

## BOARD AGENDA – 23 JUNE 2020

| ITEM | AGENDA ITEM                                | ACTION   | PRESENTED BY           | PAGE NO | TIME   |
|------|--------------------------------------------|----------|------------------------|---------|--------|
| 1    | <b>Meeting Protocol</b>                    | Noting   | Company Secretary      | -       |        |
| 2    | <b>Attendance and Apologies</b>            | Noting   | Chair                  | 3       |        |
| 3    | <b>Declaration of Interest</b>             | Noting   | Chair                  | -       | 2.30pm |
| 4    | <b>Minutes</b>                             |          |                        | -       |        |
| 4.1  | Minute of Meeting 20 May 2020              | Approval | Company Secretary      | 5       | -      |
| 4.2  | Action Sheet                               | Noting   | Company Secretary      | 9       | 2.45pm |
| 5    | <b>Date of Next Meeting 26 August 2020</b> | Approval | Chair                  | -       |        |
| 6    | <b>Health &amp; Safety</b>                 | Noting   | Director of Operations | -       |        |

| ITEM | AGENDA ITEM                                                                                                    | ACTION   | PRESENTED BY             | PAGE NO | TIME   |
|------|----------------------------------------------------------------------------------------------------------------|----------|--------------------------|---------|--------|
| 7    | <b>Items For Decision</b>                                                                                      |          |                          | -       |        |
| 7.1  | COVID-19 Update                                                                                                | Approval | Chief Executive          | 11      |        |
| 7.2  | Annual Report & Financial Statements for Year Ended 31 March 2020                                              | Approval | Director of F&CS         | 74      |        |
| 7.3  | Budgetary Performance for Year Ended 31 March 2020                                                             | Approval | Director of F&CS         | 145     |        |
| 7.4  | Review of Financial Authorities and Financial Regulations                                                      | Approval | Director of F&CS         | 156     | 2.45pm |
| 7.5  | Review of Standing Orders                                                                                      | Approval | Company Secretary        | 192     | -      |
| 7.6  | Housing Allocations Annual Report 2019/20                                                                      | Approval | Director of Operations   | 260     |        |
| 7.7  | Risk Management Policy & Strategy                                                                              | Approval | Chief Executive          | 283     | 3.45pm |
| 7.8  | Flexible Working Policy                                                                                        | Approval | Chief Executive          | 295     |        |
| 7.9  | Policy Consultation Response (Attendance & Absence, Parental Leave, Adoption Leave and Special Leave Policies) | Approval | Head of Executive Office | 307     |        |
| 7.10 | Business Plan Appendix 4 Update                                                                                | Approval | Head of Executive Office | 363     |        |

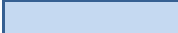
| ITEM     | AGENDA ITEM                                | ACTION | PRESENTED BY     | PAGE NO | TIME   |
|----------|--------------------------------------------|--------|------------------|---------|--------|
| <b>8</b> | <b>Monitoring &amp; Update Reports</b>     |        |                  | -       |        |
| 8.1      | Board Development Plan Progress Report     | Noting | Chief Executive  | 367     | 3.45pm |
| 8.2      | Annual Funders Valuation Report            | Noting | Director of F&CS | 374     | -      |
| 8.3      | Quarterly Treasury Report to 31 March 2020 | Noting | Director of F&CS | 378     | 4.15pm |
| 8.4      | Management Report to 31 May 2020           | Noting | Director of F&CS | 385     |        |

