10,877,254)</u>	<u>(10,529,203)</u>	What we owe on loans for building our houses & money due to Scottish Government
Deferred Capital Grants	(47,331,167)	(44,034,970)	Housing Grants received
Pension Liability	(2,055,000)	(1,136,000)	
Provisions for liabilities	-	-	
Net Assets	<u>32,356,785</u>	<u>30,630,396</u>	
Capital and Reserves			
Share Capital	206	203	Number of members £1 shares
Income and Expenditure reserve	<u>32,356,579</u>	<u>30,630,193</u>	
	<u>32,356,785</u>	<u>30,630,396</u>	



HHP is a registered society under the Co-operative and Community Benefit Societies Act 2014, Registered Number: 2644R(S), Registered Office: Creed Court, Gleann Seileach Business Park, Willowglen Road, STORNOWAY, Isle of Lewis HS1 2QP. It is a charity registered in Scotland, Charity Number: SC035767, registered as Registered Social Landlord with the Scottish Housing Regulator, Registration Number: 359 and registered as a Property Factor, Registration Number PF000183

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hebridean housing
partnership



Message from the Chair

I am pleased to present the Annual Repot for the financial year 2018/19.

We have completed 30 new homes available for social rent and 5 Shared Equity homes this year. Continued investment in our tenants homes resulted



In over £4.2 million being spent in 2018/19 on improvements including new bathrooms, heating systems and kitchens. Alleviating fuel poverty continues to be a key priority and this is demonstrated by our investment in new heating systems with 172 new heating systems being installed this year and external wall insulation works completed at Dunmore Crescent. We, in conjunction with other Highland Housing Associations and Councils continue to lobby MSPs, the Government, OFGEM and SSE on energy prices within the Highlands & Island, which are the highest in the UK.

2018/19 saw a large allocation of development grant being award to the Outer Hebrides and at 31 March 2019 there were 50 houses under construction across a number of sites with a further 171 either due to start on site or at the tendering stage.

Universal Credit full service commenced in the Outer Hebrides in September 2018 and this has resulted in arrears rising following a steady reduction over the last 8 years. Whilst operational performance has provided much to be optimistic about for the future, the population forecasts & weakening demand for housing across the most rural areas of our islands is a continuing concern and one which the Board is monitoring closely.

Finally, I would like to thank my fellow Board Members and our staff for all their endeavours during 2018/19 and acknowledge the support of our key partners the Scottish Government and Comhairle nan Eilean Siar.

Norman MacLeod
HHP Chair

Annual Return on the Charter (ARC)

We submitted our sixth Annual Return on the Charter (ARC) in May 2019. How we have performed in relation to the indicators will be published later in the year in a special report for our tenants. A summary of some of the key indicators is detailed below with a comparison to our 2016/17 and 2017/18 ARC data.

DETAIL	ARC 2018/19	ARC 2017/18	ARC 2016/17
REPAIRS			
Emergency repairs completed	809	1952	1983
Non-emergency repairs completed	4675	3381	3029
ARREARS			
Total arrear as a % of rent due	3.46%	3.15%	3.46%
Former tenant arrear written off	£40,790	£18,908	£28,222
VOIDS			
Void at year end	15	22	20
Void for more than six months	0	7	3
Void loss	0.66%	1.17%	0.85%
LETTINGS			
General needs	231	220	225
New applicants added to housing list	424	442	453
Number of applicants on list	561	583	586
DEVELOPMENT			
New build	24	12	22
GENERAL			
Rent increase	3.2%	3.9%	3.2%



Financial Overview

Statement of Comprehensive Income for the year ended 31 March 2019

	31 March 2019 £	31 March 2018 £	Non-accountant's guide
Turnover	11,269,972	11,194,205	Income from rents and other activities
Operating Expenditure	(8,355,818)	(8,590,346)	Cost of maintenance and management of properties and other activities
Operating Surplus	2,914,154	2,603,859	
Loss on disposal of property, plant & equipment	(242,482)	(173,603)	
Interest receivable	23,290	15,571	Bank interest on deposit accounts
Interest payable and financing costs	(335,576)	(367,925)	Interest on money borrowed
Surplus before tax	2,359,386	2,077,902	
Actuarial (loss)/gain in respect of pension scheme	(633,000)	2,425,000	
Total comprehensive income for the year	1,726,386	4,502,902	



Statement of Changes in Reserves for the year ended 31 March 2019

	31 March 2019 £	31 March 2018 £
Unrestricted Fund Opening Balance	30,630,193	26,127,291
Surplus from statement of comprehensive income	1,726,386	4,502,902
Unrestricted Fund Closing Balance	32,356,579	30,630,193

Registered Number: SC379412 (Scotland)

HHP COMMUNITY HOUSING LIMITED
REPORT OF THE DIRECTORS AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD 1 APRIL 2018 TO 31 MARCH 2019

HHP COMMUNITY HOUSING LIMITED
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FOR THE PERIOD 1 APRIL 2018 TO 31 MARCH 2019

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HHP COMMUNITY HOUSING LIMITED
FINANCIAL STATEMENTS
FOR THE PERIOD 1 APRIL 2018 TO 31 MARCH 2019

DIRECTORS:	N M Macleod M Bremner A Mackenzie C Mackay
SECRETARY:	C Mackay
REGISTERED OFFICE:	Gleann Seileach Business Park Willowglen Road Stornoway Isle of Lewis HS1 2QP
REGISTERED NUMBER:	SC379412 (Scotland)

HHP COMMUNITY HOUSING LIMITED
FINANCIAL STATEMENTS
FOR THE PERIOD 1 APRIL 2018 TO 31 MARCH 2019

The Directors present their report with the financial statements of the Company for the period 1 April 2018 to 31 March 2019.

PRINCIPAL ACTIVITY

During the financial year the Company has not traded and has received no income and the only expenditure incurred is with respect to subsidiary loan interest payable.

INCORPORATION

The Company was incorporated on 1 June 2010.

DIRECTORS

The Directors who have held office during the year from 1 April 2018 to the date of this report are as follows:

Directors	Changes during the year	
	Appointed	Resigned
Calum Mackay	13 September 2012	
Mairi Bremner	27 June 2012	
Alasdair Mackenzie	27 June 2012	
Norman M Macleod	27 June 2012	

All Directors who are eligible offer themselves for election at the forthcoming Annual General Meeting.

STATEMENT OF DIRECTORS

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

HHP COMMUNITY HOUSING LIMITED
FINANCIAL STATEMENTS
FOR THE PERIOD 1 APRIL 2018 TO 31 MARCH 2019

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial positions of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

ON BEHALF OF THE BOARD

Director:

18 June 2019

HHP COMMUNITY HOUSING LIMITED
FINANCIAL STATEMENTS
FOR THE PERIOD 1 APRIL 2018 TO 31 MARCH 2019

INCOME & EXPENDITURE ACCOUNT

		31 March 2019	31 March 2018
		£	£
	Notes		
Turnover		-	-
Operating Costs		-	-
Operating Surplus		-	-
Surplus on sale of fixed assets			
-housing properties		-	-
-other assets		-	-
Interest receivable and other income		-	-
Interest payable and other charges		(245)	(241)
Loss on ordinary activities, before transfer to Reserves		(245)	(241)
Tax on surplus on ordinary activities		-	-
Deficit for the Year		(245)	(241)
Revenue Reserve at 1 April 2018		(17,067)	(16,826)
Revenue Reserve at 31 March 2019		(17,312)	(17,067)

HHP COMMUNITY HOUSING LIMITED
FINANCIAL STATEMENTS
FOR THE PERIOD 1 APRIL 2018 TO 31 MARCH 2019

BALANCE SHEET

		31 March 2019	31 March 2018
		£	£
	Notes		
Current Assets			
Cash at bank and in hand		1	1
		1	1
Creditors: amounts falling due within one year	2	(17,312)	(17,067)
Net current assets		(17,311)	(17,066)
Total assets less current liabilities		(17,311)	(17,066)
Capital and Reserves			
Called up Share Capital	3	1	1
Revenue Reserve	4	(17,312)	(17,067)
SHAREHOLDERS FUNDS		(17,311)	(17,066)

HHP COMMUNITY HOUSING LIMITED
FINANCIAL STATEMENTS
FOR THE PERIOD 1 APRIL 2018 TO 31 MARCH 2019

AUDIT EXEMPTION STATEMENT

The Company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the period ended 31 March 2019 relating to small companies.

The Members have not required the Company to obtain an audit of its financial statements for the period ended 31 March 2019 in accordance with Section 476 of the Companies Act 2006

For the financial year ended 31 March 2019 the Company was entitled to exemption from audit under Section 480 Companies Act 2006 relating to dormant companies.

Directors' responsibilities:

- The members have not required the Company to obtain an audit of its financial statements for the year in question in accordance with Section 476 of the Companies Act 2006; and
- The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved by the Board and authorised for issue on 18 June 2019

Director

Company Registration No: SC379412

The notes form part of these financial statements.

HHP COMMUNITY HOUSING LIMITED
FINANCIAL STATEMENTS
FOR THE PERIOD 1 APRIL 2018 TO 31 MARCH 2019

1. ACCOUNTING POLICIES

Accounting Convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the

Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company.

Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention.

2. CREDITORS: Amounts falling due within one year

	2019	2018
	£	£
Intercompany Creditor	17,312	17,067

3. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal Value	2019	2018
			£	£
1	Ordinary	£1	<u>1</u>	<u>1</u>

1 Ordinary share of £1 was allotted and fully paid for cash at par during the period

4. REVENUE RESERVE

	2019	2018
	£	£
Accumulated surplus at 1 April 2018	(17,067)	(16,826)
Loss for the year	<u>(245)</u>	<u>(241)</u>
Accumulated surplus at 31 March 2019	<u>(17,312)</u>	<u>(17,067)</u>

SHR RETURNS 2018/19

Board 19 June 2019

Report by Director of Finance & Corporate Services

Purpose of Report

- 1.1 To present the Loan Portfolio return (2018/19) and Five-year Plans (2019-2024) required by the Scottish Housing Regulator (SHR) for consideration and approval.

Summary

- 2.1 The SHR require RSLs to submit three returns on an annual basis. The Loan Portfolio Return, the Audited Financial Statements and their five year plans.
- 2.2 The Audited Financial Statements cannot be loaded into the SHR portal until 1 August 2019 although they are being presented for approval to the Board in June.
- 2.3 The returns to be submitted to the Scottish Housing Regulator are at Appendix 1 & 2.

Competence

- 3.1 Submission of the Loan Portfolio & Five Year Plan returns by the 30 June 2019 will ensure the Partnership's regulatory requirements are met.
- 3.2 The Audited Financial Statements will be submitted when the portal opens on 1 August 2019.

Recommendations

- 4.1 **It is recommended that the Board approve for submission to the Scottish Housing Regulator:**
- a) **the Loan Portfolio Return for 2018/19 as at Appendix 1;**
 - b) **the Five-year Plans Return for 2019-2024 as at Appendix 2; and**
 - c) **the submission of the Audited Financial Statements as presented to the June Board.**

APPENDIX1: Loan Portfolio Return 2018/19

APPENDIX 2: Five Year Plans 2019 – 2024

Background Papers: None

Writer of Report: Donald Macleod

Tel: 0300 123 0773

Competence

Financial

- 5.1 The five year plan considers the resources the Partnership requires for 2019-24 in line with the assumptions in the 30 Year Business Plan which was approved at the March 2019 board meeting and subsequently submitted to our funders.
- 5.2 The five year plan has been set in accordance with current accounting standards.

Legal

- 6.1 The Partnership's Rule 69 states that "The Partnership must keep proper books of account to cover its income, expenditure transactions and its assets, liabilities and reserves in line with sections 75 and 76 of the Co-operative and Community Benefit Societies Act 2014. It must also set up and maintain a suitable system for controlling its books of accounts, its cash and its receipts and invoices".
- 6.2 The Board has ultimate responsibility for the Partnership's finances and in accordance with the Financial Regulations the Board has the responsibility to approve the five year plans.
- 6.3 Any material changes in the assumptions used in the five year plan from those approved in the 30 year Business Plan will require the approval of our funder.

Regulatory Guidance

- 7.1 The Regulatory Standards checklist has been completed and there is nothing in the report which would result in a breach of the standards.

Risk

- 8.1 The setting of realistic budgets with robust assumptions reduces the risk of financial loss and failure as highlighted in the Risk Register.

RSL: 359 - Hebridean Housing Partnership Ltd (HHP)

Return	Annual Return 2019	31/03/2019
---------------	--------------------	------------

Approval
Submission Comments

Date Approved	
Approver	
Approver Job Title	

--

Further Return Details

Accounting Year End	Do you have any ISDAs?	Does Lender have a floating charge over the company's assets	Intragroup Lending / Borrowing
March	No	No	Yes

Social Housing Units

Owned by RSL	Used for Security	Unencumbered	% of Unencumbered with positive value
2193	2163	30	0.00
Comment			

Total for Live Facilities

Total Facility (£'000s)	Facility Outstanding (£'000s)	Facility Undrawn (£'000s)
15,000.0	4,908.7	10,091.3

1 Facility Detail 1

Facility Number	Lender	Status	Facility Total £'000s	Start Date	End Date	Amount Undrawn	Amount Outstanding	Undrawn Facility For	Details	Committed?	Next 5 Yrs?	Multi Lender
HHPRBS001	Royal Bank of Scotland plc	Live	5,000.0	18/09/2015	10/09/2041	1,500.0	3,500.0	New Build - Social Housing		No	Yes	No

Chargeholder	
Security Trustee	No

Facility Fees

		Details
Arrangement Fees	Y	
Non-Utilisation Fees	Y	
Other Fees	N	

Additional Lenders

Facility Comments

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1.1.1 Loan Details 1

Ref No	Status	Start Date	Type	Amount	O/standing	Repayment Terms	Terms of Loan	Purpose	Details	Ref Rate	Margin / All-in Rate
RBSFIXED002	Live	18/09/2015	Fixed Rate Loan	3,500.0	3,500.0	Interest only followed by structured capital repayments	No	Affordable Housing Development		Fixed Rate Percentage	5.4830

1.1.2 Additional Loan and Security Detail

Loan Ref No	First Capital Repayment	Final Capital Payment	Int is being	First Interest Payment	Deal Expires	Forward Fixes	Security from Social Housing %	Social Housing Security Value £'000s	Basis	Date of Valuation	Covenants
RBSFIXED002	01/04/2027	31/03/2035	Paid	19/10/2015	17/04/2027	No	100.00	35,687.0	EUV-SH without sales	31/03/2019	Yes

Loan Fees

		Details
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Arrangement Fees	Y	
Non-Utilisation Fees	Y	
Other Fees	N	

1.1.2.1.1 Covenant Detail 1

Loan Ref No	Seq. No.	Type of Covenant	Required Level	Reporting frequency	Date of last report	Level Achieved
RBSFIXED002	1	Interest Cover	Cashflow deficit of £6.41m for 2018/19	Annually	31/03/2019	Cashflow surplus of £1.7m for 2018/19
How is it calculated?		Annual Cashflow Deficit Covenant In respect of each Financial Year specified in Part A where the ratio in column 2 is less than zero, the Annual Cashflow Deficit for that Financial Year shall not be a greater negative figure than that set out in Part A of Schedule 5, as amended each year by the Lender in line with the agreed Business Plan. Net Operating Cashflow Covenant In respect of each Financial Year specified in Part B where the ratio in column 2 is equal to or greater than zero, the ratio of Net Operating Cashflow to Total Interest for that period shall not be less than the ratio setout in Part B of Schedule 5, as amended each year by the Lender in line with the agreed Business Plan. Part A 31March2019 6,408,700 31March2020 3,468,900 31March2021 8,772,700 31March2033 492,000 Part B 31March2022 1.37 31March2023 0.25 31March2024 2.30				

	31March2025 2.21
	31March2026 5.10
	31March2027 4.86
	31March2028 3.41
	31March2029 3.52
	31March2030 2.90
	31March2031 4.06
	31March2032 4.31
	31March2034 3.64
	31March2035 6.15
	31March2036 13.27
	31March2037 0.00
	31March2038 0.00
	31March2039 0.00
	31March2040 0.00
	31March2041 0.00
	31March2042 0.00

1.1.3 Loan Details 2

Ref No	Status	Start Date	Type	Amount	O/standing	Repayment Terms	Terms of Loan	Purpose	Details	Ref Rate	Margin / All-in Rate
RBSVAR003	Live	18/09/2015	Variable Rate Loan	1,500.0	0.0	Interest only followed by	Yes	Affordable Housing		LIBOR 3 month	0.3000

						structured capital repayments		Development			
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1.1.4 Additional Loan and Security Detail

Loan Ref No	First Capital Repayment	Final Capital Payment	Int is being	First Interest Payment	Deal Expires	Forward Fixes	Security from Social Housing %	Social Housing Security Value £'000s	Basis	Date of Valuation	Covenants
RBSVAR003	21/09/2015	21/09/2015	Paid	18/09/2015			100.00	35,687.0	EUV-SH without sales	31/03/2019	Yes

Loan Fees

		Details
Arrangement Fees	N	
Non-Utilisation Fees	N	
Other Fees	N	

1.1.4.1.1 Covenant Detail 1

Loan Ref No	Seq. No.	Type of Covenant	Required Level	Reporting frequency	Date of last report	Level Achieved
RBSVAR003	1	Interest Cover	Cashflow deficit £6.41m for 2018/19	Annually	31/03/2019	Cashflow Surplus of £1.7m for 2018/19
How is it calculated?		Annual Cashflow Deficit Covenant In respect of each Financial Year specified in Part A where the ratio in column 2 is less than zero, the Annual Cashflow Deficit for that Financial Year shall not be a greater negative figure than that set out in Part A of Schedule 5, as amended each year by the Lender in line				

	with the agreed Business Plan.
	Net Operating Cashflow Covenant
	In respect of each Financial Year specified in Part B where the ratio in column 2 is equal to or greater than zero, the ratio of Net Operating Cashflow to Total Interest for that period shall not be less than the ratio setout in Part B of Schedule 5, as amended each year by the Lender in line with the agreed Business Plan.
	Part A
	31March2019 6,408,700
	31March2020 3,468,900
	31March2021 8,772,700
	31March2033 492,000
	Part B
	31March2022 1.37
	31March2023 0.25
	31March2024 2.30
	31March2025 2.21
	31March2026 5.10
	31March2027 4.86
	31March2028 3.41
	31March2029 3.52
	31March2030 2.90
	31March2031 4.06
	31March2032 4.31
	31March2034 3.64
	31March2035 6.15
	31March2036 13.27
	31March2037 0.00
	31March2038 0.00
	31March2039 0.00

	31March2040 0.00
	31March2041 0.00
	31March2042 0.00

2 Facility Detail 2

Facility Number	Lender	Status	Facility Total £'000s	Start Date	End Date	Amount Undrawn	Amount Outstanding	Undrawn Facility For	Details	Committed?	Next 5 Yrs?	Multi Lender
HHPRBS2162	Royal Bank of Scotland plc	Live	5,000.0	18/09/2015	17/09/2025	5,000.0	0.0	New Build - Social Housing		No	Yes	No

Chargeholder	
Security Trustee	No

Facility Fees

		Details
Arrangement Fees	Y	
Non-Utilisation Fees	Y	
Other Fees	N	

Additional Lenders

Facility Comments

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3 Facility Detail 3

Facility Number	Lender	Status	Facility Total £'000s	Start Date	End Date	Amount Undrawn	Amount Outstanding	Undrawn Facility For	Details	Committed?	Next 5 Yrs?	Multi Lender
HHPRBS2163	Royal Bank of Scotland plc	Live	5,000.0	18/09/2015	17/09/2025	3,591.3	1,408.7	New Build - Social Housing		No	Yes	No

Chargeholder	
Security Trustee	No

Facility Fees

		Details	Additional Lenders
Arrangement Fees	Y		
Non-Utilisation Fees	Y		

Other Fees	N	
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Facility Comments

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3.1.1 Loan Details 1

Ref No	Status	Start Date	Type	Amount	O/standing	Repayment Terms	Terms of Loan	Purpose	Details	Ref Rate	Margin / All-in Rate
RBSVAR1043	Live	18/09/2015	Variable Rate Loan	1,500.0	1,408.7	Interest only then capital and interest	Yes	Affordable Housing Development		LIBOR 3 month	1.25

3.1.2 Additional Loan and Security Detail

Loan Ref No	First Capital Repayment	Final Capital Payment	Int is being	First Interest Payment	Deal Expires	Forward Fixes	Security from Social Housing %	Social Housing Security Value £'000s	Basis	Date of Valuation	Covenants
RBSVAR1043	29/09/2017	10/09/2041	Paid	28/10/2015			100	35,687.0	EUV-SH without sales	31/03/2019	Yes

Loan Fees

		Details
Arrangement Fees	Y	
Non-Utilisation Fees	Y	
Other Fees	N	

3.1.2.1.1 Covenant Detail 1

Loan Ref No	Seq. No.	Type of Covenant	Required Level	Reporting frequency	Date of last report	Level Achieved
RBSVAR1043	4210	Interest Cover	Cashflow deficit £6.41m for 2018/19	Annually	31/03/2019	Cashflow Surplus of £1.7m for 2018/19
How is it calculated?		Annual Cashflow Deficit Covenant In respect of each Financial Year specified in Part A where the ratio in column 2 is less than zero, the Annual Cashflow Deficit for that Financial Year shall not be a greater negative figure than that set out in Part A of Schedule 5, as amended each year by the Lender in line with the agreed Business Plan. Net Operating Cashflow Covenant In respect of each Financial Year specified in Part B where the ratio in column 2 is equal to or greater than zero, the ratio of Net Operating Cashflow to Total Interest for that period shall not be less than the ratio setout in Part B of Schedule 5, as amended each year by the Lender in line with the agreed Business Plan. Part A 31March2019 6,408,700 31March2020 3,468,900 31March2021 8,772,700 31March2033 492,000 Part B				

	31March2022 1.37
	31March2023 0.25
	31March2024 2.30
	31March2025 2.21
	31March2026 5.10
	31March2027 4.86
	31March2028 3.41
	31March2029 3.52
	31March2030 2.90
	31March2031 4.06
	31March2032 4.31
	31March2034 3.64
	31March2035 6.15
	31March2036 13.27
	31March2037 0.00
	31March2038 0.00
	31March2039 0.00
	31March2040 0.00
	31March2041 0.00
	31March2042 0.00

4 Intra Group Finance 1

4.1 Intragroup Lending

Seq. No.	Status	Borrower	Relationship	Amount Provided	Balance O/standing	Type	Purpose of Loan	Loan Purpose Details	Duration (months)	First Repayment Date	Part of Funds Borrowed	Loan Ref No	Lender Aware
1	Live	HHP Community Housing Ltd	Subsidiary	16.6	16.6	Bridging Finance	Working Capital		48	28/02/2022	Yes	RBSFIXED 002	Yes
Security	Type of Security	Security Details	Security Value	Loan Agreement	Repayment Period (mo)	Repayment Terms	Ref Rate	Margin / All-in rate	Start Date	End Date			
No				Yes	48	Payment start date deferred- bullet repayment of interest and capital at maturity	Base	1.0000	01/03/2018	28/02/2022			

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Financial Projections & Assumptions						2019		
Hebridean Housing Partnership Ltd						359		
		2018/19 Year 0 £'000	2019/20 Year 1 £'000	2020/21 Year 2 £'000	2021/22 Year 3 £'000	2022/23 Year 4 £'000	2023/24 Year 5 £'000	
PLEASE USE "0" FOR NIL VALUES THROUGHOUT THIS RETURN								
STATEMENT OF COMPREHENSIVE INCOME								
Gross rents	10 :	8,862.7	9,232.2	9,808.8	10,626.0	11,159.0	11,572.6	
Service charges	11 :	48.1	35.0	36.1	37.1	38.2	39.4	
Gross rents & service charges	12 :	8,910.8	9,267.2	9,844.9	10,663.1	11,197.2	11,612.0	10+11
Rent loss from voids	13 :	55.9	186.9	197.8	214.2	224.9	233.2	
Net rent & service charges	14 :	8,854.9	9,080.3	9,647.1	10,448.9	10,972.3	11,378.8	12-13
Developments for sale income	15 :	429.5	1,831.3	0	0	0	0	
Grants released from deferred income	16 :	1288.8	1006.3	1111.6	1309.6	1355.6	1355.6	
Grants from Scottish Ministers	17 :	0	0	0	0	0	0	
Other grants	18 :	324.3	1516.1	120	120	120	120	
Other income	19 :	372.5	5.0	5.2	5.3	5.5	5.6	
TURNOVER	20 :	11,270.0	13,439.0	10,883.9	11,883.8	12,453.4	12,860.0	SUM(14:19)
Less:								
Housing depreciation	22 :	2,921.9	2,402.1	2,748.4	3,229.3	3,422.6	3,567.2	
Impairment written off / (back)	23 :	0.0	0.0	0.0	0.0	0.0	0.0	
Management costs	25 :	2,155.0	3,169.8	2,738.2	2,846.6	2,941.8	2,979.8	
Planned maintenance - direct costs	26 :	1,172.9	1,234.7	1,170.9	1,302.4	1,424.3	1,543.7	
Re-active & voids maintenance - direct costs	27 :	1532.4	1415.1	1372	1419.6	1482.8	1525.3	
Maintenance overhead costs	28 :	0	0	0	0	0	0	
Bad debts written off / (back)	29 :	66.8	186	196.2	210.1	219.8	228	
Developments for sale costs	30 :	494.8	1831.3	0	0	0	0	
Other activity costs	31 :	12	0	0	0	0	0.0	
Other costs	32 :	0.0	93.6	40.2	41.4	125.7	39.4	
	33 :	5,433.9	7,930.5	5,517.5	5,820.1	6,194.4	6,316.2	SUM (25:32)
Operating Costs	35 :	8,355.8	10,332.6	8,265.9	9,049.4	9,617.0	9,883.4	22+23+33
Gain/(Loss) on disposal of PPE	36 :	(242.5)	0.0	0.0	0.0	9.0	9.0	
Exceptional Items - (Income) / Expense	37 :	0.0	0	0	0	0	0	
OPERATING SURPLUS/(DEFICIT)	38 :	2,671.7	3,106.4	2,618.0	2,834.4	2,845.4	2,985.6	20-35+36-37
Interest receivable and other income	40 :	0	27.3	23	8.8	4.7	10.9	
Interest payable and similar charges	41 :	335.6	989.3	982.8	746.2	845.2	845.2	
Increase / (Decrease) in Negative Goodwill	42 :	0	0	0	0	0	0	
Other Gains / (Losses)	43 :	-633	0	0	0	0	0	
SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAX	45 :	1,703.1	2,144.4	1,658.2	2,097.0	2,004.9	2,151.3	38+40-41+42+43

		£'000	£'000	£'000	£'000	£'000	£'000	
Tax on surplus on ordinary activities	47 :	0	0	0	0	0	0	
SURPLUS/(DEFICIT) FOR THE YEAR AFTER TAX	49 :	1,703.1	2,144.4	1,658.2	2,097.0	2,004.9	2,151.3	45-47
STATEMENT OF FINANCIAL POSITION								
Non-Current Assets								
Intangible Assets & Goodwill	54 :	0	0	0	0	0	0	
Housing properties - Gross cost or valuation	57 :	88059.7	105586.8	125517.6	132261	135312.6	138483.3	
Less								
Housing Depreciation	59 :	2921.9	2402.1	5150.4	8379.8	11802.4	15369.6	
Negative Goodwill	60 :	0	0	0	0	0	0	
NET HOUSING ASSETS	61 :	85,137.8	103,184.7	120,367.2	123,881.2	123,510.2	123,113.7	57-59-60
Non-Current Investments	63 :	0	0	0	0	0	0	
Other Non Current Assets	64 :	972.3	902	831.8	761.6	691.3	675.2	
TOTAL NON-CURRENT ASSETS	65 :	86,110.1	104,086.7	121,199.0	124,642.8	124,201.5	123,788.9	54+61+63+64
Current Assets								
Net rental receivables	68 :	66.9	70	71.8	73.5	75.4	77.3	
Other receivables, stock & WIP	69 :	2804.3	153.1	153.1	153.1	153.1	153.1	
Investments (non-cash)	70 :	0	0	0	0	0	0	
Cash at bank and in hand	71 :	6302.3	5960.8	2905	343.8	1528.3	2836.2	
TOTAL CURRENT ASSETS	72 :	9,173.5	6,183.9	3,129.9	570.4	1,756.8	3,066.6	SUM(68:71)
Payables : Amounts falling due within One Year								
Loans due within one year	75 :	0	0	0	0	0	0	
Overdrafts due within one year	76 :	0	0	0	0	0	0	
Other short-term payables	77 :	3048.8	6.5	6.7	10.3	10.6	14.5	
TOTAL CURRENT LIABILITIES	78 :	3,048.8	6.5	6.7	10.3	10.6	14.5	75+76+77
NET CURRENT ASSETS/(LIABILITIES)	80 :	6,124.7	6,177.4	3,123.2	560.1	1,746.2	3,052.1	72-78
TOTAL ASSETS LESS CURRENT LIABILITIES	82 :	92,234.8	110,264.1	124,322.2	125,202.9	125,947.7	126,841.0	65+80
Payables : Amounts falling due After One Year								
Loans due after one year	85 :	10492	15365.1	20278.9	20297	20315.2	20333.3	
Other long-term payables	86 :	0	0	0	0	0	0	
Grants to be released	87 :	47331.2	58202.7	65615.3	64305.7	62950	61594.5	
	88 :	57,823.2	73,567.8	85,894.2	84,602.7	83,265.2	81,927.8	85+86+87
Provisions for liabilities & charges	89 :	2055	2055.2	2055.2	2055.2	2055.2	2055.2	
NET ASSETS	90 :	32,356.6	34,641.1	36,372.8	38,545.0	40,627.3	42,858.0	82-88-89
Capital & Reserves								
Share capital	93 :	0	0	0	0	0	0	
Revaluation reserve	94 :	0	0	0	0	0	0	
Restricted reserves	95 :	0	0	0	0	0	0	
Revenue reserves	96 :	32356.6	34641.1	36372.8	38545	40627.3	42858	
TOTAL CAPITAL & RESERVES	97 :	32,356.6	34,641.1	36,372.8	38,545.0	40,627.3	42,858.0	SUM(93:96)
Pension Liability - as included above	99 :	2055	2055	2055	2055	2055	2055	
Intra Group Receivables - as included above	100 :	0	0	0	0	0	0	

		£'000	£'000	£'000	£'000	£'000	£'000	
Intra Group Payables - as included above	101 :	0	0	0	0	0	0	
Balance check	102 :	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	
STATEMENT OF CASHFLOWS								
Net Cash from Operating Activities								
Operating Surplus/(Deficit)	106 :	2,671.7	3,106.4	2,618.0	2,834.4	2,845.4	2,985.6	38
Depreciation & Amortisation	107 :	2,921.9	2,472.3	2,818.6	3,299.6	3,492.8	3,583.4	
Impairments / (Revaluation Enhancements)	108 :	0.0	0.0	0.0	0.0	0.0	0.0	
Increase / (Decrease) in Payables	109 :	(1,124.3)	(3,048.7)	0.0	0.0	0.0	0.0	
(Increase) / Decrease in Receivables	110 :	-1092.3	1829	71.8	73.5	75.4	77.3	
(Increase) / Decrease in Stock & WIP	111 :	-431	519.6	0	0	0	0	
Gain / (Loss) on sale of non-current assets	112 :	0	0	0	0	0	0	
Other non-cash adjustments	113 :	-1246.9	-571.3	-1111.6	-1309.6	-1355.6	-1355.6	
NET CASH FROM OPERATING ACTIVITIES	114 :	1,699.1	4,307.3	4,396.8	4,897.9	5,058.0	5,290.7	SUM(106:113)
Tax (Paid) / Refunded	116 :	0	0	0	0	0	0	
Return on Investment and Servicing of Finance								
Interest Received	119 :	23.3	27.3	23	8.8	4.7	10.9	
Interest (Paid)	120 :	-261.2	-1105.1	-964.6	-724.5	-835.6	-832	
RETURNS ON INVESTMENT AND SERVICING OF FINANCE	121 :	(237.9)	(1,077.8)	(941.6)	(715.7)	(830.9)	(821.1)	119+120
Capital Expenditure & Financial Investment								
Construction or acquisition of Housing properties	124 :	-5332	-16135	-16581.7	-3728.5	0	0	
Improvement of Housing	125 :	-4235.1	-4313.9	-3349.1	-3014.9	-3055.6	-3174.7	
Construction or acquisition of other Land & Buildings	126 :	-621.8	0	0	0	0	0	
Construction or acquisition of other Non-Current Assets	127 :	0	0	0	0	0	0	
Sale of Social Housing Properties	128 :	273	0	0	0	13	13	
Sale of Other Land & Buildings	129 :	0	0	0	0	0	0	
Sale of Other Non-Current Assets	130 :	0	0	0	0	0	0	
Grants (Repaid) / Received	131 :	4585	11877.9	8524.1	0	0	0	
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	132 :	(5,330.9)	(8,571.0)	(11,406.7)	(6,743.4)	(3,042.6)	(3,161.7)	SUM(124:131)
NET CASH BEFORE FINANCING	134 :	(3,869.7)	(5,341.5)	(7,951.5)	(2,561.2)	1,184.5	1,307.9	114+116+121+132
Financing								
Equity drawdown	137 :	0	0	0	0	0	0	
Debt drawdown	138 :	0	5000	4895.7	0	0	0	
Debt repayment	139 :	-37.2	0	0	0	0	0	
Working Capital (Cash) - Drawn / (Repaid)	140 :	0	0	0	0	0	0	
NET CASH FROM FINANCING	141 :	(37.2)	5,000.0	4,895.7	0.0	0.0	0.0	SUM(137:140)
INCREASE / (DECREASE) IN NET CASH	143 :	(3,906.9)	(341.5)	(3,055.8)	(2,561.2)	1,184.5	1,307.9	134+141
Cash Balance								
Balance Brought Forward	146 :	10,209.2	6,302.3	5,960.8	2,905.0	343.8	1,528.3	148 (Prior Year)
Increase / (Decrease) in Net Cash	147 :	(3,906.9)	(341.5)	(3,055.8)	(2,561.2)	1,184.5	1,307.9	143
CLOSING BALANCE	148 :	6,302.3	5,960.8	2,905.0	343.8	1,528.3	2,836.2	146+147
Difference between Closing Balance and Cash at bank and in hand	149 :	0.0	0.0	0.0	0.0	0.0	0.0	148-71

		£'000	£'000	£'000	£'000	£'000	£'000	
ADDITIONAL INFORMATION								
Units:								
Number of units owned at end of period	154 :	2,193	2,258	2,344	2,448	2,446	2,444	[prevyr]154+161-173-174-175
Number of units managed at end of period (exclude factored units)	155 :	2,193	2,258	2,344	2,448	2,446	2,444	
New Social Rent Properties added	157 :	30	65	86	104	0	0	
New MMR Properties added	158 :	0	0	0	0	0	0	
New Low Costs Home Ownership Properties added	159 :	0	0	0	0	0	0	
New Properties - Other Tenures added	160 :	0	0	0	0	0	0	
Total number of new affordable housing units added during year	161 :	30	65	86	104	0	0	SUM (157:160)
Financed by:								
Scottish Housing Grants	164 :	2,974.8	4,577.6	10,171.0	9,842.1	0.0	0.0	
Other public subsidy	165 :	100.0	0.0	0.0	0.0	0.0	0.0	
Private finance	166 :	1,570.6	4,257.1	8,057.6	3,728.5	0.0	0.0	
Sales	167 :	0	0	0	0	0	0	
Cash reserves	168 :	0	0	0	0	0	0	
Other	169 :	0	0	0	0	0	0	
Total cost of new units	170 :	4,645.4	8,834.7	18,228.6	13,570.6	0.0	0.0	SUM (164:169)
Number of units lost during year from:								
Sales including right to buy	173 :	1	0	0	0	2	2	
Demolition	174 :	0	0	0	0	0	0	
Other	175 :	0	0	0	0	0	0	
Assumptions:								
General Inflation (%)	178 :	0	0	2.5	2.5	2.5	2.5	
Rent increase - Margin above General Inflation (%)	179 :	0	0	1	1	1	1	
Operating cost increase - Margin above General Inflation (%)	180 :	0	0	0.5	0.5	0.5	0.5	
Direct maintenance cost increase - Margin above General Inflation (%)	181 :	0	0	0.4	0.4	0.4	0.4	
Average cost of borrowing (%)	182 :	4.5	4.7	4.1	3.7	4.2	4.2	
Employers Contributions for pensions (%)	183 :	19	19	19	19	19	19	
Employers Contributions for pensions (£'000)	184 :	252	252	258.3	264.8	271.4	278.2	
SHAPS Pensions deficit contributions (£'000)	185 :	0	0	0	0	0	0	
Total staff costs (including NI & pension costs)	187 :	1579	1626.3	1675.1	1724.5	1774.6	1826.2	
Full time equivalent staff	188 :	43	46	47	49	49	49	
EESSE Capital Expenditure included above	190 :	514.7	524.3	407	366.4	371.4	385.8	
EESSE Revenue Expenditure included above	191 :	0	0	0	0	0	0	
Version 7.19								

Ratios								
Hebridean Housing Partnership Ltd		359						
		2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	
		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	
	Financial capacity							
	Interest cover %	659.4	392.2	458.2	677.3	605.9	637.2	
	Gearing %	12.9	27.1	47.8	51.8	46.2	40.8	
	Efficiency							
	Voids %	0.6	2.0	2.0	2.0	2.0	2.0	
	Arrears %	0.8	0.8	0.7	0.7	0.7	0.7	
	Bad debts %	0.8	2.0	2.0	2.0	2.0	2.0	
	Staff costs / turnover %	14.0	12.1	15.4	14.5	14.2	14.2	
	Turnover per unit (£)	5,139.1	5,951.7	4,643.3	4,854.5	5,091.3	5,261.9	
	Responsive repairs to planned maintenance	3.5	3.9	3.3	3.0	3.0	3.1	
	Liquidity							
	Current ratio	3.0	951.4	467.1	55.4	165.7	211.5	
	Profitability							
	Gross surplus / Deficit %	23.7	23.1	24.1	23.9	22.8	23.2	
	Net surplus / Deficit %	15.1	16.0	15.2	17.6	16.1	16.7	
	EBITDA / revenue (%)	12.1	9.4	19.2	26.2	26.4	26.4	
	Financing							
	Debt Burden	0.9	1.1	1.9	1.7	1.6	1.6	
	Net debt per unit (£)	1,910.5	4,164.9	7,412.1	8,150.8	7,680.7	7,159.2	
	Debt per unit (£)	4,784.3	6,804.7	8,651.4	8,291.3	8,305.5	8,319.7	
	Diversification							
	Income from non-rental activities %	3.4	0.0	0.0	0.0	0.0	0.0	
	Other Activities Surplus to Operating Surplus %	13.5	0.2	0.2	0.2	0.2	0.2	

BUDGETARY PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2019

Board 19 June 2019

Report by Director of Finance & Corporate Services

Purpose of Report

- 1.1 To present a report on the performance against budget for the year ended 31 March 2019 to the Board for approval including an overview of board members expenses and consultancy spend for the year. The report also presents to the board for approval any budget carry forward requirements.

Summary

- 2.1 The report on the performance against budget, including consultancy spend and board members expenses for the year ended 31 March 2019 has been prepared and is at Appendix 1.
- 2.2 Proposals for carrying forward underspend of £497,983 from 2018/19 into 2019/20 are at Appendix 2.

Competence

- 3.1 The legal, financial or other constraints to any recommendation in this report are contained in paragraph 5.1 - 6.2.

Recommendations

- 4.1 **It is recommended that the Board:**
- a) **review the performance against budget for the year ended 31 March 2019 as at Appendix 1;**
 - b) **approve the carry forward of £497,983 of slippage into 2019/20 as detailed in Appendix 2;**
 - c) **note the Financial Covenant for 2018/19 as detailed in Appendix 3; and**
 - d) **approve a recommendation to the AGM that £5,000, or another sum, of the surplus be donated to local charities during 2019/20.**

APPENDIX 1: Budgetary Performance for 2019/20

APPENDIX 2: Carry Forward Slippage 2019/20

APPENDIX 3: Financial Covenant 2019/20

Background Papers: Corporate Sponsorship 17 March 2012

Writer of Report: Donald Macleod

Tel: 0300 123 0773

Competence

Financial

- 5.1 The Report deals with how the financial resources of the Partnership have been utilised.
- 5.2 The borrowing requirements for 2019/20 will need to be reviewed to ensure the carry forward of underspend does not impact materially on the approved annual financing strategy or on the financial covenants set for 2019/20.

Legal

- 6.1 The following Partnership rules are applicable:
 - Rule 79.1 The Partnership must not distribute its surpluses to Members.
 - Rule 79.2 The Board shall set and review periodically its policy for the donation of funds to charities. Such donations must further the objects of the Partnership and the Board shall report to the Members on such donations.
- 6.2 The following Standing Orders are applicable:
 - Part 2 a) Approval and Amendment of Strategy, Business Plans and Budgets, including virements to or from a budget head in excess of £50,000.

Regulatory Guidance

- 7.1 The Regulatory Standards checklist has been completed and there is nothing in the report which would result in a breach of the standards.

Risk

- 8.1 The budgets approved by the Board ensure that the Financial Covenant for the financial year will be achieved. Failure to contain spend within approved budgets could result in the Financial Covenant not being achieved with the corresponding penalties being applied by the Funder which could have a significant impact on the Finances of the Partnership. The Financial Covenant for 2018/19 was a maximum cash flow deficit of £7,049,570. Appendix 3 shows the covenant position at 31 March 2019.

Report Details

- 9.1 A review of performance against budget has been carried out and a high level report is at Appendix 1 together with explanations for material variances from approved budgets.
- 9.2 Appendix 2 details proposals for carrying forward budgets into 2019/20 totalling £497,983.
- 9.3 In June 2018 the Board approved a recommendation to the membership of the AGM that £5,000 be donated to 5 local charities. The donations were very much appreciated by the local charities and it is proposed that a similar recommendation be placed before the membership of the 2019 AGM.

BUDGETARY PERFORMANCE 2019/20

APPENDIX 1

Line	2015/16 ACTUAL £	2016/17 ACTUAL £	2017/18 ACTUAL £	2018/19 ACTUAL £	2018/19 BUDGET £	VARIANCE £	%
1 Net Rental Income	(8,151,824)	(8,282,597)	(8,250,863)	(8,787,442)	(8,633,370)	154,072	(1.78)
2 Grants	(573,586)	(446,387)	(489,690)	(624,038)	(623,500)	538	(0.09)
3 Grant Amortisation	(1,149,173)	(1,209,599)	(1,249,903)	(1,288,781)	(1,229,448)	59,333	(4.83)
4 Sale of Assets	61,039	127,511	117,424	242,482	(8,742)	(251,224)	2,873.76
5 Other Income	(3,126,518)	(394,210)	(1,422,484)	(1,019,333)	(563,267)	456,066	(80.97)
6 Interest Received	(11,333)	(9,330)	(15,330)	(23,045)	(16,000)	7,045	(44.03)
7 Total Income	(12,951,396)	(10,214,613)	(11,310,845)	(11,500,158)	(11,074,327)	425,831	(3.85)
8 Employee Costs	1,364,629	1,420,710	1,501,647	1,614,635	1,664,540	49,905	3.00
9 Premises Costs	40,064	36,514	38,379	38,086	47,900	9,814	20.49
10 Supplies and Services	216,531	210,407	249,755	239,484	252,455	12,971	5.14
11 Administration Costs	62,562	83,376	83,500	97,343	131,405	34,062	25.92
12 Corporate Expenses	453,594	465,808	498,574	507,104	787,987	280,883	35.65
13 Total Management Costs	2,137,380	2,216,815	2,371,855	2,496,652	2,884,287	387,635	13.44
14 General Repairs	1,315,928	1,227,907	1,215,311	1,321,003	1,290,710	(30,293)	(2.35)
15 Specific Repairs	54,072	57,200	63,967	92,317	78,125	(14,192)	(18.17)
16 Rechargeable Repairs	16,950	29,903	23,433	59,075	38,200	(20,875)	(54.65)
17 Insurance Repairs	66,560	52,210	47,696	39,221	47,500	8,279	17.43
18 Non Dwelling Repairs	14,347	21,087	18,953	20,753	29,180	8,427	28.88
19 Total Response Repairs	1,467,858	1,388,307	1,369,359	1,532,369	1,483,715	(48,654)	(3.28)
20 Planned Maintenance	750,469	622,601	652,698	650,768	747,224	96,456	12.91
21 Estate Works	43,389	33,668	74,071	129,289	178,484	49,195	27.56
22 Total Planned Maintenance	793,858	656,269	726,770	780,058	925,708	145,650	15.73
23 Investment Programme	3,022,586	4,217,963	3,875,911	4,235,093	4,476,014	240,921	5.38
24 Development Programme	2,757,075	3,168,364	4,095,038	2,500,262	2,803,254	302,992	10.81
25 Non Housing Investment	13,257	225	197	210,783	264,696	53,913	20.37
26 Total Capital Investment	5,792,918	7,386,552	7,971,146	6,946,138	7,543,964	597,826	7.92

Commentary on Performance

Total Income

Net Rental Income	Higher net rental income in the year driven by improvement on bad debts compared to budget and an error in the 2017/18 prepaid income calculation recognising £70K of income in 2018/19 which belongs to 2017/18.
Sale of assets	This includes the loss on disposal of components which amounts to £244K - driven by the significant number of second time replacement heating systems in line with the investment programme.
Other Income	Includes the sales and HAG contribution on the LIFT sales in the year.
Interest Received	More monies on deposit through the year has resulted in higher interest received.

Total Management Costs

Significant costs savings were made in all areas.	
Employee Costs	Savings in Employee Costs are due to delays in filling vacancies during the year.
Administration Costs	Savings come from recruitment costs, community support and training costs.
Corporate Costs	Savings on legal fees of £96K although some of this will be carried forward into 2019/20. Consultancy budget was underspent by £120K mainly driven by property consultants £60K & general consultancy £30K. Members travel underspend of £17K, PR & marketing underspend of £13K and an underspend of £16K on tenant/community grants drive the remainder of the savings to budget.

Total Response Repairs Cost

Void Repairs have been under pressure due to a large number of voids and some significant high value voids since the beginning of the Financial Year. Rechargeable repairs is over budget for the full year as a result of a reduction in recoveries.

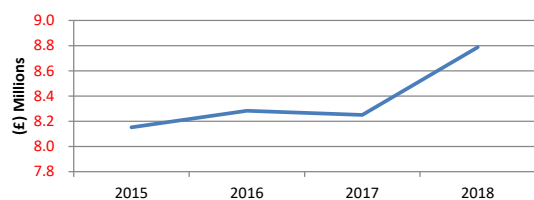
Total Response & Planned Repairs Costs

Final out-turn shows an underspend of £97K. This is driven in part by the fact that the unadopted infrastructure budget has still to be utilised as the discussions on septic tank adoption remains unresolved with a £96K underspend on planned maintenance.

Total Capital Investment

Due to the nature of capital investment it is inevitable there will be slippage and acceleration occurring throughout the financial year. It is proposed to carry forward budgets where projects were not completed by 31 March 2019 and to accept savings on projects where works were accelerated.

Net Rental Income

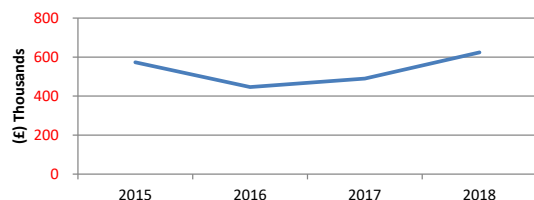


Commentary on Net Rental Income

Net Rental Income over budget by 1.78%. This was due mainly to the following:

- An error in the prepaid income calculation which understated 2017/18 revenue by £70K and overstated 2018/19 revenue by the same amount.
- The number of bad debts written off was slightly better than expected.

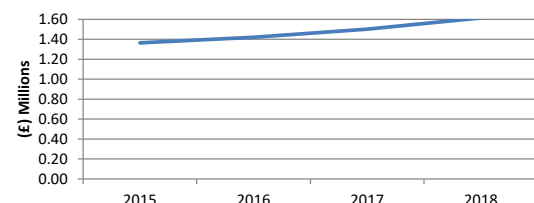
Grant Income



Commentary on Grant Income

Grant income has increased year on year as the partnership continues to be active in its utilisation of stage 3 adaptation grants. RHI income also continues to grow as we deploy additional Air Source Heat Pumps.

Employee costs

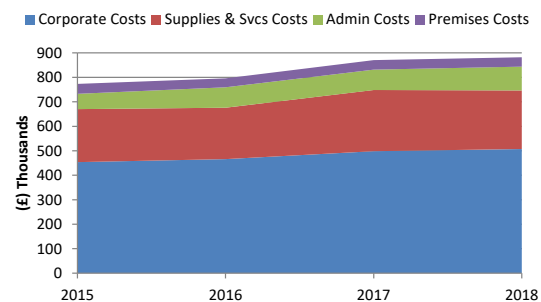


Commentary on Employee Costs

Employee costs were under budget by £50K which is made up of

Salaries	£9k	Savings are mainly due to a delay in filling vacant posts
Pensions & NI	£10k	
Travel & Sub	£19k	Level of travel was less than expected.
Other Costs	£11K	Driven by saving on employee exp

Management Costs

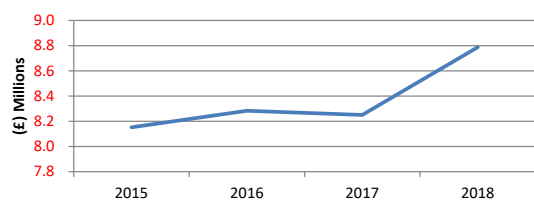


Commentary on Management Costs

Management costs are £337k under budget due to slippage and savings.

Premises	£9.8k	Due to maintenance and energy cost
Administration	£34k	Mainly due to
		Health & Safety £7K
		Recruitment £6k
		Training £9k
		Community Support £10k
Corporate Exp	£280k	Mainly due to
		Legal Fees £96K
		Consultancy £120K
		Members Travel £17K
		PR & Marketing £13K
		Tenant/Community Grants £16K

Net Rental Income

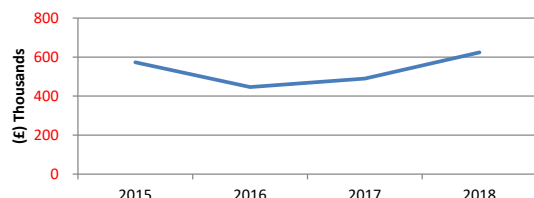


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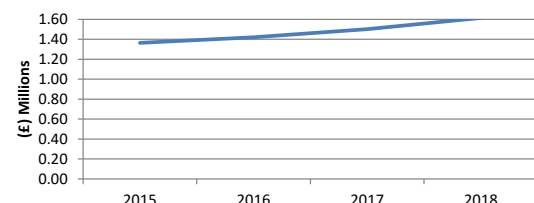
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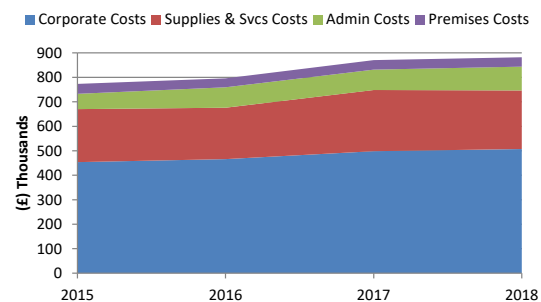


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Management Costs



Commentary on Management Costs

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		Legal Fees £96K
		Consultancy £120K
		Members Travel £17K
		PR & Marketing £13K
		Tenant/Community Grants £16K

Area	Consultant	Cost (£)	Budget (£)	Responsible Officer	Scope of Works	Summary of Performance	Value for Money (Y/N)	Comments
Operations Gen - Consultants	Tenant Participation Advisory Service	32,757	33,300	John Maciver	Development of tenant participation opportunities.	Various Activities carried out and new groups initiated.	Y	Regular update reports to board.
Finance-Consultants Funders Valuation	Jones Lang LaSalle Ltd	6,240	15,000	Donald Macleod	Providing a valuation for our funders for 2018.	Reports produced on time to enable submission to the Funder within deadlines.	Y	Underspend Carried over into 2019/20
Finance Consultants General	Exclamation Marketing	8,880	8,880	Dena Macleod	Communications Consultants - Support with press releases, social media and new website	Delivered in line with brief	Y	
Finance- Property Consultants	ALT Procurement	55,190	55,190	John Maciver	Procurement of investment framework 2019/20-2022/23	Delivered in line with brief	Y	
Finance- Property Consultants	Corgi Technical Services	5,070	5,070	John Maciver	Audit of gas servicing work and overall process	Delivered in line with brief	Y	
Finance- Property Consultants	David Adamson & Partners	18,856	18,856	John Maciver	5 year stock condition survey including fuel poverty and rent affordability study	Delivered in line with brief but several months late	Y	
Finance- Property Consultants	Graham Harper Consulting Ltd	2,420	2,420	John Maciver	Exploration of framework contract for development	Initial work carried out but options not progressed	N	
Finance - VAT Consultants	Campbell Dallas LLP	1,140	1,140	Donald Macleod	General VAT Advice	Advice provided with regards to VAT treatment on development	Y	

BOARD MEMBER EXPENSES 2018/19

- 1.1 Expenses are claimed at the end of every calendar month using the approved Claim Form with all necessary receipts attached.
- 1.2 All Claim Forms are checked and approved for Payment by the Chief Executive and payment made within 10 working days.
- 1.3 The chart overleaf details the areas of expenditure incurred during the year against budget.
- 1.4 On analysing the data, there has been an overall underspend of 61% on the total budget allocated to Board Members.

- 1.5 Reasons for underspend have been ascribed to:

- a) members on the Board who are already in Stornoway on other business, either claiming only part or none of their expense from HHP;
- b) the use of Skype for Board Members in the Southern Isles to attend training and meetings remotely;
- c) inability to attend Board Meetings for personal reasons;

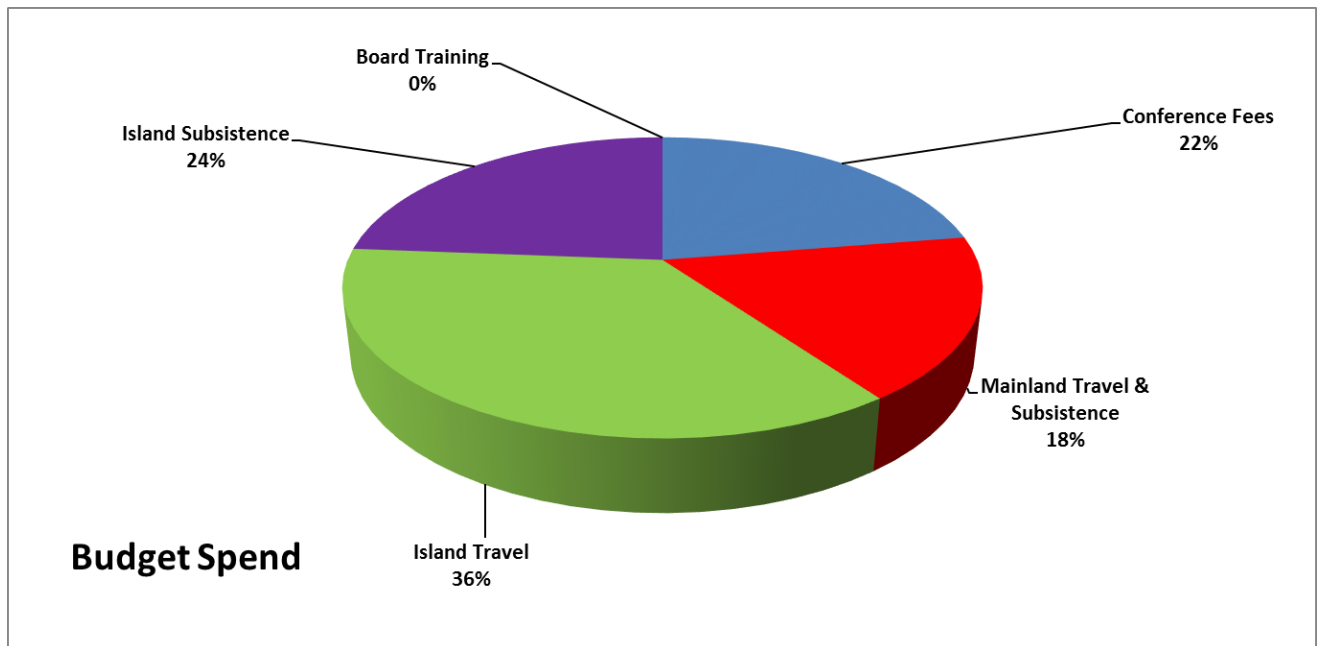
Target Attendance	85%
Actual for 2018/19	71%
Actual for 2017/18	66%
Actual for 2016/17	70%

- d) inability to attend Board Training for personal reasons; and
- e) training events coinciding with Board Meeting dates, and Board Members attending training events already arranged for staff.

Target Attendance	85%
Actual for 2018/19	55%
Actual for 2017/18	43%
Actual for 2016/17	73%

- 1.6 There has been more Board Meetings this year than usual with a Board Meeting being held in Barra also, this is reflected in island travel and subsistence expenditure increasing significantly.

CHART FOR BOARD MEMBERS' EXPENSES



[illegible]

CARRY FORWARD PROPOSALS 2019/20

	Under £	Over £	Saving/ Slippage £	Total £
Budget Variances				
Management Costs	332,635		55,000	387,635
Repairs	47,802			47,802
Estate Works	49,195		-	49,195
Non Housing Investment	3,913		50,000	53,913
Investment	39,543		246,983	286,526
Development	156,992		146,000	302,992
	630,080	0	497,983	1,128,063

Transfer to Designated Reserves

Underspend for 2018/19	1,128,063
------------------------	-----------

2018/19 Saving/Slippage

	Note	
Investment programme	1	246,983
Management Costs	2	55,000
Non-housing Investment	3	50,000
Development	4	146,000

Total Slippage	497,983
----------------	---------

CARRY FORWARD PROPOSALS 2018/19

NOTE		£	£
1	Investment Slippage		
	Heating		
	Vatisker Park	32,000	
	An Struthan Ruadh	12,100	
	Rewiring		
	Bridge Cottages	34,760	
	Smoke/Fire Detectors	35,150	
	Environmentals	7,366	
	Windows & Doors		
	Cearn Easaidh	3,255	
	Cearn Flodaidh	21,780	
	Geilar	1,980	
	Macaulay Road	8,250	
	Barony Sqaure	6,000	
	Roofing		
	Carabhat	84,342	
			246,983
2	Management		
	Training Courses	20,000	
	Postage, Printing & Stationery		
	IT & Telecoms		
	Legal Costs		
	Consultants Fees	35,000	
	Board Members Training		
	Board Members Travel & Subsistence		
	PR & Marketing		
	Recruitment costs		
			55,000
3	Non Housing Investment slippage		
	Office Improvements	20,000	
	IT Strategy Requirement	30,000	
			50,000
4	Development		
	Mackenzie Avenue Carry over	100,000	
	Incremental Feasibility works	46,000	
			146,000
	Total Slippage		442,983
	Totals Savings		55,000
	Total Carry Forward		497,983

Annual Cashflow Deficit - March 19

Line	Detail	£
	Income	£
1	Dwelling rents (net)	8,724,208
2	Non Dwelling rents (net)	14,522
3	Right to Buy Sales	38,258
4	Grant Funding	624,038
5	Other Income	120,801
6	Grant received for New Build	3,972,478
7	Sale of LIFT received	231,000
8	Grant on LIFT received	526,974
9	Insurance Receipts	-
10	Total Income	14,252,279
	Expenditure	
13	Supervision & Management	2,232,238
14	Response Repairs	1,577,344
15	Estate Works	129,289
16	Planned/Cyclical Maintenance	669,847
17	Investment Programme	3,823,138
18	Office Alterations and IT	210,783
19	LIFT Costs	967,067
20	Opening Balances	-
21	Development Costs	6,785,750
22	Total Expenditure	16,395,455
23	Net Operating Cashflow	- 2,143,176
24	Interest Paid	261,166
25	Interest Collected	(23,290)
26	Security Fees Capitalised	600
27	Total Interest	238,476
28	Annual Cashflow Surplus/(Deficit)	- 2,381,652
	Interest Ratio	-11%
	Covenant Requirement	
	Maximum Annual Cashflow deficit	(7,049,570)
	Tolerance	4,667,918
		-66%

REVIEW OF FINANCIAL AUTHORITIES & FINANCIAL REGULATIONS

Board 19 June 2019

Report by Director of Finance & Corporate Services

Purpose of Report

- 1.1 The purpose of this report is to provide the revised Financial Regulations and Financial Authorities to the Board for approval.

Summary

- 2.1 The Financial Regulations and Financial Authorities have been updated following the recent Pay & Grading Review and in line with the updated Standing Orders.
- 2.2 The complete amendments are detailed in full in the body of the report, and the revised Financial Regulations are at Appendix 1. The updated Financial Authorities are at Appendix 2.

Competence

- 3.1 Financial and legal constraints arising from the recommendation to this report being implemented are detailed at 5.1 – 8.2.

Recommendations

- 4.1 **It is recommended that the Board approve the:**
- a) Financial Regulations at Appendix 1; and**
 - b) Financial Authorities at Appendix 2.**

APPENDIX 1: Financial Regulations

APPENDIX 2: Financial Authorities

Background Papers: HHP Rules & Standing Orders

Writer of Report: Donald Macleod

0300 123 0773

Competence

Financial

- 5.1 There is no financial constraint arising from the recommendation to this report being implemented.

Legal

- 6.1 This report ensures compliance and consistency with Part 2 of our Standing Orders.

Regulatory Guidance

- 7.1 The Regulatory Standards checklist has been completed and there is nothing in the report which would result in a breach of the standards.

Risk

- 8.1 Legislation and Regulatory Changes are itemised at number 8 on the Risk Register.

Report Details

- 9.1 The Financial Regulations have been reviewed and updated to corporate standard. Updates have been made with respect to the current procurement thresholds as per the Board approved Procurement Policy.
- 9.2 The Financial Regulations have also been updated for changes to the virement thresholds, consistent with the changes highlighted in Part 2 of the standing orders being presented to the Board in June 2019.
- 9.3 References to HM Customs and Excise and the Financial Standards authority have been replaced with HM Revenue and Customs and the Financial Conduct Authority respectively.
- 9.4 The Financial Authorities have been updated and simplified to provide a greater clarity on roles and responsibilities and to have consistent delegation levels across posts whilst still ensuring appropriate controls are in place. These can be found at Appendix 2 of this report.
- 9.5 New posts which were identified through the recent pay and grading exercise have been added to the Financial Authorities with appropriate delegations.



hebridean housing
partnership



► Financial Regulations

June 2019

Effective Date: ► 19 June 2019

Review Date: ►

Approved by HHP Board: 19 June 2019

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INTRODUCTION

WHY DO WE HAVE FINANCIAL REGULATIONS

- 1.1.1 We are responsible for millions of pounds of public money and it is vital to have rules governing how these monies are used and managed on behalf of tenants and Government.

STATUS OF FINANCIAL REGULATIONS

- 1.2.1 This document sets out the Financial Regulations which form part of our Constitutional Documents and provide a framework for managing our financial affairs.
- 1.2.2 The Financial Regulations apply to the Partnership and any subsidiary undertakings. The relationship between the various parts of the constitution is at Appendix 1.
- 1.2.3 Compliance with the Financial Regulations is compulsory for all our staff. It is the duty of the Chief Executive or her delegated nominee(s) to ensure that these Regulations are adhered to. Such delegation may be explicit or may be implicit in the nature of the employee's title or job description.
- 1.2.4 All Board members and employees have a responsibility for taking reasonable action for the security of the assets under their control, and for ensuring the use of these resources is legal, properly authorised and provides value for money.
- 1.2.5 All employees shall be supplied with and formally acknowledge receipt of a copy of these Regulations and any changes to them. It shall be the duty of each employee to observe them within the ambit of their job description.
- 1.2.6 The Audit & Risk committee shall review the Regulations at least annually.
- 1.2.7 Detailed financial procedures set out how the regulations will be implemented and are contained in separate manual. It is the Director of Finance & Corporate Services' responsibility to prepare and maintain the financial procedures which are available to all teams.

STATEMENT OF PRINCIPLES

- 2.1.1 The Board expects high standards of conduct from its members and employees and those with whom it has dealings and this is outlined in the Code of Governance for Board Members and Code of Conduct for staff. The Board expects honesty, openness and integrity to be the values which underpin its financial affairs and all those involved with its finances should work with these values in mind. An extension of this is the Statement of Principles below which provide the basis for the detailed guidance in the Financial Regulations.

THE PRINCIPLES

- 2.2.1 We expect our members and employees to exercise high standards in financial management and administration and we aim to stimulate openness and a climate of frankness that will be supported through policies and regulations, such as the "Whistleblowing" policy.
- 2.2.2 The importance of planning, monitoring and controlling the use of resources is vital and we will make arrangements for these activities to be undertaken effectively.
- 2.2.3 Issues of probity will be dealt with effectively and we will work to meet our duty to maintain proper accounts and related records.
- 2.2.4 Value for money is at the core of how we conduct our financial affairs.
- 2.2.5 Compliance with statutory requirements, accounting standards and appropriate codes of practice will be inherent in all our financial arrangements.
- 2.2.6 We are mindful of the need for consistent standards in financial administration and management across all our operations. In particular, we expect officers to consult with and use all the expertise in financial matters that it has available in house and act on advice from such sources.
- 2.2.7 Our assets and resources must be protected from loss, damage and theft.
- 2.2.8 Identifying and quantifying risks is of key importance and arrangements must be made to reduce, eliminate or insure against them as appropriate.
- 2.2.9 We will ensure that the payment and collection of monies is accurate, appropriate and timely.

FINANCIAL MANAGEMENT

THE BOARD

- 3.1.1 The Board has ultimate responsibility for our finances. Its financial responsibilities are:
- a) ensure we are solvent;
 - b) safeguard our assets;
 - c) ensure the effective and efficient use of resources;
 - d) ensure the compliance with the Scottish Housing Regulators performance standards
 - e) ensure financial control systems are in place and are working effectively and that a statement of assurance is produced by the internal audit provider annually;
 - f) ensure compliance with the regulatory body's code of audit practice;
 - g) approve our strategic plans;
 - h) approve budgets and annual financial statements;
 - i) to recommend to the annual general meeting the appointment of the external auditors.

COMMITTEE STRUCTURE

- 3.2.1 The Board exercises some of its responsibility through two subordinate committees. These are the Audit and Risk Committee and the Joint Consultative Council. General authority is not delegated to a Committee but specific authority is delegated in particular areas as defined in the Standing Orders. However, no decision made by a Committee of the Board is binding on HHP unless it is acting within its specifically delegated powers. The Terms of Reference for the Committees is contained within the Standing Orders Part 3. The Board will be supported by a number of working groups which will be set up after the AGM each year:
- a) Finance Working Group
 - b) Asset Management Working Group
 - c) Housing Management Working Group
 - d) Remuneration Working Group

MATTERS OF URGENCY OUT WITH MEETINGS

- 3.3.1 When, in the opinion of the Chairman, a decision is urgently required which is reserved to the Board or Committee, the Chairman may make such a decision on behalf of the Board as the Chair considers to be in the interest of the Board. When the decision relates to a matter delegated to Committee, the Chair of that Committee shall be consulted before the decision is made. Any such decision and the reason why it was dealt with under this Financial Regulation shall be reported to the next meeting of the Board, homologated and minuted.

BOARD MEMBER

- 3.4.1 The duty of the Board members is to HHP, its tenants, its staff and more generally where it is in receipt of public funds – to the community at large. All Board Members should therefore satisfy themselves that they have sufficient access to all relevant information and are sufficiently informed to be able to make properly informed decisions. The Director of Finance & Corporate Services will ensure that regular management reports are made available to all Board Members.

RESPONSIBLE OFFICERS

The Chief Executive

- 3.5.1 The Chief Executive co-ordinates the activities of other Officers and reports back to the Board. The Chief Executive is responsible for the corporate and overall strategic management of the Partnership as a whole.

The Company Secretary

- 3.6.1 The Company Secretary is responsible for promoting and maintaining high standards of financial conduct and for reporting any actual or potential breaches of the law or maladministration and for ensuring that the procedures for recording and reporting key decisions are operating effectively. The Company Secretary is responsible for advising all Board members and employees about who has the authority to take a particular decision and whether a decision is likely to be considered contrary to the policy framework.

The Director of Finance & Corporate Services

- 3.7.1 The Director of Finance & Corporate Services is responsible for reporting to the Board and the external auditor if he considers that any proposal, decision or course of action will involve incurring unlawful expenditure or is likely to cause a loss or deficiency, or if the Partnership is about to enter an item of account unlawfully.
- 3.7.2 The Director of Finance & Corporate Services, if necessary in conjunction with the Chief Executive and after consultation with the Chairman of the Board, shall have the powers to take any action necessary to safeguard the interests of the Partnership.
- 3.7.3 The Director of Finance & Corporate Services has the responsibility for the proper administration of the financial affairs including:
- a) ensuring that all reports detail fully the resource implications of any course of action recommended to the Board or its Committee;
 - b) presenting management reports to the Board on a timely basis;
 - c) maintaining an efficient system of financial operations and controls;
 - d) preparing the annual accounts, liaising with the Partnership's Auditors in respect of the year end audit and giving the final presentation of such accounts to the Annual General Meeting;
 - e) monitoring the day to day running of our finances;
 - f) safeguarding our assets;
 - g) assisting in long term planning;

- h) ensuring the requirements of the Financial Conduct Authority (FCA) are obeyed concerning the requirements of the Partnership to keep proper books and records;
- i) reviewing the Financial Regulations on behalf of the Board at least annually;
- j) maintaining statutory records;
- k) preparing appraisals for major investment and development decisions;
- l) ensuring that medium and long term financial plans and annual investment and revenue budgets are prepared;
- m) providing professional advice to the Board on all matters relating to financial policies and procedures including treasury management;
- n) Setting and monitoring compliance with financial management standards and procedures.

Money Laundering Reporting Officer

- 3.8.1 The Finance Manager is appointed as the Money Laundering Reporting Officer and the Financial Accountant is appointed as the Depute Money Laundering Reporting Officer. They will be responsible for notifying the Serious Organised Crime Agency (SOCA) of any suspected cases of money laundering committed within the accounts of the Partnership as soon as possible and fulfil other duties as defined by legislation or regulation related to that post.

General

- 3.9.1 The Board and our employees are responsible for the observance of the Standing Orders, Financial Regulations and detailed financial procedures in all aspects of their responsibilities.
- 3.9.2 Heads of Service are responsible for accountability and control of staff and the security, custody and control of all other resources including plant, buildings, materials, cash and stores relating to their spheres of responsibility.

ACCOUNTING

- 3.10.1 All accounting procedures and records of the Partnership and its Officers shall be approved by the Director of Finance & Corporate Services in accordance with requirements of statutory agencies, authorities and the needs of the services. No change to existing accounting procedures may be made without prior consultation with the Director of Finance & Corporate Services.
- 3.10.2 The Director of Finance & Corporate Services or the Finance Manager must examine and certify where required any submission or claim for payment of grant by a Government Department or funding from any other body. Officers responsible for the administration of such grants, funds and spending associated with them must ensure compliance with the conditions of the grant/funding.
- 3.10.3 All formal accounts and accounting records shall be compiled under the direction of the Director of Finance & Corporate Services.

FINANCIAL PLANNING AND CONTROL OF EXPENDITURE

- 4.1.1 Sound budget management is crucial to informing good decision making and achieving best value in the use of our resources.

BUDGET PREPARATION

- 4.2.1 The budget must be prepared in a form agreed by the Board, and must be in line with our objectives and Corporate Business Plan. When reaching the Board, the budget should be accompanied by recommendations from the Finance working group on its acceptability and on its impact on overall finances.
- 4.2.2 The budget is to be prepared according to the requirements defined in the detailed financial procedures. Once approved, the budget is to be used as the basis for authority to incur expenditure and for comparison with actual monthly and quarterly results. The approval for each officer to incur expenditure is defined in the detailed financial procedures, and may be amended from time to time by the Board.
- 4.2.3 When the budget has been approved, the Director of Finance & Corporate Services shall allocate various amounts to delegated budget managers, in accordance with their responsibilities, and shall notify in writing such employees of the budgeted amounts. All references to individual responsibilities within these Financial Regulations assume that authority is restricted to these amounts.
- 4.2.4 The Director of Finance & Corporate Services will prepare and present budgets to the Board for
- a) Income & Expenditure
 - b) Investment
 - c) Development
 - d) Non-Housing investment
- 4.2.5 The introduction of new items after the Budget has been approved (whether additional or substitution) requires the advance approval of the Board.
- 4.2.6 The Board must approve any slippage from one year to the next for Investment and Development Programmes.

BUDGETARY CONTROL

- 4.3.1 Significant variations in actual income and expenditure against budget are to be reported and explained at each meeting of the Board by the Director of Finance & Corporate Services. Any variations will be explained and reflected in the forecast out-turn presented to the Board.
- 4.3.2 Nothing in these Financial Regulations shall prevent the Chief Executive or the Director of Finance & Corporate Services or Director of Operations incurring expenditure which is essential to meet any immediate and unavoidable needs created by a sudden emergency. In an emergency situation, no one person shall have the responsibility to spend without consent. If higher than £100,000, the Board Chair should be involved; if less, the Chief Executive. The action in question and financial implications should be reported in writing to the Board and the Director of Finance & Corporate Services at the earliest opportunity.

The Director authorising such expenditure must be satisfied that the expenditure will not cause a fundamental and irrevocable financial impact.

- 4.3.3 The inclusion of items in approved budgets or investment programmes shall constitute authority to incur such expenditure unless the Board shall have placed a reservation on any such item or items. Expenditure on any such reserved items may be incurred only when and to the extent that such reservation has been removed. Such reservations shall only be removed when the Board has approved full details and costs of the item.
- 4.3.4 Budget managers are responsible for ensuring that expenditure does not exceed the allocated budget, and must identify pressures on their own budgets, at a stage which allows the position to be addressed (i.e. during the financial year rather than at the end). Budget holders must not authorise expenditure which will create or increase an overspend on that budget.
- 4.3.5 When considering the adoption of a new policy or a variation to an existing policy, the Board must ensure it is fully apprised of the costs involved.
- 4.3.6 The Director of Finance & Corporate Services (or in his absence the Chief Executive) shall have the authority to approve virements to an amount as specified in the detailed financial procedures.
- 4.3.7 Significant budget variations should be reported to the Director of Finance & Corporate Services by the relevant Director. Anticipated variations should be incorporated in the reporting process. It is the responsibility of Heads of Service to provide accurate and reasonable explanations for variances.
- 4.3.8 With regard to Investment and Development programmes, actual cash spend will be monitored against budget and reported at each meeting of the Board as part of the regular management accounts report.
- 4.3.9 Actual and forecast expenditure and progress on individual contracts and projects within the Investment and Development programme will be reported to each routine meeting of the Board.
- 4.3.10 The Director of Finance & Corporate Services will prepare a year end report on performance against budget and make recommendations to the Board on any budgets which should be carried forward into the next financial year.

BORROWING

- 4.4.1 It is the responsibility of the Director of Finance & Corporate Services to provide the Board with a written report on affordable levels of borrowing. The Treasury Management Policy requires an Annual Financing Strategy to be prepared each year before the end of the financial year.

RESERVES

- 4.5.1 It is the responsibility of the Director of Finance & Corporate Services to provide the Board with a written report on the levels of reserves that are considered prudent. This advice is to be based on an annual risk assessment of the Partnership.
- 4.5.2 The Partnership's medium and long term financial plan should, in part, be based on how to either reach or maintain the recommend level of reserves.

VIREMENTS

- 4.6.1 Where a virement represents a major change in policy and is greater than £100,000, the Head of Service needs to prepare a report for the Board to seek approval for the policy change and the associated virement.
- 4.6.2 All other virements should be approved by the Head of Service and forwarded to the Director of Finance & Corporate Services using the approved Virement Form.

RISK MANAGEMENT AND CONTROL OF RESOURCES

- 5.1.1 The Board is responsible for approving our Risk Management Strategy, the Audit and Risk committee is responsible for reviewing the overall effectiveness of the strategy.
- 5.1.2 The Chief Executive, in conjunction with Directors is responsible for preparing the risk management policy statement and for promoting it throughout the organisation and updating it.
- 5.1.3 The general controls for risk management are:-
- Procedures are in place to identify, assess, prevent or contain material known risks and these procedures are operating effectively throughout the organisation;
 - A monitoring process is in place to review the effectiveness of risk reduction strategies and the operation of these controls;
 - Managers know which risks they are responsible for managing and are provided with relevant information;
 - Provision is made for any losses that might result from the risks that remain;
 - Claims are investigated within a given time scale;
 - Acceptable levels of risk are determined and insured against where appropriate
 - Business continuity plans are in place in the event of a disaster that results in significant loss or damage to our resources.

INTERNAL CONTROL

- 5.2.1 Internal control refers to the systems of control devised by management to help ensure our objectives are achieved in a manner that promotes economical efficient and effective use of resources and that our assets and interests are safeguarded.

Systems of Internal Control

- 5.3.1 The Director of Finance & Corporate Services is responsible for advising on effective systems of internal control. These arrangements need to ensure compliance with all applicable statutes and regulations, and other relevant statements of best practice.
- 5.3.2 The Director of Finance & Corporate Services will prepare an annual statement on the effectiveness of the Partnership's system of internal control. The statement will be published as part of the Annual Statement of Accounts and will be approved by the Audit Committee.

Segregation of duties

- 5.4.1 To ensure proper segregation of duties exist:
- a) the duties of providing information about money due to or from HHP and of calculating, checking and recording these sums shall be separated as completely as possible from the duty of collecting or paying them;

- b) Officers charged with the duty of examining and checking the accounts of cash transactions must not themselves be engaged in any of these transactions.

Year End and Retention of Records

- 5.5.1 HHP's financial year shall be from 1 April to 31 March.
- 5.5.2 Accounting and other records must be retained for periods that comply with relevant legal requirements and the detailed standards in Paragraph 5.5.3.
- 5.5.3 Records must be retained for periods specified by Internal Audit, which will ensure the Partnership's compliance with VAT and other law. The following periods provide a broad indication only:
- Expenditure records (e.g. orders, invoices) should be retained for 5 years plus the current year;
 - Income records (receipts, debtors invoices) should generally be retained for 6 years plus the current year;
 - All records associated with grant funding and the transfer agreement must be retained for longer periods if required by the funding body.

TREASURY MANAGEMENT (INVESTMENT & BORROWINGS)

- 5.6.1 The Board adopts the key recommendations of CIPFA's Treasury Management in the Public Services: Code of Practice (the Code), as described in Section 4 of that Code.
- 5.6.2 Accordingly, the Board will create and maintain, as the cornerstones for effective treasury management:
- a treasury management policy statement, stating the policies and objectives of its treasury management activities;
Suitable treasury management practices (TMPs), setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.
- 5.6.3 The content of the policy statement and TMPs will follow the recommendations contained in Sections 6 and 7 of the Code, subject only to amendment where necessary to reflect the particular circumstances of this organisation. Such amendments will not result in the organisation materially deviating from the Code's key recommendations.
- 5.6.4 The Board will receive reports on its treasury management policies, practices and activities, including, as a minimum, an annual strategy and plan in advance of the year, and an annual report after its close, in the form prescribed in its TMPs.
- 5.6.5 The Board delegates responsibility for the execution and administration of treasury management decisions to the Director of Finance & Corporate Services who will act in accordance with the organisation's policy statement and TMPs and, if the Director of Finance & Corporate Services is a CIPFA member, CIPFA's Standard of Professional Practice on Treasury Management

INSURANCE

- 5.7.1 The Corporate Resources Manager must effect all insurance cover and negotiate all claims in consultation with other Officers where necessary.
- 5.7.2 Each Head of Service shall ensure prompt notification to the Corporate Resources Manager of all new risks, properties, or vehicles which require to be insured and of any alterations affecting existing insurance policies.
- 5.7.3 Each Head of Service shall ensure that they notify the Corporate Resources Manager in writing, of any loss, liability or damage or any event likely to lead to a claim and inform the Police and obtain the relevant crime reference number, unless otherwise decided by an identified officer.
- 5.7.4 All appropriate officers of the Partnership must be included in a suitable fidelity guarantee insurance policy.
- 5.7.5 The Director of Finance & Corporate Services must annually, or at any such lesser period as he may consider necessary, review all insurances and report to the Board in consultation with other Heads of Service as appropriate.

SECURITY PROCEDURES

- 5.8.1 Each Head of Service is responsible for maintaining proper security at all times for all buildings, stock, stores, furniture, equipment, cash, etc. under his control. He must consult the Chief Executive in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.
- 5.8.2 Maximum limits for cash holdings must be agreed with the Director of Finance & Corporate Services and shall not be exceeded without his express permission.
- 5.8.3 Keys to safes or other similar containers must be carried on the person of those responsible at all times; the loss of any such keys must be reported to the Director of Finance & Corporate Services forthwith. Keys must not be passed to any Officer who is not authorised to access the safe.

PAYMENTS & BENEFITS

- 5.9.1 All financial activities conducted by the organisation will conform to the requirements of the Entitlements, Payments and Benefits policy which restricts the types of direct and indirect financial benefits which may be awarded to employees and Board members and describes the actions which must be taken in the event of a potential breach.
- 5.9.2 All Officers and Board members should be aware of the requirements of the Entitlements, Payments and Benefits Policy and further information or advice can be provided on request by the Director of Finance & Corporate Services.
- 5.9.3 The basic requirements of the Policy are that a registered social landlord must not make a payment or grant a benefit to an officer or employee (current) of the landlord; a person who has been an officer or employee within the last 12 months (recent); a close relative of an officer or employee (current or recent); a business trading for profit of which a person falling within one of the previous categories is a principal proprietor or in the management of which such a person is directly concerned, except in the following cases.

- a) payments made or benefits granted to an officer or employee under a contract of employment;
- b) payment of expenses to an officer who does not have a contract of employment;
- c) where a tenancy has been granted to a person who later became an officer or employee of the organisation (or a close relative thereof), the grant to that tenant of a new tenancy for the same or another house.
- d) payments made or benefits granted with the approval of Scottish Ministers.

5.9.4 Any issues which may give rise to a breach or potential breach of the requirements of policy should be reported to the Director of Finance & Corporate Services (or in his absence the Finance Manager) immediately.

EXTERNAL AUDIT

- 5.10.1 We will appoint external auditors as required by statute, and in a way consistent with the requirements of the current guidance issued by the Scottish Housing Regulator.
- 5.10.2 Preparation of annual accounts is to commence immediately after the end of each financial year and draft accounts are to be prepared for consideration by the auditors and by the Board no later than three months after the year-end.
- 5.10.3 The Director of Finance & Corporate Services is responsible for drawing up a timetable for final accounts purposes which will be agreed with the auditors.
- 5.10.4 The draft accounts and audit management letter will be reviewed by the Audit and Risk Committee. On their recommendation the draft accounts will be submitted to the Board for approval, and subsequently for adoption at the Annual General Meeting.
- 5.10.5 Final audited and signed accounts are to be submitted to the Scottish Housing Regulator within six months after the financial year-end.
- 5.10.6 The external auditors should be given the opportunity, at least once each year, to meet the Audit and Risk Committee without any officials being present, to discuss issues that may have arisen during their work, or highlight areas of concern.
- 5.10.7 Each year the Audit and Risk Committee will review the effectiveness of external audit and, provided the External Auditor's work is of a sufficiently high standard and reasonably priced, the Committee shall recommend that they be re-appointed at the Partnership's AGM. In addition, the Audit and Risk Committee will carry out a comprehensive review of the service provided every three years. A competitive tendering exercise will be held at least every seven years for the appointment of an External Auditor for the Partnership.

INTERNAL AUDIT

- 5.11.1 There will also be an internal audit function, under the independent control and direction of the Director of Finance & Corporate Services which shall be arranged to carry out a continuous examination of financial and other operations. An annual programme of work will be set by the Director of Finance & Corporate Services in consultation with the Head of the Executive

office, Chief Executive and other Directors, and approved or otherwise amended by the Audit and Risk Committee.

5.11.2 The Internal Auditor will report to the Director or Finance & Corporate Services and the Audit and Risk Committee.

5.11.3 The internal audit service remains independent in its planning and operation and has direct access to the Board, the Chief Executive and the Chair of the Audit and Risk Committee.

5.11.4 The Chief Executive, the Director of Finance & Corporate Services or their authorised representatives and the external and internal auditors shall have authority to:

- a) enter at all reasonable times any Partnership premises or land;
- b) access all records, documents and correspondence relating to any financial and other transactions of the Partnership;
- c) require and receive such explanations as are necessary concerning any matter under examination;
- d) require any employee of the Partnership to produce cash, stores or any other Partnership property under his/her control;

5.11.5 Whenever any matter arises which involves, or is thought to involve, irregularities of fraud concerning cash, stores or other property of the Partnership or there is any other suspected irregularity in the exercise of the activities of the Partnership, the manager concerned shall notify the Director of Finance & Corporate Services, in accordance with the Partnership's Fraud policy. The Director of Finance & Corporate Services will take such steps as necessary by way of investigation, the involvement of internal audit and reporting the matter to the regulatory body where required. The Board shall also ensure that a procedure for whistle blowing is in place and operating effectively.

5.11.6 If the suspected irregularity potentially involves:

- a) the Director of Finance & Corporate Services, Head of Executive Office or the Director of Operations, the Chief Executive shall be informed;
- b) The Chief Executive, the Chair of the Audit and Risk Committee, or failing that the Chair of the Board shall be informed.

SYSTEMS AND PROCEDURES

GENERAL CONTROLS

- 6.1 The general controls for systems and procedures are:
- a) Performance is communicated to the appropriate managers on accurate, complete and timely basis;
 - b) Early warning is provided on deviations from targets, plans and budgets and management action is taken;
 - c) Operating systems and procedures are secure.

EXPENDITURE

Purchasing Arrangements

- 6.2.1 Delegated Budget Managers must ensure and be able to demonstrate that the Partnership obtains value for money in purchasing activity and that purchasing accords with service priorities.
- 6.2.2 The most effective purchasing arrangements should be used. In case of routine purchasing this should be undertaken through the Corporate Resources Team except:
- a) transactions excluded by agreement with the Director of Finance & Corporate Services and the Delegated Budget Manager concerned;
 - b) small items which may be purchased through petty cash.
- 6.2.3 Where any purchasing or services involves tendering or contracts these arrangements must conform to the requirements set out in the procurement policy.
- 6.2.4 The Finance Manager must ensure that e-business/purchasing processes maintain the security and integrity for transacting business electronically and must approve the introduction of such systems.

Orders of Work, Goods and Services

- 6.2.5 All orders, requests for works, instructions to vary works contracts or to vary individual orders, and the entering into of contracts, must be carried out according to the detailed requirements of the procurement policy. The procurement policy is available on our intranet to all staff.
- 6.2.6 Official orders must be in a form approved by the Director of Finance & Corporate Services and must be signed or otherwise authorised only by approved officers.
- 6.2.7 Official orders must be issued for all work, goods or services to be supplied to HHP except for:
- supplies of public utility services;
 - for periodical payments such as rent or rates;
 - for payments set by statute or other regulations (including home loss and disturbance payments);
 - for petty cash purchases; or
 - such other exceptions as the Director of Finance & Corporate Services may approve in advance.

Any verbal orders issued in an emergency must be confirmed by an official order by the next working day. A copy of each order must be retained for audit purposes.

- 6.2.8 Staff of the Partnership are not allowed to purchase goods privately under any Partnership arrangements or solicit preferential treatment in a private capacity from the Partnership's suppliers.