**MEETING GOES INTO PRIVATE SESSION**

## Board Meetings 2019/20

| Board Members      | Notes | 29-Aug-19 | 19-Nov-19 | 12-Feb-20 | 18-Mar-20 | 29-Apr-20 | 20-May-20 |  |  |
|--------------------|-------|-----------|-----------|-----------|-----------|-----------|-----------|--|--|
| Norman Macleod     | 2     |           |           |           |           |           |           |  |  |
| Calum Mackay       |       |           |           |           |           |           |           |  |  |
| Alasdair Mackenzie | 1 & 5 |           |           |           |           |           |           |  |  |
| Alexander Gardner  | 1     |           |           |           |           |           |           |  |  |
| David Blaney       |       |           |           |           |           |           |           |  |  |
| Fiona Macleod      |       |           |           |           |           |           |           |  |  |
| Iain Macmillan     |       |           |           |           |           |           |           |  |  |
| Norman A Macdonald |       |           |           |           |           |           |           |  |  |
| Paul Finnegan      |       |           |           |           |           |           |           |  |  |
| Roddy Mackay       |       |           |           |           |           |           |           |  |  |
| Roddy Nicolson     |       |           |           |           |           |           |           |  |  |
| Mairi Bremner      | 3     |           |           |           |           |           |           |  |  |
| Gordon Macleod     | 4     |           |           |           |           |           |           |  |  |

- 1 - Appointed as a Tenant Member on 29 August 2019  
 2 - Appointed as a Community Member on 29 August 2019  
 3 - Mairi Bremner passed away on 22 September 2019  
 4 - Appointed as a Co-opted Member on 18 March 2020  
 5 - Present at start of meeting 20 May 2020 but lost connection before formal business commenced.

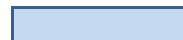
-  Member present at meeting
-  Member not present at meeting
-  Cancellation of travel due to weather
-  Unable to attend remote meeting due to technical difficulties
-  Member not required to be present at meeting

Special Leave

## Board Training 2019/20

| Board Members      | Notes | Freedom of Information Training | Appraising Your Director Training |  |  |  |  |  |
|--------------------|-------|---------------------------------|-----------------------------------|--|--|--|--|--|
|                    |       | 20-Nov-19                       | 28-May-20                         |  |  |  |  |  |
| Norman Macleod     | 2     |                                 |                                   |  |  |  |  |  |
| Calum Mackay       |       |                                 |                                   |  |  |  |  |  |
| Alasdair Mackenzie | 1     |                                 |                                   |  |  |  |  |  |
| Alexander Gardner  | 1     |                                 |                                   |  |  |  |  |  |
| David Blaney       |       |                                 |                                   |  |  |  |  |  |
| Fiona Macleod      |       |                                 |                                   |  |  |  |  |  |
| Iain Macmillan     |       |                                 |                                   |  |  |  |  |  |
| Norman A Macdonald |       |                                 |                                   |  |  |  |  |  |
| Paul Finnegan      |       |                                 |                                   |  |  |  |  |  |
| Roddy Mackay       |       |                                 |                                   |  |  |  |  |  |
| Roddy Nicolson     |       |                                 |                                   |  |  |  |  |  |
| Mairi Bremner      | 3     |                                 |                                   |  |  |  |  |  |
| Gordon Macleod     | 4     |                                 |                                   |  |  |  |  |  |