Orders under Procurement (Other Services)

- 6.2.9 One verbal quotation must be requested for individual orders up to an amount up to £499.99. The details of the verbal quotations must be documented and held on file. In cases where the procurement process will benefit from more formal tendering procedures, the submission of written quotations may be sought and administered locally, at the discretion of the local manager or architect.
- 6.2.10 Two written quotations must be requested for individual orders which are estimated to be in the region of £500-£9,999.99. If a quotation other than the lowest is accepted, a written report must be made to the next meeting of the Board justifying this course of action. Where orders are awarded on a combined quality and price assessment it is understood that the lowest price may not always be the one which will be accepted and this will not need to be presented to Board.
- 6.2.11 Individual orders which are estimated to commit the Board to a cost in excess of £10,000 must be dealt with under the procurement policy and its detailed tendering procedures. Results of tenders should be referred to the Board or one of its committees. This regulation does not apply to the renewal of annual maintenance agreements previously agreed by the Board.

Orders under Procurement (Building Works)

- 6.2.12 All investment works are subject to a robust tender process with tenders for lots being returned as per the Board approved Investment Framework.
- 6.2.13 Repairs & Maintenance works are outsourced to a repairs contractor. The appointment of the contractor follows a robust, full tender process and the Board is regularly updated as to the performance of the contractor against agreed contractual performance targets.
- 6.2.14 The methods of procurement and appropriate limits for development contracts and consultants are outlined at Appendix 2.

Orders under Procurement Frameworks

- 6.2.15 Framework agreements may also be used to procure contractors and suppliers without committing or binding us to any specific expenditure.

General

- 6.2.16 No Officer may use the Partnership or its stationery to order goods and/or services intended for his/her private and personal use except in circumstances approved in advance and in writing by the Chief Executive.

Contracts

- 6.2.17 Where contracts provide for payment to be made by instalments, the Director of Finance & Corporate Services shall arrange for the keeping of a contract register or registers to show the state of accounts on each contract between the Partnership and the contractor, together with any other payments and the related professional fees.
- 6.2.18 Payments to contractors on account of contracts shall be made only in accordance with agreed expenditure authorisation procedures.
- 6.2.19 Subject to the provisions of investment/development contracts, in each case every variation shall be authorised in writing by:
- a) the Director of Operations or any other officer nominated by him in writing for the purpose; or
 - b) the consultant engaged by the Partnership when an outside consultant is appointed.
- 6.2.20 Any such variation shall be reported to the Board on a quarterly basis. If the variation creates an overspend, the procedure in relation to authorising overspends must be followed (see paragraph 4.3.2).
- 6.2.21 The final certificates of completion of any contract shall not be issued until the Director of Operations or external consultant has produced to the Partnership a detailed statement of account and all relevant documents, if required.
- 6.2.22 Where completion of a contract is delayed beyond the contract period, it shall be the duty of the Director of Operations to consider and, where appropriate, to take action in respect of any claim for liquidated damages.
- 6.2.23 All officers and consultants shall have regard to the requirements of the relevant regulatory body and government departments in respect of matters relating to such contracts.

Payments of Accounts

- 6.3.1 The procedures for making all payments shall be in a form specified by the Director of Finance & Corporate Services.
- 6.3.2 Apart from petty cash and other payments from advance accounts, the normal method of payment of money due from the Partnership must be by cheque, electronic payment (Bankline or Credit Card), BACS or CHAPS transfers drawn on the Partnership's bank account by signatories duly authorised by the Board.
- 6.3.3 The names of Officers authorised to sign orders and invoices will be maintained in a register along with a specimen signature by the Director of Finance & Corporate Services. Any changes to the register must be requested in writing. Staff authorised to issue an order are responsible for examining, verifying and certifying the related invoice(s) and similarly for any other payment vouchers or accounts arising from his/her department. Such certification must be in writing by the Officer.
- 6.3.4 Payment will only be made by the Director of Finance & Corporate Services against invoices which have been certified for payment by the appropriate head of department or budget holder. Certification of an invoice should involve at least two officers in the process and will ensure that:

- a) the goods have been received, examined and approved with regard to quality and quantity, or that services rendered or work done is satisfactory;
 - b) where appropriate, it is matched to the order;
 - c) invoice details (quantity, price, discount) are correct;
 - d) the invoice is arithmetically correct;
 - e) the invoice has not previously been passed for payment;
 - f) where appropriate, an entry has been made on a stores record or departmental inventory;
 - g) VAT issues have been complied with where they apply; and appropriate coding advice is provided. This coding advice must be one of the codes included in the budget holder's area of responsibility and must correspond with the types of goods or service described on the invoice
- 6.3.5 Once accounts have been correctly certified, they must be passed promptly to the Director of Finance & Corporate Services who must examine them to the extent that he considers necessary, for which purpose the Director of Finance & Corporate Services is entitled to make such enquiries and to receive such information and explanations as he may require.
- 6.3.6 The Chief Executive and each Director must, six weeks after the financial year end, agree with the Director of Finance & Corporate Services all outstanding expenditure in relation to the previous financial year.
- 6.3.7 Responsibility for the authorisation of an account lies ultimately with the Officer who signs the payment authorisation. The Officers who have the authority to approve payment for either goods or services within the approved revenue budget are specified in the detailed financial procedures.
- 6.3.8 Cheque or Banks Automated Clearing System [BACS] payments - The general rule is that properly authorised invoices are paid within 30 days of receipt by the Resources Department. This is subject to variations as agreed with the individual supplier of goods and services and as set out in the Partnership's detailed financial procedures.
- 6.3.9 No individual or employee of the Partnership shall act as the first signatory or certify transactions for any payments to themselves or their immediate families or to their companies or companies of their immediate families.
- 6.3.10 The use of direct debits as a payment method requires the prior approval of the Director of Finance & Corporate Services.
- 6.3.11 Officers of the Partnership must not prepare supplier's invoices. If it is necessary for an officer to amend an invoice, that fact and the reason therefore shall be shown on the invoice and the amendment must conform to the Value Added Tax regulations.
- 6.3.12 Override procedure - If a payment has to be made more quickly than the general rule and is not covered by the exceptions, then the date of payment must be marked on the certified invoice and addressed to the Resources Department duly marked for special treatment.

Petty Cash

- 6.4.1 Petty cash will be controlled through the Imprest system. Detailed guidance will be issued by the Financial Accountant and is contained in the Partnership's financial procedures.
- 6.4.2 At the end of the financial year a certificate of the balances held should be completed by the member of staff responsible for the float and countersigned by the head of department.

Company Credit Cards

- 6.5.1 The Director of Finance & Corporate Services will make arrangements for the administration of "company credit cards" and will issue them where the circumstances require.
- 6.5.2 Directors are responsible for ensuring that "company" credit cards used in their Department are only held by appropriate staff and are used strictly in compliance with the specific guidance issued by the Director of Finance & Corporate Services.

Expenditure Authorisations

- 6.6.1 The Board has approved the following procedures for the authorisation of expenditure commitments and invoices for payment. Levels of authority range from department staff to the Board, and it is important for good internal control of the Partnership's expenditure that all staff have a working knowledge of the content. It is the responsibility of each Director to ensure that all of their staff affected are fully aware of their own authority levels and limits.
- 6.6.2 The following important points shall be observed in the authorisation procedure and followed carefully:
 - a) three separate procedures involved in incurring expenditure:
 - Taking on the commitment to spend;
 - Approving the invoice after goods or services received;
 - The actual transfer of funds to creditors.
 - b) evidence of approval and authority must be kept.
 - c) the person approving the invoice will be expected to be satisfied that prior approval of the original order or instruction was given, at the appropriate level, in cases where such prior approval is required. The initial invoice signatory is responsible for ensuring that this is done before passing to the Resources Department for payment.
 - d) payments to suppliers, etc. will not be made if substantiated only by statements. If an invoice has been mislaid, a copy must be obtained from the supplier.
 - e) the cost code must be in accordance with the approved budget heading and not changed because another original budget head is being used in order to "vire" expenditure.
 - f) approval of invoices must include a check of the calculations.
- 6.6.3 The Director of Finance & Corporate Services shall maintain a register of authorised signatories including limits. Any changes to the authorities to sign must be notified to the Director of Finance & Corporate Services immediately. Heads of Service must supply the Director of Finance & Corporate Services with specimen signatures of those authorised to certify invoices for payment.

- 6.6.4 Where changes to the authorisation schedule are required ahead of the annual review of financial regulations and procedures, the Director of Finance & Corporate Services shall instruct or confirm changes in writing to heads of service, and other appropriate staff and Board Members.

INCOME & BANKING

Banking Arrangements

- 6.7.1 The Board is responsible for the appointment of our bankers. Should there be an occasion where the banking arrangements are deemed to no longer meet our requirements, the Board shall be provided with a report outlining why this is the case and banking services will be re-tendered through a competitive tendering process.
- 6.7.2 Bank accounts held by HHP are specified in the detailed financial procedures. Only the Director of Finance & Corporate Services may open or close a bank account for dealing with HHP's funds. All bank accounts shall be in the name of HHP. The Finance Manager is responsible for ensuring that all bank accounts are subject to regular reconciliation and independent review and that large or unusual items are investigated as appropriate.
- 6.7.3 All arrangements with HHP's bankers shall be made by or under arrangements approved by the Director of Finance & Corporate Services, who shall be authorised to operate such banking accounts, as he may consider necessary.
- 6.7.4 All cheques, electronic payments (Bankline or Credit Card), BACS or CHAPS shall be ordered only on the authority of the Director of Finance & Corporate Services who shall make proper arrangements for their safe custody. Cheques on HHP's banking accounts shall bear the signature of identified Officers or Board Members as authorised by the Board. Details of authorised persons and the Partnership's cheque mandate can be found in the Partnership's detailed financial procedures.

Income

- 6.8.1 The Board is responsible for approving the level of rents, lettings and other charges, as determined by procedures approved by the Finance Working Group.
- 6.8.2 The collection of money due shall be under the supervision of the appropriate Director within procedures defined by the Director of Finance & Corporate Services. The relevant Director will ensure that the procedures are followed and that adequate arrangements are in place to ensure safe custody of monies to our premises or bankers.
- 6.8.3 All Officers shall furnish the Finance Manager with such particulars in connection with work done, goods supplied or services rendered and of all other amounts due as may be required by them to record correctly all sums due and to ensure that accounts are rendered within seven days for the recovery of income due.
- 6.8.4 Safeguards against loss of income are in place as follows:
- a) prompt claiming of all Local Authority, Scottish Government or other public body grants, subsidies and allowances;

- b) prompt reviews of rent. Increases must be implemented at the appropriate time, as agreed by the Board;
 - c) prompt action against all debtors and the institution of recovery proceedings, except where the contrary is approved by the Board, or in case of rent and tenants charges, by the Director of Operations;
 - d) comprehensive accounting procedure and internal controls for all income sources.
- 6.8.5 All receipt forms, books, tickets and other such items shall be ordered and supplied by the Finance Manager, who shall approve the arrangements for their control.
- 6.8.6 All money received by an employee on behalf of HHP shall, without delay, be paid to the Director of Finance & Corporate Services or, as he may direct, to the appropriate bank account or transmitted directly to any other body or person entitled thereto. No deduction may be made from such money except to the extent that the Director of Finance & Corporate Services may specifically authorise. Each employee who so banks money shall enter on the paying-in slip a reference to the related debt. The detailed financial procedures set out the exact procedures to be followed with regard to the receipt of cash, cheques and postal orders.
- 6.8.7 Every transfer of money from one employee to another will be evidenced in the records by the signature of the receiving employee.
- 6.8.8 Any income due shall only be written off as a bad debt under procedures authorised by the Board.
- 6.8.9 Donations of cash or other items must be recorded and a written acknowledgement sent to the donor by the Chief Executive.
- 6.8.10 All incoming post shall be opened in the presence of two members of staff and any remittances shall be recorded in a register. This register shall be done monthly and independently checked to bankings. All income shall be banked weekly unless the cash held in the safe will exceed £4,000 and receipts given for all payments by cash or postal order.
- 6.8.11 Personal cheques must not be cashed nor must IOU's be accepted out of monies held on behalf of the Partnership.
- 6.8.12 The Finance Manager shall ensure that:
- a) debtors' invoices are raised promptly in respect of income due to us;
 - b) debtors' accounts are raised on official invoices;
 - c) swift and effective action is taken to collect overdue debts in accordance with formal procedures (detailed in the financial procedures);
 - d) outstanding debts are monitored and reports are prepared for managers.
- 6.8.13 A limit is imposed on the cash amount received in settlement for the payment for goods and services of £5,000 in any one transaction. This limit is required to ensure that the Partnership complies with the Money Laundering Regulations.
- 6.8.14 The Director of Finance & Corporate Services is responsible for implementing credit arrangements and indicating a period in which different types of invoice

must be paid, and for implementing procedures and instructions for the allocation of sums received to individual constituent elements of tenants' rent accounts.

Control of Cash, Stock, etc

- 6.9.1 Cash floats and balances kept by us are specified in the detailed financial procedures. All such floats must be maintained on the imprest system and reimbursement will be authorised by the Financial Manager.
- 6.9.2 We will maintain inventories of various items as defined in the detailed financial procedures.
- 6.9.3 A register of documents of title (deeds, share certificates, building society books, etc.) must be kept and the documents stored in a secure place such as a locked safe. Access to the documents will be restricted to the Chief Executive, Director of Finance & Corporate Services, Director of Operations, Auditors and the Partnership's solicitors.
- 6.9.4 Computer records shall be maintained in line with the Partnership's Information and Communication Technology policy [ICT] to ensure information held on personal computers and servers is secure. Backups must be stored securely off site.

Writing off Irrecoverable Items of Income

- 6.9.5 HHP will write off all established bad debts as soon as possible in order not to distort the rent arrears and other bad debts position. Consideration must be given as to whether or not the present abode of former tenants in arrears is known to establish whether the doubtful debts are collectable or not.
- 6.9.6 Before any income is written off in the financial records, the approval of the Director of Finance & Corporate Services must be obtained for write-offs up to an agreed amount as specified in the detailed financial procedures and the approval of the Board for all write-offs above the agreed amount. Any write-offs must be made in accordance with the authorisation levels specified in the detailed financial procedures.
- 6.9.7 Records of debts written off in the financial records will be retained by the Director of Finance & Corporate Services for a period of not less than ten years, for use in the event of a debt becoming recoverable again in the future.

SALARIES AND WAGES

Salaries, Wages and Pensions

- 6.10.1 Salaries paid to permanent staff must be on the basis of the appointment as agreed by the Board.
- 6.10.2 All staff are paid on a set day each month as specified in the Partnership's Terms and Conditions of Employment.
- 6.10.3 All payments shall be made by the Director of Finance & Corporate Services.
- 6.10.4 Appointment of all employees must be made in accordance with the regulations of the Partnership and the approved establishments, grades and rates of pay.
- 6.10.5 All partnership staff will be appointed to the salary scales approved by the Board and in accordance with appropriate conditions of service.

- 6.10.6 All time records and other pay documents must be in a form prescribed or approved by the Director of Finance & Corporate Services.
- 6.10.7 Each Head of Service is responsible for ensuring that the Director of Finance & Corporate Services and the Chief Executive's Personal Assistant are notified as soon as possible and in the form prescribed by them, of all matters affecting the payment of such benefits, and in particular:
- a) appointments, resignations, dismissals, suspensions, secondments and transfers;
 - b) absences from duty for sickness or other reason, apart from approved leave;
 - c) changes in remuneration, other than normal increments, and pay awards and arrangements of general application;
 - d) information necessary to maintain records of service for superannuation, income tax, national insurance, etc.
- 6.10.8 All casual and part-time employees must be included on the payroll.
- 6.10.9 Overtime and temporary recruitment of staff must be approved as prescribed in the expenditure authorisations schedule.
- 6.10.10 The Director of Finance & Corporate Services is responsible for keeping all records relating to payroll including those of a statutory nature.

Travel and Subsistence

- 6.11.1 All claims for payment of mileage allowances, subsistence allowances, travelling and incidental expenses must be submitted, duly certified by a Head of Service in a form approved by the Director of Finance & Corporate Services, to him.
- 6.11.2 The certification by the Head of Service shall be taken to mean that the certifying Officer is satisfied that the journeys were authorised, the expenses properly and necessarily incurred and that the allowances are properly payable by the Partnership.

TAXATION

- 6.12.1 Compliance with taxation rules is important for the Partnership to meet its legal requirements and avoid unnecessary costs. Failure to comply with tax legislation can result in penalties and interest payments or may lead to the overpayment or under-recovery of taxes.
- 6.12.2 Heads of Service must ensure all staff are aware of the various tax regimes that impact on their areas of operational activity and ensure they are compliant with legislation governing tax and the detailed standards below.
- VAT standards
- 6.12.3 Officers should be aware of the Partnership's VAT guidance, available from the Finance Manager and where to access primary reference documents for VAT related matters.
- 6.12.4 VAT must be paid and recovered within the time constraints laid down by H.M. Revenue and Customs.

- 6.12.5 Officers are responsible for obtaining and issuing proper tax documents (e.g. invoices, receipts) to ensure compliance with VAT law and to facilitate full recovery on expenditure.

Other Tax Standards

- 6.12.6 Guidance on taxation matters, other than VAT will be issued from time to time by the Director of Finance & Corporate Services.
- 6.12.7 Officers responsible for issuing or payment of invoices must give consideration to the impact of various taxes. Particular attention should be paid to the correct treatment of employment taxes and VAT
- 6.12.8 In instances of doubt over the correct treatment of taxation officers should consult the appropriate staff of the Resources Department
- a) PAYE and National Insurance - Director of Finance & Corporate Services
 - b) VAT and other taxation - Financial Manager or Director of Finance & Corporate Services

FIXED ASSETS

Fixed Asset Register

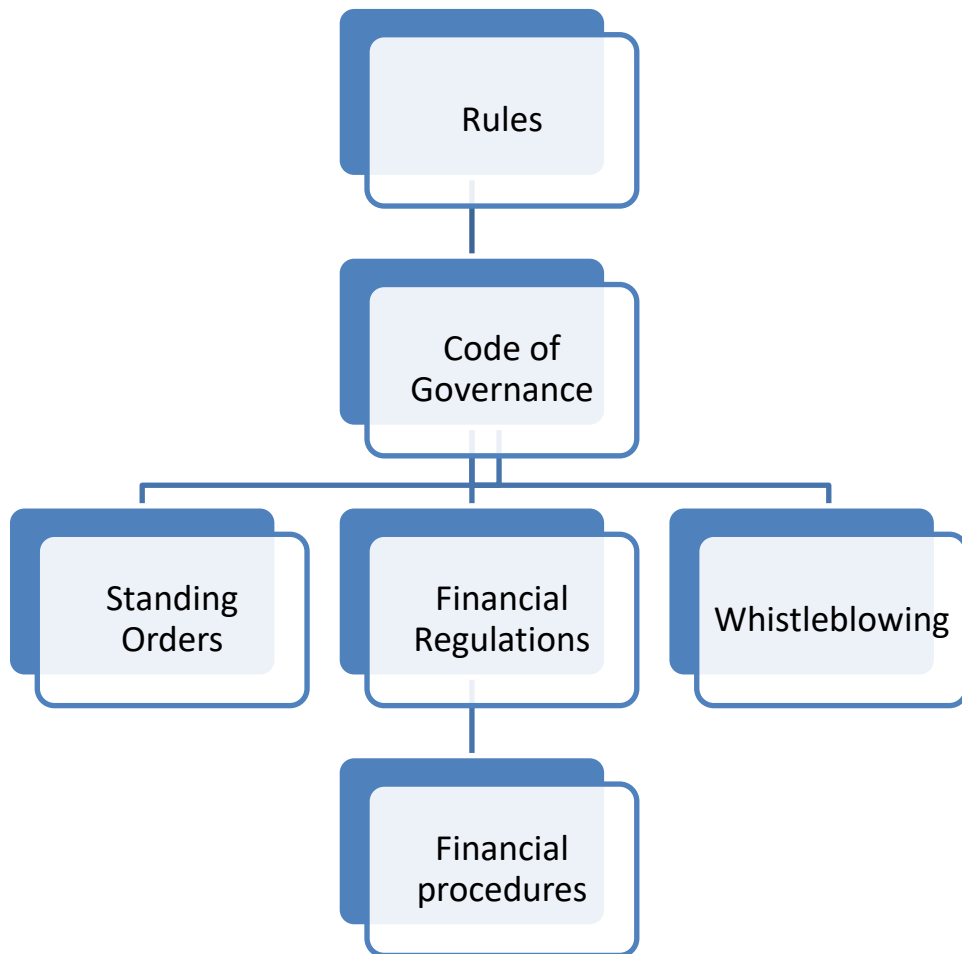
- 6.13.1 A fixed asset register shall be maintained, recording an adequate description of furniture, fittings and equipment, plant and machinery and other capital equipment owned by the Partnership, and the form in which the fixed asset register shall be kept shall be determined by the Director of Finance & Corporate Services. The Chief Executive and each Director will be responsible for items within their areas, with an updated copy being provided annually to the Director of Finance & Corporate Services in line with the closing of accounts timetable.
- 6.13.2 Each Head of Service shall be responsible to the Director of Finance & Corporate Services for maintaining an annual check of all items on the fixed asset register for taking action in relation to surpluses and deficiencies and noting in the fixed asset register accordingly. The Director of Finance & Corporate Services must be notified of these changes.
- 6.13.3 The Partnership's property must not be removed other than in the ordinary course of the Partnership's business, or used other than for the Partnership's purposes except in accordance with specific directions issued by the Director concerned.
- 6.13.4 Equipment in housing schemes must be separately identified and recorded in the Asset Register.

Inventories

- 6.14.1 Inventories shall be maintained by the appropriate Director and Chief Executive, recording an adequate description of furniture, fittings and equipment, plant and machinery and other small items of equipment used up during developments. The form in which the inventories shall be kept shall be determined by the Director of Finance & Corporate Services.
- 6.14.2 Each Head of Service shall be responsible to the Director of Finance & Corporate Services for maintaining an annual check of all items on the inventory in line with the closing of accounts timetable, for taking action in relation to surplus or deficiencies and noting on the inventory accordingly.

- 6.14.3 The Partnership's property must not be removed from its normal location other than in accordance with the ordinary course of the Partnership's business or used other than for the Partnership's purposes except in accordance with specific directions issued by the Director concerned.
- 6.14.4 Each Head of Service must be responsible for the care and custody of the stocks and stores under his/her control, and for the maintenance of the relevant inventories.
- 6.14.5 Significant stock losses must be reported to the Board.
- 6.14.6 Scheme inventories must be separately identified and recorded.

APPENDIX 1 – RELATIONSHIP WITH CONSTITUTION



APPENDIX 2 – PROCUREMENT ARRANGEMENTS

The following table sets a framework for the procurement of goods and services. Any alternative from the recommended routes will require to be approved by the Board.

EU PROCUREMENT THRESHOLDS (FROM 1 FEBRUARY 2019)

Value of Purchase (excluding VAT)	Minimum Requirement
Up to £99.99	No minimum requirement
£100.00 - £499.99	1 oral quotation
£500.00 – £1999.99	1 written quotation
£2000 - £9999.99	Either 2 independent written quotations or quotation(s) obtained through using the Public Contracts Scotland (PCS) Quick Quote facility
£10,000 – Scottish Procurement Threshold	Formal Tender process or quotation(s) obtained through using the PCS Quick Quote facility
EU Supplies threshold and above	Full OJEU tendering procedures

POLICY CHANGE HISTORY

Version	Change Applied	Date	By
1.0	Initial Draft	12 July 2002	Dena Macleod
2.0	Amended to take account of Rules and Draft Standing Orders v 5.2	1 Aug 2005	Catriona Macleod
2.1	Amended to take account of amendments from Governance Workgroup meeting of 16 th and 23 Aug 2005	25 Aug 2005	Catriona Macleod
2.2	Amended for Governance Group meeting 20 Sept 2005	30 Sept 2005	Dena Macleod
2.3	Further comments received from Governance Group members following meeting of 20 Sept 2005	12 Oct 2005	Catriona Macleod
2.4	Amended to take account of Governance Workgroup meeting of 2 Nov 2005	5 Dec 2005	Catriona Macleod
2.5	Amended to take account of changes to Building Works Procurement Policy as approved by the Board on 27 April 2006	2 May 2006	Dena Macleod
3.0	Amended to take account of matters raised by Internal Audit during the payroll audit	25 Oct 2007	Dena Macleod
4.0	Full review and update following revision to Rules, Standing Orders and the Housing (Scotland) Act 2010	18 Oct 2012	Dena Macleod
4.1	Para 6.3.10 amended to 30 days to reflect current practice	27 Nov 2013	Dena Macleod
4.2	Para 3.2.1 include Housing Management Working Group Update the whole document to reflect change in job designations -Director of Resources to Director of Finance & Corporate Services -Finance Manager to Financial Controller -Finance Officer to Business Support Officer	6 Sept 2016	Stephen Nicol

	Appendix 2 -EU Procurement thresholds limits have been updated to reflect 2016 levels		
4.3	Updates to corporate standard. Updating reference from Financial Accountant to Finance Manager. Appendix 2 updated to reflect approved procurement thresholds under the procurement policy.	13 Jun 2019	Donald Macleod

INTERPRETATIONS & ABBREVIATIONS

The following interpretation and abbreviations are used in this policy:

Word	Interpretation
<i>Board</i>	The Board of Management of the Partnership
<i>Board Member</i>	A Member of the Board and shall include any person co-opted onto the Board.
<i>Chairman</i>	Chairperson of the Board of Management of the Partnership
<i>Chief Executive</i>	The Chief Executive of Partnership or anyone who is deputising for the Chief Executive.
<i>Committee</i>	A committee of the Partnership appointed by the Board shall have the same meaning as the term sub-committee used in the Rules. In the Standing Orders, the term committee shall include sub-committees unless the sense of the context indicates otherwise.
<i>Scottish Housing Regulator</i>	An independent regulator of RSLs and local authority housing services in Scotland established on 1 April 2011 under the Housing (Scotland) Act 2010.
<i>Local Connection</i>	Means having a main or principal residence or principal place of business or operation in the Western Isles and having lived or operated in the Western Isles for a period of three years.
<i>Rules</i>	The Rules of the Partnership incorporated under the Industrial and Provident Societies Acts and registered with the Financial Services Authority.
<i>The Partnership</i>	Hebridean Housing Partnership
<i>Head of Service</i>	A Director, Head of Executive Office or the Chief Executive
<i>Delegated Budget Manager</i>	Member of staff with responsibility for managing specific budgets
<i>Standing Orders</i>	Standing Orders of the Partnership which detail how the business of the Partnership will be conducted in practice.
All references to the masculine gender in this policy shall read as equally applicable to the feminine gender	



Financial Authorities				
		Approval of Expenditure Commitment (within budget)	Approval for payment	Maximum Value
Staff Appointments, Salaries, Staff & Board Costs				
A. New appointment of staff	(Within terms of recruitment policy)	Chief Executive, Head of Executive Office	(Salary Payments) Chief Executive, Directors, Head of Executive Office	No more than 3 month equivalent value for the role
Replacement of staff	(Within terms of recruitment policy)	Chief Executive, Directors, Head of Executive Office	(Salary Payments) Chief Executive, Directors, Head of Executive Office	As per existing Budgets
B. Temporary Staff	Temporary Staff	Chief Executive, Directors, Head of Executive Office	(Salary Payments) Chief Executive, Directors, Head of Executive Office	No more than 3 month equivalent value for the role
C. Overtime	(Within Identified Budget)	Chief Executive, Directors, Head of Executive Office	Chief Executive, Directors, Head of Executive Office	£ 5,000.00
D. Salary Reviews		Board	Chief Executive or Director of Finance and Corporate Services	As approved by Board
E. Travelling, entertainment and other expenses, Expense Form	Within Policy and PAID TO:			
	Chief Executive, Directors & Head of Executive Office	Chief Executive	Director of Finance & Corporate Services, Finance Manager	£ 5,000.00
	Managers	Chief Executive, Directors, Head of Executive Office	Director of Finance & Corporate Services, Chief Executive	£ 5,000.00
	Other Staff	Managers	Managers	£ 1,000.00
F. Board Members Expenses	See Separate Policy	Board	Chief Executive, Head of Executive Office, Director of Finance & Corporate Services	£ 5,000.00
G. Board Members Training	Training & Development Officer		Head of Executive Office	£ 2,000.00

Financial Authorities		
Bank Authorisations		
Type	Item	Authorised Signatories
1	Individual cheques or BACS/CHAPS payments up to £5,000 to be signed by one of the following	Chief Executive
		Director of Finance & Corporate Services
		Director of Operations
		Finance Manager
		Head of Executive Office
2	Individual cheques or BACS/CHAPS payments up to £50,000 to be signed by one of the following	Chief Executive
		Director of Finance & Corporate Services
		Director of Operations
		Head of Executive Office
3	Individual cheques or BACS/CHAPS payments over £50,000 to be signed by two of the following	Chief Executive
		Director of Finance & Corporate Services
		Director of Operations
		Head of Executive Office

Financial Approval Matrix					
Name	Role	Requisition Item	Requisition Approval	Invoice Item	Invoice Approval
Requisitioners					
Aaron Gullick		£ 1,000,000.00	£ -	£ -	£ -
Kenneth MacKay		£ 1,000,000.00	£ -	£ -	£ -
Kirstin Danks		£ 1,000,000.00	£ -	£ -	£ -
Phillip Boyd		£ 1,000,000.00	£ -	£ -	£ -
Invoice Inputers					
Garry Campbell	Debt Management Officer	£ -	£ -	£ 1,000,000.00	£ -
Isabel Macmillan	Debt Management Officer	£ -	£ -	£ 1,000,000.00	£ -
James Morrison	Financial Accountant	£ -	£ -	£ 1,000,000.00	£ -
Kevin Poke	Finance Assistant	£ -	£ -	£ 1,000,000.00	£ -
Sawan Morrison	Fixed Asset Accountant	£ -	£ -	£ 1,000,000.00	£ -
Authorisers					
Jackie Macleod	Personal Assistant	£ -	£ 1,000.00	£ -	£ 1,000.00
Donalda Mackinnon	Area Manager	£ -	£ 1,000.00	£ -	£ 1,000.00
Gary Macleod	Service Development Manager	£ -	£ 1,000.00	£ -	£ 1,000.00
Iona France	Governance Officer	£ -	£ 1,000.00	£ -	£ 1,000.00
Katie Walker	Area Manager	£ -	£ 1,000.00	£ -	£ 1,000.00
Angus MacNeil	Assets & Contracts Manager	£ -	£ 50,000.00	£ -	£ 50,000.00
Angus Smith	Corporate Resources Manager	£ -	£ 50,000.00	£ -	£ 50,000.00
Katia Petteloot	Finance Manager	£ -	£ 50,000.00	£ -	£ 50,000.00
Katrina Rowlands	Development Manager	£ -	£ 50,000.00	£ -	£ 50,000.00
Peter O'Donnell	Investment Manager	£ -	£ 50,000.00	£ -	£ 50,000.00
Anna Coyle	Head of Executive Team	£ -	£ 50,000.00	£ -	£ 50,000.00
Donald Macleod*	Director of Finance & Corporate Serv	£ -	£ 100,000.00	£ -	£ 100,000.00
John Maciver	Director of Operations	£ -	£ 100,000.00	£ -	£ 100,000.00
Dena Macleod	Chief Executive	£ -	£ 1,000,000.00	£ -	£ 1,000,000.00

Notes:-

* Denotes mandatory "Over-budget" approver

1. Delegations can be transferred to deputes as specified for the role. The Finance Manager will ensure limits are amended during the period of delegation only.

REVIEW OF STANDING ORDERS

Board 19 JUNE 2019

Report by Chief Executive

Purpose of Report

- 1.1 The purpose of this report is to present a set of revised draft of the Standing Orders to the Board for approval following the consultation period.

Summary

- 2.1 Revised Standing Orders had been presented to the May 2019 Board meeting for consultation with staff and Board Members.
- 2.2 Following the consultation period, a Working Group, comprising staff and Board Members, was convened to review the Standing Orders on 7 June 2019.
- 2.3 The recommendations from the Working Group are detailed in full in the body of the report, and the revised Standing Orders are Appendix 1 for approval.

Competence

- 3.1 Financial and legal constraints arising from the recommendation to this report being implemented are detailed at 5.1 – 8.2.

Recommendations

- 4.1 It is recommended that the Board approve:
- a) the Standing Orders at Appendix 1: and
 - b) approve the Chief Executive will continue to perform the role of Company Secretary until the Head of Executive office commences employment on 19 August 2019..

APPENDIX 1: Standing Orders v 10.0

Background Papers: HHP Rules

Writer of Report: Iona France

0300 123 0773

Competence

Financial

- 5.1 There is no financial constraint arising from the recommendation to this report being implemented.

Legal

- 6.1 There is a legal requirement to have a Governance framework in place which outlines how the Board will discharge its responsibilities, and how the Partnership will function. The Standing Orders form part of this framework and detail how the powers and authorities outlined in the Partnership's Rules are to be exercised.

Regulatory Guidance

- 7.1 The Regulatory Standards checklist has been completed and there is nothing in the report which would result in a breach of the standards.

Risk

- 8.1 Governance of the Partnership is critical to its long-term viability. Reviewing and updating the Standing Orders as outlined in this report will ensure the Partnership has a robust Governance framework in place and the Standing Orders are compliant with the Rules.
- 8.2 Legislation and Regulatory Changes are itemised at number 8 on the Risk Register, and failure to recruit Governing Body Members is itemised at number 5.

Report Details

- 9.1 The working group met on 7 June 2019, to review the proposed amendments to the Standing Orders in light of the recent Pay & Grading review and business requirements, and are detailed in the table below:

Number	Detail	Recommendation by Working Group
3.1	Date of commencement updated.	Approval
4	Process for applications for membership updated to reflect delegation to Company Secretary.	Approval
11.1	Reference to Sub-Committee removed (and throughout).	Approval
14.2	Updated to reflect that the Head of Executive Office will undertake the duties of Company Secretary.	Approval
17.1	Board Papers to be made available 8 days prior to meeting and Board Notice will be posted on social media platforms.	Approval
19.1	Addition of Joint Consultative Committee.	Approval
19.5	Removal of Gaidhlig Spokesperson.	Item 19.6 to clarify that the Board will also appoint a Gaidhlig spokesperson to assist the Chief Executive respond to media enquiries.
24.1	Process for approving Minute if no Members available outlined.	Clarification added.
37.5	Updated to reflect that the Chief Executive will deputise for the Company Secretary in the use of the common seal, in exceptional circumstances.	Approval
Part 2 (a, d & f)	Amounts updated to £100,000, £50,000 and £100,000 respectively	Approval
Part 2 (f)	New posts and changes to the approved staffing establishment removed	Approval
Part 3	Terms of Reference for Joint Consultative Committee added	Approval
	Development Working Group and Investment Working Group remits combined to form Asset Management Working Group.	Asset Management Chair to be Director of Operations and the Chief Executive in their absence. Officer attendance clarified.
Part 4	Delegation at 4.1 updated to reflect amendments at Part 2	Approval
	Duties of Chief Executive and Directors reviewed and amended and Head of Executive duties added.	Approval
	Additional section added to give delegation to Area Managers.	Approval
	Formatting updated throughout to reflect corporate standard.	Approval
	Numbering and Rule referencing has been revised as appropriate throughout.	Approval



hebridean housing
partnership



► Composite Standing Orders

Effective Date: ► 19 June 2019

Review Date: ► June 2020

Approved by HHP Board: 19 June 2019

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COMPOSITE STANDING ORDERS

PART 1 – REGULATION OF BUSINESS AND PROCEEDINGS

AIMS AND OBJECTIVES

- 1.1 The Rules of the Partnership define the aims of and set out the powers and authority of the Partnership as vested in the Board.
- 1.2 The Standing Orders provide the detail of how these powers and authorities are to be exercised.
- 1.3 The aim of the Standing Orders is to define in detail how the business of the Partnership will be conducted in practice.

INTRODUCTION

- 2.1 There are three parts to the Partnership's Constitutional documents setting out the mechanism for management and control:
 - a) The Rules;
 - b) The Standing Orders; and
 - c) The Financial Regulations.
- 2.2 If there is a conflict between these Standing Orders and any statutory provision, regulation or The Scottish Housing Regulator's Guidance having the force of statute, the latter shall prevail.
- 2.3 Except in circumstances where the wording of a Standing Order is clearly wrong, due to a typographical error or otherwise, the ruling of the Chair of the Board as to the meaning of these Standing Orders shall be final.

COMMENCEMENT

- 3.1 These Standing Orders shall apply and have effect from 19 June 2019.

MEMBERSHIP

MEMBERSHIP OF THE PARTNERSHIP

- 4.1 The Board has delegated responsibility for assessing and approving applications from Community or Tenants members, to the Company Secretary.
- 4.2 Before an application for either Community or Tenant Membership is approved, the Company Secretary will ensure by appropriate checks that the applicant fulfills the respective membership criteria.
- 4.3 In the case of an application by a Tenant, this will include checking that the applicant does reside within the geographic catchment areas by checks of the Partnership's tenancy records or the electoral register. If the applicant's address cannot be verified by means of these standard checks, the applicant

will be required to show by clear evidence that the membership criteria detailed in the Membership Policy are satisfied.

- 4.4 Each application for Community or Tenant Membership shall be considered by the Company Secretary as soon as reasonably practicable after receipt of the written application and any additional information required.
- 4.5 If the Company Secretary resolves to admit or refuse admission of an applicant to membership, they shall notify the applicant in writing within a period of seven days of the decision being taken and give reasons in the case of a refusal.
- 4.6 The Board shall have the final say in admitting any person as a Community or Tenant Member. However, there will be a presumption that most applications will be approved. A refusal decision is only likely where:
 - a) An applicant does not satisfy the "local connection" criteria of having a main or principal residence or principal place of business or operation in the Outer Hebrides and having lived or operated in the Outer Hebrides for period of three consecutive years. A re-application within five years after an expulsion may also face a refusal decision depending on the circumstances at the time of the application; or
 - b) The Board agrees that the granting of membership would be likely to compromise the interests or independence of the Partnership.
- 4.7 If a Community Member ceases to maintain a local connection with the Outer Hebrides, the Board will end that person's membership and cancel their share.
- 4.8 Community Members who become tenants shall have the option of maintaining their membership as a Community Member or ending their membership in that category and applying to become a Tenant Member.
- 4.9 If a Tenant Member ceases to be a tenant of the Partnership but meets the qualifying criteria to become a Community Member, the Member will automatically become a Community Member from the date on which the tenancy ended. The Register of Members will be changed to reflect the change in category.

MEMBERSHIP OF THE BOARD

- 5.1 Members of the Board are elected to serve in accordance with the Partnership's Rules and the Code of Governance.
- 5.2 Membership of the Board is not transferable and shall cease on resignation, retirement or on death for Tenant Board Members and Community Board Members and as otherwise set down in the Rules. The Council's representative on the Board, called the Council Appointed Board Members, will be chosen by the Council and are subject to change at any time.
- 5.3 In accordance with Rule 43.1.11 the Board must determine whether to let Board Members serving for a continuous period of nine years or more continue in service. Any Board Member fulfilling this criteria and who wishes to remain on the Board will be asked to complete a self-evaluation questionnaire to demonstrate their continued effectiveness, and a report will be prepared which the Board will then assess.

- 5.4 If the Board is not satisfied of the Board Member's continued effectiveness in terms of Rule 37.9, the Board must not allow the Board Member to stand for re-election or re-appointment.
- 5.5 The Board shall have up to twelve Board Members and up to three co-opted Members.
- 5.6 Other than co-opted Members, Board membership at all times shall be divided into four categories: the three main Board Member Categories are the Council Category comprising of up to three members, the Tenants Category comprising of up to four members, and the Community Category comprising of up to five members. The fourth category is that of Appointed Board Members in which one member may be appointed should there be a need or requirement to appoint a Board member with a particular skill or experience to the Board. Board Membership of the Partnership is governed by Rules 37 to 44 of the Partnership's Rules and the Partnership's Membership Policy.
- 5.7 The Tenant and Community Board Members are subject to change on a regular basis and are elected in conformity with Rule 40.1 – 40.7. Any vacancies that occur through resignation will be filled by nominations and ballot in the case of Tenant Board Members and Community Board Members at the next Annual General Meeting following such resignation. Nominations shall be in writing and submitted on an approved form to the registered office of the Partnership not later than thirty-five days prior to the Annual General Meeting. A retiring member may stand for re-election without nomination. Where the number of retiring Board Members and nominations exceeds the numbers available, a ballot of the membership will be taken at the Annual General Meeting.
- 5.8 In accordance with Rule 37.2.4 the Board may use one of the three co-opted Board Member places to appoint an Appointed Board Member whom the Board considers will enhance the skills, knowledge, diversity and/or objectivity of the Board and its decision-making. The appointee must be a Member of the Partnership. The manner of identifying, selecting and appointing an Appointed Board Member shall be determined by the Board from time to time. When appointing an Appointed Board Member the Board must determine the proposed duration of the appointment, which must be no longer than three years. A retiring Appointed Board Member may be re-appointed accordingly.
- 5.9 In the interim between the date of a Member's resignation and the next following Annual General Meeting, the Board can appoint a casual vacancy to take the place of the Member who has resigned or who otherwise becomes non-eligible in terms of the Rules to continue to be a Board Member but the casual vacancy must stand down at the next Annual General Meeting. Any member who replaces a Board Member in this way must come from the same

category of membership and where the Board Member is a Tenant, from the same Tenant Membership Category.

- 5.10 Board Members shall confirm in writing that they agree with the terms of the Partnership's Code of Governance for Board Members before they can discharge any aspect of their role as a Board Member. If such an agreement in writing is not received within 14 days of the person's election to the position of Board Member and no good reason is given for the delay, the Board shall convene a special meeting under Rule 44.6 to have the Member removed from the Board.

Community Board Membership

- 6.1 Any person or organisation (other than the Council who are not an organisation for the purposes of the Rules) that is eligible by having sufficient "local connection" with the Outer Hebrides, shall lodge with the Partnership:
- a) A written and duly signed prescribed application form for Membership as a Community Board Member;
 - b) Any supporting information required; and
 - c) A fee of £1.00.

Tenant Board Membership

- 7.1 Any person who has entered into a lease with the Partnership in respect of an individual house whether jointly or alone, shall be entitled to apply for membership as a tenant member of the Tenant Membership Group corresponding to one of the geographical areas of Lewis, Harris, the Uists and Barra in which they reside. As a member of a particular Tenant Membership Group, they will then be entitled to nominate one Tenant Member from the same Tenant Membership Group each except Lewis who will be entitled to nominate two Tenant Members to the Board of the Partnership as Tenant Board Members.
- 7.2 In respect of any Tenant Board Membership vacancy, should there be no nominations received in respect of any Tenant Membership Group, a nomination may be received and accepted from a tenant of another Tenant Membership Group in accordance with Rule 37.3.

Council Board Membership

- 8.1 The Council category is represented by up to three council representatives and shall be nominated by the Council in terms of Rule 40.8 of the Rules.

TERMINATION OF MEMBERSHIP

- 9.1 The Partnership's Rules describe the circumstances under which:
- a) A Board Member shall be removed from office; (Rule 43)
 - b) A Board Member shall not be eligible for election or re-election (Rule 43)
 - c) A Board Member shall no longer be a Board Member; (Rule 44) and

- d) Board Membership shall cease, including retirement by rotation. (Rules 39.1 to 39.4 and 43.1.11)

- 9.2 Any person wishing to withdraw from holding office of Board Member shall give one month's written notice to the Partnership. The Notice should be addressed to the Chair with a copy to the Secretary. On expiry of the Notice the person shall cease to be a Board Member.

REGISTER OF MEMBERS

- 10.1 The second copy of the Register of Members referred to in Rules 64 and 65 showing the names, addresses and membership category of each Member shall be available to the public during office hours at the Partnership's registered office in Stornoway and online at other Partnership offices.
- 10.2 At any time, the Board may require Members to provide evidence that they meet the criteria of their relevant Member Category. If the evidence is not provided within 21 days, the Member may be removed from the register and notified accordingly.
- 10.3 It shall be the responsibility of Members to tell the Secretary when they no longer meet the membership criteria and will thus no longer be Members of the Partnership.

CO-OPTED MEMBERS

- 11.1 Where there is a shortage of particular skills, expertise or experience, the Board may co-opt to bring such skills to the Board, Committee or Working Group in respect of particular or general aspects of the Board's work.
- 11.2 To meet such a need, up to three persons may be co-opted in the following type of circumstances:
 - a) As a substitute for a Member who may be absent for a prolonged period on special leave;
 - b) To assist with a substantial, complex undertaking, for which the Board's skill base is deficient;
 - c) To assist with a major overhaul of an aspect of Board activities that is in crisis; or
 - d) As an Appointed Board Member in accordance with Rule 37.2.4.
- 11.3 Such persons shall be appointed in accordance with Rule 42 and the Code of Governance for Board Members, following a recruitment process.

RECRUITMENT OF BOARD MEMBERS

- 12.1 If a skills gap becomes apparent on the Board, an exercise will be carried out by the Company Secretary and Executive Office to identify potential candidates and make recommendations for approval in line with the procedure.

THE ROLE AND REMIT OF THE BOARD

- 13.1 To ensure there is clarity regarding decisions that may be taken only by the Board and those that may be delegated, the Board has drawn up a Schedule of Decision Reserved to the Board, which is an integral part of these Standing Orders.
- 13.2 The Schedule of Decisions Reserved to the Board shall be subject to an annual review to be completed before the Annual General Meeting.
- 13.3 Board Members shall confirm in writing that they agree with the terms of the Partnership's Code of Governance for Board Members before they can discharge any aspect of their role as a Board Member.
- 13.4 The Partnership recognises that the Board of Management, referred to as the Board is responsible for a range of functions listed below. These functions are consistent with and complementary to Rule 47 and the Code of Governance for Board Members.
 - a) The direction and control of the organisation;
 - b) Ensuring that it receives appropriate information and advice to carry out its duties;
 - c) The risks and legal responsibilities arising from its control;
 - d) Ensuring that the objectives of the organisation are in line with the Rules;
 - e) Regularly reviewing the objectives;
 - f) Ensuring there is a mechanism for regular performance reviews;
 - g) Ensuring there is a balance of skills, experience and diversity of equality on the Board, if necessary by making use of co-options and casual vacancies; and
 - h) Decision making related to the range of subjects listed in the "Schedule of Decisions Reserved to the Board".
- 13.5 The core responsibilities of the Board include ensuring that the organisation:
 - a) Operates within the law;
 - b) Operates according to its rules and procedures;
 - c) Meets the standard laid down by the Scottish Federation of Housing Associations, The Scottish Housing Regulator and other regulatory bodies.
 - d) Establishes business and financial objectives;
 - e) Protects the assets of the organisation;
 - f) Recognises its duty to tenants, applicants and other service users;
 - g) Develops, operates and regularly reviews policies designed to achieve these objectives;
 - h) Approves each year's budget, exercising financial management and managing responsibly both financial and non-financial risks;
 - i) Oversees and exercises control over the organisation's work and services;
 - j) Delegates authority to and monitors the work of committees, working groups and staff;
 - k) Is responsible for employing staff to carry out the work of the organisation and setting their terms and conditions;
 - l) Monitors performance against objectives and performance standards;
 - m) Ensure standards of performance are set by the organisation;
 - n) Monitors the achievements of performance targets; and

- o) Is assured that the information collected is used to amend targets, policies and/or procedures as necessary.
- 13.6 Board Members have a high level of responsibility and every support will be given to them to enable them to meet the expectations placed upon them. This will include clear information, comprehensive reports with legal and financial implications where appropriate, policies and procedures and training and support as required.
- 13.7 The Secretary will assist the Board in discharging its specific responsibilities and shall ensure that adequate information is provided at the appropriate time to the Board to enable necessary decisions to be made and approvals given.

OFFICE BEARERS

- 14.1 In accordance with Rule 59.1 the Partnership shall have three officer bearers: the Chair, the Vice-Chair and the Secretary. The role of the Chair is outlined in Rules 59.5 to 59.10 and the duties relating to this post are shown at paragraph 23.1 to 23.6 of the Standing Orders. In the Chair's absence the Vice-Chair will perform the same role and duties as the Chair.
- 14.2 The Head of Executive Office, in accord with the job description of that post, shall undertake the duties of Company Secretary listed in Rule 59.
- 14.3 The Board shall elect the Chair and Vice-Chair at a meeting held immediately after the Annual General Meeting, and they will serve until the end of the next Annual General Meeting.
- 14.4 Should the post of Chair or Vice-Chair become vacant during the year, the Board will elect a replacement office bearer who will serve for the remainder of that year until the next AGM.
- 14.5 A person may serve in the post of Chair for a maximum of five consecutive terms, and then will not be eligible for election to that post for a period of one year.
- 14.6 A person may serve in the post of Vice-Chair for a maximum of five consecutive terms, and will then not be eligible for election to that post for a period of one year.

CONDUCT OF BOARD MEETING

FREQUENCY

- 15.1 The Board will normally convene no less than six meetings of the Board in any one calendar year. Dates of meetings will be agreed at the first Board Meeting following the AGM.
- 15.2 Dates of meetings may be altered, by arrangement between the Chair and Secretary in accordance with a published timetable circulated at the beginning of the financial year ahead.

LENGTH OF MEETINGS

- 16.1 A meeting will continue for no more than two hours beyond the stated starting time, unless at least two-thirds of the Members present and entitled to vote, agree, on the expiry of that time, to continue the meeting.

NOTICE OF MEETINGS AND AGENDAS

- 17.1 The Secretary shall ensure that each meeting of the Board and its committees shall be called by written notice posted, or sent by email, and that the agenda, minutes and reports relating to each meeting shall be made available to Board Members for downloading to their Tablet device at least eight days before the date of the meeting.
- 17.2 Public notice of the time and place of meetings of the Board shall be given at least seven clear days before the meeting or, if the meeting is convened at shorter notice, as soon as possible after it has been convened. Notices will be posted at all offices from which the Partnership operates, on the Partnership's website and social media platforms.
- 17.3 The proceedings at any meetings of the Board shall not be invalidated by reason of any failure of delivery of any notice, any vacancy in its membership, any defect in the appointment of any Member, or any informality or defect in the calling of the meeting.
- 17.4 Prior to the agenda of a meeting being finalised, the Secretary shall contact the appropriate Chair to discuss the matters that will appear on the agenda and to confirm the order of business.

ATTENDANCE AT BOARD MEETINGS

- 18.1 Board Members are expected to attend Board meetings. Where four meetings in a row are missed, the Board Member will automatically cease to be a Board Member unless before the start of the fourth meeting in a row:
- a) Special leave of absence has been requested, and granted in writing by the authority of the Chair; and
 - b) A copy of the written authorisation of special leave has been tabled at the Board meeting by the Secretary to enable the matter to be approved.
- 18.2 Special leave shall be granted only in very exceptional circumstances for reasons such as:
- a) Family illness or bereavement of a close relative or a funeral;
 - b) Serious illness;
 - c) Absence on Board business;

- d) Working/Career development training; or
 - e) Public transport being unavailable as a result of bad weather or technical failure.
- 18.3 Special leave will only be granted in very exceptional circumstances and will not be granted where:
- a) The Chair has reasonable doubt regarding the reasons given or the extent of those circumstances; and
 - b) The Member has attended fewer than half of the Board meetings in the previous two years.
- 18.4 If any Board Member is subject to court proceedings by the Partnership they will automatically cease to be a Member of the Board.

COMMITTEES, WORKING GROUPS AND SPOKESPERSONS

- 19.1 The Board will have two standing Committees, the Audit and Risk Committee and the Joint Consultative Committee. The detail regarding the Audit & Risk Committee and the Joint Consultative Committee is in Part 3 of the Standing Orders: the Scheme of Administration for Committees.
- 19.2 The Audit and Risk Committee may appoint a working group as they deem necessary, subject to the prior approval by the Board of their terms of reference in the standard committee template.
- 19.3 The Audit and Risk Committee must meet at least quarterly.
- 19.4 The Board may set up short life working groups and the terms of references for the operation of the workgroups are contained in Part 3 of the Standing Orders.
- 19.5 The Board will appoint a Spokesperson who will take the lead for the following service areas

a)	Developments
b)	Tenant Liaison & Housing Management
c)	Repairs and Investment
d)	Finance

- 19.6 The Board will also appoint a Gaidhlig spokesperson to assist the Chief Executive respond to media enquires.
- 19.7 The remit of the Spokesperson is in Part 3 of the Standing Orders.

QUORUM FOR BOARD, COMMITTEES AND WORKING GROUPS

- 20.1 For any meeting or any item of business, any Member who is able to participate by telephone or videoconference or web link will be regarded as being present, and will count towards the quorum.
- 20.2 Co-opted Members will not count for the purpose of determining a quorum.

- 20.3 Consistent with the terms of Rule 48, no item of business shall be transacted at a meeting of the Board unless at least four Board Members, who must represent at least two of the three different Board Member Categories, are present and entitled to vote on that item.
- 20.4 No item of business shall be transacted at a meeting of a committee unless at least three Board Members, who must represent at least two different main Board Member Categories, are present and entitled to vote on that item.
- 20.5 If there are insufficient Members present to form a quorum within half an hour after the time appointed for the meeting to commence, no business will be transacted and the meeting will be adjourned to a time and place agreed by the Secretary and the Members who turned up for the meeting.

QUORUM FOR GENERAL MEETINGS

- 21.1 All General Meetings other than the Annual General Meeting shall be called Special General Meetings. A Special General Meeting shall be convened in conformity with the Rules.
- 21.2 No item of business shall be transacted at an Annual General Meeting or a Special General Meeting unless:
- a) At least seven Members, including at least one Member from each of the three main Board Member Categories, are present and entitled to vote on that item; or
 - b) Where the membership exceeds 140 persons, at least one twentieth of the membership, including at least one Member from each of the three main Board Member Categories, are present or represented by proxies, but with at least half of the quorum being present and entitled to vote on that item.
- 21.3 If there are insufficient Members present to form a quorum within half an hour after the time appointed for a General Meeting to commence, no business will be transacted and the meeting will be re-scheduled for the same day the following week at the same time and place, unless such date is clearly unsuitable, in which case the meeting will be re-scheduled to a time and place agreed by the Secretary. Where a meeting is adjourned, at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting and indicating the general nature of business to be transacted.
- 21.4 A resolution put to a vote at the meeting shall be decided on a show of hands unless before, or on, the declaration of the result of the show of hands, a poll is demanded by a tenth of those entitled to vote. However, in accord with Rule 29.1, where appointed proxies are present, they shall advise the Chair and the Chair shall direct that the vote is by poll. The poll shall be carried out by the Secretary. In the event of a tied vote, the Chairperson has a second and deciding vote.
- 21.5 Where a meeting is adjourned then no further business shall be transacted. Where a meeting is adjourned for 30 days or more, at least seven clear days'

notice shall be given specifying the time and place of the adjourned meeting and indicating the general nature of business to be transacted.

MATTERS OF URGENCY OUTWITH MEETINGS

- 22.1 When, in the opinion of the Board Chair, a decision is urgently required which is reserved to the Board or a Committee, the Board Chair may make such decision on behalf of the Board as the Chair considers to be in the interest of the Board. When the decision relates to a matter delegated to a Committee, the Chair of that Committee shall be consulted before the decision is made. Any such decision and the reason why it was dealt with under this Standing Order shall be reported to the next meeting of the Board, homologated and minuted.

DUTIES OF THE CHAIR

- 23.1 The appointment of the Chair and the procedure for chairing Board meetings will be in accordance with Rule 59.5.1 to 59.5.12.
- 23.2 At every meeting of the Board, including General Meetings, the Chair, if present, shall preside. If the Chair is absent from any meeting the Vice-Chair, if present, shall preside. If the Chair and Vice-Chair are both absent, the Members present at the meeting shall elect from among the non-co-opted Members, a person to act as Chair for that meeting.
- 23.3 The responsibilities of the Chair will be to ensure the smooth running of meeting by:
- a) Preserving order;
 - b) Making sure those who wish to, are allowed to contribute;
 - c) Ensuring that sufficient opportunity and time is given to Members who wish to speak or express their views on the subject under discussion;
 - d) Ensuring voting procedures are in place and that these are followed;
 - e) Announcing votes at meetings;
 - f) Deciding on all matters of order, competency, relevancy and procedure except as provided in the Standing Orders;
 - g) Deciding between two or more Members wishing to speak;
 - h) Ensuring that the sense of the meeting is properly ascertained with regard to any matter which is properly before the meeting;
 - i) At the Chair's discretion, determining all questions for which no express provisions are made under these Standing Orders or otherwise under the Constitutional Documents;
 - j) Providing support for and establishing a constructive working relationship with the Chief Executive;
 - k) Representing the Partnership where authorised;
 - l) Taking all other decisions that are the responsibility of the Chair as laid down in the Rules and Code of Governance for Board Members; and

- m) Participating in training, where necessary, to enable the above responsibilities to be undertaken.
- 23.4 At all times, deference shall be paid to the authority of the Chair and on all points of order, the ruling of the Chair shall be final and not open to discussion.
- 23.5 If any Member disregards the authority of a Chair or is guilty of obstructive or offensive conduct, the Board may move to exclude the Member for the remainder of the meeting. The motion shall be put without discussion and, if it is carried, the Member shall be asked by the Chair to leave the meeting.
- 23.6 The same principles shall apply to the chairing of committees, and in the absence of the Chair, the remaining Board Members shall appoint one of their number to chair that meeting.

MINUTES OF MEETINGS

- 24.1 The Secretary shall ensure that a competent Minute of the proceedings of any meeting of the Board or its committees is drawn up as soon as possible after the end of the meeting, sent to the appropriate Chair for information and comment and thereafter submitted to the next meeting of the Board or committee, for approval. Only Members who were present at a meeting may move or second a motion for the approval of the Minutes as an accurate record of the meeting's proceedings. After a Minute is approved, and any agreed amendments are made to it, the Chair of that meeting shall sign it. If no Members who were present at a meeting are available to approve the minute, e.g., following resignations or retirements, officers who were present at the meeting can confirm the Minute is an accurate record of the meeting's proceedings which will enable the Board to approve the minute.
- 24.2 To expedite business, the Chair of a Committee may present a report of recommendations from the Committee to the next meeting of the Board for approval, before the Committee has approved the Minute of the Committee. The Board on the motion by the Chair of the appropriate Committee, or in his absence, by any other Member of the committee, may approve recommendations presented in a report from a committee. If any matter in the report is challenged, the Board may resolve to withdraw the item so that it will be considered with the approved Minute at the next meeting, or if it is a matter of some urgency, proceed to determine the matter.
- 24.3 For consistency, and so that the reader can follow the Minutes, each set of Minutes of a meeting shall be drafted in conformity with a Corporate Standard for Minutes approved by the Board, and which is likely to be in the following order:
 - a) Minute Header and meeting details;
 - b) The Members of the Board or committee present at the meeting;

- c) The Members who submitted an apology for their non-attendance at the meeting before the start of the meeting;
 - d) Officers or other non-Members attending the meeting;
 - e) Any declaration of interest by a Board Member; and
 - f) Number, narrative and decision relating to each agenda item including the approval of the minutes of the previous meeting.
- 24.4 Minutes may be adopted "*subject to*" the inclusion of an amendment to correct or clarify a point. Any amendment(s) required must be formally proposed, seconded and approved by a majority of Board Members present, prior to the formal adoption of the minutes.
- 24.5 The approved and signed Minutes of the committees shall be submitted to the next meeting of the Board to note the activities of the committee and to approve any recommendations submitted to the Board for decision.
- 24.6 The Secretary shall keep a register of the approved and signed Minutes of the Board and its Standing Committees as the definitive record of the Board's proceedings.
- 24.7 A Board Member who was not present at a particular meeting of that Board, may request clarification of a point in the minutes at the following meeting, but may not re-open the discussion on any item where a decision was made at the previous meeting.
- 24.8 A Board Member who is not a member of a particular committee may request clarification of a point in the respective minutes but may not re-open the discussion on any item, except where the committee has referred an item to the Board for consideration.

OPENNESS AND TRANSPARENCY

- 25.1 There will be a presumption that all proceedings, including agendas, reports, minutes and other documents for Board and committee meetings are non-confidential unless otherwise agreed.
- 25.2 Minutes, with any confidential items omitted, may be viewed on the Partnership's Website or by the general public.
- 25.3 Before the Board or a committee agrees to take an agenda item in private, the Board or a committee shall consider whether to approve a motion to exclude the public and press during consideration of the item in view of the confidential nature of the business to be transacted. The motion shall specify in general terms why the item is considered to be of a confidential nature, e.g. because it relates to a disciplinary matter, a person's personal circumstances, etc. The Board, committee, etc. shall decide by majority when an item should be confidential. Further detail relating to this subject can be found in the Openness and Confidentiality Policy.
- 25.4 The Board and its committees may similarly decide to exclude some or all staff from a meeting where personal or sensitive matters are to be discussed.

PROCEDURE OF MEETINGS

ANNUAL GENERAL MEETING

- 26.1 The AGM of the Members of the Partnership will be held at a date and time fixed by the Board. The Annual General Meeting will be advertised in the local press and it will be open for the general public to attend though only Members shall be entitled to participate in the discussions and to vote.
- 26.2 The order of business will be:
- a) to elect a Chair of the meeting if the Chair or Vice-Chair is not present;
 - b) to approve as a correct record and sign the minutes of the last AGM and any extra-ordinary general meeting where the minutes have not been approved;
 - c) the passing of a special resolution or resolution requiring special Notice;
 - d) to receive the accounts and balance sheet;
 - e) to appoint the external auditor;
 - f) to transact any other general business of the Board which has been included in the Notice calling the meeting or is otherwise competent.

BOARD MEETINGS

- 27.1 Except where the majority of Board Members present and voting on such matters decide otherwise at the start of the meeting:
- a) the business of the meeting shall proceed in the order it appears on the Agenda;
 - b) no business other than that contained in the Agenda shall be discussed; and
 - c) no item shall be withdrawn from the Agenda.
- 27.2 Since the main responsibilities of the Board relate to strategic and policy matters and performance monitoring, the order of business at Board meetings shall reflect this. A Corporate Standard for Board Agendas shall be approved by the Board with detailed specifications relating to agenda matters.
- 27.3 Members and employees will be given the opportunity to declare an interest in any item on the agenda at the beginning of the meeting. Declarations of interest shall be repeated at the time the item is discussed. If there is a clear and substantial conflict of interest, a Member or employee shall withdraw from the meeting.

MOTIONS AND AMENDMENTS

- 28.1 Subject to the provisions of the following paragraph, any Member of the Board who wishes to have a particular matter discussed, may submit for consideration by the Board at any ordinary meeting a motion or resolution, by giving notice thereof in writing to the Secretary at least fourteen days prior to the date of the meeting at which it is intended to be submitted. The Secretary shall incorporate such notice in the agenda issued with the notification of the meeting and the Member will be entitled to speak to the motion and seek a seconder. The matter may be determined at the Board meeting or referred on to another meeting for further discussion.
- 28.2 A motion or resolution relating to any matter directly arising from Minutes or an Agenda may be moved without prior notice having been given. If, in the opinion of the Chair of the meeting, any motion or resolution so submitted does not arise directly from the Minutes or Agenda, the Chair may require the mover to give notice thereof.
- 28.3 If a motion, intimation of which is specified in the notice calling the meeting, is not moved by the Member, or by some other Member on his behalf, it shall, unless postponed by leave of the Board, be considered as withdrawn and shall not be moved without further notice.
- 28.4 The following shall apply to motions and amendments:
- a) Every amendment shall be relevant to the motion and may include a proposition that is the direct negative of the motion;
 - b) A motion or amendment moved but not seconded shall not be put to the meeting, but dissent may be recorded in terms of Standing Order 29.1;
 - c) No Member shall move or second:
 - i) An amendment if that Member has moved or seconded the motion;
 - ii) More than one amendment to a motion.
 - d) If a motion or amendment is withdrawn, the mover and the seconder shall, prior to formal debate commencing, be able to move or second another motion or amendment;
 - e) There shall be no discussion on any motion or amendment except by the mover until such motion or amendment is seconded;
 - f) When a motion and two or more amendments have been proposed, the Chair of the meeting shall determine in what order the motion and amendments shall be put to the meeting; and
 - g) Any motion or amendment proposing either expenditure or a reduction in income shall identify the source of funding to meet the additional expenditure or income foregone, and an amendment failing to identify such source shall be incompetent.

- 28.5 Subject to the right of reply of the mover of a motion or amendment, no Member shall speak more than once or for longer than five minutes, provided always that a Member may speak to a point of order or in explanation with the consent of the Chair of the meeting.
- 28.6 The movers of a motion and amendments in their right of reply in terms of Standing Order 28.2 (f) and (g), shall speak for no longer than five minutes and shall confine themselves strictly to summing up, answering points made by previous speakers but shall not introduce new material.
- 28.7 When a motion has been made and is under debate, no other motion shall be moved except a motion:
- a) To adjourn the meeting;
 - b) To suspend Standing Orders;
 - c) To exclude a Member or Officer from the meeting;
 - d) To exclude the press and public from the meeting;
 - e) To take the vote by ballot or roll call; or
 - f) That "the question be now put".
- 28.8 At the close of any speech, any Member who is not the mover or seconder of the motion or of any amendment to that motion that is before the meeting and who has not spoken on the question before the meeting, may move that the "*question be now put*". If this is seconded, the Chair of the meeting, if of the opinion that the matter has been fully discussed, shall without further debate and without speeches on the motion that the question be put, have a vote taken on that motion. If the motion is carried, the movers of the original motion and any amendments thereto shall have the right to reply in terms of Standing Order 28.4 (f) and (g) and the question shall be put to the meeting.

ORDER OF DEBATE

- 29.1 Every motion or amendment shall be moved and seconded, and shall, if required by the Chair of a meeting, be reduced to writing and read before being put to the meeting for approval or formal debate. No motion, to which an amendment has been moved, or amendment shall be altered or withdrawn without the consent of the mover and the seconder.
- 29.2 The order of debate shall be as follows:
- a) The mover of the motion;
 - b) The movers of amendments in the order moved;
 - c) The seconders of the motion';
 - d) The seconders of the amendments in the order moved;
 - e) Any other Member of the Board who has not spoken in the debate;

- f) The movers of the amendments, in reply to points and to sum up, in the reverse of the order in which the amendments were moved; and
 - g) The mover of the motion in reply to points and to sum up.
- 29.3 The mover of a motion and any mover of an amendment have the right of reply before a vote is taken but may not introduce any new matter after this stage. After the mover of the motion has exercised his right of reply, no other Member may speak on the question unless:
 - a) To raise a point of order;
 - b) To adjourn the meeting;
 - c) To suspend the Standing Orders; or
 - d) To exclude a Member or Officer from the meeting.
- 29.4 Subject to the right of reply of the mover of a motion or amendment, no Member shall speak more than once or for longer than five minutes, provided always that a Member may speak to a point of order or in explanation with the consent of the Chair of the meeting.
- 29.5 The movers of a motion and amendments in their right of reply in terms of Standing Order 28.4 (f) shall speak for no longer than five minutes and shall confine themselves strictly to summing up, answering points made by previous speakers but shall not introduce new material.
- 29.6 The Chair shall decide when the resolution or motion is to be put to the vote after debate has concluded.

ENTERING OF DISSENT

- 30.1 No reservation or qualification by any Member with respect to a particular resolution shall be recorded in the Minutes of meetings of the Board, except where a Member has proposed a motion or amendment which has not been seconded, and who has requested that his dissent be recorded from the resolution adopted, prior to the meeting commencing consideration of the next item on the agenda.

VOTING/DECISION

- 31.1 All acts of, and all questions coming and arising before the Board, shall be done and decided by a majority of the Members present and voting at that meeting of the Board. Majority agreement may be reached by a consensus without a formal vote. Where there is doubt, a formal vote shall be taken.
- 31.2 In the case of an equality of votes, the person presiding at the meeting, in addition to a deliberative vote, shall have a second or casting vote. Where the Chair chooses not to use his second or casting vote the matter shall be determined by lot.

- 31.3 Voting shall be taken by Members by a show of hands; or when the majority of Members present and entitled to vote so determines, by ballot.
- 31.4 Co-opted Members shall not be entitled to vote on matters affecting membership of the Partnership or on the election of Partnership office bearers.

POINTS OF ORDER

- 32.1 Any Member may raise a point of order in the course of a meeting; all questions of order are decided by the Chair of the meeting. No other Board Member is permitted to speak to the point of order except with the Chair's permission.

LENGTH OF MEETINGS AND ADJOURNMENTS

- 33.1 Meetings will continue for no more than two hours beyond the stated starting time, unless at least two-thirds of the Members present and entitled to vote agree, on the expiry of that time, to continue the meeting.
- 33.2 If there is insufficient support to continue, the meeting will either:
- a) be closed formally, with the remaining business being added to the agenda for the next scheduled meeting (this option will be followed if there are no matters requiring a decision before the next scheduled meeting); **OR**
 - b) be adjourned to a time and place agreed at the meeting to complete the business, if there are matters requiring a decision before the next scheduled meeting.
- 33.3 An adjourned meeting will be regarded as a continuation of the original meeting. All decisions etc. will be recorded as having been made on the date of the additional meeting. No business will be dealt with at the additional meeting other than the matters not reached or left unfinished at the original meeting.
- 33.4 A motion for the adjournment of a meeting may be made at any time, shall have precedence over all other motions and shall be put to the meeting without amendment or discussion. Unless the time and place are specified in the motion for adjournment, the adjournment shall be until the day of and before the next ordinary meeting.

OFFICER ADVISORS AT BOARD MEETINGS

- 34.1 The Chief Executive shall establish arrangements to ensure that the appropriate level of professional advice is available at all meetings of the Board, its committee and working groups, having regard to the agenda of the particular meeting.
- 34.2 The Chair of a meeting may invite officers of the Board or external advisors to speak to an item of business.
- 34.3 The Chief Executive and Secretary shall attend all meetings of the Board and Standing Committees unless statute or the constitutional documents indicate otherwise.

POLICY SAFEGUARDS

- 35.1 A policy approved by the Board shall be binding for at least twelve months. This means that it will not be competent to move to change or modify an approved policy within that timescale, except where the Chair of the meeting rules that a “*material change of circumstances*” has occurred: which circumstances shall be specified in the Minutes.
- 35.2 Where a policy is changed or modified, it shall not affect or prejudice any action, proceedings or liability which may have been done or undertaken competently before the policy was amended.

APPLICATION, VARIATION AND SUSPENSION OF STANDING ORDERS

- 36.1 It shall be the duty of any person who chairs meetings of the Board, committees or working groups and the Secretary or a person nominated by the Secretary, to ensure that the Standing Orders are observed.
- 36.2 The Partnership acknowledges that there may be occasions where it is in the best interests of the Partnership to act in a way either not governed by these Standing Orders or to act in a way not in adherence to these Standing Orders. Generally these circumstances will be exceptional and will involve a particular issue usually arising from an emergency or some other unexpected circumstance not in keeping with the normal course of the Partnership's business. Therefore, in order to permit an item of business to be considered at a meeting, the Board or committee may, at the meeting, on a motion duly moved and seconded, suspend or dispense with any Standing Order to be specified in the motion if supported by a majority of the Members of the Board or committee present and voting.
- 36.3 The motion to suspend must be clearly minuted and the minute must contain details of the special circumstances giving rise to the Suspension, any conditions attaching and any time scales applying.
- 36.4 The Secretary may submit a written report to a meeting of the Board recommending a new Standing Order or an alteration of an existing Standing Order, which the Secretary considers to be required for the better conduct of the business of the Board.
- 36.5 The Standing Orders may be varied, revoked or added to at a meeting of the Board by a majority of Members present and voting provided that the agenda, for the meeting at which the proposal is to be considered, clearly states the extent of the proposed repeal, addition or amendment.
- 36.6 The Standing Orders shall be subject to an annual review to be completed before the Annual General Meeting.

USE OF THE COMMON SEAL

- 37.1 The Secretary shall keep the Common Seal of the Partnership in a secure place, be responsible for its safe custody and ensure that it is only used when the Board so decides.
- 37.2 The Board authorises the use of the seal on the following documents:
- a) The Partnership's Share Certificates;
 - b) Documents relating to the sale of property to tenants provided that the sale and the sale price have been calculated in accordance with the Partnership's relevant policies and procedures and the details have been approved by the Secretary;
 - c) Any document for the disposal of any land or property falling within the definition given in the Housing Associations Act 1985, section 9, or any statutory modification or re-enactment of that legislation;
 - d) Any contract, except a contract of employment, with a value greater than £500,000; and
 - e) Any other class or type of deed, or individual deed specifically authorised by the Board.
- 37.3 When the seal is used, the deed or document shall be signed by the Secretary and one Member of the Board duly authorised to subscribe the deed or document on the Partnership's behalf and recorded in the register as required by Rule 63.
- 37.4 Each use of the seal must be recorded in the relevant register.
- 37.5 In cases where it is necessary that a document is sealed, the Seal shall be affixed in the presence of the Secretary and one Board Member duly authorised in accordance with Rule 63. In exceptional circumstances the Chief Executive may deputise for the Secretary.

PART 2 – SCHEDULE OF DECISIONS RESERVED TO THE BOARD

This "Schedule of Decisions Reserved to the Board" forms an integral part of the Standing Orders of the Hebridean Housing Partnership.

Decisions relating to the following items of business shall be reserved for approval by the Board. Their inclusion on this list does not preclude any item of such business being referred to a Standing or other committee of the Board for detailed consideration and recommendation before being presented to the Board for its formal decision:

- a) Approval and Amendment of Strategy, Business Plans and Budgets, including variations to or from a budget head in excess of £100,000;
- b) Approval and amendment of policies;
- b) Annual Rent Setting;
- c) Corporate Governance or Constitutional documents including:
 - i) The Rules;
 - ii) The Standing Orders;
 - iii) The Schedule of Matters Reserved to the Board;
 - iv) The Scheme of Administration for Committees;
 - v) The Scheme of Delegation of Administrative Matters to Officers;
 - vi) The Financial Regulations; and
 - vii) The Scheme of Delegation of Financial Matters to Officers.
- d) All items of capital expenditure and disposal of assets with a value in excess of £50,000, except urgent items of capital expenditure where the time scale for a decision does not allow the matter to be considered by the Board. (Such exceptions shall be dealt with under delegated powers by the Chief Executive, but only with the prior agreement of the Chair of the Board);
- e) Personnel policies for all staff, including arrangements for the appointment, remuneration, appraisal, disciplining and dismissal of staff;
- f) Appointment of Chief Executive and Directors;
- g) Financial and performance reporting arrangements, with compliance with published standards and other key performance indicators being reported to the Board;
- h) Internal Audit appointments;
- i) Treasury Management Policy;
- j) Service Agreements and contracts with a value greater than £100,000;
- k) review of complaints and any reports from the Ombudsman in line with Ombudsman's requirements;
- l) Approval of the annual report and accounts;
- m) The creation and dissolving of Committees and the referral and delegation of business to them;
- n) The annual review of the "Schedule of Decisions Reserved to the Board"; and
- o) Review of Board's performance and skills and individual experience of Board Members.

PART 3 – SCHEME OF ADMINISTRATION FOR COMMITTEES

PURPOSE OF SCHEME

- 1.1 The Scheme of Administration shall regulate:
- a) The terms of reference, constitution and membership of the committees, community liaison groups, working groups and spokespersons etc. of the Partnership;
 - b) The reference of the functions of the Board to Committees Community Liaison Groups and Working Groups, etc. for consideration, report and recommendation as appropriate;
 - c) The delegation to Committees to exercise functions of the Board; and
 - d) Such other administrative matters relating to Committees, Community Liaison Groups, Working Groups and Spokespersons, etc. as the Board may determine.

IMPLEMENTATION

- 2.1 This scheme shall come into effect on 19 June 2019, following consideration of a report by the Secretary and subject to the prescribed procedural requirements, be amended or suspended at any time by a decision of the Board.
- 2.2 Members shall be appointed to the Standing Committees at the first Board meeting after the AGM each year.

INTERPRETATION

- 3.1 This "Scheme of Administration" forms an integral part of the Board's Standing Orders.

COMMITTEES, COMMUNITY LIASON GROUPS & WORKING GROUPS

COMMITTEES

- 4.1 The Board shall have two standing Committees: Audit & Risk Committee and Joint Consultative Committee.
- 4.2 The Board shall determine the terms of reference, objectives, constitution, quorum and what matters shall be referred and delegated to the Standing or other committees. No committee or working group shall be established until their Terms of Reference are approved by the Board.
- 4.3 Notwithstanding that a matter has been delegated to it, a Committee may direct that, before action is taken; its recommendation shall be submitted to the Board for approval.
- 4.4 Where Board Members (including the Chair) are not Members of a committee, subject to the terms of the Constitutional Documents, they shall have the right to attend and speak but not to be involved in motions, amendments or voting at such committees.
- 4.5 Any committee may, with the prior approval of the Board, appoint such work group with such terms of reference, constitution, quorum and what matters shall be referred and delegated to the work group, as it deems necessary.

- 4.6 Committees may comprise Members of the Board and any other person who may be co-opted to serve on a Committee within the terms of their remit. Where functions are being carried out by a Committee, their Members including those who are co-opted, are acting on behalf of the Board.
- 4.7 Subject to any statutory provision, regulation or Direction by a Scottish Minister:
- a) Each Committee shall give effect to any instructions of the Board, and for these purposes, an instruction shall be taken to include a decision taken by the Board against the instructions of the Committee;
 - b) The Board may deal with any matter included in the reference or delegation to a Committee although no report from such a Committee is before it; and
 - c) The Board may vary, add or restrict any reference or delegation to any Committee.
- 4.8 The Terms of Reference approved by the Board for committees and shall be subject to an annual review to be completed before the Annual General Meeting.
- 4.9 At their last meeting before the Annual General Meeting, the standing committees shall consider how they have discharged their obligations having regard to their approved Terms of Reference and recommend to the Board:
- a) How such discharge of obligations can be improved; and
 - b) How the Terms of Reference can be amended.

COMMUNITY LIAISON GROUPS

- 5.1 Community Liaison Groups will be set up in Stornoway, Rural Lewis, Harris, The Uists and Barra.
- 5.2 Community Liaison Groups will be informal meetings open to all tenants and members of the public. The Community Liaison Groups will operate within terms of their remit.
- 5.3 Notes of meetings will be taken and after approval by the Community Liaison Group will be made available on the Partnership's website. Any personally sensitive information will be excluded from the public note of the meeting.

WORKING GROUPS

- 6.1 Working Groups will be set up by the Board as required for specific tasks. The Board will approve the remit and the membership of the working group.
- 6.2 Minutes of meetings of the working groups will be made available to the Board through the Board Information Bulletin. Minutes of working groups will not be published on the website.
- 6.3 The quorum for working groups will be three board members

APPOINTMENT OF MEMBERS

- 7.1 On the first meeting after the AGM, the Board shall make appointments to the Standing committees, taking into account as far as possible Members' wishes, ascertained by the Secretary at least seven days before the meeting. Appointees shall hold office until the Annual General Meeting following their appointment, providing they remain Members of the Board. Co-opted

Members shall also hold office until the Annual General Meeting following their appointment.

- 7.2 Casual vacancies in the committees shall be filled by the Board as soon as practicable following the occurrence of the vacancy. However, for good reasons, the Board may decide that a vacancy shall remain unfilled.

APPOINTMENT OF CHAIR

- 8.1 Except as provided in Statute or in the Constitutional Documents:
- a) The Chair of a Standing or other committee shall be appointed by the relevant Committee; and
 - b) The Chair of a working group should be the Chief Executive or other Head of Service.
- 8.2 The term of office of the Chair of any committee shall be until the Annual General Meeting following their appointment, providing they remain Members of the Board.

QUORUM

- 9.1 Unless otherwise determined by the Board, no item of business shall be transacted at a meeting of the Standing Committee unless at least three Board Members, who must represent at least two of the three different Committee Member Categories, are present and entitled to vote on that item. Co-opted Members shall not count towards a quorum.

DELEGATION TO WORKING GROUPS AND HEADS OF SERVICE

- 10.1 Subject to statute and to the "Schedule of Decisions Reserved to the Board", a Committee may delegate authority to a working group or to a Head of Service to discharge any function which is delegated to that Committee. The Secretary in consultation with the Chair of the Standing Committee is authorised, where the Secretary deems it to be appropriate for the effective administration of the Board's business to refer a matter otherwise delegated or referred to a working group directly to the relevant parent committee.

REFERRED FUNCTION

- 11.1 Subject to any statutory provision, regulation or Direction by a Scottish Minister, and subject also to the provision of the Board's Constitutional Documents, the Board may refer a matter to the standing committees for consideration but not delegate powers to that committee to enable it to reach a decision. In such cases, the committee shall make a recommendation to the Board which shall require to be approved by the Board.

DELEGATED FUNCTIONS

- 12.1 Subject to any statutory provision, regulation or Direction by a Scottish Minister, and subject also to the provisions of the Board's Constitutional Documents, where any function of the Board is delegated to a committee or officer, the committee or officer shall have the power to exercise the function in like manner in all respects as the Board could have exercised it had there been no delegation. However, it shall be competent for such committee or officer, in relation to any matter, instead of making a decision thereon, to make a

recommendation thereon to the Board or committee. In which event, the matter shall be decided by the Board or committee after consideration of the officer's, or committee's recommendation.

- 12.2 Where a Head of Service is unable to make a decision under delegated powers due to the terms of a safeguard listed in paragraph 2.1 of the Scheme of Delegation, the matter shall be determined instead by the appropriate committee.

CONDITIONAL DELEGATION

- 13.1 With the exception of those functions listed in the "Scheme of Decisions Reserved to the Board", a Standing Committee may determine matters on behalf of the Board under delegated powers where:
- a) By reason of urgency there is insufficient time for the matter to be referred in accordance with the Scheme of Administration to the Board, which reasons shall be specified in the Minute of the Meeting concerned; and
 - b) Where a motion to approve a recommendation to bind the Board to a particular course of action is approved unanimously by the Committee; and
provided always that:
 - i) The matter is not contentious; and
 - ii) No breach of a major policy position of the Board would result from the decision.
- 13.2 This may apply to any referred function of the Standing Committee which is not specifically reserved to the Board for example:
- a) Implementing urgent Health and Safety action; or
 - b) Implementing urgent action recommended by an auditor.

VARIATION OF SCHEME OF ADMINISTRATION

- 14.1 Notwithstanding the above, the Scheme of Administration for Committees may be amended or added to at a meeting of the Board by a majority of Members present and voting provided that the agenda, for the meeting at which the proposal is to be considered, clearly states the extent of the proposed repeal, addition or amendment.

AUDIT & RISK COMMITTEE

TERMS OF REFERENCE

OBJECTIVES

The main objectives are to ensure that:

- Effective internal controls operate to ensure the Partnership complies with relevant laws, regulations and external reporting requirements
- The system of controls, financial and otherwise, promotes effective and efficient operations
- There is an independent review of internal and external audit activity.

CONSTITUTION

- 1.1 The Committee shall be appointed by the Board and shall comprise six Board Members, comprising at least two Members from each main Board Member Category. At least one member of the Committee must have relevant financial or audit experience.
- 1.2 If additional expertise or experience is required by the Committee at any time, one additional person may be co-opted to the Committee.
- 1.3 The Chair of the Board is excluded from membership of the Committee.

QUORUM

- 2.1 The quorum of the Committee shall be three Members, including at least one Member from each of two of the three main Board Member Categories. Co-opted Members will not count towards the quorum.

COMMITTEE CHAIR

- 3.1 The Chair of the Committee shall be appointed by the Committee and shall have a casting vote. In the absence of the Chair, or if the chair is vacated, the Committee shall elect from its Members, a replacement Chair for the whole or part of the meeting.

FREQUENCY

- 4.1 The Committee shall meet at least quarterly on such dates and times as the Committee determines, having regard to the annual time-table of meetings set by the Board. After the Board has appointed the membership of the Committee following the AGM, at the first meeting of the Committee, the Chair of the Committee shall be appointed.
- 4.2 The Secretary, in consultation with the Committee Chair, may convene an additional meeting at any time if the Secretary or the External or Internal Auditor considers that such a meeting is necessary.

OFFICER ATTENDANCE

- 5.1 Staff and external advisers shall attend Committee to present reports and otherwise advise and assist the Committee. Such persons shall leave the meeting if they have a conflict of interest or they are asked to do so by the Chair, whom failing the Vice-Chair or other person presiding at a meeting.

REPORTING TO THE BOARD

- 6.1 After a meeting of the Committee has approved the Minutes of the previous meeting as a correct record of proceedings, an approved copy of those Minutes shall be presented to the next ordinary meeting of the Board for approval.
- 6.2 If there is a need to expedite business arising from a recommendation of the Committee, the Chair, or in his absence, a Member of the Committee, may present a report of such recommendations from the Committee to the next meeting of the Board for approval, notwithstanding that the minute of the Committee relating to such recommendations has not been approved by the Committee.

REFERRED FUNCTIONS

- 7.1 The Committee shall consider the following functions on behalf of the Board and report thereon to the Board for its consideration or decision:

Internal Control and Corporate Governance

- a) Monitoring and reviewing policies and procedures relating to the Board's system of internal control, risk evaluation and corporate governance;
- b) Evaluating the control environment;
- c) Evaluating the decision making processes;
- d) Making arrangements to identify, review, evaluate and manage risks;
- e) Considering quarterly presentation on the evaluation of key business risks;
- f) Undertaking an annual review of control effectiveness;

Internal Audit

- g) To ensure that the Partnership has appropriate internal audit arrangements;
- h) Holding quarterly reviews of the operational effectiveness of the internal audit service by considering performance measures such as audit report completion times, signification recommendations implemented; customer satisfaction surveys, customer requests for assistance, staff turnover, cost of non-productive time, performance against strategic and annual plans, etc;
- i) Identifying and initiating Value for Money studies;
- j) Reviewing and monitoring the Internal Audit Strategy and Plan, particularly by considering quarterly progress reports and comparing activity against the audit plan;
- k) Considering briefings from internal audit on new legislation;
- l) Overseeing and reviewing action taken by the Chief Executive on Internal Audit recommendations and Value for Money reports;

External Audit

- m) Reviewing and monitoring the External Audit strategy and plan; particularly by considering quarterly progress reports and comparing activity against the audit plan;
- n) Overseeing and reviewing action taken by the Chief Executive on External Audit recommendations and Value for Money reports;
- o) Reviewing the External Audit management letters, in particular any relating to the certification of the Board's accounts;
- p) Advising regarding the appointment and terms of the External Auditor;

Constitutional Documents

- q) Monitoring and reviewing the Rules, Standing Orders and Financial Regulations;
- r) Monitoring and reviewing the Scheme of Delegation and the Scheme of Administration;
- s) Monitoring and reviewing the Schedule of Decisions reserved to the Board;
- t) Examining the circumstances on each occasion when the Standing Orders are waived;

Annual Accounts

- u) Reviewing schedules of losses and compensations;
- v) Approving changes in accounting policies;
- w) Considering annual accounts reports with a view to recommending the approval of the Annual Accounts to the Board;

General

- x) In the light of the annual report on the adequacy and effectiveness of internal controls obtained from Internal Audit, evaluating the whole internal control environment and providing the Board with an annual statement which addresses business, operational, financial and compliance risks;
- y) Review annually the level of suspected and detected fraud and corruption within the Partnership, and arrangements for prevention and detection; and
- z) Reviewing Accounts Commission and Audit Scotland reports and recommending any necessary action within the Board in response to such reports.

JOINT CONSULTATIVE COMMITTEE

TERMS OF REFERENCE

OBJECTIVES

To establish a workable and effective arrangement for good industrial relations, for the avoidance of any misunderstanding and for the promotion of joint participation in all matters of common interest and concern on a genuine consultative and negotiating basis at Organisation level, as outlined in Clauses 7.3 and 7.4 of the Recognition and Procedural Agreement.

CONSTITUTION

- 1.1 There shall be an employer's side and a Union side.
- 1.2 The employer's side shall consist of 3 persons nominated by the Board; at least 2 of whom shall be members of the Board.
- 1.3 The Union side shall consist of 3 representatives of the Union who shall be members of staff and elected by the UNISON membership within the Organisation.
- 1.4 Each side shall confirm the names of its representatives on an annual basis and inform the other immediately of any changes in the interim period.
- 1.5 Each side shall make every effort to send its confirmed representatives to each meeting but substitution will be permitted on both sides where it cannot be avoided.
- 1.6 Staff and management will be entitled to have advisors in attendance who will have speaking rights. Except in the case of special meetings each side shall give a minimum of seven days notice to the other side of its intention to invite such advisors to the meeting.