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Member present at meeting



Member not present at meeting



Cancellation of travel due to weather



Unable to attend remote training due to technical difficulties



Member not required to be present at meeting

Special Leave





HEBRIDEAN HOUSING PARTNERSHIP

Board

**Minutes of Meeting held remotely via Microsoft Teams on Wednesday 20 May 2020 @ 2.00pm**

| ATTENDANCE & APOLOGIES                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <p><b><u>Attendance &amp; Apologies</u></b></p> <table><tr><td><p><u>Present</u></p><p>Norman Macleod (Chair)<br/>Calum Mackay (Vice-Chair)<br/>Roddy Nicolson<br/>David Blaney<br/>Fiona Macleod<br/>Paul Finnegan<br/>Roddy Mackay<br/>Gordon Macleod<br/>Norman A Macdonald*<br/>Iain Macmillan*<br/>Alasdair Mackenzie**</p><p>*Norman A Macdonald and Iain Macmillan joined the meeting at Item 7.1.</p><p><u>Apologies</u></p><p>Alex Gardner</p><p>**Alasdair Mackenzie lost connection shortly after meeting commenced and issued apologies.</p></td><td><p><u>Staff &amp; Consultants In Attendance</u></p><p>Dena Macleod (Chief Executive)<br/>John Maciver (Director of Operations)<br/>Donald Macleod (Director of Finance &amp; Corporate Services)<br/>Anna Coyle (Company Secretary)<br/>Jonathan Fairgrieve (Corporate Services Officer)<br/>Tina Cook (Training &amp; Development Officer - Minute Taker)</p></td></tr></table> | <p><u>Present</u></p> <p>Norman Macleod (Chair)<br/>Calum Mackay (Vice-Chair)<br/>Roddy Nicolson<br/>David Blaney<br/>Fiona Macleod<br/>Paul Finnegan<br/>Roddy Mackay<br/>Gordon Macleod<br/>Norman A Macdonald*<br/>Iain Macmillan*<br/>Alasdair Mackenzie**</p> <p>*Norman A Macdonald and Iain Macmillan joined the meeting at Item 7.1.</p> <p><u>Apologies</u></p> <p>Alex Gardner</p> <p>**Alasdair Mackenzie lost connection shortly after meeting commenced and issued apologies.</p> | <p><u>Staff &amp; Consultants In Attendance</u></p> <p>Dena Macleod (Chief Executive)<br/>John Maciver (Director of Operations)<br/>Donald Macleod (Director of Finance &amp; Corporate Services)<br/>Anna Coyle (Company Secretary)<br/>Jonathan Fairgrieve (Corporate Services Officer)<br/>Tina Cook (Training &amp; Development Officer - Minute Taker)</p> |
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| PRELIMINARY PROCEDURAL MATTERS                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                 |
| 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <p><b><u>Meeting Protocol</u></b></p> <p>The Company Secretary noted this was the second remote Board Meeting and the meeting protocol would be similar to the previous Board meeting on 29 April 2020. Members were asked to mute their microphones during the meeting and to use the new hand raise function if they wished to speak, or to make use of the existing chat function to indicate to the Chair that they wished to speak. Members were reminded the meeting would be recorded for the purpose of drafting the minute but the recording would not be made publically available.</p>                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                 |
| 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <p><b><u>Declaration of Interest</u></b></p> <p>No declarations of interest were made.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                 |
| 4.1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <p><b><u>Minute of Board Meeting 18 March 2020</u></b></p> <p>The Vice-Chair queried whether the 18 March 2020 minute, which itemises the approval of the updates to the Business Plan, the 2020/21 Annual Financing Strategy and Budgets will be affected in light of the current COVID-19 situation. The Chief Executive clarified the minute is an account of the discussions and decisions that were made on 18 March 2020 and the COVID-19 Report at Item 8.1 would cover any updates required to these previously approved items.</p> <p><b>The minute of the Board meeting of 18 March 2020 was submitted and approved as a true and accurate record of the proceedings of the meeting.</b></p>                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                 |
| 4.2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <p><b><u>Action Sheet</u></b></p> <p>No further update to the report.</p> <p><b>The Action Sheet was noted.</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                 |
| 5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <p><b><u>Date of Next Meeting</u></b></p> <p>The date of the next meeting will be 23 June 2020.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                 |
| 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <p><b><u>Health &amp; Safety</u></b></p> <p>Health &amp; Safety is covered in the COVID-19 Report at Item 8.1.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                 |

## ITEMS FOR DECISION

7.1

### **Annual Return on the Charter 2019/20**

The Chief Executive presented our Annual Return on the Charter (ARC) 2019/20 which included our Energy Efficiency Standard for Social Housing (ESSH) to the Board for consideration and approval. The report summarised performance on arrears, voids, repairs, lettings, neighbourhood and community, housing quality and energy efficiency standards indicators. A full dataset from previous years was also provided for comparison. Despite the Regulator extending the submission deadline from 31 May 2020 to 31 July 2020 in light of COVID-19, the preparation and completion of the return has been managed within original timescales and the Chief Executive extended her thanks to all staff involved for their contribution to this.