QUORUM

- 2.1 Meetings shall be judged to be quorate if 2 members of both sides are present.

COMMITTEE CHAIR

- 3.1 The Chairperson for each meeting of the JCC shall be nominated alternately by the Union side and the Management side.
- 3.2 The two sides shall jointly appoint a secretary who will be responsible for convening meetings, preparing agenda in consultation with both sides, and taking and circulating minutes. Minutes shall be subject to the agreement of the Committee and will be signed by the Chairperson of the meeting at which they are agreed.

FREQUENCY

- 4.1 Meetings of the JCC shall be every 6 months with a prepared agenda which shall be issued fourteen days before each meeting. The agenda shall provide for any other business of an urgent nature to be discussed.
- 4.2 Special meetings may be called by either the Union or the Board. Such meetings must be convened within fourteen days, unless the side requesting the meeting agrees otherwise, but always within twenty-eight days.

STATUS OF RESOLUTIONS

- 5.1 Resolutions of the JCC shall not be binding on either side but shall be recommendations only to the respective parties (the Board and the Union) whose ratification shall be required before an agreement is deemed to be reached.

COMMUNICATIONS

- 6.1 Members on both sides shall be afforded reasonable facilities to visit and communicate with all offices and staff of the Partnership.

COMMUNITY LIASON GROUPS

TERMS OF REFERENCE

OBJECTIVE

To ensure that suitable arrangements are in place in each defined area, so that there is satisfactory consultation and feedback taken from each area before important decisions are taken by the Board which affect the defined area.

CONSTITUTION

- 1.1 The Community Liaison Groups will be made up of tenants, members of the Partnership and residents who reside in the defined area. Board members and council representatives who reside in the area may also be part of the Group.
- 1.2 A quorum of 3 members is required for any business to be transacted at a meeting.
- 1.3 The most senior officer present from HHP will act as the Chairperson.
- 1.4 A note of the meeting will be taken which will record the key actions agreed at the meeting together with a note of all those present. A note of the meeting will be issued to Board Members following the meeting to enable any necessary action to be taken as soon as possible.
- 1.5 The Group will meet on a frequency determined by the group with a minimum of one and a maximum of four meetings a year.
- 1.6 Where an area would prefer to make use of a Community Council rather than set up another group, views from the Community Council on housing matters can be submitted and reviewed by the Board in the same way as Community Liaison Group minutes.

WORKING GROUP REMITS

ASSET MANAGEMENT WORKING GROUP REMIT & TERMS OF REFERENCE

- 1.1 The Asset Management Working Group's Remit is:
- To consider potential sites for acquisition;
 - To assess and review project and site plans;
 - To review HHP's 5 Year Development Plan;
 - To represent the Partnership at openings of developments;
 - To consider in depth any issues that might arise whilst developments are underway;
 - To liaise with partners re the Local Housing Strategy (LHS);
 - To prepare responses for consultations relating to local and national development issues;
 - To consider any additional matters requested by the Board in respect of the Partnership's development service;
 - To contribute to and review the Asset Management Strategy;
 - To contribute to and review the Affordable Warmth Strategy and matters pertaining to fuel poverty;
 - To review updates to the Investment Programme prior to Board approval being requested;
 - To consider the Procurement Framework & procurement matters pertaining to investment work prior to Board approval being requested;
 - To consider and review any major updates to the Repairs & Maintenance Policy, Asbestos Policy, Estate Management Policy and Gas Safety Management Policy;
 - To review the Grounds Maintenance & Garden Assistance Scheme prior to Board approval being requested;
 - To monitor progress against Scottish Housing Quality Standard (SHQS) and the Energy Efficiency Standard for Social Housing (EESH);
 - To consider any additional matters requested by the Board in respect of investment in the Partnership's housing stock; and
 - To feed back to the Board in respect of achieving the best asset management service for tenants and the Partnership alike.

MEMBERSHIP

- 2.1 The Asset Management Working Group is made up of five Board Members appointed by Board, the Chief Executive, and the Director of Operations. Other officers, including the Development Manager or the Fixed Asset Accountant, the Investment Manager or the Assets and Contracts Manager will attend where their skill and expertise is required. To provide continuity and build up skills the Board Members will serve for up to three years from appointment.

Where vacancies occur new members will be appointed at the next Board meeting.

- 2.2 The Director of Operations will chair the Working Group and in their absence the Chief Executive will act as Chair.
- 2.3 Action points will be agreed at the end of each meeting and a minute will be drawn up and held as a record of what was discussed and agreed at the meeting.
- 2.4 Working Group meetings cannot proceed unless three Board Members are present.

FREQUENCY OF MEETINGS

- 3.1 The Working Group will meet a minimum of twice a year or more frequently if there is a requirement.

FINANCE WORKING GROUP REMIT & TERMS OF REFERENCE

- 1.1 The Finance Working Group's Remit is:
- To review the Budget Strategy and rent setting process, including consultation with tenants;
 - To review Draft Financial Statements;
 - To stress test the long term and short term financial plans which support the Business Plan;
 - To contribute to and review the Value for Money Strategy (VFM);
 - To consider any additional matters requested by the Board in respect of finance; and
 - To give views based on achieving the best financial services for tenants in accordance with the requirements of the Partnership

MEMBERSHIP

- 2.1 The Finance Working Group is made up of five Board Members appointed by the Board, the Director of Finance & Corporate Services, Finance Manager and Chief Executive. Other officers will attend from time to time where their skill and expertise is required. To provide continuity and build up skills the Board Members will serve for up to three years from appointment. Where vacancies occur new members will be appointed at the next Board meeting.
- 2.2 The Director of Finance and Corporate Services will Chair the Working Group and in his absence the Finance Manager will act as Chair.
- 2.3 Action points will be agreed at the end of each meeting and a minute will be drawn up and held as a record of what was discussed and agreed at the meeting.
- 2.4 Working Group meetings cannot proceed unless three Board Members are present.

FREQUENCY OF MEETINGS

- 3.1 The Working Group will meet once a year or more frequently if there is a requirement.

HOUSING MANAGEMENT WORKING GROUP REMIT & TERMS OF REFERENCE

- 1.1 The Housing Management Working Group's Remit is:
- To review legislation in relation to housing management and implement the requirements and recommendations of, for example, the Housing Scotland Act 2014;
 - To oversee the review of the Allocations Policy, to include any consultation required;
 - To investigate and consider how the Partnership might address difficult to let properties;
 - To liaise with the Tenant Participation Officer where required;
 - To consider rent structure along with the Finance Working Group;
 - To consider any additional matters requested by the Board in respect the management of the Partnership's housing service; and
 - To give views based on achieving the best housing management service for tenants and the Partnership alike.

MEMBERSHIP

- 2.1 The Housing Management Working Group is made up of five Board Members appointed by the Board, Director of Operations, Area Managers, Service Development Manager and Chief Executive. Other officers will attend from time to time where their skill and expertise is required. To provide continuity and build up skills the Board Members will serve for up to three years from appointment. Where vacancies occur new members will be appointed at the next Board meeting.
- 2.2 The Director of Operations will Chair the Working Group and in his absence the Chief Executive will act as Chair.
- 2.3 Action points will be agreed at the end of each meeting and a minute will be drawn up and held as a record of what was discussed and agreed at the meeting.
- 2.4 Working Group meetings cannot proceed unless three Board Members are present.

FREQUENCY OF MEETINGS

- 3.1 The Working Group will meet once a year or more frequently if there is a requirement.

REMUNERATION WORKING GROUP REMIT & TERMS OF REFERENCE

- 1.1 The Remuneration Working Group's Remit is:
- To recommend to the Board how the Annual Pay Award will be carried out;
 - To consider recommendations from the Chief Executive for the Annual Pay Review for all staff with the exception of the Chief Executive;
 - To recommend to the Board an Annual Pay Award for the Chief Executive on condition the % awarded does not exceed the % awarded to the staff;
 - To review on a regular basis the grading and salary framework to enable a robust review of the grading of all approved posts;
 - To manage the grading appeals mechanism to deal with grading appeals; and
 - To review when consultancy support is required and to select appropriate consultants within approved budgets.
- 2.1 The Remuneration Working Group is made up of five Board Members appointed by the Board. To provide continuity and build up skills the Board Members will serve for up to three years from appointment. Where vacancies occur new members will be appointed after the AGM or at the next Board Meeting if necessary.
- 2.2 The Chief Executive will provide advice to the Working Group except where external expertise and knowledge is required or a decision is required on the remuneration or terms and conditions of the Chief Executive
- 2.3 Action Points will be agreed at the end of each meeting and held as a record of what was agreed at the meeting. The Action Points will be tabled at the Board Meeting following the Working Group meeting.
- 2.4 At the first meeting of the Working Group after the AGM a Chair of the Working Group will be appointed.
- 2.5 The meetings cannot proceed unless three Board Members are present.

FREQUENCY OF MEETINGS

- 3.1 There will be a minimum of one meeting a year.
- 3.2 There will be a requirement to meet more frequently when the grading and salary framework is being developed but these meetings will be agreed at least a month in advance.

SPOKESPERSON

REMIT AND TERMS OF REFERENCE

In addition to the roles, tasks and responsibilities expected of HHP Board Members, the following is expected of Spokespersons:

Development

- To speak on behalf of the Board in matters pertaining to Development;
- To promote an understanding and recognition of issues that are important to HHP's Development Programme;
- To be familiar with the Partnership's policies and procedures regarding Development;
- To develop their wider skills and knowledge with particular regard to this service area in order to better represent the Partnership and its customers alike;
- To keep up-to-date with national issues and risks that are likely to affect HHP's Development Programme;
- To give views based on achieving the best Development service for tenants and the Partnership alike;
- To regularly engage with and seek feedback from officers and others charged with delivering Development services to HHP;
- To represent HHP on relevant partnerships and external bodies as required; and
- To maintain the highest standards of conduct to ensure public confidence in HHP.

Tenant Liaison & Housing Management

- To speak on behalf of the Board in matters pertaining to Tenant Liaison and Housing Management;
- To be familiar with the Partnership's policies and procedures regarding Tenant Liaison and Housing Management;
- To develop wider skills and knowledge with particular regard to this service area in order to better represent the Partnership and its customers alike;
- To keep up-to-date with national issues and risks that are likely to affect HHP's tenants;
- To give views based on achieving the best housing management service for tenants and the Partnership alike;
- To promote an understanding and recognition of issues that are important to HHP's tenants;
- To regularly engage with and seek feedback from tenants regarding any housing management concerns they might have;
- To regularly engage with and seek feedback from officers and others charged with delivering Housing Management services to HHP;
- To represent HHP on relevant partnerships and external bodies as required; and
- To maintain the highest standards of conduct to ensure public confidence in HHP.

Repairs & Investment

- To speak on behalf of the Board in matters pertaining to Repairs and Investment;
- To be familiar with the Partnership's policies and procedures regarding Repairs & Investment;
- To develop wider skills and knowledge with particular regard to this service area in order to better represent the Partnership and its customers alike;
- To keep up-to-date with national issues and risks that are likely to affect HHP's Repairs and Investment Programme;
- To give views based on achieving the best repairs service for tenants in accordance with the resources available to the Partnership;
- To promote an understanding and recognition of issues that are important to HHP's tenants when planning Repairs and Investment works;
- To regularly engage with and seek feedback from officers and others charged with delivering Repairs and Investment services to HHP;
- To represent HHP on relevant partnerships and external bodies as required; and
- To maintain the highest standards of conduct to ensure public confidence in HHP.

Finance

- To speak on behalf of the Board in matters pertaining to Finance;
- To be familiar with the Partnership's policies and procedures regarding Finance;
- To develop wider skills and knowledge with particular regard to this service area in order to better represent the Partnership and its customers alike;
- To keep up-to-date with national issues and risks that are likely to affect HHP's financial resources;
- To give views based on achieving the best financial services for tenants in accordance with the requirements of the Partnership;
- To promote an understanding and recognition of issues that are important to HHP's tenants when allocating resources;
- To regularly engage with and seek feedback from officers and others charged with delivering financial services to HHP;
- To represent HHP on relevant partnerships and external bodies as required; and
- To maintain the highest standards of conduct to ensure public confidence in HHP.

PART 4 – SCHEME OF DELEGATION

Hebridean Housing Partnership has a range of responsibilities, which require to be discharged by the Partnership's Board unless the Board specifically delegates them to a Committee or Officer. Matters that cannot be delegated to a Committee or Officer for decisions are listed in the "*Schedule of Decisions Reserved to the Board*" which is Part 2 of these Standing Orders. Responsibilities have been delegated to Committees of the Board as shown in the "*Scheme of Administration*": Part 3 of the Standing Orders. By means of this document, the Board further delegates functions to **Heads of Service** of the Board.

GENERAL

- 1.1 "Heads of Service" shall mean the Chief Executive, any Director or Head of Service, on the understanding that Heads of Service may further delegate to other officers within their service. Such further delegation shall be reported to the Secretary who will maintain a register of such delegation and review it annually.
- 1.2 Any reference in this scheme to procedures or action under previous legislation shall be taken to include references to similar, like or equivalent procedures and action under subsequent legislation.
- 1.3 This "*Scheme of Delegation for Officers*" forms an integral part of the Board's Standing Orders.

SAFEGUARDS

- 2.1 The delegation granted in the Scheme shall be exercised only:
 - a) in compliance with the Board's Standing Orders, Financial Regulations and other Constitutional Documents;
 - b) In respect of matters that are not contentious, sensitive or complex. Where a matter appears to be contentious, sensitive or complex, prior to a decision or action being taken, the Head of Service shall consult the Chief Executive and/or the Board Chair as appropriate;
 - c) On the basis that the exercise of the delegated power will not result in actual expenditure exceeding, or actual income falling below, that set out in the relevant part of the budget to the extent that this could not be contained by the relevant Head of Service viring in accordance with Financial Regulations;
 - d) On the basis that the exercise of delegated power will not result in expenditure exceeding that set out in the relevant part of the Investment Programme for the financial year in question;

- e) Subject to a member of the public or, in the case of disciplinary matters, an employee being notified in writing of any rights of appeal;
- f) Where it is consistent with the Board's procedures, policies, corporate standards and strategies;
- g) On the basis that the exercise of the power does not result in budget growth in future years;
- h) On condition that the Heads of Service shall maintain appropriate records of all decisions taken under delegated powers (with the exception of matters involving day to day management e.g. the ordering of office supplies, the granting of annual leave, etc.);
- i) On condition that action (with the exception of matters involving day to day management e.g. the ordering of office supplies, the granting of annual leave, etc.) taken under delegated power shall be reported to the appropriate Committee at a frequency prescribed by the Board;
- j) In the event that a matter requires determination but is in conflict with anyone or more of the above categories a) to i), the Head of Service shall refer that matter to the Board or to the relevant committee or sub-committee for decision; and
- k) Any judgement regarding whether a matter is contentious, sensitive or complex shall be made on the basis of the situation that applied when the decision was taken by the Head of Service exercising the delegated power.

DELEGATION

- 3.1 The following matters have been delegated by the Board to the Heads of Service named and in this context "delegated" means that arrangements have been made for the discharge of a function by an officer.
- 3.2 Subject to the provision of the Act and any other statutes:
 - a) The Board may vary, restrict, suspend or add to any delegation granted to an officer of the Board;
 - b) The Board or appropriate Committee of the Board may deal directly with any matter included in this Scheme, where they consider there is good reason for so doing.

ALL HEADS OF SERVICE

- 4.1 To take disciplinary action against employees in their service, including suspension and dismissal, in accordance with the Board's disciplinary procedures and guidelines and subject to prior consultation with the Chief Executive.
- 4.2 To determine applications for permission for employees to attend training courses and enrolment for correspondence courses that will help them better discharge the duties of their post and is in line with the approved Training Plan, after consultation with the Chief Executive.
- 4.3 To authorise the purchase of goods and services in accordance with any Board approved purchasing and sourcing policies.
- 4.4 To appoint temporary staff in the following circumstances:
 - a) for a period not exceeding 40 weeks, in the case of an absence from work of a permanent employee taking maternity leave and where such absence would otherwise affect the functioning of the service;
 - b) for a period not exceeding 3 months, to meet the increased requirements of seasonal or other cyclical workloads;
 - c) for a period not exceeding 3 months, in the case of a vacancy arising within a department's establishment, where the absence of the employee undertaking the duties of the post would affect the functioning of the service; or
 - d) for a period not exceeding 3 months, in the case of temporary absences from work of a permanent employee where such absences would otherwise affect the functioning of the service.
- 4.5 The Head of Service will determine the following in line with our Attendance & Absence Policy and Special Leave Policy:
 - a) To determine annual leave arrangements of employees they are responsible for consistent with any standing instructions issued by the Chief Executive.
 - b) To determine applications for paid leave to employees in respect of a bereavement or family illness in accordance with the Board's Scheme of Special Leave.
 - c) To grant up to one week's unpaid leave for reasons not covered by the Special Leave Policy.
 - d) To grant paid paternity leave in line with statutory allowance to an employee on the birth or adoption of a child
- 4.6 To approve essential overtime working in consultation with the Chief Executive and in accordance with the Board's policy on overtime working.
- 4.7 To determine applications from contractors for permission to assign or sub-let a contract or any part thereof.
- 4.8 To prepare and submit statutory and other returns except where there is a specific requirement for Board approval prior to submission.

- 4.9 Subject to prior consultation with the Director of Finance and Corporate Services and the maintenance of records of such transactions, to determine scrap or surplus to the Board's requirements items of plant, equipment, furnishings or other material where the estimated value of such an item is less than £10,000.
- 4.10 To vire expenditure between Budget Heads subject to a maximum of total annual virement of 5% of the total budget or up to a maximum of £100,000 for the department.

CHIEF EXECUTIVE

- 5.1 Except where otherwise referred to in the Constitutional Documents, and in consultation with the appropriate Chair, determine minor incidental matters on behalf of the Board, provided that the matter falls within the established policy position of the Board.
- 5.2 To appoint staff subject to the written approval of the Director of Finance and Corporate Services that adequate budgetary funding is available, and of the Head of Executive Office regarding the remuneration and other terms and conditions of the post.
- 5.2 To authorise official hospitality.
- 5.3 Where required as a matter of urgency, to submit the views of the Board, to Scottish Ministers, Central Government, Scottish Housing Regulator and other external agencies and individuals, subject to the matter being reported to the next meeting of the Board.
- 5.4 To arrange, in consultation with the relevant Chair, for an external speaker to address a meeting of the Board, a Committee, working group or an informal meeting of Members of the Board, Committee or working group.
- 5.5 To authorise, subject to prior consultation with the Chair of the Board, attendance by Members at seminars, conferences and like events
- 5.6 To determine applications for the release of vacant posts.
- 5.7 To determine applications for retirement on the grounds of ill health where there is a medical certificate that the employee is considered permanently unfit to carry out the duties of the post.
- 5.8 To grant wayleaves or servitudes over property owned by the Hebridean Housing Partnership.
- 5.9 To authorise the transfer and appropriation of land incidental to the Board's decision to construct, alter or dispose of a building where a minister's decision is not involved.
- 5.10 To institute and defend any proceedings on behalf of the Board.
- 5.11 To obtain the opinion or other services of Counsel and/or other legal or financial practitioners up to a maximum cost of £10,000.
- 5.12 To settle claims against the Board up to a figure of £10,000, excluding interest and judicial expenses.
- 5.13 To ensure the implementation and regular revision of the Board's general policy on Health and Safety.
- 5.14 To ensure that all complaints are dealt with in conformity with the Board's Complaints Procedure.
- 5.15 To approve the award in writing of agreements and contracts.
- 5.16 To accept tenders and award contracts provided prior approval has been received from the Board for the plans and/or specification to which the tender or contract relates.

- 5.17 With the agreement of the Chair of the Board, to approve the appointment of staff whose purpose is to obtain new funding and where delay would jeopardise the obtaining of such funding.
- 5.18 With the agreement of the Chair of the Board, to approve urgent items of capital expenditure where the time scale for a decision does not allow the matter to be considered by the Board.

DIRECTOR OF FINANCE & CORPORATE SERVICES

- 6.1 To open tenders in the presence of another officer of the Board.
- 6.2 To accept a tender other than the lowest only in exceptional circumstances and upon advice from the instructing Head of Service and after prior consultation with the Chief Executive. A report giving the reasons for the acceptance of such tender shall be submitted to the next meeting of the Board.
- 6.3 To draw down and sign for cash from the Scottish Government in accordance with the Board's funding allocation.
- 6.4 To approve applications for financial assistance from outside bodies up to a maximum of £2,500.
- 6.5 To approve all new acquisitions of information technology hardware and software, consistent with relevant standards as may set from time to time by the Board in the Information & Communication Technology Strategy.
- 6.6 To dispose of heritage and lease on the basis of terms recommended by the District Valuer, subject to prior approval of the disposal by the Board.
- 6.7 To determine arrangements for the payment of debts to the Partnership.
- 6.8 In relation to sundry debts, to select and implement appropriate methods of recovery of arrears.
- 6.9 To authorise the payment of expenses and allowances to Members and officers of the Board and to Partnership's Directors, subject to the Chief Executive's having been certified first by the Board's Chair.
- 6.10 To determine requests from directors or officers for advance payment of expenses or allowances.
- 6.11 To determine at what stage the police should be contacted having regard to the terms of the Partnership's Fraud and Corruption Policy.
- 6.12 To determine the type and level of resource to be used in the investigation of suspected fraud.
- 6.13 To undertake all responsibilities under the terms of the Partnership's Fraud and Corruption Policy.
- 6.14 To arrange and review all insurance cover and negotiate all claims.
- 6.15 To authorise the payments of accounts.
- 6.16 To effect the arrangements for the borrowing and lending of money as required by the Partnership in accordance with the Partnership's borrowing and lending policies and the CIPFA "Treasury Management in Housing Partnerships: A Code of Practice."
- 6.17 To ensure compliance with the CIPFA "Treasury Management in Housing Partnerships: A Code of Practice" and to ensure compliance with the approved Treasury Management Policy Statement.
- 6.18 In consultation with the originating Head of Service, to write off individual debts which are irrecoverable, up to a maximum of £1,500.

- 6.19 To authorise the arrestment of wages or salaries in respect of Partnership employees.
- 6.20 To open bank accounts as required, in the name of the Hebridean Housing Partnership and in the name of Hebridean Community Housing Limited.
- 6.21 To apply for purchasing cards for approved users.
- 6.22 To maintain a list of those officers, who are authorised to sign cheques and other payable orders drawn on the Partnership's accounts with commercial Banks. This "List of Authorised Signatories" will include specimen signatures and will specify the level of delegated authority for each signatory.
- 6.23 To maintain also in the "List of Authorised Signatories" a list of authorised officers for such other purposes as are specified in the Financial Regulations.
- 6.24 To ensure that all discretionary fees and charges are submitted for annual review to the Board for approval before the start of the financial year.
- 6.25 Authorising auditors' reports, signing of cheques & other instructions to bankers, signature for tax liabilities.

DIRECTOR OF OPERATIONS

- 7.1 To deputise for the Chief Executive in her absence.
- 7.2 To allocate Partnership housing.
- 7.3 To allocate agency housing in accordance with their Allocations Policy.
- 7.4 To have the day to day responsibility for rent arrears monitoring and recovery including the issue of Notice of Proceedings for Recovery of Possession
- 7.5 To determine the amount of allowance to be paid to tenants as a result of works carried out to their homes having regard to approved guidelines.
- 7.6 To determine applications from tenants to alter their homes internally or externally, to erect sheds and garages, install driveways and parking areas, and to keep pets and any other appropriate permissions.
- 7.7 To determine applications from tenants to vacate their dwellings for a period of up to 6 months in any period of 12 months.
- 7.8 To determine applications for transfer outwith the terms of the Partnership's allocation system in cases involving the under-occupancy of Partnership housing.
- 7.9 To transfer tenants of Partnership housing in those cases where it is necessary for their houses to be vacated.
- 7.10 To authorise and, subject to current Partnership policy and procedures, instruct repairs and minor alterations to houses.
- 7.11 To implement and enforce the terms of the Partnership missive of let including repossession and eviction.
- 7.12 To consider and determine applications to sub-let.
- 7.13 To factor property in the Outer Hebrides on behalf of local housing agencies and act as the Partnership's "responsible person" as required by the Property Factors (Scotland) Act 2011.
- 7.14 To arrange for the execution of works in respect of Partnership houses by direct labour or by outside contractors, within agreed programmes where the estimated cost of the works is less than £50,000.
- 7.15 To repossess houses in pursuance of the Policy on Anti-Social Behaviour and Neighbour Disputes in Housing.
- 7.16 To arrange house management transfers in compliance of the Policy on Anti-Social Behaviour and Neighbour Disputes in Housing.
- 7.17 To initiate Court Proceedings leading to Recovery of Possession of a tenancy at the Sheriff Court following Executive Team approval.
- 7.18 To approve applications for financial assistance from outside bodies up to a maximum of £2,500.
- 7.19 To apply for planning permission and approve the terms for licences of wayleaves.
- 7.20 To invite and accept tenders for house construction and improvements subject to financial provision and approved budgets.

HEAD OF EXECUTIVE OFFICE

- 8.1 To act as the Company Secretary and carry out all duties associated with this role and as set out at Item 9.1 - 9.8.
- 8.2 Provided they have a relevance to the duties of the post, to authorise the attendance of:
 - a) Employees attending as delegates at seminars, conferences, courses or meetings, which are organised by, recognised bodies;
 - b) Employees invited to lecture in their professional capacity; and
 - c) Employees attending meetings of professional bodies of which they are Members.
- 8.3 To authorise Board Members' expenses claims.
- 8.4 To determine the suitability of a particular post for job share, in consultation with the relevant Head of Service.
- 8.5 To implement the Pay Model approved by the Board and ensure any new posts are assessed and graded in line with the Pay Model.
- 8.6 To interpret conditions of service and to authorise the implementation of revised conditions of service, such as Islands Allowance and First Aid Allowance, and as approved by the Board in respect of employees of the Partnership.
- 8.7 To authorise the acceleration of an employee within his salary, wage, grade (or such extended grade as may be provided for under the relevant condition of service) who, in the opinion of the employee's Head of Service, has achieved advancement within an approved career grade or who is temporarily undertaking duties at a higher level and has met the requirements of the Competency Framework.
- 8.8 To determine applications for leave with pay to employees to attend meetings of Trade Unions recognised by the Board.
- 8.9 To determine applications for leave with pay to employees to attend examinations related to recognised qualifications within the Training Policy.
- 8.10 To determine applications for leave with pay to employees to serve on a jury, subject to the deduction of the allowance received.

Consistent with national agreements, to pay acting-up allowances to staff within the service in respect of periods during which the employee has been authorised by the Head of Service to undertake duties above the employee's current grading.
- 8.11 To issue Contracts of Employment.
- 8.12 To determine requests for training in line with the approved Training Plan.
- 8.13 To apply for Air Discount Scheme Cards for approved Staff and Board Members.
- 8.14 Implement a Performance Management System.
- 8.15 To develop and implement a Corporate Risk Assessment framework.

- 8.16 Authorising Charity returns and any other returns relating to the Company Secretarial role.
- 8.17 To apply for Regulator's consent where it is required.
- 8.18 To authorise the implementation of agreed salary and wage awards in respect of employees of the Partnership.
- 8.18 To determine and approve authorised car users for the Partnership.
- 8.19 To determine and approve the allocation of mobile phones to posts within the Partnership.
- 8.20 To oversee the Partnership's compliance with Data Protection and Freedom of Information legislation.

COMPANY SECRETARY

- 9.1 To arrange, in consultation with the relevant Chair, for an external speaker to address a meeting of the Board, a Committee, working group or an informal meeting of Members of the Board, Committee or working group.
- 9.2 To authorise, subject to prior consultation with the Chair of the Board, attendance by Members at seminars, conferences and like events.
- 9.3 Following consultation with the relevant Chair, to call additional meetings of the Board, committees, sub-committees, Member/officer working parties and like bodies and informal meetings of the Members of such bodies.
- 9.4 To keep the Partnership's Common Seal in a secure location and ensure that it is only used when the Board so decides.
- 9.5 To sign documents upon which the Seal has been used, in conjunction with one Board Member, and to record the details in the register as required by Rule 63.
- 9.6 To approve Membership Applications in accordance with the Membership Policy.
- 9.7 To carry out regular reviews of Board Member and Staff Disclosure of Interest Forms.
- 9.8 Where the Heads of Service further delegate matters listed in this Scheme to nominated officers, the Secretary shall maintain and annually review a list of the scope of such delegation and the officers to whom delegation has been granted.

AREA MANAGER

- 10.1 To have the day to day responsibility for rent arrears monitoring and recovery including the issue of Notice of Proceedings for Recovery of Possession
- 10.2 To determine the amount of allowance to be paid to tenants as a result of works carried out to their homes having regard to approved guidelines.
- 10.3 To determine applications from tenants to alter their homes internally or externally, to erect sheds and garages, install driveways and parking areas, and to keep pets and any other appropriate permissions.
- 10.4 To determine applications from tenants to vacate their dwellings for a period of up to 6 months in any period of 12 months.

CHANGE HISTORY

Version	Change Applied	Date	By
V6.0	Full review and update on previous Standing Orders	August 2012	DML
V7.0	Part 4 Scheme of Delegation for Officers, amend Para 6.19 to incorporate changes made to Rent Arrears policy	18 Feb 2015	DML
V8.0	Full review and update on previous Standing Orders following Rule change	11 Aug 2015	ACS
V8.1	Amendments agreed at Board on 10 February 2016 incorporated in respect of Scheme of Delegation: 4.12 re special leave, 6.21 re opening subsidiary bank accounts and 6.38 re applying for regulatory consents.	10 Feb 2016	ACS
V8.2	Following appointment of new Chief Executive, Company Secretarial Role aligned to that post - amendments at 13.2, and 6.32 – 6.38 accordingly. References to Director of Resources amended to Director of Finance and Corporate Services, and Finance Manager amended to Finance Controller throughout.	6 Sep 2016	ACS
V8.3	Following approval at Board meeting on 15 March 2017, Working Group Remits incorporated at page 35.	17 Mar 2017	ACS
V9.0	Full review and update on version 8.3 following Rule change.	14 Feb 2018	ACS
V10.0	Full review and update on previous Standing Orders	22 May 2019	IF

INTERPRETATIONS & ABBREVIATIONS

The following interpretation and abbreviations are used in this policy:

Word	Interpretation
<i>Board</i>	The Board of Management of the Partnership
<i>Board Member</i>	A Member of the Board and shall include any person co-opted onto the Board.
<i>Chief Executive</i>	The Chief Executive of Partnership or anyone who is deputising for the Chief Executive.
<i>Committee</i>	A committee of the Partnership appointed by the Board shall have the same meaning as the term sub-committee used in the Rules. In the Standing Orders, the term committee shall include sub-committees unless the sense of the context indicates otherwise.
<i>Scottish Housing Regulator</i>	An independent regulator of RSLs and local authority housing services in Scotland established on 1 April 2011 under the Housing (Scotland) Act 2010.
<i>Council Board Member</i>	Shall have the same meaning as the term "Council Appointed Board Member" in the Rules.
<i>Local Connection</i>	Means having a main or principal residence or principal place of business or operation in the Outer Hebrides and having lived or operated in the Outer Hebrides for a period of three consecutive years.
<i>Rules</i>	The Rules of the Partnership incorporated under the Co-operative and Community Benefit Societies Act 2014 and registered with the Financial Conduct Authority.
<i>The Council</i>	Comhairle Nan Eilean Siar
<i>The Partnership</i>	Hebridean Housing Partnership
<i>Three Main Board Member Categories</i>	The three main Board Member Categories are the Tenant, Community and Council Board Member Categories.
<i>Tablet Device</i>	Or equivalent electronic device
<i>Head of Service</i>	A Director, Head of Executive Office or the Chief Executive
<i>Local Press</i>	Any local paper and/or local news website
<i>The Act</i>	Housing (Scotland) Act 2010 and 2014
Except as otherwise provided, the Standing Orders of the Board with the appropriate changes shall also be the Standing Orders of the committees of the Board.	
All references to the masculine gender in this policy shall read as equally applicable to the feminine gender	

HOUSING ALLOCATIONS ANNUAL REPORT 2018/19

Board 19 June 2019

Report by Director of Operations

Purpose of Report

- 1.1 This report provides statistical information on housing allocations during 2018/19 and outlines a number of the key issues surrounding supply and demand for housing.

Summary

- 2.1 The report at Appendix 1 is the ninth report to the Board setting out information on supply and demand. This will continue to develop to indicate long term trends and will help to inform decisions on the requirement for, and location of, new supply.
- 2.2 This report is also important for monitoring equality in terms of access to housing.
- 2.3 The level of demand for housing is an important issue for the business and one which continues to be being closely monitored. The demand as demonstrated by waiting lists is weak and has reduced significantly over the last 9 years. This information will inform strategic planning and the future shape of the development programme. Options will need to be run through the Business Plan model to assess the impact of changes in demand.
- 2.4 We continue to engage with communities and Community Trusts to try and identify any housing needs which is not evidenced by our waiting list and to encourage people to register on our waiting list.
- 2.5 The quota of allocations to homeless applicants in Stornoway is proposed to be retained at 50%. This will need to be kept under review in view of the Scottish Government's Rapid Rehousing agenda.

Competence

- 3.1 There are no financial, legal and other constraints to the recommendations within this report are detailed at paragraph 5.1 – 8.1

Recommendations

- 4.1 **It is recommended that the Board:**
- a) **note the Allocations Report 2018/19 at Appendix 1; and**
 - b) **approve the quotas for allocating properties in Stornoway remain at 50% for homeless applicants; 15% transfer applicants and 35% for other waiting list applicants.**

Appendix 1: Allocations Report 2018/19

Background Papers: None

Writer of Report: Mina Maclean

Tel: 0300 123 0773

Competence

Financial

- 5.1 There are no financial implications arising from implementing the recommendations in this report.

Legal

- 6.1 There are no legal implications arising from implementing the recommendations in this report.

Regulatory Guidance

- 7.1 The Regulatory Standards checklist has been completed and there is nothing in the report which would result in a breach of the standards.

Risk

- 8.1 Demand for housing is an important issue for us. Lack of demand will impact on income and the strength of the business. There is evidence that demand for housing is continuing to reduce and particularly so in rural areas and this is reflected in the Risk Register.



hebridean housing
partnership



► Allocations Report 2018/19

Author: ► Mina Maclean, Housing Officer (Allocations)

Publication Date: ► June 2019

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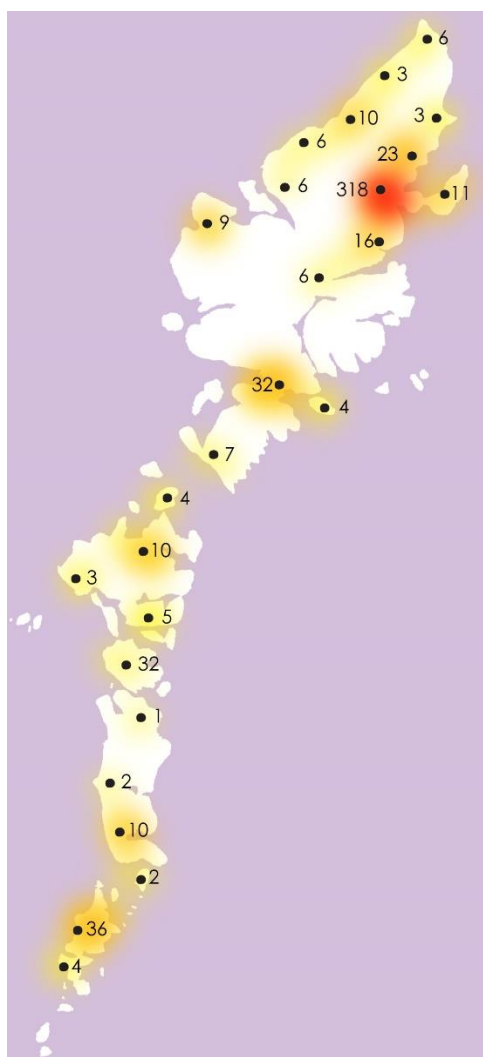
ALLOCATIONS REPORT 2018/19

AIMS

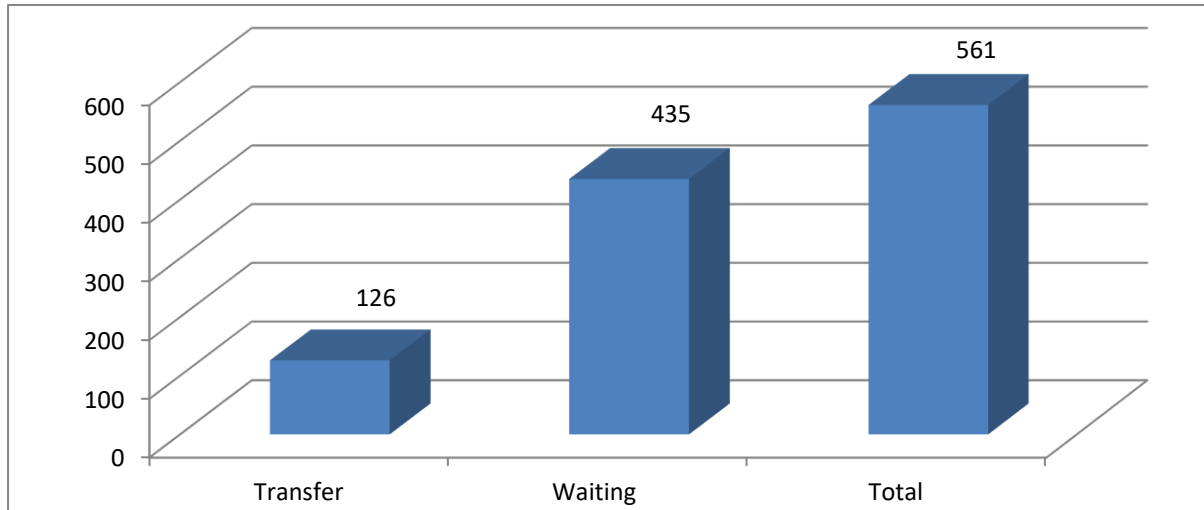
- 1.1 The aims of this report are
- to provide information on the supply and demand for social housing in the Outer Hebrides
 - inform decisions on the requirement for, and location of, new supply
 - monitoring equality in terms of access to housing

WAITING LIST AT 31 MARCH 2019

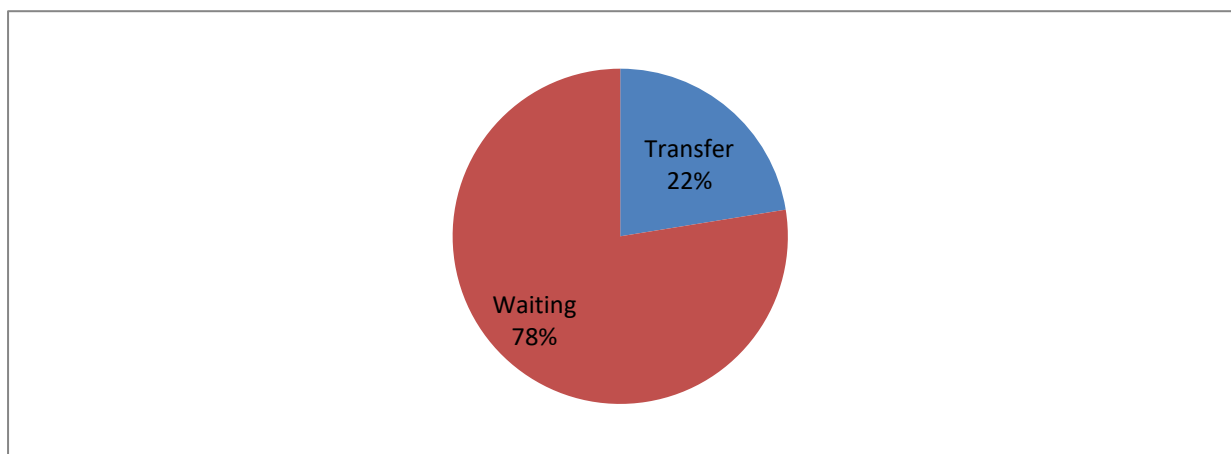
- 2.1 The map below shows the number of applicants on the waiting list at 31 March 2019 and incorporates first choice area of preference:



- 2.2 As can be seen demand is highest at the main centres of population and is lower in the rural areas.
- 2.3 The waiting list is broken down to show waiting and transfer applicants (excluding 24 suspended and 62 deferred) is below:

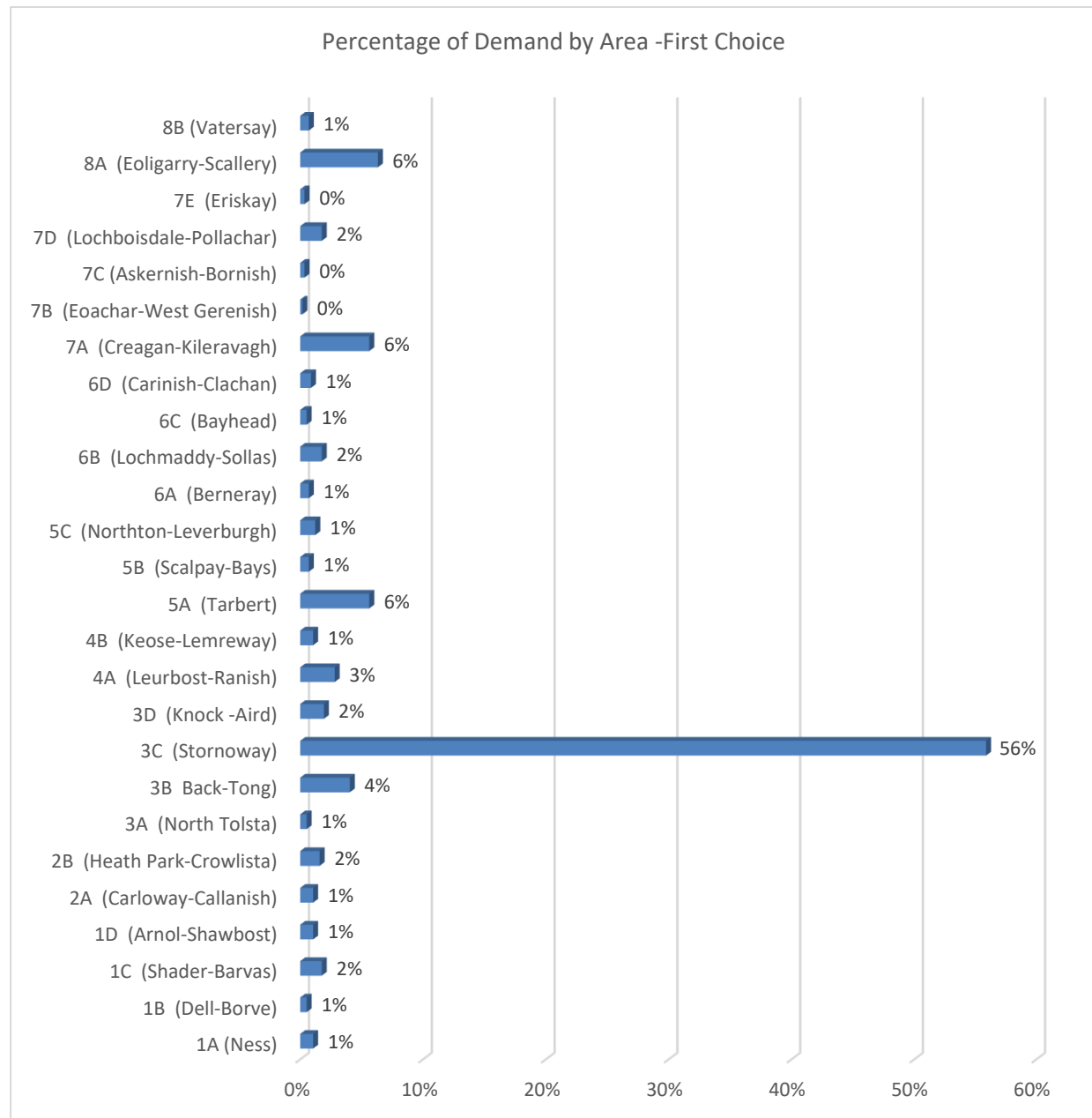


- 2.4 The waiting list has remained static since 31 March 2018. However there has been a reduction of 19% since 2012/13.