Overall, our performance has improved, and although arrears were up, this was expected due to the ongoing impact of Universal Credit. Increased arrears is the main reason that 2019/20 is the first year we have not collected over 100% of rent due.

The Director of Operations highlighted that repairs were in line with previous years - average length of time to complete repairs improved significantly over recent years, and we compare particularly well across the sector for the completion of non-emergency repairs.

Voids have considerably reduced, with the disposal of Cnoc Mor and Braehead contributing to this. Rent loss appeared similar to previous years but when the rent increase was taken into account, it marked an improved figure. Anti-social behaviour was significantly reduced and there was also a low level of abandonments throughout the year.

The increase in supported housing lets was primarily down to new build properties and relets with specialist wheelchair accommodation becoming available.

The Director of Finance & Corporate Services noted that former tenant arrears have reduced year on year, and advised the specific accounts which contributed to this reduction.

The Board expressed their appreciation to all staff for their efforts and hard work which has gone into the improved performance figures, and for the work that went into producing the ARC within the original timescales, despite working from home in challenging circumstances.

**The Board approved the draft Annual Return on the Charter 2019/20 for submission to the Regulator.**

## MONITORING & UPDATE REPORTS

|     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 8.1 | <p><b><u>COVID-19 Report</u></b></p> <p>The Chief Executive presented the COVID-19 report to give members an update on all action taken and ongoing in response to the COVID-19 outbreak.</p> <p>'Our Services at a Glance' infographic was reviewed and the Chief Executive advised it will take some time to move our services from closed or postponed back to normal. We are continuing to look at how we deliver services in line with all Government guidance.</p> <p>We are tracking arrears on a weekly basis and can see an upward trend. Managing arrears will continue to be high priority for the Management Team and Housing Officers. The Chief Executive attended meetings with other Highlands &amp; Islands Housing Associations, all of whom are reporting a significant increase in arrears.</p> <p>The Director of Operations advised that Housing Officers have been contacting as many tenants as possible to establish if any require any additional support. We have spoken to circa 1600 tenants, 80% of those spoken to have reported no change to their financial circumstances at this time. Those that have lost income have been sign posted to the local DWP to discuss Universal Credit options. Food parcels are being arranged for those who require them across the Outer Hebrides, utilising our Handyperson and alongside local CAB and Salvation Army services. Tenant feedback on the efforts has been positive. All Tenants have received a letter update and we continue to attempt telephone contact with those we have not spoken to. Fiona Macleod asked if information on rehoming for domestic abuse victims was reaching those who may need it. The Director of Operations clarified that we are unaware of any specific requests.</p> <p>The Chief Executive noted that it will prove challenging to hit targets set out in the Business Plan - in particular voids, arrears and new build units are going to be significantly affected. Some targets will be delayed rather than undelivered. Progress will be monitored on a monthly basis. Recruitment is something which is to be reconsidered, as other Housing Associations have proven that it can be completed successfully using video-conferencing. The Executive Office are in the process of investigating possible options for the AGM, which is due to take place in August.</p> <p>A comprehensive plan for the office return will be outlined in a detailed Re-engagement Plan. Staff preference for home working is mixed. The Flexible Working Policy is under review and it is likely that we will see some long term changes post lockdown. It has been a steep learning curve but overall a positive experience and we will review what we have learnt and ask staff to consider what we can improve on.</p> <p>Iain Macmillan stated the detailed Re-engagement Plan should be approved on its' own as we will be working with it for many months to come. It was agreed it will be issued to Board Members and all staff as soon as available.</p> <p>The Vice-Chair noted how encouraging it was to see positive community efforts in these challenging times.</p> <p><b>The Board:</b></p> <ul style="list-style-type: none"> <li>a) <b>noted the actions taken in response to the COVID-19 outbreak;</b></li> <li>b) <b>approved the summary Re-engagement Plan; and</b></li> <li>c) <b>noted the detailed Re-engagement Plan would come before the Board for approval.</b></li> </ul> |
| 8.2 | <p><b><u>Policy Review Schedule</u></b></p> <p>The Company Secretary assured the Board that the Policy Review Schedule is being considered. Agendas for the most recent Board Meetings were kept deliberately brief and for urgent items only while we tested the technology and remote method of meeting, in line with initial guidance from SFHA. To ensure there is no substantial backlog, policies are being reviewed and prioritised, the most urgent of which will be brought to the June and August Board Meetings.</p> <p>The Company Secretary advised a process of reviewing the overall Policy Schedule is underway. This will ensure policy reviews are as effective as possible, with groups of related Policies being reviewed together. A full report on Policies will come to the Board following this review.</p> <p><b>The Board noted the update on the Policy Review Schedule Report.</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| 8.3 | <p><b><u>Staff Engagement Survey</u></b></p> <p>The Chief Executive presented the results from the recent Staff Engagement Survey, the vast majority of which were positive. Out of 47 invites, 35 responses were received and the number of staff who believe HHP is a much better place to work has increased by 32% since the last survey in 2015. An Action Plan has been developed alongside staff and we will work to implement these actions to continue to see improvement in the survey results. There will also be smaller staff surveys carried out, for example about the working from home experience.</p> <p>Question 24 which asked whether the Board have a clear vision for the future of HHP saw a number of staff disagree or strongly disagree, which is inconsistent with the same question asked about the Executive and Management Teams – however, as their vision comes from the Board, there appears to be a disconnect which we need to remedy. One of the actions noted in the plan was that a Board Member may wish to come to a staff meeting to explain the role of the Board. Fiona Macleod highlighted the importance of all staff fully understanding the vision of the organisation, and role of the Board in creating that vision.</p> <p><b>The Board noted the:</b></p> <ul style="list-style-type: none"> <li>a) <b>result of the 2020 Staff Engagement Survey; and</b></li> <li>b) <b>Improvement Action Plan.</b></li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