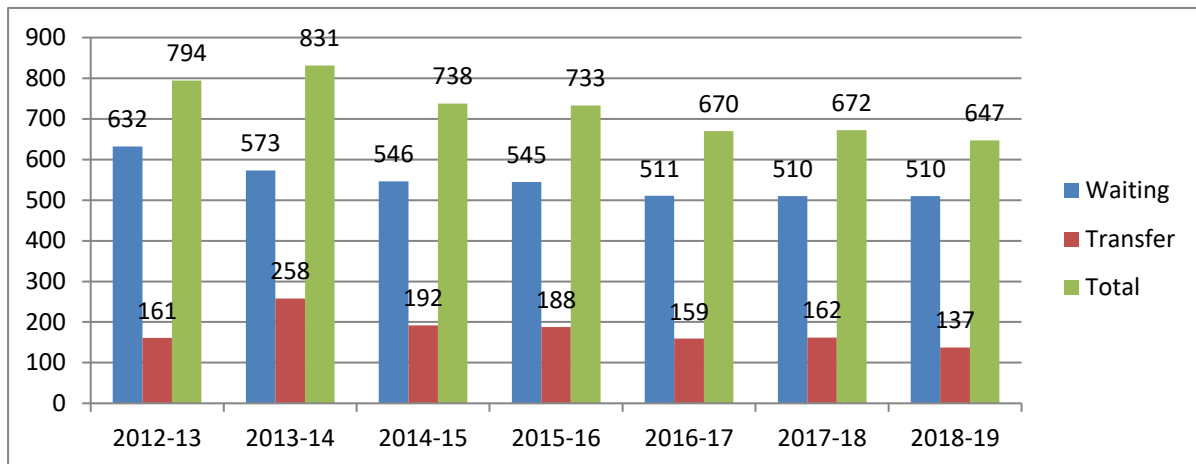
PERCENTAGE OF DEMAND BY AREA BY FIRST CHOICE

3.1 The chart shows that the largest demand by a considerable distance is for the Stornoway area with 56% of applicants recording this as their preference. The next largest areas of demand at 6% are Eoligaray/Scallery, Creagan/Kileravagh and Tarbert (6%). The next largest area of demand at 4% is Back/Tong.



BREAKDOWN OF APPLICANTS ON WAITING LIST FROM 2012-2019 (INCLUDING SUSPENDED & DEFERRED)

4.1 The chart below shows the number of applicants on the waiting list over the last seven years. The figures in this chart include, waiting, transfer and also suspended and deferred applications.

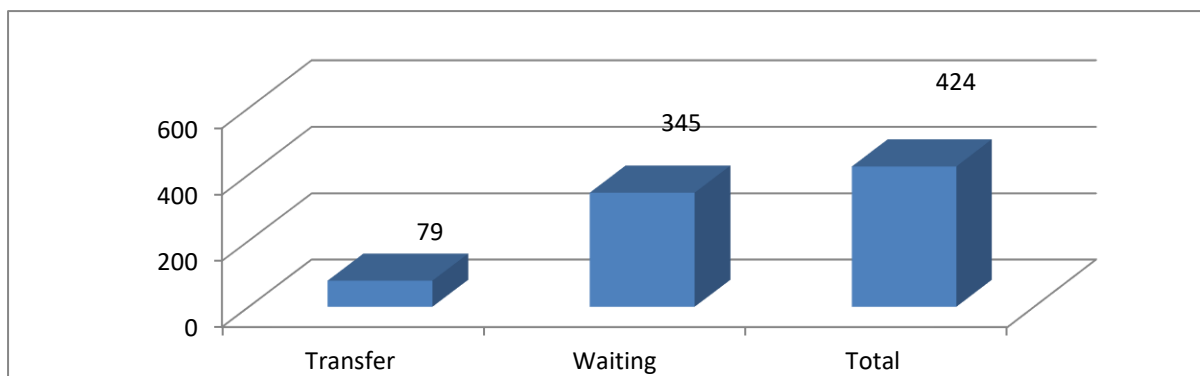


4.2 There has been an 0.4% decrease in the total number of applicants from 31 March 2018 and the waiting list applications remain static. Since 31 March 2012 waiting list applications have fallen by 19%.

APPLICATIONS RECEIVED DURING 2018/19

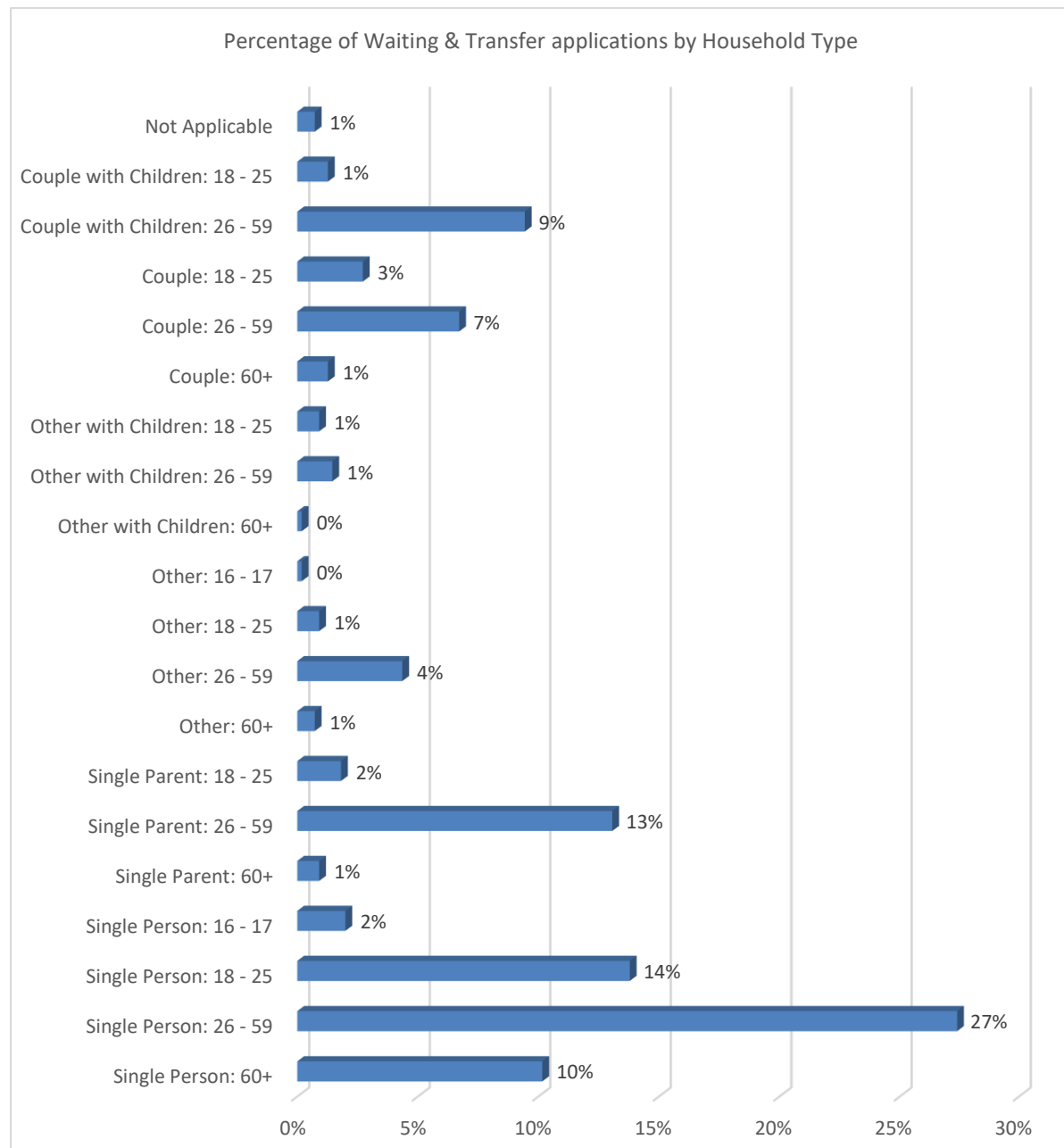
5.1 The total number of applications received during 2018/19 was 424 a decrease of 4% from the previous year which is but 2% higher than 2012/13.

5.2 The average time taken to process these applications was 1 day.

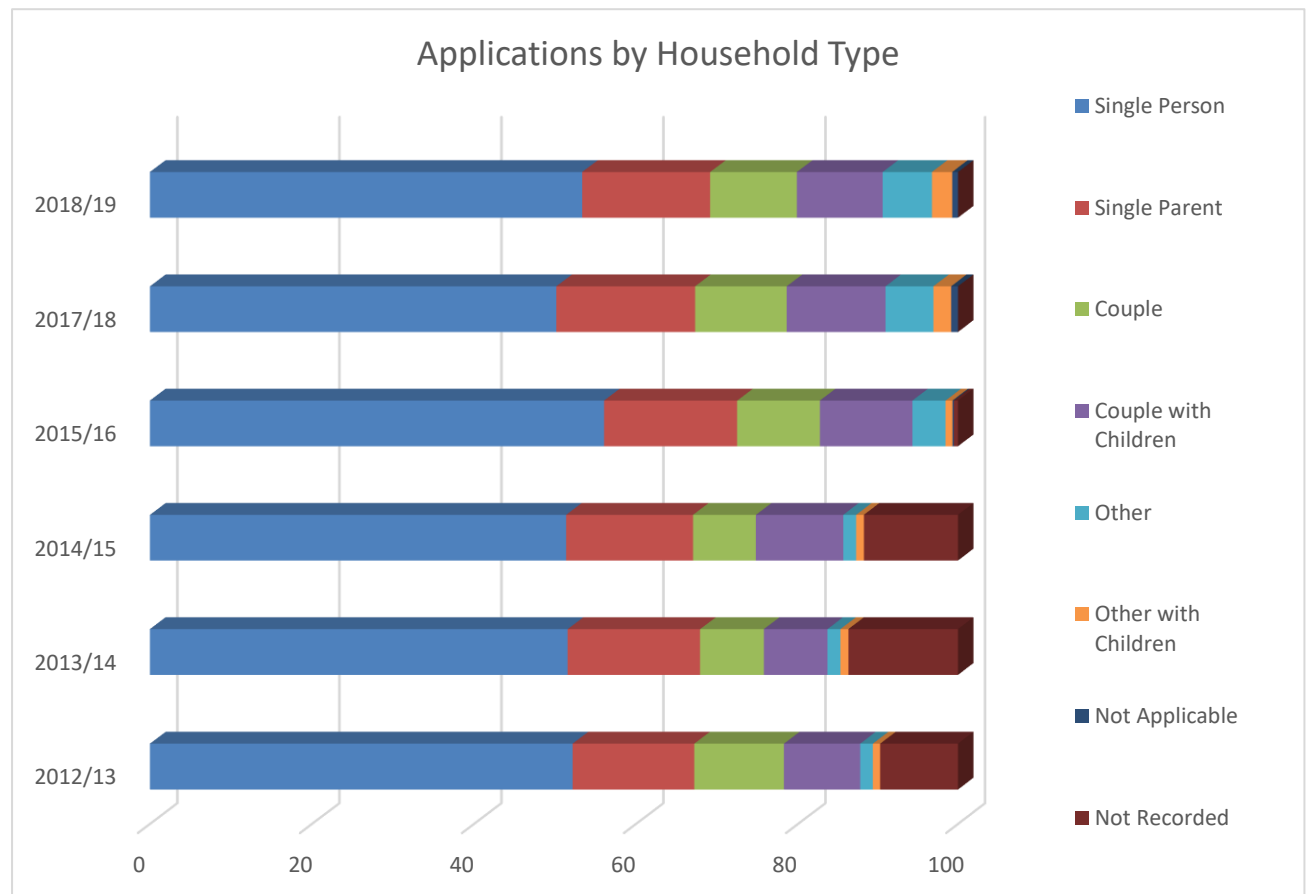


PERCENTAGE OF WAITING AND TRANSFER APPLICATIONS BY HOUSEHOLD TYPE

- 6.1 Single people make up 53% of the applicants with 27% aged 26-59. 28% of applicants are households with children.
- 6.2 In 2012/13 the figures were 52% of applicants were single with 26% aged 26-59. 25% applicants were households with children.

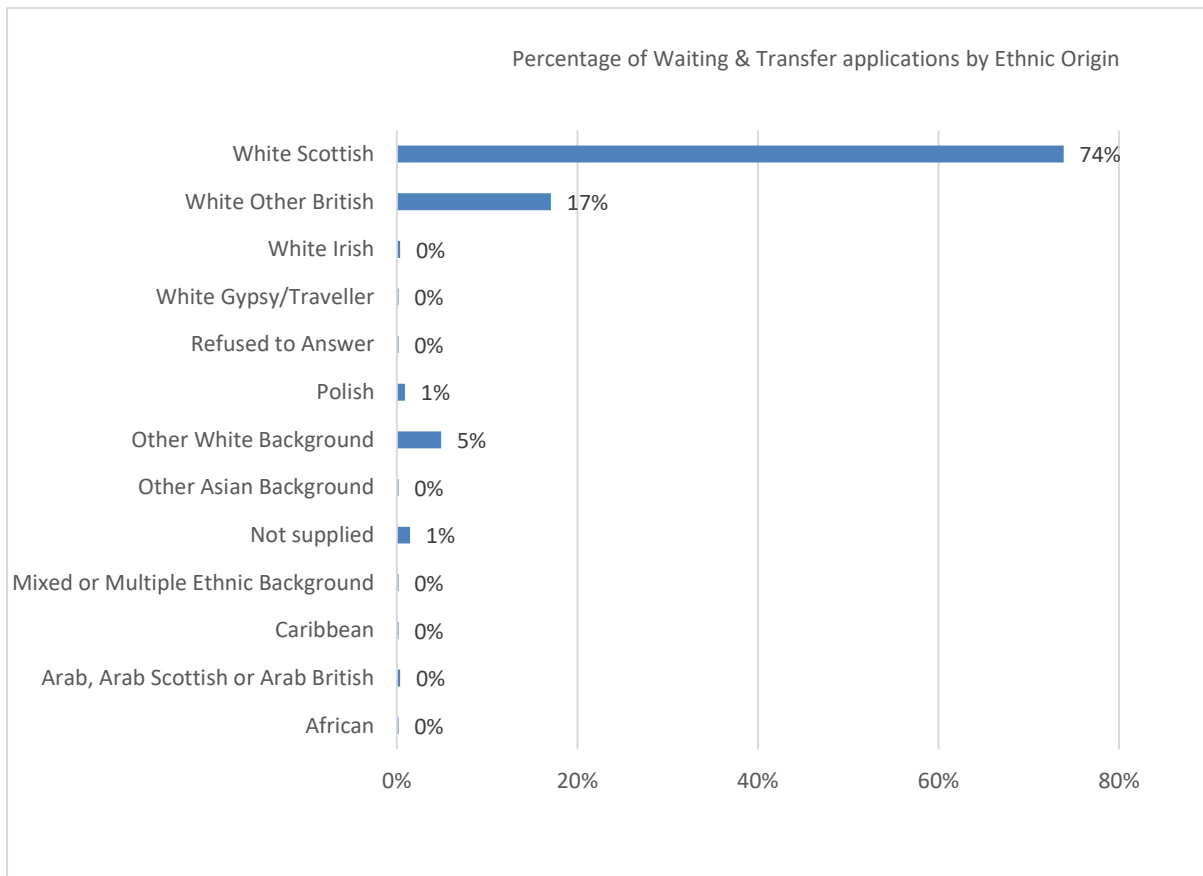


6.3 The chart below shows the applications by Household type over the last six years.



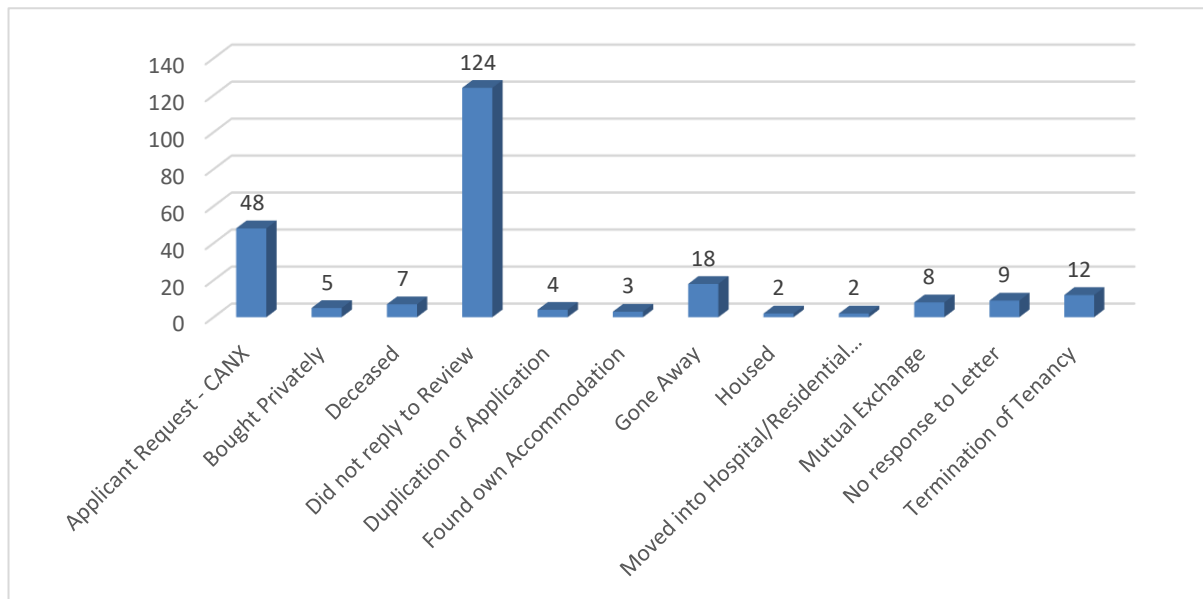
PERCENTAGE OF WAITING & TRANSFER APPLICANTS BY ETHNIC ORIGIN

- 7.1 The chart below shows that the largest applicant group is white Scottish at 74% with 17% of applicants being of other white British origin. White Irish and other white backgrounds make up 5%. 1% did not provide information.
- 7.2 In 2015/16 the percentage of White Scottish was 76% with 16% being white British origin. White Irish and other white background was 2%. 2% did not provide information.



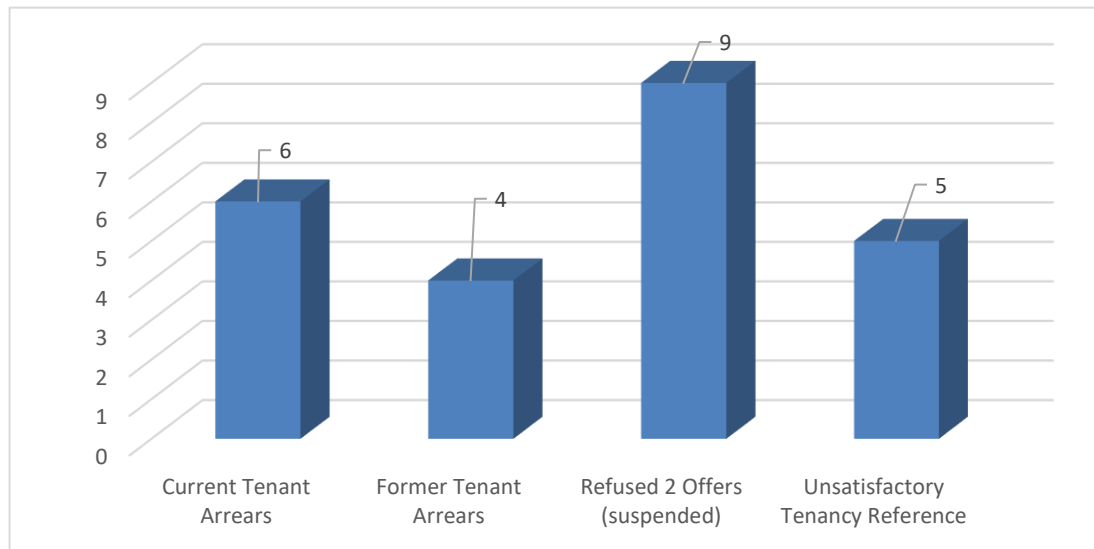
NUMBER OF CANCELLED APPLICATIONS

- 8.1 During the year 242 applications were cancelled. The primary reason for applications being cancelled was due to non-return of review forms indicating that people are no longer interested in being offered housing. There were 124 applications cancelled as a result of this. The rolling review process is important in keeping data live and up to date.

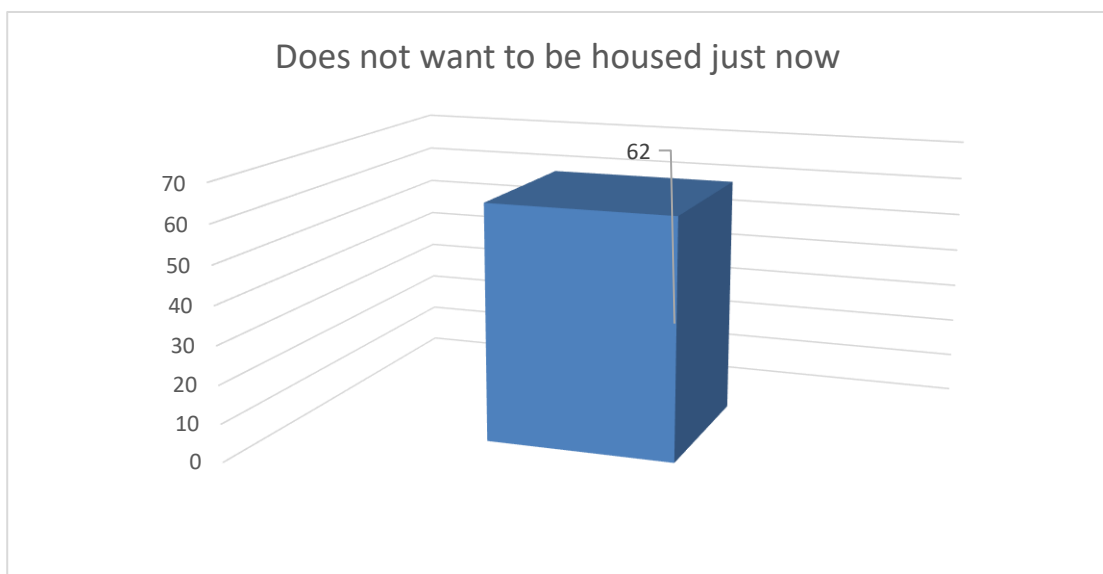


SUSPENSIONS AND DEFERRED APPLICATIONS

- 9.1 In some circumstances applicants will be suspended from the waiting list. Suspended applicants are reviewed every month to ensure that the suspension is still relevant. There are currently 24 applications suspended, 6 are suspended because of current tenant arrears, 4 are suspended because of former tenant arrears and 5 because of conduct issues. 9 applicants are suspended for refusing two offers of housing which met their choices.

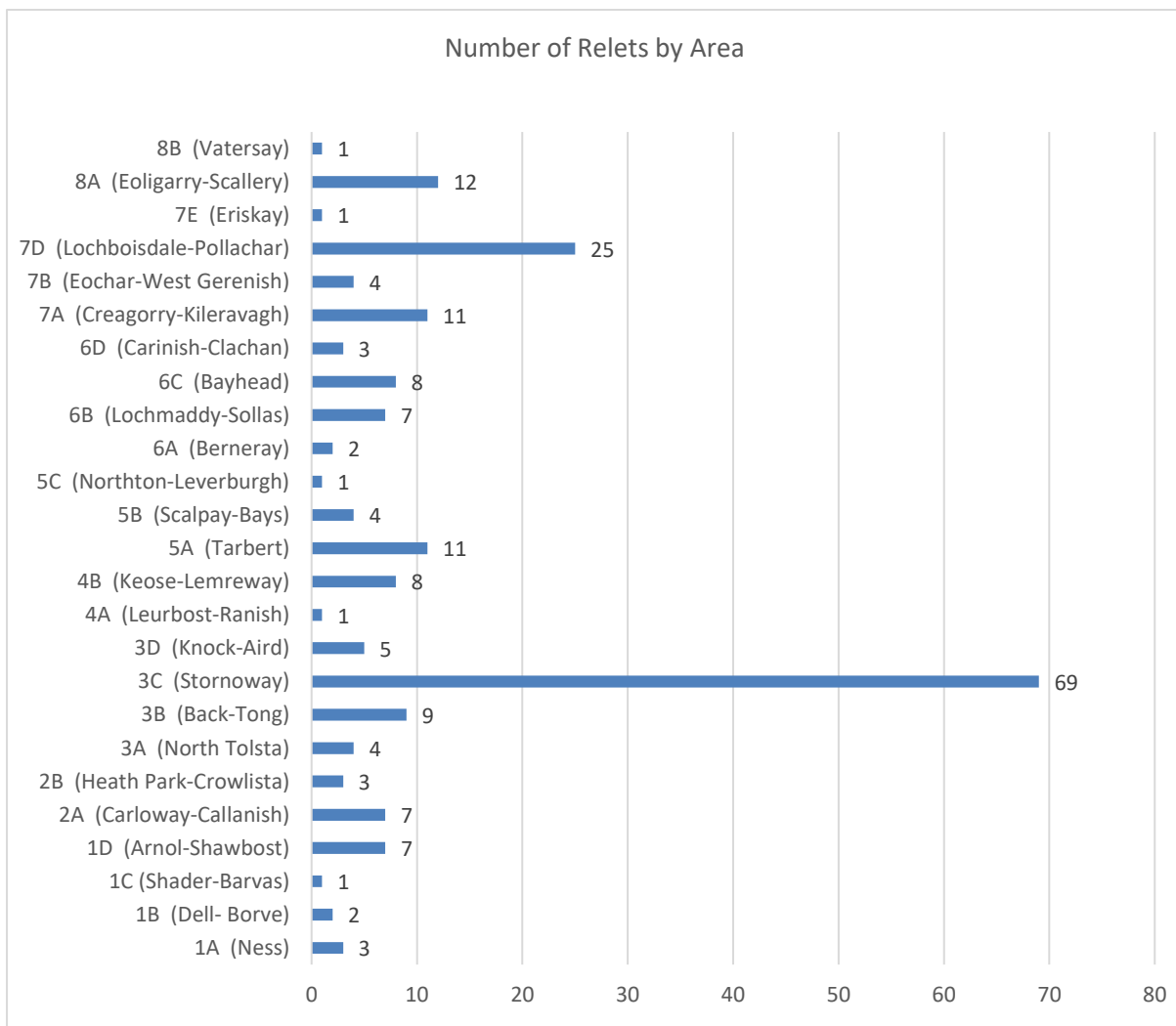


- 9.2 62 applicants do not wish to be housed at present and are deferred until such time as their circumstances change.

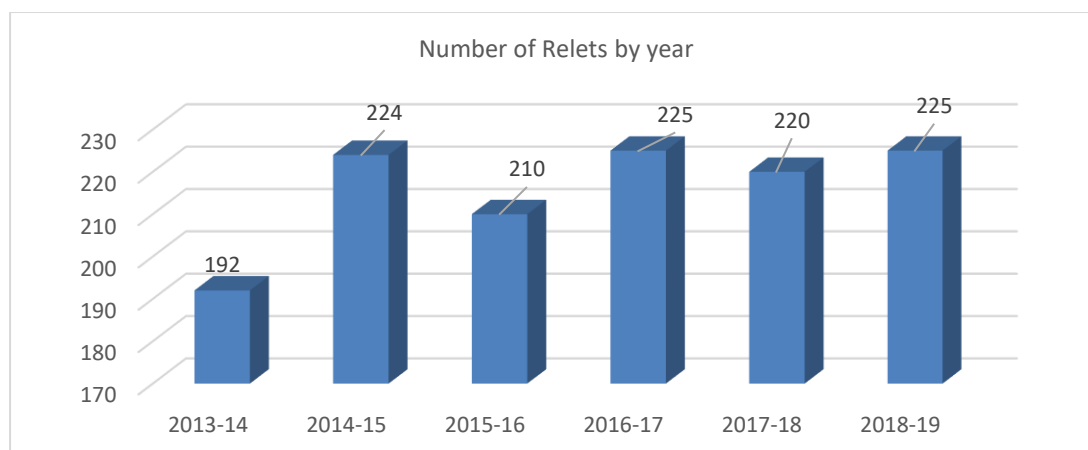


HOUSING SUPPLY

- 10.1 In total 209 properties (excluding new build) were re-let during 2018/19. There were 47 lets made to transfer applicants. There were 6 Direct Lets to other agencies.
- 10.2 The number of relets by area is shown below. 69 lets (33.01%) were in the Stornoway area with 11 lets (5.26%) in Balivanich and 25 lets (11.96%) in Lochboisdale.
- 10.3 In the 2015/16 report the figures were 50 lets (26.8%) in the Stornoway area, 11 lets (5.9%) in Balivanich and 20 lets (10.7%) in Lochboisdale.

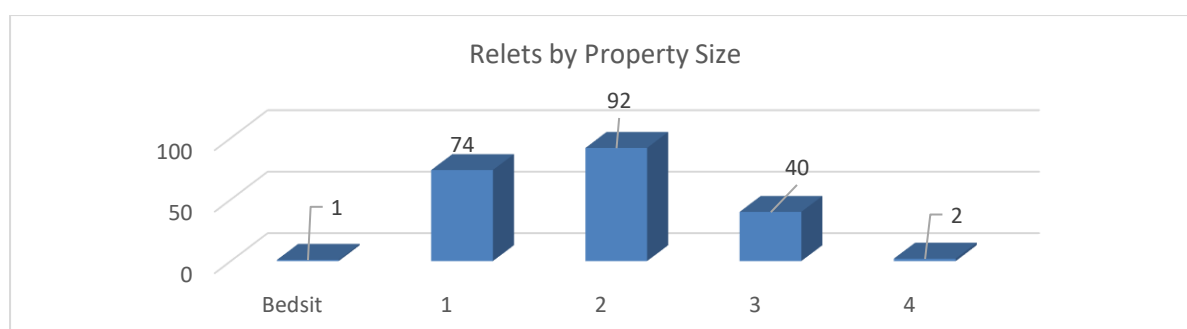


10.4 The chart below shows the relets for each year since 2013/14.

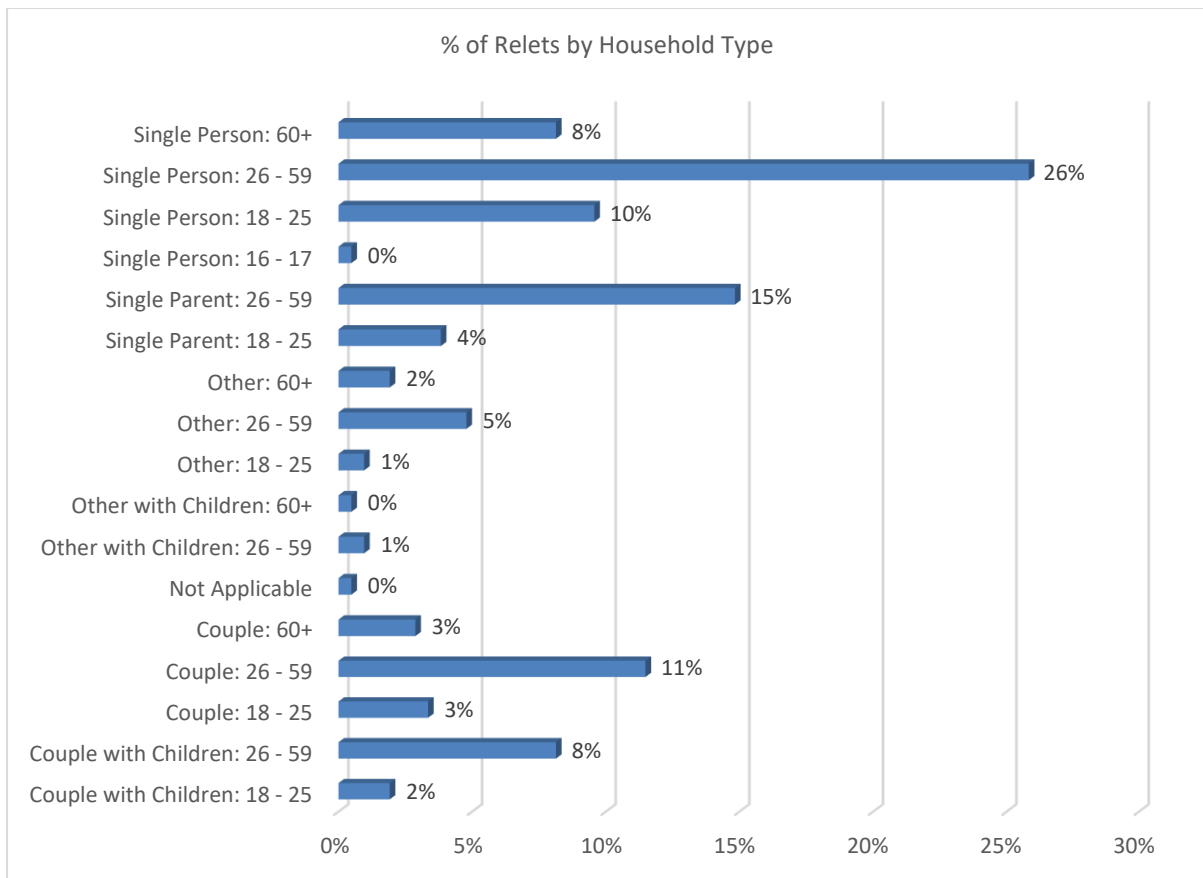


10.5 74 lets (30.83%) were for 1 bedroom properties and 92 lets (38.33%) were 2 bedroom properties. 40 lets (16.67%) were of 3 bedroom properties.

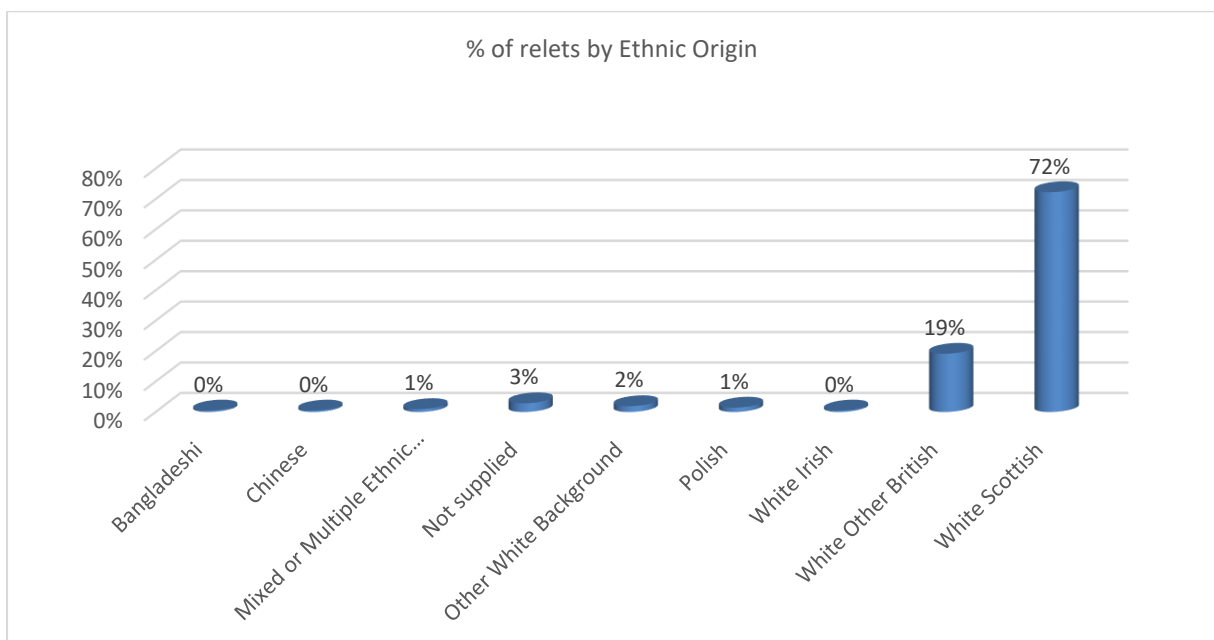
10.6 In the 2015/16 report the figures were 73 lets (34%) of 1 bedroom properties and 85 lets (40%) of 2 bedroom properties.



10.7 The graphs below shows applicants housed during the year by household type and by ethnic origin. 10% of lets were to couples with children, 17% were to couples, 19% were to single parents and 44% were to single people. These figures are broadly in line with the proportion of households on the waiting list.



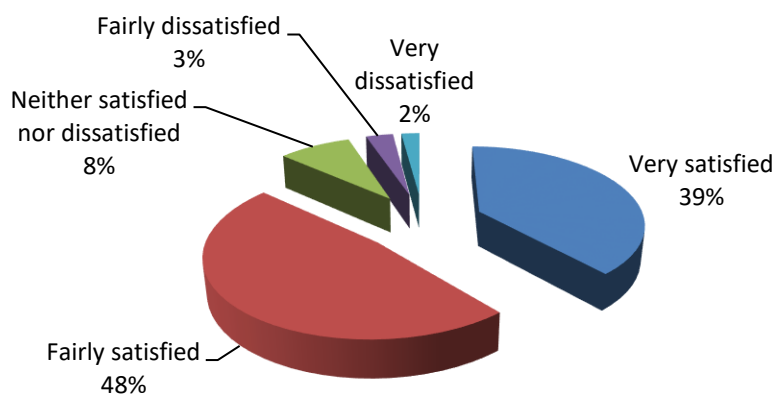
10.8 72% of lets were to white Scottish applicants and 21% to other white groups. This is broadly in line with the make-up of waiting lists.



NEW TENANTS SATISFACTION WITH CONDITION OF THE HOUSE

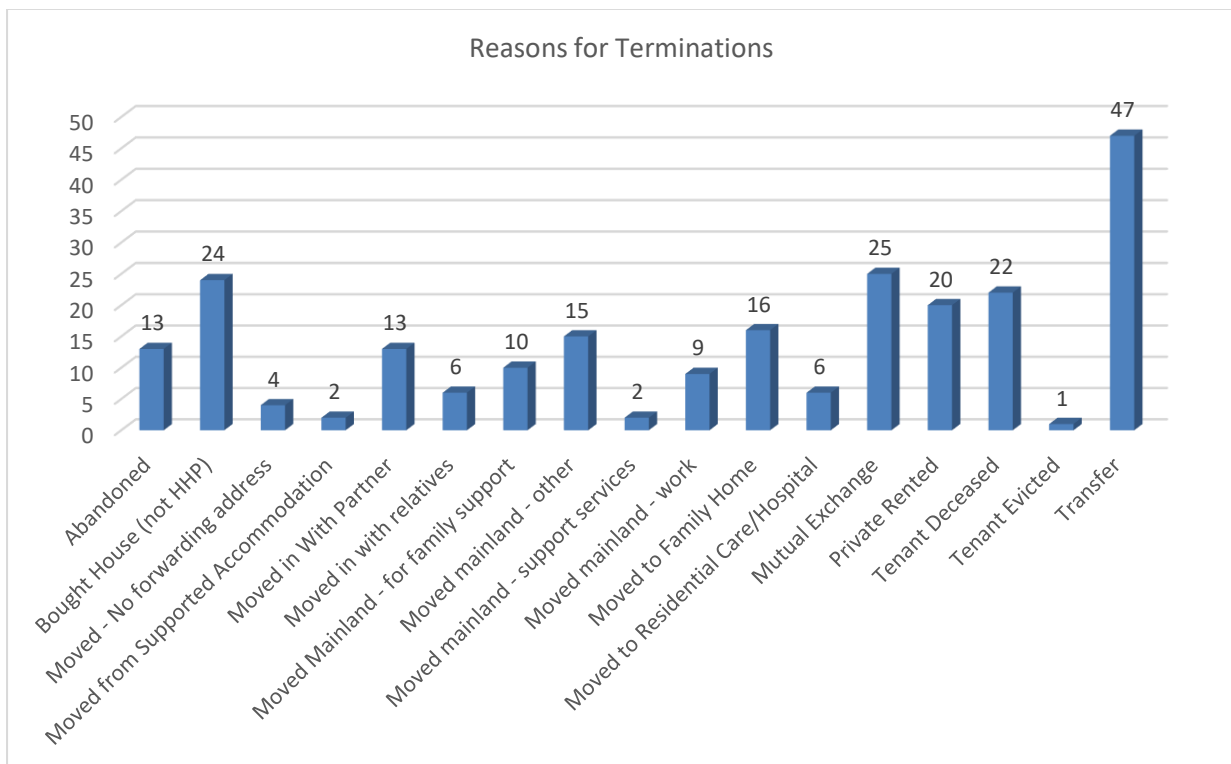
- 11.1 A questionnaire is sent to new tenants within the first week of their tenancy starting asking various questions regarding the standard, decoration, cleanliness of the property and the quality of repairs carried out. 48% of questionnaires were returned . 87% of tenants said they were satisfied with the condition of the house. 5% were dissatisfied due to decoration and the condition of the property.

% satisfied with condition of house



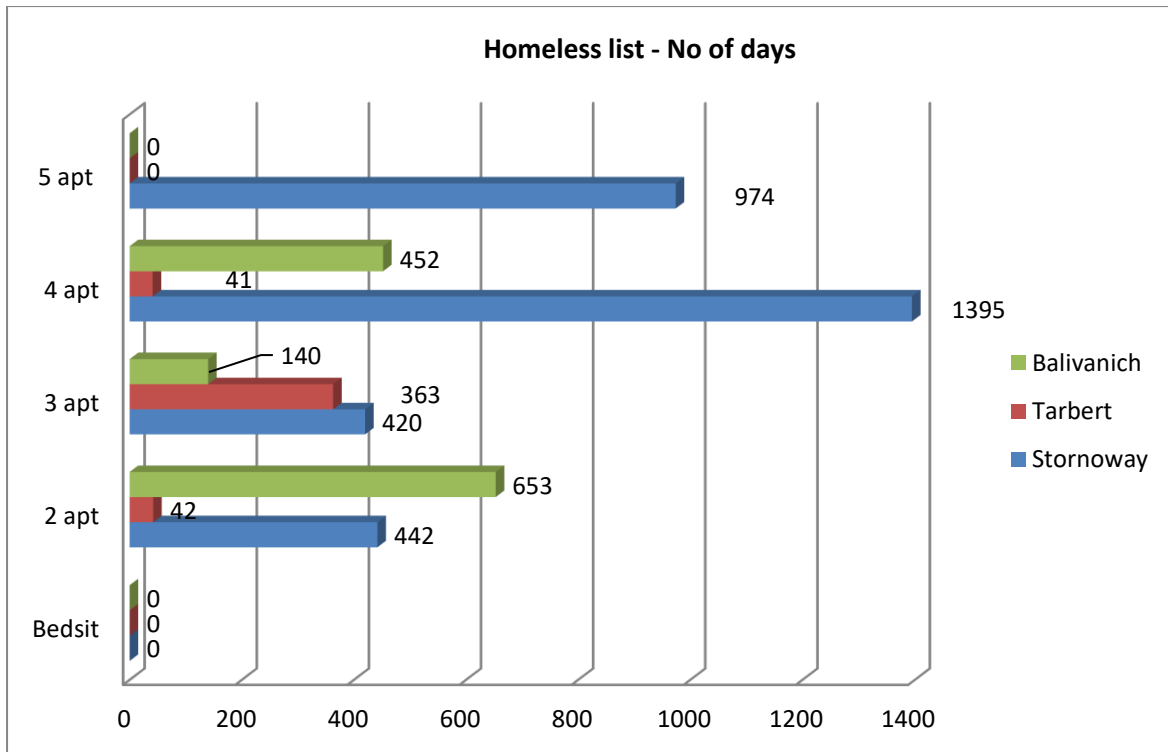
REASONS FOR TERMINATIONS

- 12.1 The reasons for terminations are, 8.6% moved to the private sector, while 15% moved to the mainland. 4% moved to the mainland for work.
- 12.2 If the 47 transfer applicants were removed this figure would be 10.7% moved to the private sector, 19% moved to the mainland and 5% moved to the mainland for work.

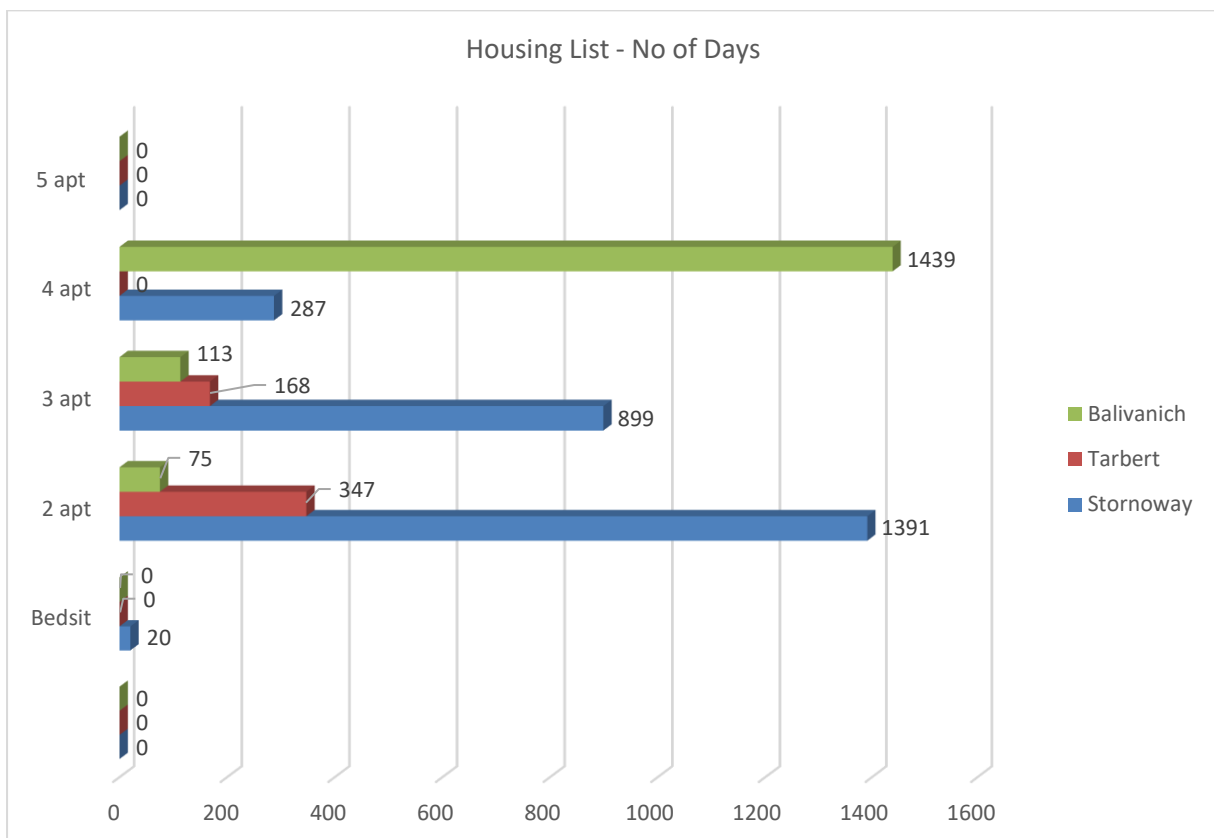
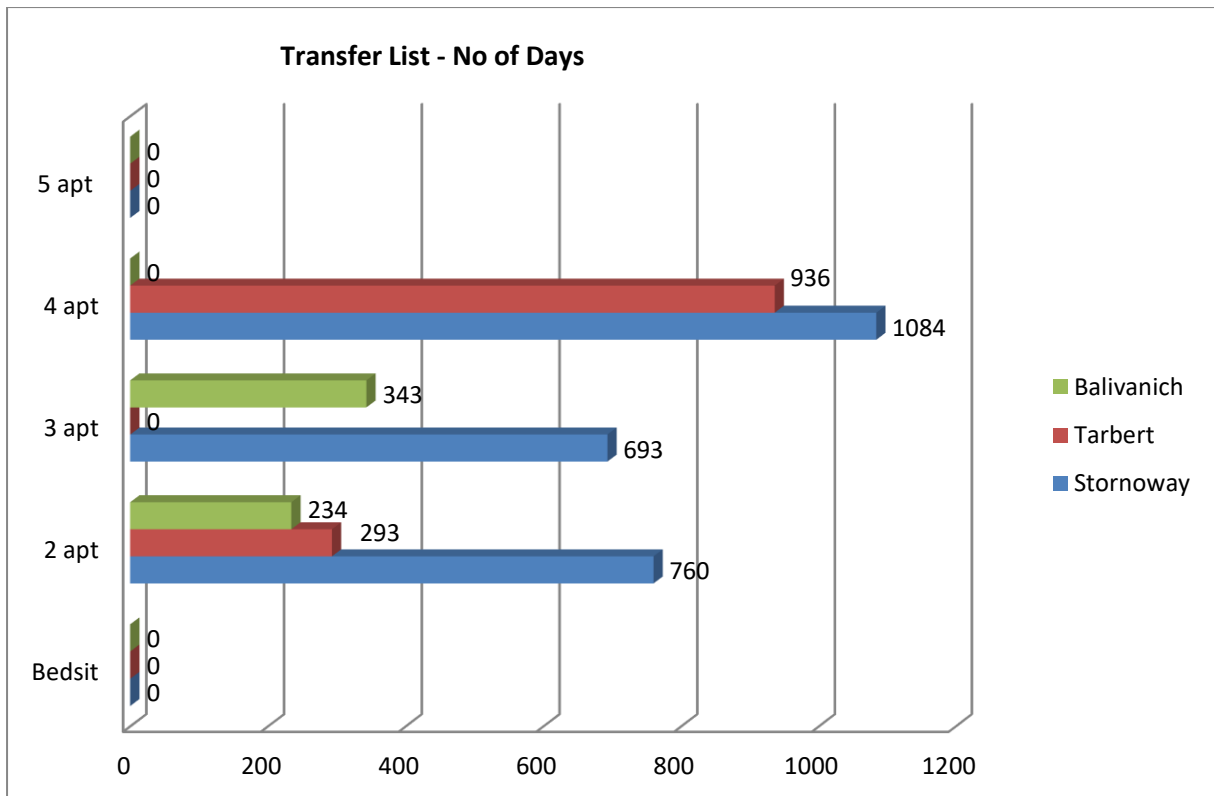


AVERAGE WAITING TIMES FOR APPLICANTS

13.1 The waiting time from the date of application to commencement of tenancy for the Homeless List, Transfer List and Housing List are shown in the following three charts.



13.2 The longest time taken to allocate on the Homeless list was 1395 days for a 4 apt property and the shortest time taken was 41 days for a 4 apt property in the Tarbert area.



LOW DEMAND PROPERTIES

- 14.1 The low demand for many rural areas is increasing and is a cause for concern. At the time of writing there are two properties at Casimir Place, Daliburgh which are unlet due to lack of demand. There was a property at Parkview Terrace, Balallan which had been void for 9 weeks and was allocated on 21 May 2019.
- 14.2 Overall 102 houses are now classed for ARC purposes as being low demand. Annual void loss was increasing steadily in recent years from 0.7% in 2015/16 to 1.1% in 2017/18. In 2018/19 the void loss has decreased to 0.6% primarily due to the disposal of Braehead, Lochboisdale. Further information and potential interventions will be reported to future Board meetings as appropriate.

HOMELESS APPLICANTS

- 15.1 In total 64 statutory homeless applicants were housed during 2018/19. Of these 36 were housed in the Stornoway area. This is 40% of lets in Stornoway against a target quota of 50%. This quota is to be reviewed annually and it is proposed that it continue at 50%. There has been no request by the Comhairle to amend the current quota. Of all allocations made throughout the Outer Hebrides, 27% were made to statutory homeless applicants.

QUOTAS FOR ALLOCATING HOUSES

- 16.1 Within the Stornoway area it is proposed that houses will continue to be allocated on a one to one ratio between homeless applicants and mainstream/transfer applicants.
- 16.2 The quota for waiting applicants is 35% and for transfer applicants in the Stornoway area is 15%.
- 16.3 The quotas were reviewed at the Housing Working Group when the Allocation Policy was revised after the provisions of the Housing Scotland Act 2014 were enacted.

CONCLUSION

- 17.1 The information in this report allows trends and changes in demand and supply to be tracked. It also provides a base from which an assessment can begin to be made as to whether the allocation policy is meeting the objectives set and whether those most in housing need are being housed.
- 17.2 There are some key points to note. The supply of vacancies is primarily of 1 and 2 bedrooms which relates well to the fact that 53% of the waiting list is single people. In 2017/18 the waiting list for single people was made up of 50%.
- 17.3 The percentage of lets made by ethnic group is in line with the composition of the waiting list although the numbers are small.

- 17.4 Demand against supply needs to be closely monitored. On a simplistic level there are 510 applicants on the waiting list excluding transfer applicants. This figure includes suspended and deferred applications. If deferred applicants are excluded the figure is 435. When this is compared to the supply of housing at an average of approximately 200 per annum the level of demand per vacancy is not high. This position is consistent with previous years and is an important issue to note in business terms.
- 17.5 There is continuing concern that we are increasing supply through the Development programme while demand is shrinking. Discussions are ongoing with the Comhairle and Community Planning Partnership as to how these trends can be addressed through the Local Housing Strategy development process.



TPAS CONFERENCE

Board 19 June 2019

Report by Director of Operations

Purpose of Report

- 1.1 This report seeks approval to support tenant attendance at the TPAS (Scotland) Annual Conference.

Summary

- 2.1 A funding request has been received from the Western Isles Housing Association Communities Forum (the Forum) to support up to 6 places at the TPAS (Scotland) Annual Conference in December 2019.
- 2.2 TPAS have offered 6 places for the price of 5. The cost per place is slightly lower than in 2018.

Competence

- 3.1 The financial, legal or other constraints to the recommendations in this report are contained in paragraphs 5.1 – 8.1.

Recommendations

- 4.1 **It is recommended that the Board agree to fund up to 6 places for the Western Isles Housing Association Communities Forum at the TPAS (Scotland) Annual Conference in December 2019.**

Background Papers: None
Writer of Report: John Maciver

Tel: 0300 123 0773

Competence

Financial

- 5.1 The cost of each place at the TPAS Conference is £870 for single occupancy. TPAS have again offered 6 places for the cost of 5.
- 5.2 Six places would therefore cost £4,350. This is a slight reduction on 2018 costs and can be funded from existing community support budgets.
- 5.3 Budgetary provision has been made to support tenant participation. Funding will either be made available to the Forum as appropriate or costs will be met directly by us.

Legal

- 6.1 There are no specific legal implications to the recommendations of this report.

Regulatory Guidance

- 7.1 The Regulatory Standards checklist has been completed and there is nothing in the report which would result in a breach of the standards.

Risk

- 8.1 Strong tenant participation represents good practice and reduced risk by helping to improve strong service delivery and processes to best meet the needs of service users. It also complies with regulatory expectations.

Report Details

Background

- 9.1 Effective tenant involvement and participation is something that all good landlords aspire to deliver. It is important that tenants feel that they have opportunities to engage with us and to be involved in our decision making.
- 9.2 Since 2006 we have funded several places at this conference which is the only housing conference targeted specifically at tenants. It has been mainly attended by representatives from the Forum and the Cearn Community Association. This has been funded from Tenant Participation budgets.
- 9.3 A request has again been received from the Western Isles Housing Association Communities Forum which is a Registered Tenant Organisation for funding to enable representatives to attend the Conference.

COMMUNITY GRANT REQUEST

Board 19 June 2019

Report by Director of Operations

Purpose of Report

- 1.1 To consider a funding application from the Community Grant Fund from the Evergreen Luncheon Club project based in Berneray, North Uist.

Summary

- 2.1 Our Community Grant Fund was approved by the Board in June 2017.
- 2.2 Funding is available to support small scale community projects that will improve the quality of life for residents and make a real difference to the neighbourhoods which we serve.
- 2.3 The Community Grant Fund seeks to support activity by local groups that improve lives and environment in their area.
- 2.4 The Fund is open to charities, tenant and residents' groups and voluntary organisations. There must be a benefit to our tenants residing within the area for the project being proposed.
- 2.5 The Evergreen Luncheon Club have requested £500 to alleviate transportation costs associated with outings.

Competence

- 3.1 The financial, legal or other constraints to the recommendations in this report are contained in paragraphs 5.1 – 8.1

Recommendations

- 4.1 **It is recommended that the Board consider and approve the funding application for Evergreen Luncheon Club, Berneray at Appendix 1.**

APPENDIX1: Evergreen Luncheon Club, Berneray Application Form

Background Papers:

Writer of Report: Jonathan Fairgrieve

Tel: 0300 123 0773

Competence

Financial

- 5.1 Funding to the value of £500, if approved, would be met from existing budgets. The Western Isles Housing Associations Communities Forum Committee will be responsible for accounting and managing the Community Grant Funding for this project.

Legal

- 6.1 There are no specific legal implications to this report.

Regulatory Guidance

- 7.1 The Regulatory Standards checklist has been completed and there is nothing in the report which would result in a breach of the standards.

Risk

- 8.1 Tenant Participation is a statutory responsibility. There is an expectation from the Regulator that Registered Social Landlords engage effectively with their tenants.

Report Details

Background

- 9.1 The Board agreed to establish a Community Grant Fund in June 2017.
- 9.2 This project has the potential to reduce isolation, build connections and friendships within the community, potentially improving the mental and physical health of those involved with the project.
- 9.3 Funding is requested from the group to help aid the financial burden of transportation costs to and from outings organised by the group.
- 9.4 Our tenants in Berneray will benefit from this proposal as they make up one third of the group members.

INTERNAL
REF

Community Grant Application Form

Name of Project	Evergreen Luncheon Club, Berneray
Name of Group/Charity (if you are a charity please provide charity number)	As above. We have a chair, secretary, treasurer and fundraiser. Hebridean Housing Partnership RECEIVED
Do you have public liability insurance?	No 31 MAY 2019

Contact Details

Name	Martha McKechnie, Secretary ACKNOWLEDGED
Address	1 Church Road, Berneray
Telephone Number	01876 540335
Email	marthamattiem@hotmail.com
C/o	

About Your Project (continue overleaf if required)

This is a luncheon club for people living on and around Berneray. We have been running for several years. There are currently 22 members. This includes a mixture of residents and HHP tenants (7 currently). Their ages range from 50 – late 90's. People have various health and support needs, some have chronic health conditions.

We get together once a month and go out for lunch and a natter. The majority of our members are single but there are also couples.

Berneray is a lovely island although it can be isolating, particularly if you live alone. The club provides an opportunity to get out and about, visit the local area and spend time with each other. This reduces social isolation, loneliness and improves and maintains our physical, mental and social wellbeing. In addition to this we now have a strong network of friends to provide support and advice and this enables us to maintain our independence.

Project Costs

Currently we have no transport and we would like to apply for some funds to enable us to continue our club activities. We are now hiring a mini bus and driver for each trip at a cost of £60.00 per day plus extra for a driver. Our members contribute £3.00 towards travel. We are asking for funds for 8 outings. Many of our members do not have cars and find it difficult to use public transport

Conflict of Interest Declaration

Are you or is anyone involved in this application, or in your group, a member of HHP or have close relative who are members of HHP?

Yes / **No**

Signatures

(Two persons to sign, one should be the named contact in this form, the other should be someone with direct involvement with the project)

 _____

 _____

 30.5.2019

INVESTMENT PROGRAMME MONITORING REPORT

Board 19 June 2019

Report by Director of Operations

Purpose of Report

- 1.1 To present an update on the 2019/20 Investment Programme and to seek approval to include any property with a THTC heating system in the heating programme.

Summary

2019/20 Programme

- 2.1 The works for the 2019/20 approved programme is delivered through the new Investment Framework. The report provides information on progress of works and procurement of call off contracts.
- 2.2 The Board agreed on 27 June 2012 to replace THTC systems within schemes where solid fuel systems were being replaced if the existing THTC systems were more than 10 years old, 13 properties have not been replaced as a result of this. It is now very clear that THTC systems do not produce a good solution for tenants and that current tariff prices are very high which in turn drives fuel poverty. Consequently, it is proposed that these properties be included in the heating programme when the opportunity arises and subject to budget availability

Competence

- 3.1 The financial, legal or other constraints to the recommendations in this report are contained in paragraph 5.1 – 8.3.

Recommendations

- 4.1 **It is recommended that the Board:**
- a) **approve the replacement of THTC heating systems previously omitted from replacement programmes due to their being less than 10 years old; and**
 - b) **note progress on the 2019/20 Investment Programme.**

Background Papers:

Risk Register

Writer of Report:

Angus MacNeil

Tel: 0300 123 0773

Competence

Financial

2019/20 Programme

- 5.1 The Board approved an Investment Programme for 2019-2023 in March 2019 subject to annual budget approval.
- 5.2 The investment budget for the 2019/20 Investment Programme is approved at £4.624m.
- 5.3 The estimated cost of the heating replacement at the 13 previously omitted THTC properties is £160k. These works will be carried out as savings are identified or to replace houses where heating replacement is refused.

Legal

- 6.1 The decision to approve or amend Strategy, Business Plan and budgets including virements to or from a budget head in excess of £50,000 is reserved to the Board.
- 6.2 Financial Regulations require that actual forecast and progress on the Investment Programme be reported to each routine meeting of the Board.
- 6.3 Scottish Government has set a legal requirement for Social Housing landlords to bring their stock up to the EESSH by April 2020.
- 6.4 Scottish Government has introduced a legal requirement for additional heat and smoke detectors to be installed in homes by February 2021. This work is included in the Investment Programme.

Regulatory Guidance

- 7.1 The Regulatory Standards checklist has been completed and there is nothing in the report which would result in a breach of these standards.

Risk

- 8.1 There are risks highlighted in the Risk Register which are relevant to Investment including specifically the failure of a major contractor.
- 8.2 There are further risks highlighted in the Risk Register in regard to the health of the local economy particularly the capacity of contractor to deliver programmes.
- 8.3 Scottish Government expects landlords to comply with EESSH. Failure to meet the standard would be a significant issue.
- 8.4 There is a risk in installing infrared heating prior to it being fully assessed through the EESSH and SAP frameworks. It may be that these systems will not ultimately be assessed positively. This issue has been discussed with Scottish Government and the Regulator. However, these are viewed positively by the majority of tenants where they have been installed and this continues to be monitored.

Report Details

2019-20 Investment Programme

9.1 Progress on the 2019/20 Investment Programme is shown below:

Lot Ref	Works	Area	Status	Contractor
Lot 1b	Doors – FIRE DOORS	Lewis/ Harris	Re tendered due to initial tender costs	TBC
Lot 2a	Heating - GAS	Lewis/ Harris	Awarded. Surveys in progress	FES FM Ltd
Lot 2b	Heating - ELECTRIC	Lewis/ Harris	Works on site	Alex Murray (Construction) Ltd
Lot 3	Bathrooms	Lewis/ Harris	Awarded. Surveys in progress	Alex Murray (Construction) Ltd
Lot 4	Kitchens	Lewis/ Harris	Awarded. Surveys in progress	O'Mac Construction Ltd
Lot 6	Electrical – REWIRING	Lewis/ Harris	Tender under preparation	TBC
Lot 6a	Electrical – FIRE DETECTION	Lewis/ Harris	Tender under preparation	TBC
Lot 7	Environmentals	Lewis/ Harris	Tender issued, due for return 12 June	TBC
Lot 8	Occupational Therapy	Lewis/ Harris	Awarded. On site	Alex Murray (Construction) Ltd
Lot 9	Windows/ Doors	Uists / Barra	Tender under preparation	TBC
Lot 9a	Doors – FIRE DOORS	Uists / Barra	Tender under preparation	TBC
Lot 10	Heating	Uists / Barra	Awarded	Alex Murray (Construction) Ltd
Lot 11	Bathrooms	Uists / Barra	Tender issued, due for return 7 June	TBC
Lot 14	Electrical – FIRE DETECTION	Uists / Barra	Tender under preparation	TBC
Lot 16	Occupational Therapy	Uists / Barra	Awarded. On site	Alex Murray (Construction) Ltd
Lot 17	Energy Efficiency	Uists / Barra	Tender to be prepared	TBC

- 9.2 Lot 1b Doors – Fire Doors has been re-tendered due to high tender costs. In addition only one tender was received although there are four contractors on the framework Lot.
- 9.3 Lot 11 Bathrooms – a contractor from Uist has requested an amendment to the commencement date due to current capacity. The date has been extended to afford them the opportunity to return a tender.
- 9.4 The combined Lots at tender and award stage amount to approximately 80% of the overall approved annual programme by value.

Total Heating Total Control – systems exceeding 10 year threshold

- 10.1 The Board agreed on 27 June 2012, to replace THTC systems within schemes where heating placement was being carried out, if the existing THTC systems were more than 10 years old. This meant that tenants with THTC systems under 10 years old did not receive a new heating system within these properties.
- 10.2 13 properties have been affected by this rule in the current programme and it is proposed that these tenants are given the opportunity to replace the existing THTC system with air source heating. It is now clear that THTC systems do not provide a good solution for tenants and are a contributor to fuel poverty. Current tariffs are also very high and there is limited competition in the market.
- 10.3 The replacement will require to be funded from savings only as they are realised. The approved programme has priority.

DEVELOPMENT MONITORING REPORT

Board 19 June 2019

Report by Chief Executive

Purpose of Report

- 1.1 To advise the Board of progress with the Development Programme 2018-2021.

Summary

- 2.1 A summary of our current position with regards to our 5 year development plan and Scottish Government Grant is shown below.

	Current / (2018-date)	Planned 2018-21 (5 year development plan)
Units approved	187*	294
Units on Site	50	294
Units Complete (2018-21)	57	270

*Approved to go to tender by Board/SHIP/awaiting site start

Scottish Government Grant

	Western Isles
For year 2019/20 (RPA)	£8.52M
Developments on Site	£1.84M
Expected on Site 2019/20	£11.692M
Total Estimated Spend*	£12.152M

*including land purchases

- 2.2 The Grant figures are subject to final agreement between HHP, the Comhairle and Scottish Government.
- 2.3 There are currently 4 developments on site all due for completion during 2019/20. Appendix 1 provides further details on individual sites.
- 2.4 Eight developments are at various stages awaiting site start. Four have planning permission and the planning department is currently assessing four. A full detailed table is provided at Appendix 1.
- 2.5 Appendix 2 represents a summarised view of year-to-date progress by development
- 2.6 Our lawyers have been instructed to commence the purchase of land at Howmore, Isle of South Uist. Howmore has four units on the SHIP for 2020/21. A closing date has been placed on the site. An offer will be submitted subject to the corrective conveyancing required by the landowner being completed satisfactorily prior to any conclusion.
- 2.7 The Comhairle are looking at the possibility of offering additional funding which will allow the project at Scotland Street to progress this financial year. It is currently in the SHIP for 2020/21.

Competence

- 3.1 The financial, legal and other constraints are detailed at paragraph 5.1 - 8.3.

Recommendations

- 4.1 **It is recommended that the Board:**
- a) agree to progress Scotland Street in 2019/20;**
 - b) note the detailed update of developments at Appendix 1;**
 - c) note the summarised development progress report at Appendix 2;**
 - d) note the overview of the Development Programme at Appendix 3; and**
 - e) note the feasibilities update at Appendix 4.**

APPENDIX 1:	Developments Detailed Update
APPENDIX 2:	Summarised Development Progress Report
APPENDIX 3:	Development Overview
APPENDIX 4:	Feasibility Studies Update
APPENDIX 5	New build progress photographs
Writer of Report:	Katrina Rowlands

Tel: 0300 123 0773

Competence

Financial

- 5.1 The agreed budget for Scottish Government Grant in 2019/20 is £8.52M. We have a £15M grant offer for Goathill including £7.27M for 2019/20. There is £1.84M committed with developments already on site. £2.577M is expected to be committed by July on the six rural sites and Low Flyer as per Appendix 1.

Legal

- 6.1 The Development Working Group has delegated authority until 31 March 2021, to approve private finance up to 40% of the cost, subject to approval from the Director of Finance & Corporate Services and funding being available through savings.

Regulatory Guidance

- 7.1 The Regulatory Standards checklist has been completed and there is nothing in the report which would result in a breach of the standards.

Risk

- 8.1 Development is inherently risky. Feasibility work to ascertain the suitability and capacity of potential sites for development helps to reduce risk. Feasibility studies are jointly funded by HHP and the Comhairle and are primarily undertaken by Tighean Innse Gall (TIG). TIG was appointed following a procurement exercise. Additional resource has been put in place through desktop feasibilities being carried out by the Comhairle Asset Management Team.
- 8.2 Risk related to particular development is assessed as part of the feasibility study.
- 8.3 One of the most significant risks at present is the short timescale to acquire sites and to achieve site starts to maximize use of the resources made available to the Comhairle and the Outer Hebrides.

Report Details

Feasibility Studies

- 9.1 Details of recent feasibility studies are at Appendix 4.
- 9.2 Work is ongoing with the Comhairle and suitable sites have been prioritised to carry out further feasibility studies on. The lead in communicating with landowners is CNES.
- 9.3 We were notified on 6 June 2019 that the landowner at 9 Ardveenish, Isle of Barra had withdrawn his offer of land "following consultation with family and friends".

Scott Road, Tarbert

- 9.3 The feasibility study at Scott Road Grazings, Tarbert is largely complete but information is awaited from Scottish Water which will be key to the validity of the project. However, one of the landowners has advised that they wish to retain part of the site originally identified. The implication of this is being assessed.

Site Acquisitions

- 10.1 The Masterplan exercise for Blackwater is complete and work is commencing on the planning process.
- 10.2 Our lawyers have been instructed to commence the purchase of land at Howmore, Isle of South Uist. Howmore has 4 units on the SHIP for 2020/21. Graham + Sibbald working on behalf of HIE have placed a closing date of Friday 21 June 2019 on the site. We have therefore instructed our solicitor to submit an offer subject to corrective conveyancing being carried out prior to any conclusion of sale.

Developer Led Proposals

- 11.1 There have been limited proposals to date from developers.
- 11.2 A site in North Uist is currently under discussion with the developer.
- 11.3 No further update has been received from the developer in relation to the site at South Dell. The CNES site at Eoropie is now being explored as a possible alternative.
- 11.4 Scotland Street is a high cost proposal and additional funding opportunities were sought. The Comhairle have offered additional funding and it is recommended that we progress this project further.
- 11.5 Bringing the Scotland Street project forward into 2019/20 helps to mitigate the risk that we may not have a site in Ness to progress and if necessary we could delay the start date of any project at South Dell or Eoropie.

New Build Updates

Appendix 1

Progress on Site

Development Name	Progress	Expected Handover
Mackenzie Avenue	There is an outstanding issue with regards to the site boundary. Progress has now been made with the owners and the matter is with our lawyers to be finalised. Handover for the remaining properties is programmed for December 2019.	December 2019
Breasclete, Isle of Lewis	Calmax started on site on Monday 15 April 2019. The site has been stripped and infilled. Work on the foundations is now underway.	March 2020
Horgabost, Isle of Harris	Development On Site. Currently 2 weeks behind but will catch up and have foundations complete before kit arrives on site.	March 2020
Tarbert Police Station, Isle of Harris	Contractor arrived on site 29 April 2019. Old Police Station has been stripped and demolished. Site being cleared.	Programme awaited

Expected Site Starts 19/20 – Summary

Development(s)	Number of Units	Status	Grant 19/20
Rural Uist	7	Planning Awarded.	£735,000
Rural Lewis	8	Planning submitted	£840,000
Breasclete	10	On site 15 April 2019	£878,000
Tarbert Police	8	On site 29 April 2019	£702,000
Low Flyer	10	Planning submitted	£1,002,000
Horgabost	4	On site	£261,000
Goathill Housing	74	Planning approved	£3,010,000
Housing with Extra Care	50	Planning approved	£4,268,000
Total Units	171	Total Grant in 2019/20	£11,692,000
Blackwater		Masterplanning progressing to planning	£360,000
Rural Site Purchases		Sites being identified	£100,000
		Total Grant in 2019/20	£12,152,000

New Build Updates

Appendix 1

Developments Awaiting Site Start - Detailed

Development Name	Number of Units	Progress	Contractor
Low Flyer, Balivanich	4 x 1 bed 2 x 2 bed 4 x 3 bed	A planning permission application was submitted on 30 October 2018. The contractor has been unable to achieve planning permission. Following joint meetings with contractor, architect and planning department a revised plan is being drawn up.	Douglas & Stewart
Torlum	2 x 2 bed	Planning permission has been granted. Building Warrant application in progress.	Calmax
Garrynamonie	4 x 3 bed	Planning permission has been granted. Building Warrant application in progress.	Calmax
Winfield Close	1 x 3 bed	Planning permission has been granted. Building Warrant application in progress.	Calmax
Cnoc a Runaire, Tolsta	4 x 3 bed	Planning submitted.	Alex Murray
An Glib, Point	2 x 3 bed	Planning submitted.	Alex Murray
Edgemoor Square, Ness	2 x 3 bed	Planning submitted.	Alex Murray

OVERALL SUMMARY OF DEVELOPMENT													
AREA	COST				GRANTS & SALES PROCEEDS				PRIVATE FINANCE				Amend to Private Finance
	Revised Budget £	31st May 2019 £	Change to Budget £	Forecast Out-turn £	Revised Budget £	31st May 2019 £	Change to Budget £	Forecast Out-turn £	Revised Budget £	31st May 2019 £	Change to Budget £	Forecast Out-turn £	
New Build	16,030,378	242,210	(14,131)	16,016,247	(11,756,033)	(23,922)	(798)	(11,756,831)	4,274,345	218,289	(14,929)	4,259,416	(14,929)
Retentions	66,346	-	-	66,346	-	-	-	-	66,346	-	-	66,346	-
Shared Equity	2,109,312	257,543	(101,591)	2,007,721	(1,781,611)	(19,541)	(650,060)	(2,431,671)	327,701	238,002	(751,651)	(423,950)	(751,651)
Land banking	100,000	6,582	-	100,000	(100,000)	-	-	(100,000)	-	6,582	-	-	-
TOTAL	18,306,036	506,335	(115,722)	18,190,314	(13,637,644)	(43,463)	(650,858)	(14,288,502)	4,668,392	462,873	(766,580)	3,901,812	(766,580)

PROGRESS	PROGRAMMES WITH TIME DELAYS
Projects on site progressing well. - Horgabost Phase 2 on site. Grant offer has been received from SG. - Goathill planning approved December 2018. - Stag Road - Handover achieved April 2019 - Breasclete is on site. Completion due March 2020.	- Tarbert Police Station - site start date was delayed. On site Monday 29 April 2019. - Mackenzie Avenue: Work continues on site with phase 2 - phase 1 handover completed in January 2019. - Balivanich - Planning submitted late October. Awaiting planning decision with some delays. Grant offer received from SG. - Sealladh a' Chlìseim - handover completed April 2019.
PROGRAMMES WITH PROJECTED BUDGET OVERRUNS	PROPOSALS FOR BRINGING PROGRAMME WITHIN BUDGET
- Mackenzie Avenue: there is a projected overspend of approximately £56K. Also additional legal costs anticipated with respect to titles corrections.	

Development	Units*	Split	2018												2019												2020												2021								
			Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar								
Mackenzie Avenue	50	Urban																																													
Sealladh a' Chlìseim - complete	10	Rural																																													
Back Care Unit - complete	3	Urban																																													
Tom Na Ba - complete	4	Rural																																													
Langley Apartments - complete	12	Urban																																													
Tarbert Police Station	8	Rural	X																																												
Corran Cismaol - complete	6	Rural																																													
Horgabost	4	Rural																																													
Balivanich Low Flyer	10	Rural																																													
Stonefield, Breasclete	10	Rural																																													
Garrynamonie	4	Rural																																													
Torlum	2	Rural																																													
Winfield Close	1	Rural																																													
Blackwater	80	Urban																																													
An Glib	2	Urban																																													
Cnoc A'Runaire, Tolsta	4	Rural																																													
Edgemoor Square, Ness	2	Rural																																													
Howmore	12	Rural																																													
Scott Road, Tarbert	19	Rural																																													
Melbost West	60	Urban																																													
Goathill Farm	126	Urban																																													

Code

	Feasibility
	Tendering
	Tender Award
	On site
	Completion
	Planning
	Masterplan

	Area	Site/Scheme	Feasibility	Time Taken to Complete Feasibility (Days)	Feasibility Status	Feasibility Recommendations	Site Ownership	Comments	Communication with Proposer	Number of Potential Units	Current Committed/ Preferred Number	Current Status
LEWIS												
1	Lewis	Scotland Street	N/A	TBC	Complete			2/5/19 - figures being reviewed. Potential availability of funding assistance from Comhairle.				Additional Funding Required
2	Lewis	An Glib	TIG	34	Complete	Subject to HHP financial appraisal, the site is suitable for development and offers good value for money.	HHP / CnES transferring small strip for access	Need access strip from CNES		2	2	Application for Planning Submitted
3	Lewis	Cnoc A'Runaire, Tolsta	TIG	31	Complete	Subject to HHP financial appraisal, the site is suitable for development and offers good value for money.	HHP	2 x 3 bed units. Possible issue with the shape of land. Would we need to purchase small additional area? Space for additional 2 unit expansion.		6	2	Application for Planning Submitted
4	Lewis	Edgemoor Square, Ness	UOG	103	Complete	Small but well positioned site in relation to services. No major barriers to development	HHP	HHP owned, room for additional units		2	2	Application for Planning Submitted
5	Lewis	Blackwater	TIG	50	Complete	Subject to HHP financial appraisal, the site is suitable for development and offers good value for money.	Crofting Tenure - Stornoway Trust/ J MacIennan			84	40	At Masterplan Stage
6	Lewis	Melbost Farm West	TIG	105	Complete	Subject to financial appraisal - suitable for development. Additional recommendations	Stornoway Trust	Tenant Farmer		170		At Masterplan Stage
7	Lewis	Uig (HIE site)	TIG		Tech Services		HIE					Desktop - Feasibility
8	Lewis	Breacleate Glebe, Bernera	Comhairle Asset Management Team		Tech Services							Desktop - Feasibility
9	Lewis	Caversta, South Lochs	Comhairle Asset Management Team		Tech Services		Common Grazings					Desktop - Feasibility
10	Lewis	Field West of Holm Road Junction	Comhairle Asset Management Team		Tech Services		Common Grazings	Field west of Holm Road junction				Desktop - Feasibility
11	Lewis	Loch an Duin, Aird, Point	Comhairle Asset Management Team		Tech Services		Upper Aird Grazings	Possible 2 units				Desktop - Feasibility
12	Lewis	Crowlista, Uig	Comhairle Asset Management Team		Tech Services							Desktop - Feasibility 1
13	Lewis	Keose Glebe	Comhairle Asset Management Team		Tech Services		Keose Glebe Estate	Proposed by Keose Glebe Estate Next to original Keose Glebe HHP scheme				Desktop - Feasibility 1
14	Lewis	20 Outend, Lemreway	Comhairle Asset Management Team				Kenneth Mackay	possible previous feasibility?	Comhairle Ack February 2019			Desktop - feasibility 1
15	Lewis	4 Eagleton, Point – fishermans holdings	TIG	96	Complete	Based on the information available at the time of writing, it is felt that the construction cost £191,350 per unit deem this site to be unsuitable for development and it is likely that servicing the site will be a problem. It is therefore recommended that this site should not be developed.	Private					Feasibility Complete

	Area	Site/Scheme	Feasibility	Time Taken to Complete Feasibility (Days)	Feasibility Status	Feasibility Recommendations	Site Ownership	Comments	Communication with Proposer	Number of Potential Units	Current Committed/ Preferred Number	Current Status
16	Lewis	4 School Park, Knock	TIG	96	Complete	Based on the findings of this study and subject to HHP's financial appraisal the site is suitable for development on the basis of developing four units on site. If this size of development cannot achieve planning permission the site would be considered less favourable.	Private	0.2 hectares. Site about to go on open market. Contact from owners solicitors. Services are nearby				Feasibility Complete
17	Lewis	Arnol – edge of settlement	UOG	105	Complete	Large & well positioned site. Development costs reflect challenges around ground conditions and connections to existing electrical services.	Barvas Estate Trust	Proposed by Barvas Estate Trust		22	8	Feasibility Complete
18	Lewis	Graham Park, Dell	UOG	104	Complete	Reasonable prospect for new housing but moderate investment in utility infrastructure is needed	HHP	HHP owned, room for additional units		7	2	Feasibility Complete
19	Lewis	Loch Street, Barvas	TIG		Complete		Barvas Estate Trust	Site has moved - there are now 3 private plots. TIG suggest starting any development after the electrical pole due to the cost of moving it.		6	6	Feasibility Complete
20	Lewis	Geilear Road, Bayble	Developer Led	N/A	N/A		Common Grazings	Common grazings, developer led proposal				Not HHP - developer led
21	Lewis	South Dell	Developer Led	N/A	N/A		Common Grazings	Phone call from John Campbell, South Dell Grazings wish to offer up this piece of land for housing. L-shaped plot next to fire station and bus stop. He will get Grazings to email us details of land and a contact number.			6	Not HHP - developer led
22	Lewis	Melbost Junction	N/A									Not HHP - developer led
23	Lewis	Breaclete					Free Church of Scotland	Not been in Common Grazings for years. Mary Ann has emailed Free Church. The village and Grazings are in favour of housing on this land.				Proposed
24	Lewis	Crowlista 2					Church	Land owned by the church close to Crowlista site. Need map of site.				Proposed
25	Lewis	Eoropie	TIG		Commissioned		Comhairle	Opposite Play Park Had been considered for Rural HWEC - see Dan's feasibility.				Feasibility
26	Lewis	Gravir					Common Grazings	Plan requested				Proposed
27	Lewis	Kintulavaig					HHP	HHP owned. Possible shared equity. Development previously aborted.		3		Proposed
28	Lewis	Site past church, Barvas						Proposed by Barvas Estate				Proposed
29	Lewis	Tong Road					Common Grazings	Land on Tong Road, heading to Tolsta, after private housing in Newmarket (serviced plots preferred)				Proposed
30	Lewis	2 Cross	UOG	N/A	Cancelled		Private	Site advertised incorrectly. Too small but may have additional land around it.		0	0	Ruled Out
31	Lewis	Cairn Aonghais, Gravir	TIG	N/A	Cancelled			Next to existing HHP development. Proposed by Pairc Trust.		2	0	Ruled Out
32	Lewis	Callanish	TIG	N/A	Cancelled			Proposed by Carloway Estate Trust				Ruled Out
33	Lewis	Cross	UOG	N/A	Cancelled		Private	No longer available. UOG made contact with owner		0	0	Ruled Out
34	Lewis	Kirivick	TIG	N/A	Cancelled			Proposed by Carloway Estate Trust. Old Quarry				Ruled Out
35	Lewis	Balallan, Pairc Junction	TIG	72	Complete	Construction costs deem this site to be unsuitable for development.	Soval Estate	HLA		4		Ruled Out
36	Lewis	Cnoc a Bhlair, Gravir	TIG	116	Complete	Unsuitable for development		Next to existing HHP development. Proposed by Pairc Trust.		2	2	Ruled Out
37	Lewis	Gress site	TIG	N/A	Complete		Stornoway Trust	No longer available.				Ruled Out
38	Lewis	Heathpark, Bernera	TIG	72	Complete	High cost so recommended NOT to develop	HHP	HHP owned, room for additional units		1		Ruled Out

	Area	Site/Scheme	Feasibility	Time Taken to Complete Feasibility (Days)	Feasibility Status	Feasibility Recommendations	Site Ownership	Comments	Communication with Proposer	Number of Potential Units	Current Committed/ Preferred Number	Current Status
39	Lewis	Lon Ban, Lemreway	TIG	126	Complete	Based on the information available at the time of writing, it is felt that the high construction costs deem this site to be unsuitable for development.		Next to existing HHP development. Proposed by Pairc Trust. In Pairc Primary catchment		2	2	Ruled Out
40	Lewis	Shawbost – site behind Church	UOG	111	Complete	Cost due to wastewater connections. Explore smaller site based on existing infrastructure?	Common Grazings	Has previously been in HLA, road costs were going to be high, re-visit. Common grazings.		20		Ruled Out
41	Lewis	10 Lionel, Ness						Not a priority due to other site in area being progressed.				Ruled Out
42	Lewis	107 Cross Skigersta Road, Ness						Not in crofting	Comhairle Ack February 2019			Ruled Out
43	Lewis	21 Torquil Terrace					Mike McLennan		Comhairle Ack February 2019			Ruled Out
44	Lewis	46 Habost					Ian Graham	1.26ha	Comhairle Ack March 2019			Ruled Out
45	Lewis	58 North Shawbost	TIG				Private	No longer available.				Ruled Out
46	Lewis	97 West End Balallan					Private	29.5k Close to Balallan Pairc Junction site (Ken Macdonald)	N/a			Ruled Out
47	Lewis	Achmore					Bethesda	0.1ha small site close to other property. Possibly 2 units.	Comhairle Ack February 2019	2	0	Ruled Out
48	Lewis	Balallan					Bethesda	0.153ha Too expensive to develop	Comhairle Ack February 2019			Ruled Out
49	Lewis	Breacleite 2					Ian Macdonald	House site and garden area are in process of being decrofted	Comhairle Ack February 2019			Ruled Out
50	Lewis	Marybank					Patricia Campbell	0.56ha land to rear of depository Depository in council ownership?	Comhairle Ack February 2019			Ruled Out
51	Lewis	Millhouse, Breascleite					Iain Macneil	Sufficient for 10-12 houses	Comhairle Ack February 2019			Ruled Out
52	Lewis	South Bragar					Bethesda	0.348ha next to Dounes	Comhairle Ack February 2019			Ruled Out
HARRIS												
53	Harris	Coastguard/Scott Road, Tarbert - 2	TIG		Commissioned							Feasibility Commissioned
54	Harris	Coastguard/Scott Road, Tarbert	TIG	TBC	Complete		Atlantic Land & Property Ltd	High costs, mast needs to stay. Discussions ongoing with CnES/HIE/SG		19		Feasibility Complete
55	Harris	Seilebost	Comhairle Asset Management Team				West Harris Trust	LDP site.		2	2	Feasibility desktop 1
56	Harris	1 Kendibeg, Harris	TIG		Commissioned			0.226ha Site near Diracleit, possibly 4 houses	Comhairle Ack February 2019			Feasibility
57	Harris	Bunavoneadar					North Harris Trust	NHT – land to the west of the hydro-electric scheme, either side of the road (crofting tenure)				Proposed
58	Harris	Meavaig North					North Harris Trust	Large agricultural park between road and shore (NHT own)				Proposed
59	Harris	Near Harris House (Croft 4)	TIG	N/A	Complete	Site is viable. Costs high but consider due to lack of available development sites.	Crofting Tenure - NHT	4 units Unlikely to be able to purchase the site		4	0	Ruled Out
60	Harris	Scalpay school	TIG	99	Complete	Not recommended to proceed	NHT	Feasibility study underway for the re-development		2	2	Ruled Out
61	Harris	10 Scalpay						Large site, access issues?	Comhairle Ack February 2019			Ruled Out
62	Harris	11 Kyles Scalpay						consideration of watercourse required, high design expectation within National Scenic Area, Gradient of note.				Ruled Out
UIST												
63	Uist	Balivanich Commercial Dev. Area (Low Flyer)	TIG	55	Complete	Suitable for development	CnES			10	10	Application for Planning Submitted

	Area	Site/Scheme	Feasibility	Time Taken to Complete Feasibility (Days)	Feasibility Status	Feasibility Recommendations	Site Ownership	Comments	Communication with Proposer	Number of Potential Units	Current Committed/ Preferred Number	Current Status
64	Uist	Garrynamonie	TIG	64	Complete	Subject to HHP's financial appraisal. Recommended for development.	HHP	Expectation in community to develop. Storas say definite interest in Shared Equity – amongst their staff. Previous Feasibility carried out - being updated.		8	4	Application for Planning Submitted
65	Uist	Torlum	TIG	30	Complete	Subject to HHP's financial appraisal, the site is a suitable for development and should be considered for taking forward	HHP	Can take 2 units.		2	2	Application for Planning Submitted
66	Uist	Winfield Close	TIG	N/A	N/A		HHP	Can take 1 unit		1	1	Application for Planning Submitted
67	Uist	West Gerinish, S Uist	TIG		Commissioned		Common Grazings	Land opposite Kildonan Road End, just north of museum				Feasibility Commisioned
68	Uist	Howmore	TIG	58	Complete	Consider for development although there are additional recommendations	HIE	HIE, opposite Beinn Mhor Cottages New septic tank required. Title plan to be amended		12		Feasibility Complete
69	Uist	Dunganichy, Benbecula	Comhairle Asset Management Team		Commissioned		Scottish Ministers	Email from Niall McPherson, Senior Agricultural Officer - offering land for 2 affordable houses before they put it on open market.	2/4/19 email from Katrina to say that we are considering the site and will look at a feasibility.			Feasibility desktop 1
70	Uist	Claddach Illeray, North Uist	Comhairle Asset Management Team				North Uist Estate	Just before Smokehouse. Closer to Clachan than Claddach Illeray.				Feasibility desktop 1
71	Uist	Lochmaddy Hospital	Developer Led	N/A	N/A		Macinnes Brothers	Awaiting full cost details from developer to allow HHP to commit to the site. It is on SHIP for 19/20 for 6 units.				Proposed
72	Uist	Claddach, North Uist					North Uist Estate	Email from Christine Macleod, N Uist Trust to offer land. To go via CNES as strategic lead. Awaiting outcome.				Proposed
73	Uist	Eochar 1					CNES	CnES Education owned – if janitors house and head teachers house cleared. Community council suggestion. – existing dev. not great, at the back of Bualadubh. Would they demolish and re-build.				Proposed
74	Uist	Balivanich school	N/A	N/A	Complete		CnES?	Large area of land behind existing housing. possible issue with current tenants not wanting additional housing. Is it CnES owned?				Ruled Out
75	Uist	Eochar	TIG	125	Complete	Ground remedial costs cause this site to be unsuitable.	Storas			4		Ruled Out
76	Uist	Balivanich Hall					Iain Macdonald	Too close to existing turbine and possible flood risk?	Comhairle Ack February 2019			Ruled Out
77	Uist	Sollas/Claddach Valley						Land no longer available				Ruled Out
BARRA												
78	Barra	Skallary, Isle of Barra	Comhairle Asset Management Team					Land immediately behind Skallary HHP Previously offered to HHP 2-3 years ago	Comhairle Ack February 2019 2 April - CnES to contact landowner for more detail on site.			Desktop - feasibility 2
79	Barra	9 Ardveenish	TIG		Commissioned		Angus Galbraith	Barra croft	Comhairle Ack February 2019	4	4	Feasibility Commisioned
80	Barra	Vatersay	TIG	109	Complete	Costs high but in keeping with Barra. Consider for development.	Private	Need Deed of Servitude or land purchase from SG. Road costs will be high. Previous nearby flooding issues.		14		Feasibility Complete
81	Barra	Brevig						Single adapted house with tenant in mind. Need Social Work confirmation.		1	1	On hold

New Build Progress

Mackenzie Avenue



Pairc Nisabost, Isle of Harris



Breasclete, Isle of Lewis



James Place, Tarbert



RISK MANAGEMENT POLICY & STRATEGY REVIEW

Board 19 June 2019

Report by Chief Executive

Purpose of Report

- 1.1 To consider and approve the revision of the Risk Management Policy and Strategy.

Summary

- 2.1 The Risk Management Policy & Strategy is reviewed on an annual basis.
- 2.2 There have been minor changes made to the policy to take into account the revised organisational structure.

Competence

- 3.1 The financial, legal or other constraints are listed at paragraph 5.1 – 8.1

Recommendations

- 4.1 **It is recommended that the Risk Management Policy and Strategy at Appendix 1 be approved by the Board.**

APPENDIX1: Risk Management Policy & Strategy
Writer of Report: Dena Macleod

Tel: 0300 123 0773

Competence

Financial

- 5.1 There is no cost involved in implementing the revision to the policy.

Legal

- 6.1 The approval and amendment of policies is a matter reserved to the Board.
- 6.2 The Board has referred the following function to the Audit & Risk Committee:
"monitoring and reviewing policies and procedures relating to the Board's system of internal control, risk and evaluation and corporate governance."
- The two policies which do not fall within the Audit & Risk Committee referred functions are Training and Development and Repairs and Maintenance.

Regulatory Guidance

- 7.1 The Regulatory Standards checklist has been completed and there is nothing in the report which would result in a breach of the standards.

Risk

- 8.1 Governance of the Partnership is critical to its long term viability. Reviewing and updating policies ensures a solid foundation for good governance and mitigates the risk of poor governance.



hebridean housing
partnership



► Risk Management Policy & Strategy

Effective Date: ► June 2019

Review Date: ► June 2020

Approved by HHP Board: 19 June 2019

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RISK MANAGEMENT POLICY & STRATEGY

INTRODUCTION

- 1.1 we face a variety of risks. While risk cannot be eliminated, it can be identified, assessed and responded to.
- 1.2 Risk can be defined as uncertain future events or actions that might prevent the organisation from maintaining good performance, meeting pre set targets, goals and plans which result in loss being incurred.
- 1.3 Risks can be financial, physical or reputational.
- 1.4 We will ensure that risk management plays an integral part in the governance and management of the organisation at strategic and operational level.

AIMS

- 2.1 This Policy aims to:
 - Identify risk in a changing environment
 - Define the level of risk capacity and score accordingly
 - Assess the likelihood of such risk arising and the impact on the organisation should they arise, and once assessed prioritising the risk
 - Respond to material risk and minimise risk through an appropriate system of controls which limit and manage the level of risk such that residual risk can be borne without serious permanent damage to the Partnership. Ensure that risk management flows through our business at both strategic and operations levels.

ESSENTIAL ELEMENTS

- 3.1 Risk management can be defined as the culture, process and structures that are implemented by an organisation to manage potential risks and their adverse effects.
- 3.2 We have a risk management strategy in place which will be reviewed annually by the Board. A risk register is in place, which identifies the risks, assesses the impact of these risks and the proposed action that needs to be put in place to minimise the impact.
- 3.3 Risks that are deemed appropriate will be insured in proportion to the level of risk. This will be done in accordance with our policy on insurance.

KEY ASPECTS

- 4.1 The key aspects of risk management can be identified as follows:
 - Identification of risks;
 - Assessment of risks;
 - Decision on level of risk appetite;
 - Allocation of ownership of risk;
 - Development of action plan; and
 - Monitoring and review arrangements.

- 4.2 Risk management should be established and integrated within existing management processes, including planning, performance management and project management.
- 4.3 Risk management is used as a tool to ensure that we can respond to changing demands, improve performance and make the most effective use of resources.

PLANNING

- 5.1 Risk management is an integral part of our planning and decision making process. Strategic and operational risks are identified as a key part of business planning. As an integral part of the Business Planning process the Board defines the level of risk capacity and score accordingly.
- 5.2 The identification of risks will be considered at the planning stage so that decisions on future priorities and projects are made with knowledge of potential risk.
- 5.3 Approved projects include risk management in the implementation plan and post implementation evaluation.

RISK CATEGORIES

Strategic

- 6.1 Risks which affect the planning by the organisation, partnership arrangements and those created by the establishment of the organisation.

Operational

- 6.2 Risks which relate to the delivery of investment on the ground. Risks in this area could include issues such as site contamination, procurement matters, staffing and compliance.

Financial

- 6.3 Risks which include the potential impacts and requirements of obtaining private sector funding, loss of income or increase in expenditure.

PRIORITISING RISK

- 7.1 Generally, the identification of risks will result in a long list of potential events. These risks are not equally likely to occur and the impact of each risk will not be the same. Some risks will have a major affect on the financial stability of the organisation or its service provision while others will not have a material effect on the financial stability of the organisation or its service provision.
- 7.2 Risks can be prioritised using a combination of likelihood of the event happening and the level of impact which the event could have. Risks which are in the high impact and high likelihood category will be given the higher priority.
- 7.3 The Risk Register reflects the level of priority.

GOVERNANCE ARRANGEMENTS

- 8.1 The Board is responsible for ensuring the adequacy of the Partnership's risk management framework and in particular that they are aware of and understand key business risks in a changing environment.
- 8.2 The Audit & Risk Committee will take an overview of risk systems on behalf of the Board. Each meeting of the Committee reviews the Risk Register.
- 8.3 The Audit & Risk Committee will make arrangements to identify, review, evaluate and manage risk and consider the reports by officers on their evaluation of key business risks.
- 8.4 All reports to the Board shall include a comment on any aspect of risk which has been identified in implementing a recommendation.

ALLOCATION OF OFFICER FOR EACH RISK

- 9.1 Individual Officers should be assigned responsibility for key risks. This ensures that the responsibility for further work on a particular risk is clearly identified.
- 9.2 The Executive Team are responsible for:
 - Setting the risk management framework;
 - Assessing risks based on recommendations from the Risk Co-ordinator and Team Leaders
 - Ensuring the process is operated effectively and efficiently and
 - Reporting to the Audit & Risk Committee and Board.
- 9.3 The Head of Executive Office will take the lead in the development of the Corporate Risk Assessment framework.
- 9.4 The Risk Co-ordinator, Team Leaders and staff are responsible for the day to day management of the process and for identifying, categorising risk and reporting to Executive Team.
- 9.5 The Corporate Resources Administration Officer is the designated Risk Co-ordinator. The Corporate Resources Officer will deputise in the absence of the Risk Co-ordinator. The Risk Co-ordinator will ensure that staff are aware of their roles and responsibilities, that the risk registers are maintained, reviewed and updated and that the appropriate reporting is carried out.

REPORTS

- 10.1 The Risk Register is reviewed and updated on an ongoing basis by managers having consulted with their teams to ensure all known risks are captured and assessed.
- 10.2 The Risk co-ordinator will ensure regular reports to Executive Team on the medium and high level risks prior to each meeting of the Audit & Risk Committee.
- 10.3 The Risk Co-ordinator will ensure that the Audit & Risk Committee receive reports on the Risk Register at each meeting.
- 10.4 The Chief Executive will provide the Board with an annual update of HHP's Risk Strategy.

- 10.5 Risk will be considered by the Board and Standing Committees as part of the routine operations decision making process on all aspects of HHP's activities.

RISK CAPACITY

- 11.1 We will determine at its Board Business Planning Day its risk capacity and appetite annually taking account of:
- An agreed level of financial loss that is acceptable on all identified and new potential risk
 - An assessment level of the number of potential risks that may materialise at any one time.
 - The limit of free reserves that are available to absorb potential losses of any new projects

RISK MANAGEMENT CYCLE TIMETABLE

- 12.1 We will operate an annual risk management cycle based on the Business Year. This cycle will have the following key milestones:

DATE	ACTIVITY	RESPONSIBILITY
April	Annual review of Risk Strategy	Chief Executive / Executive Team
June	Report on Annual Review of Risk Strategy to Audit & Risk Committee	Chief Executive
	Each meeting of Audit & Risk Committee will review the Risk Register	Risk Co-ordinator & Executive Team
December	Agree risk capacity for next business year	Executive & Board Business Planning Day
December	Map risks to Strategic Objectives	Executive & Board Business Planning Day
February	Report on risk capacity from Business Planning Day to Board	Executive/Risk Co-ordinator

MONITORING AND REVIEW OF POLICY

- 13.1 Responsibility for monitoring the application of this policy will rest with the Chief Executive.
- 13.2 The policy will be reviewed every year with amendments being made as appropriate and communicated to all staff and relevant stakeholders.

POLICY CHANGE HISTORY

Version	Change Applied	Date	By
2.0	Revised Risk Management Cycle Timetable	June 2014	A Lamont
3.0	Minor amendments	June 2015	A Lamont
4.0	Review and no changes	June 2016	A Lamont
5.0	Minor amendments to reflect changes in management arrangements Par 9.2	June 2017	Dena Macleod
6.0	Minor amendments	June 2018	Dena Macleod
7.0	Incorporating the role of Head of Executive Office.	June 2019	Dena Macleod

INTERPRETATIONS & ABBREVIATIONS

The following interpretation and abbreviations are used in this policy:

Word	Interpretation
<i>HHP or Partnership</i>	Hebridean Housing Partnership
<i>Board</i>	Means the Board of the Hebridean Housing Partnership
<i>Board Members</i>	All Members of the Board including co-opted Members
All references to the masculine gender in this policy shall read as equally applicable to the feminine gender	



HHP is a registered society under the Co-operative and Community Benefit Societies Act 2014, Registered Number: 2644R(S), Registered Office: Creed Court, Gleann Seileach Business Park, Willowglen Road, STORNOWAY, Isle of Lewis HS1 2QP. It is a charity registered in Scotland, Charity Number: SC035767, registered as Registered Social Landlord with the Scottish Housing Regulator, Registration Number: 359 and registered as a Property Factor, Registration Number PF000183

Email: info@hebrideanhousing.co.uk

Web: www.hebrideanhousing.co.uk

Phone: 0300 123 0773

POLICY CONSULTATION RESPONSE

Board 19 June 2019

Report by Chief Executive

Purpose of Report

- 1.1 To review and approve the Corporate Payroll Policy, and the Adverse Weather Policy following the consultation with Staff and Unison, and to approve the Personal Relationships at Work for consultation with Staff and Unison following EVH's update to their model policy.

Summary

- 2.1 The Adverse Weather Policy and Corporate Payroll Policy were approved for consultation with Staff at Unison at the 22 May 2019 Board meeting.
- 2.2 The responses to the consultations, and any amendments required to the policies are at Appendix 1.
- 2.3 An updated Model Policy on Personal Relationships at Work was received from EVH on 3 June 2019. The Policy has been revised to take account of the update and the consultation will be re-run with the final policy going to the August 2019 Board meeting for approval.

Competence

- 3.1 Financial, legal and other constraints from the recommendations to this report are at paragraph 5.1 – 8.1.

Recommendations

- 4.1 **It is recommended that the Board approve the:**
- a) Adverse Weather Policy and the Corporate Payroll Policy;**
 - b) Corporate Payroll Policy subject to agreeing the process for the annual pay award with Unison; and**
 - c) Personal Relationships at Work Policy for consultation with Staff and Unison.**

APPENDIX 1: Consultation Responses on Adverse Weather Policy & Corporate Payroll Policy

APPENDIX 2: Personal Relationships at Work Policy

Background Papers:

Writer of Report: Iona France

Tel: 0300 123 0773

Competence

Financial

- 5.1 There are no financial implications arising directly from the consideration of this report.

Legal

- 6.1 There are no legal implications arising directly from the consideration of this report

Regulatory Guidance

- 7.1 The Regulatory Standards checklist has been completed and there is nothing in the report which would result in a breach of the standards.

Risk

- 8.1 The risk of not updating policies can lead to breaches in regulatory codes of governance, legislation and recommended practice, and can leave the Partnership open to legal action.

RESPONSES TO ADVERSE WEATHER CONSULTATION**6 JUNE 2019**

Number of responses	3
Number of responses received before deadline	3
Number of responses received after deadline	1
Union/staff	4 Staff

Q1 Do you foresee any difficulties in implementing the requirements of the policy in your job?

STAFF RESPONSES

1. Yes. During a red alert I would be unable to carry out any work. What alternative working arrangements could be put in place, i.e. working from home?

Q1. Is there anything we have not covered in the Policy that you think we should cover?

2. Local considerations have not been taken into account.

Q3. If you have any additional comments, please use this space to let us know

- 2 We have used EVH's Model Policy but have local considerations been taken into account? The Met Office may not issue a weather warning of any sort but our staff may still be impacted e.g. Braighe being closed; ferry disruptions.
- 2 Braighe being closed because of high tide/gales, Clisham becoming impassable due to snow. This has not been taken into account.
3. 6.4 & 9.1 - *flexi, annual leave etc in line with organisational policy* Given the reduction in number of days staff can take in some flexi periods would this allow scope for Exec Team to have any discretion during periods of adverse weather e.g. allow an additional day of flexi for someone living rurally and unable to travel? It reads as though it may be quite rigid.

UNISON RESPONSE

No response to consultation.

MANAGEMENT RESPONSE

1. Arrangements will be made with Managers for all staff during a red alert.
2. Every area has their individual circumstances and this policy is the principle to be applied. It can't take account of every situation. Directors will apply their judgement regarding home working, flexi or leave.
3. 9.1 & 6.4 provides flexibility rather than rigidity.

NO CHANGES REQUIRED TO POLICY

RESPONSES TO CORPORATE PAYROLL POLICY CONSULTATION

6 JUNE 2019

Number of responses	1
Number of responses received before deadline	1
Number of responses received after deadline	0
Union/staff	1 Staff

Q1. Do you foresee any difficulties in implementing the requirements of the policy in your job?

STAFF RESPONSES

Q2. Is there anything we have not covered in the Policy that you think we should cover?

Q3. If you have any additional comments , please use this space to let us know

1. Overtime – Does this include Additional Hours or is this referring to an overtime rate. What would happen if Managers are required to work Saturdays during, for example, another storm period?

UNISON RESPONSE

No response to consultation.

MANAGEMENT RESPONSE

1. There will always be scope for exemptions and decisions will be made at the time – the policy is intended to cover the general principles.

NO CHANGES REQUIRED TO THE POLICY



hebridean housing
partnership



► Personal Relationships at Work Policy

Effective Date: ► 23 May 2019

Review Date: ► May 2022

Approved by HHP Board: 22 May 2019

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PERSONAL RELATIONSHIPS AT WORK POLICY

INTRODUCTION

- 1.1 We recognise that employees may form friendships and sometimes personal relationships with colleagues or those connected with their work. While we do not wish to interfere with these relationships, we are duty bound to ensure that all staff behave appropriately, adhering to our standards of conduct set out in our policies, and avoid behaviours which could lead to allegations of impropriety.
- 1.2 This policy sets out the standards expected regarding personal relationships connected with work. You should speak to your line manager if you are unsure of the standards expected of you. If the expected standards set out below are not met, we will manage any breaches following our disciplinary procedure.

AIMS & OBJECTIVES

- 2.1 Our primary aims are to comply with all relevant legislation, including the Data Protection Act 2018.
- 2.2 To be clear on our standards and expectations concerning personal relationships at work.
- 2.3 To manage any situations out with the expected standards in accordance with this policy.
- 2.4 We aim to manage situations that may arise in a fair, consistent and appropriate way, and comply with all relevant discriminatory legislation.

SCOPE

- 3.1 This policy applies to all HHP staff. The policy and procedure are non-contractual. We may change it at any time as is appropriate. Should changes be made, we will carry out consultation.
- 3.2 It applies to job applicants in so far as applicants are advised to declare "significant social relationships" with existing staff and contractors.

POLICY REQUIREMENTS

- 4.1 We expect you will:
 - not allow any close personal relationships with a colleague, contractor, client, customer or supplier to influence your conduct, judgement or decisions while at work.
 - declare a close personal relationship with a colleague or any other person connected to your employment to your line manager. If the relationship is between a manager/supervisor, we expect this to be declared to a more senior manager and the Director/Chief Executive.
 - respect your surroundings, your colleagues and our organisation.

- not behave inappropriately during working hours is not acceptable, nor outwith working hours with any matters connected or associated with your employment
- be aware of your behaviour in any social media interaction connected to personal relationships at work
- follow the highest standards of behaviour at conferences and all other internal or external events where you are there in connection with HHP.

4.2 You can expect:

- to treat any information concerning a personal relationship connected to your work in the strictest of confidence. This will also be recorded on the personal files of both employees if both of you are staff.
- to discuss the situation with those involved, this will be done by an appropriate senior manager. We may move one or both employees to another job in another department/section/team or, consider other working arrangements in line with the needs of the organisation. In these circumstances, the organisation will discuss options with both employees and seek to reach an agreement regarding the transfer of one or both employees.
- If appropriate measures or working arrangements cannot be put in place, the organisation may terminate the employment of one or both as a very last resort.
- to apply similar principles to an employee who is in a close personal relationship with a client, customer, contractor or supplier, in particular where the employee's job has the authority or a close connection with the individual. We expect the relationship to be declared to the employee's line manager. In these circumstances, we may move the employee to another job in another department/section/team or, consider other working arrangements in line with the needs of the organisation or, as a very last resort may terminate the contract of employment with the employee.
- In situations where a close personal relationship with a Board Member or, another volunteer, a client, customer, contractor or supplier, the Board Member/volunteer will be excluded from any discussions connected to the person they have a personal relationship with. If this is not possible or appropriate, the Board member may be required to step down from their position.

TERMINATION PROCESS SUMMARY

If termination of employment is the last and final consideration available after other avenues have been explored, the following fair process will be followed:

- 5.1 The employee being invited by a Director to put forward suggestions for alternative working arrangement that meets our business needs.
- 5.2 We will take all suggestions put forward into consideration. If we do not deem any to be suitable and, if we believe that there may be a risk that our business activities and judgements, either internal or external, may be at risk of allegations of impropriety, then we will produce a short report outlining the reasons why dismissal is recommended.

- 5.3 The employee being invited to a formal meeting in writing. At the meeting, they will have the right to be accompanied by a trade union representative or workplace colleague, and both parties (the employer and employee) will be given the opportunity to put forward their case.
- 5.4 The meeting will be conducted by those with the authority to dismiss the employee in question.
- 5.5 The panel deliberating (in private) over the information put before them before making a decision.
- 5.6 The decision of the panel being communicated in writing to the employee within 7 days of the decision being made, this letter will also provide details of how to appeal the decision.
- 5.7 The employee being paid all accrued annual leave and flexi not taken to the date of termination, as well as any payment in lieu of notice as set out in their contract of employment if a decision to dismiss is made.

GOVERNANCE AND MONITORING

- 6.1 We will monitor the implementation of this policy by exception reporting to the Executive Team.

REVIEW OF POLICY

- 7.1 The Personal Relationships at Work Policy will be reviewed within a year and then every three years.

POLICY CHANGE HISTORY

Version	Change Applied	Date	By
1.0	Initial Policy written.	13 May 2019	Dena Macleod

INTERPRETATIONS & ABBREVIATIONS

The following interpretation and abbreviations are used in this policy:

Word	Interpretation
<i>HHP or Partnership</i>	Hebridean Housing Partnership
<i>Board</i>	Means the Board of the Hebridean Housing Partnership
<i>Board Members</i>	All Members of the Board including co-opted Members
<i>Significant Social Relationship</i>	Where a persona whose close relationship with an individual affects that individual's behaviour, attitudes and self-esteem. This usually exists with a family member, spouse, child, common law partner, close friend, sexual partner, business partner of a person who may serve as a role model to an individual or a person whose acceptance and approval is sought.
<i>Team</i>	In this context, refers to a work grouping as defined in our organisational structure, or any other regular or ad-hoc grouping which has been created to further or organisation aims.
<i>Personal Relationship</i>	Any relationship, from friendship through to two people 'being in a relationship together'
All references to the masculine gender in this policy shall read as equally applicable to the feminine gender	



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Email: info@hebrideanhousing.co.uk
 Web: www.hebrideanhousing.co.uk

Phone: 0300 123 0773

END VIOLENCE AT WORK CHARTER

Board 19 June 2019

Report by Chief Executive

Purpose of Report

- 1.1 This report seeks the Board's approval to sign up to Unison's End Violence at Work Charter.

Summary

- 2.1 In April 2019 a letter was received from Gavin Edwards, Unison National Officer, asking us to consider signing up to an "End Violence at Work Charter" which is at Appendix 1.
- 2.2 The Charter has been considered by our Executive Team and Health & Safety Committee and the recommendation is that we undertake the initial assessment of our current position with a view to being fully compliant with the Charter by the end of 2019 at the very latest.
- 2.3 Signing up to the Charter is consistent with our third Strategic Goal of Being a Good Employer.

Competence

- 3.1 The financial, legal and other constraints are listed at paragraph 5.1 – 8.1.

Recommendations

- 4.1 **It is recommended that the Board approve the request from Unison that HHP sign up the End Violence at Work Charter at Appendix 1.**

APPENDIX1: Letter from Unison re End Violence at Work Charter

Background Papers:

Writer of Report: Dena Macleod

Tel: 0300 123 0773

Competence

Financial

- 5.1 Any costs associated with the training required to implement the charter will be funded from the general training budget unless a HHP Officer is able to provide the training.

Legal

- 6.1 The main legal issue to consider is our obligations to our employees under Health & Safety. Adopting and implementing the charter will help us fulfil those obligations.

Regulatory Guidance

- 7.1 The Regulatory Standards checklist has been completed and there is nothing in the report which would result in a breach of the standards.

Risk

- 8.1 The adoption and implementation of the charter should help mitigate any risk of violence to our staff.

Our ref:

Your ref:

When telephoning please ask for:



To: The Chief Executive
Hebridean Housing Partnership
Creed Court
Gleann Seileach Business Park
Willowglen Road
Stornoway
HS1 2QP

UNISON Centre
130 Euston Road
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Tel: 0800 0 857 857

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Text tel: 0800 0 967 968

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unison.org.uk/community

April 2019

Dear Chief Executive,

Council Commissioning and UNISON 'End Violence at Work Charter'

I'm writing to let you know that some councils are making the UNISON 'End Violence at Work Charter' a core part of their commissioning and strategic partnering process.

Southwark, Liverpool and Mid Suffolk councils have already passed motions to achieve this, and we have indications from eight more councils that they will do the same. Councils have also agreed to write to existing service contractors to ask them to sign up. UNISON intends to write to every councillor in the UK in the coming month to ask more councils to implement this policy.

The Charter (which I attach here) arose from concerns raised by workers in the third sector that assaults in the workplace were not being taken seriously by employers. Members of UNISON have reported being told to "put up with" violence at work because it's just "part of the job".

The Charter consists of ten actions which every responsible employer should take to safeguard their staff from attacks, such as appropriate training and support. We have written to you before but have either received no response, or you did not feel able to sign up to the Charter.

Thirty-eight major charities and housing associations have signed, including: Action for Children, Dimensions, Royal National Institute for the Blind, Creative Support, Apex Housing, Capability Scotland and Tai Calon Community Housing.

The process for signing up is simple. First, we ask you to make an assessment of your current position regarding the Charter. Once you feel that you meet the criteria, you should write to me at the email address below and set out how you meet the ten elements. Alternatively, you can provide the same information using this online form: <https://www.surveygizmo.eu/s3/90132095/UNISON-End-Violence-at-Work-Survey>

Once we are satisfied that you comply, we will issue you with a certificate.

We are happy to assist with media, social media and staff engagement activity in relation to the Charter, Please do let us know if your organisation is prepared to sign.

I look forward to hearing from you.

Yours Sincerely,

A handwritten signature in cursive script that reads "Gavin Edwards".

Gavin Edwards
UNISON National Officer
Community Service Group
E: g.edwards@unison.co.uk
Tel: 020 7121 5402



**END
VIOLENCE
AT WORK**

UNISON's Violence at Work Charter

**Campaigning for an end to violence at work
in the community sector**



**END
VIOLENCE
AT WORK**

Background to the Violence at Work Charter

For some years now, it has been recognised that violence towards people working in the community and voluntary sector, including housing associations, is a significant problem – and it is getting worse.

UNISON surveys of our members in the community sector consistently find that almost half had experienced an incident of violence or aggression at work in the previous two years. Data gathered by 'Inside Housing' has also shown that violence and verbal abuse of workers from housing associations is an acute problem. UNISON believes violence must not be seen as "part of the job".

These appalling incidents include staff being punched, pushed and kicked. Staff have also been threatened with weapons and held against their will. UNISON reps in the sector tell us they are seeing more and more examples of violence against members who are simply doing their jobs.

UNISON wants to work with employers to put in place a basic level of monitoring, support, safeguards and training. These are measures that every employer should be able to deliver. We are asking only that charities and housing associations take their duty of care to staff seriously.

In common with the Health and Safety Executive, UNISON defines violence at work as "Any incident in which an employee is abused, threatened or assaulted in circumstances relating to their work."

Meeting these standards will show the workforce and the employers' stakeholders that organisations founded on the principles of care and social responsibility are serious about protecting their staff.

Additionally, meeting the standards shows the organisation is prepared to put in place measures that prevent people they are responsible for from being assaulted as they carry out their work.

The Violence at Work Charter standards

To qualify for the UNISON Violence At Work Charter mark, employers must meet the following standards:

1. The employer has a written violence and aggression at work policy, which is available to all staff. The policy should also cover lone working.
2. Responsibility for implementing these policies lies with a senior manager.
3. Measures are taken to reduce staff working in isolated buildings, offices or other work areas to a minimum.
4. Staff are encouraged to report all violent incidents and they are told how to do this.
5. The employer collects and monitors data on violent incidents on a regular and ongoing basis.
6. Where they are in place, union safety reps are able to access this data and are consulted on solutions to issues relating to violence in the workplace.
7. Thorough risk assessments are conducted for staff placed in vulnerable situations
8. The employer has support pathways in place for staff who are victims of violence at work, so that they know where to turn for advice and support.
9. Training to ensure staff are aware of the appropriate way to deal with threatening situations.
10. Where appropriate, independent counselling services are available to staff who are the victims of violence at work.



**END
VIOLENCE
AT WORK**

Implementation of the Violence at Work Charter

UNISON will approach all major employers in the community and voluntary sector and ask them to sign up to the charter.

All employers seeking to sign up will be asked for evidence of their compliance with the 10 points prior to signing.

Organisations which need to make changes to their practices will be given one year to make those changes and state, at the time of signing, what their plan is to deliver on all 10 points.

**To find out more about UNISON's Violence at Work Charter,
contact UNISON's Community national officer
Gavin Edwards at g.edwards@unison.co.uk**

UNISON's Violence at Work Charter

**Campaigning for an end to violence at
work in the community sector**

PERFORMANCE MONITORING REPORT

Board 19 June 2019

Report by Chief Executive

Purpose of Report

- 1.1 To provide a summary of performance on Budgets, Investment, and Development up to 31 May 2019 and highlight any material variances.

Summary

- 2.1 Our Policies and Financial Regulations require regular monitoring reports to be presented to the Board. This report is to provide a high level overview of all these monitoring reports to enable Board Members to see at a glance how we are performing. The detailed monitoring reports are still prepared and are included as part of the Board papers to ensure Board Member receive sufficient information to enable scrutiny to be undertaken.
- 2.2 At this early stage in the year there are no significant variances to report. Appendix 1 shows a summary of performance the main issue to draw to Board Members attention is the level of spend planned for the year, £27M. This is the highest level of spend planned in a year since the beginning of HHP. This expenditure, which is predominately for development will be funded through rental income, Scottish Government Grants and borrowing.

Competence

- 3.1 There are no financial, legal or other constraints to the recommendations of this report.

Recommendations

- 4.1 **It is recommended that the Board note the overall performance to 31 May 2019 outlined in Appendix 1 to the report.**

APPENDIX 1: Performance to 31 May 2019

Background Papers: None

Writer of Report: Dena Macleod

Tel: 0300 123 0773

Appendix 1

Area	Performance	Total Spend	Ref Agenda Item
Management Report to 31 May 2019	A new finance system has been installed over the past couple of months. Priority had to be given to completing the year end so the work to set up management reports has just been completed and the first management reports will be available to the Board for the period to 30 June 2019. There is no indication at this early stage of any material variances	£4.952m	
Investment	The total planned spend for the year on Investment is £4.624m. At this stage there are no material variances to report and it is expected the budget will be fully utilized.	£4.624m	6.9
Development	The total planned spend for the year on Development is £18.024m. This is the highest planned spend on development in one year in the history of HHP	£18.024m	9.5
Total Spend	The total expenditure planned for 2019/20	£27.600m	
Total Income	Rental Income and Grants	£21.681m	

REPAIRS SIX MONTH REVIEW

19 June 2019

Report by Director of Operations

Purpose of Report

- 1.1 This report provides an update of the latest service review of the current Repairs and Maintenance Contract.

Summary

- 2.1 The 6 month contract Service Review was carried out to the period end 31 March 2019. This is attached at Appendix 1.
- 2.2 The minimum scoring threshold is 80; this contract review has scored 114 compared to 117 at the last review..
- 2.3 Contract performance is at a satisfactory level. FES FM continue to engage constructively in seeking service, system and performance improvements and to pursue continuous improvement.

Competence

- 3.1 The legal, financial or other constraints to the recommendations in this report are contained in paragraphs 5.1 – 8.1.

Recommendations

- 4.1 **It is recommended that the Board note the 6 month Service Review at Appendix 1.**

APPENDIX1: 6 month Service Review

Background Papers: None

Writer of Report: Angus MacNeil

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Competence

Financial

- 5.1 There are no direct financial implications arising from this report.

Legal

- 6.1 HHP have a legal and contractual requirement to conduct service reviews every six months during the contract period. The purpose is to evaluate performance across set criteria contained in Appendix 1. Performance falling below set criteria on two consecutive reviews could result in grounds for termination of the contract.

Regulatory Guidance

- 7.1 The Regulatory Standards checklist has been completed and there is nothing in the report which would result in a breach of the standards.

Risk

- 8.1 Failure of the contract to meet adequate scoring against the set criteria on Appendix 1 could have contractual repercussions. Poor performance could also have a direct impact on statistical performance against targets across a number of areas of service.
- 8.2 These are specific risks in the Risk Register regarding contractor failure and weak competition in this sector.

Report Details

6 Month Service Review

- 9.1 The Service Review is carried out across a number of criteria as set out at Appendix 1.
- 9.2 The main scoring has been carried out by our Service Managers. The Service Managers are responsible for the contract management and delivery.

Methodology and Scoring

- 9.3 The methodology is governed by the contract. Each heading is split into items for assessment. Each item has success criteria which the contractor is expected to achieve. The performance against the success criteria is scored according to the pre-determined bands of scoring. The scoring matrix is included at Appendix 1.
- 9.4 In accordance with the contract, the Contractor is required to score a minimum of 80 points in each review for HHP to be satisfied that the Contractor is substantially providing the service in accordance with the contract requirements.
- 9.5 The consequences of failing to reach the scoring thresholds are:
- i) Two consecutive reviews scoring below 80 can result in the employer terminating the contract as the contractor will be deemed to have "substantially failed to provide the service" in accordance with the contract requirements
 - ii) Two consecutive unsatisfactory reviews can revoke extensions to the 5 year contract period. The contract was originally awarded on a 5-year period with an option of two further extensions for two years each (this would essentially result in a 9-year contract period). Both extension options have been implemented and the contract will expire on 31st March 2020

Scoring

- 9.6 The previous service review scored 117.
- 9.7 The scoring achieved in this review is 114. Specific areas to be addressed are similar to those previously reported and are continuing
- Control and reduce expenditure on reactive repairs and voids (identifying source of issues which can be mitigated);
 - Continue to improve data reporting on work progress and completions using Contractor Gateway ;
 - Continue to improve on logging data for 'Right First Time', recalls and secondary orders; and
 - Continue to make improvements to analyzing costs on the monthly paymech establishing source of costs and improving efficiency.
 - Continue to make improvements on hospital stock for heating systems; and
 - Continue to make improvements to planned works, specifically delivering to programme and collection of data for forage purposes; and
 - Maintain standards during the final year of the contract.

Generally

- 9.8 During the final year of the contract, it is important standards be maintained as the current contractor like any other contractor in the final year of a long term contract could lose focus as they plan for demobilization with the risk that standards and service deteriorate as a result. There is no suggestion that this will occur but performance management standards need to be maintained nonetheless.

Service Review

Period **6 months from 1st October 2018 to 31st March 2019**
Assessment by: A MacNeil Service Manager

- i) Contract performance will be reviewed at six monthly intervals, assessed by the Contractor and the Employer, over the duration of the contract.
- ii) Unsatisfactory results from these reviews will initially result in the Contractor submitting rectification proposals [within 3 weeks] to the Employer for agreement prior to implementation.
- iii) If two consecutive reviews produce unsatisfactory results then this could result in the Employer terminating the contract [ref clause 91.2 i.e. Contractor has "Substantially failed to Provide the Service"]
- iv) Contract performance will also form the basis of evaluating whether the two year contract extensions will be invoked.
- v) Contract performance will be measured against the following five main headings:
 - Quality
 - Cost
 - Time
 - Safety
 - Continuous Improvement
- vi) Contract performance will be scored using the following bands:
 - 10-9 Excellent
 - 8-6 Satisfactory or Good
 - 5-0 Unacceptable to Poor
- vii) The following specific items will be assessed against their associated success criteria:

The definition of an unsatisfactory result is a combined score of 80 or less using the tabulation below:

Heading	Item	Success Criteria	Comments	Verification	Scoring
Quality	Contractor's attendance at monthly progress meetings	100% attendance at all meetings convened were attended by one manager or more.	Regular monthly meetings well attended. No Risk Reduction meeting required in this period.	Minutes record attendance . Although attendance is regular, there is not necessarily the same attendees at meetings, particularly Uist representatives; which is required to feedback on individual actions and performance	7
	Contractors' reports - accurate & issued on time - specific reports being: ● as specified in Service Information	50% of all reports issued on time & considered accurate	Paymechs and Performance reports generally submitted within agreed timescale. PPM programme needs to be updated and monitored more regularly	Reports are received by e-mail and dates recorded on receipt. The format is submitted as requested by HHP. There has been extensive interrogation and evaluation of repairs and voids target costs in the 6 month period, the data accuracy between HHP and Contractor reports is generally very close and reasons are usually straightforward in nature. PPM programme updates were reporting all works to be complete by year end but did not achieve target completion	6
	Availability of materials, on vans & held stock	Subjective scoring by HHP	There continues to be some stock control issues particular hospital stock on ASHP and Infra Red parts. Mitsubishi have been pressed by FES to have a joint meeting to discuss the matter and related warranty issues and availability of parts to local supply chain. Logisor have also been pressed for a meeting but with no result to date	Recommendation reports and Daily repairs reports are monitored to evaluate orders that could be problematic either on a performance or financial level. The more information and the earlier the information permits adequate planning to overcome issues where possible. Where larger and more expensive components require a replacement, options are considered on alternative programmes such as Investment or planned maintenance budgets where appropriate on a case by case basis.	6

Heading	Item	Success Criteria	Comments	Verification	Scoring
	Improved tenant satisfaction	perceived improvement in tenant satisfaction - gauged from regular tenant feedback	Post inspections are carried out to a proportion of repairs and voids. Works exceeding a £400 threshold are identified for post inspection. Post completion surveys are also conducted by phone by Customer Services across various fields as Appointments, Contractor on Time, Contractor Helpful/ Polite, Satisfaction with Work, ID Shown. This collates the Satisfaction level from each to the Overall Satisfaction Score. Post inspection repairs show a satisfaction response of 9.59 out of 10.	In addition to the Customer Services Post Completion surveys there was a main tenant satisfaction survey conducted and showed that 91% were satisfied with the repairs service which had increased from the previous survey. 90% agreed that quality of repairs was good. 98% agreed that the contractor was tidy and polite whilst carrying out repairs.	8
	Compliance with regulations I i.e. Waste disposal		The services carried out on site were to a satisfactory level and no risk exists. However, due to the serious nature of the service this will continue to be monitored. Gas servicing recently had an audit carried out by CORGI. An action plan was carried out and to address mainly minor matters such as correctly completing paperwork/ certification.	Services were carried out as planned. No systems were operating without the appropriate service certification. No health and safety incidents were reported.	7
Cost	Submit accurate invoices by work order - monthly	90% of all invoices accurate & submitted on time	Paymechs issued on required date. Paymech information is detailed and allows detailed analysis of what repairs and where repairs occur. The data is used to evaluate target costs v actual costs v service reports time recorded on jobs by Engineers. The actual costs are also compared to the scripted repairs and schedule of rates used to issue orders.	Improvements between both parties are continuing in order to improve and reduce the level of costs and ensure tighter budgetary control in conjunction with accuracy of repairs instructed. Daily reports of repairs and void repairs are monitored. Secondary repairs and recalls are also reviewed for reasons against right first time to ensure the contractor correctly invoices. Final accounts are handle timeously with outstanding payments handle timeously to ensure works are invoiced and paid. Electronic invoicing via the Contractor Gateway to be pursued to evaluate options and provide further efficiency in processing payments. The Contractor Gateway continues to provide a better method of data exchange between both parties	6
	Maintain "draft final accounts" [detailing Total of Prices, Actual Costs, anticipated Contractor's share etc.]	Draft final account information available & reported at 90% of monthly meetings	Final accounts form part of the paymech and are progresses monthly		7

Heading	Item	Success Criteria	Comments	Verification	Scoring
Time	Achieving reactive maintenance response times	95% [average] of all response times achieved	98% target achieved overall a number of improvements can be made by the contractor to improve performance i.e. accurate recording of statistics and completion dates/ times. Instructions to ensure engineer data is logged accurately and consistently continue to be issued. Regular joint meetings to reconcile completion data and ensure HHP systems accurately record the correct data.	Performance reports are available on request. Emergence and Non Emergency completions have improved but performance improvement are pursued to improve position on peer group. The Contractor Gateway continues to operate well an options for electronic invoicing are now being investigated . Although overall targets are being achieved there is still work regarding a consistent service in Uists and Barra and the quality assurance and satisfaction of works carried out. Right first time requires improvement in the peer group also	7
	Achieving Void completion times	95% [average] of all completion times for Voids achieved	97% target achieved. The number of voids has been relatively constant the start of the year. The completion performance has been good however there may be pressures on the budget in the second half of the year as there may be increased due to some voids with significant works required	Monthly reports are generated on contractor turnaround time and in conjunction the overall turnaround time between tenancies is also reportable. The average contractor turnaround time for a 5 and 10 day void are 3.35 and 11.07 respectively.	7
	Maintaining tenant appointments	90% of arranged tenant appointments met	99% achieved. Performance continues to be monitored across peer groups to sustain and improve where possible	Appointments have been performing well and achieving target.	7
	Completion of Planned maintenance works	90% completed to programme	Cyclical works have generally been completed to programme but planned maintenance requires more work to proceed according to programme. Works and sharing of costs with private owners continues to pose a regular difficulty as the private owners are declining to have works carried out. The provision of clearer data for factored works also requires improvement	Performance is generally satisfactory and is monitored regularly. Each scheme is programmed individually permitting monitoring at low level. Works will continue through the financial year. Service sheets from the Contractor have also been amended to permit more detail to be provided to factored properties at the end of the financial year but requires to be clearer so as queries are answered appropriately.	6

Heading	Item	Success Criteria	Comments	Verification	Scoring
Safety	Did work carried out on the contract fall within the industry standard measures related to Accident Frequency Rate	Yes		Nil incidents reported	10
	Did the Accident Frequency Rate improve from the last review	Yes	Yes		10
Continuous Improvement	Ongoing [over contract duration] Contractor's involvement and commitment to a continuous improvement culture	measurable improvements achieved	Community benefit initiatives continue via recruitment, development and promotion promotion. There have been 2 internal promotions from local staff who have been developed through the duration of the contract to charge hand. There have been strip donation to 2 schools (Point and Balivanich). Carrying out community works, power washing and painter work. Contributions to local fundraising, £1.5k to Alzheimer's and sponsorship of Iolaire anniversary events .	Relationships continue to be strong between HHP and FES staff and Engineers. Recommendations of additional repairs requires more accuracy and determination of cause. In addition to the joint staff event there was a Customer experience survey completed between HHP/ FES to identify areas of good performance and areas for improvement. The exercise was positive and provided good feedback on overall performance.	7
	Reduction in duration for completion of Voids works	measurable improvements achieved	Voids turnaround times are better than set contract levels. There will continue to be challenges to maintain low turnaround times particularly where properties are left in poor condition.		7
	Reduction in Reactive maintenance vs. Planned maintenance	Reduced Reactive maintenance	The Planned v's Reactive - at present the majority of planned maintenance costs have been incurred during the summer period. Although works will continue to the end of the financial year the scale will diminish per site.	Daily Repairs and Recommendation monitoring continues to ensure non essential works are controlled where possible. There continues to be Analysis on repairs shows that the majority of works are statutory repairs. Measures will be placed on maximum value of orders to be issued without management consent. Orders exceeding this value will require approval from managers.	6
				SATISFACTORY	114