**MEETING WENT INTO PRIVATE SESSION**

Chairperson      Mr Norman M Macleod

SIGNED            .....

DATE              .....

## Board Action Sheet

| ACTION POINT | MINUTE NUMBER        | ACTION TO BE TAKEN                                                                                           | DEADLINE/TIMESCALE                      | ACTION BY                                | PROGRESS                                                                                                                               |
|--------------|----------------------|--------------------------------------------------------------------------------------------------------------|-----------------------------------------|------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|
| 1            | 20 May 2020<br>(7.1) | Annual Return on the Charter (ARC) to be submitted to the Scottish Housing Regulator.                        | 31 May 2020                             | Chief Executive                          | Complete.                                                                                                                              |
| 2            | 20 May 2020<br>(8.1) | Alternative AGM options to be explored to comply with social distancing.                                     | 23 June 2020                            | Company Secretary                        | Updated Legislation is progressing which will allow us to hold an AGM remotely if required.                                            |
| 3            | 20 May 2020<br>(8.1) | Detailed Re-engagement plan to be reported to the Board.                                                     | 23 June 2020                            | Chief Executive                          | As part of COVID-19 Report item 8.1.                                                                                                   |
| 4            | 20 May 2020<br>(8.2) | Report to Board following policy review process.                                                             | 31 October 2020                         | Company Secretary                        |                                                                                                                                        |
| 5            | 20 May 2020<br>(8.3) | Arrange for a Board Member to attend staff meeting.                                                          | Once Office activities return to normal | Company Secretary                        |                                                                                                                                        |
| 6            | 20 May 2020<br>(9.3) | Consultation on the name of the Shawbost development                                                         |                                         | Director of Operations                   | Update provided in the June Development Report                                                                                         |
| 7            | 18 Mar 2020<br>(7.1) | Staff Expenses Policy to be updated with Working from Home expenses allowable as per HMRC guidance.          |                                         | Director of Finance & Corporate Services | This is being reviewed with the Flexible Working Policy and an updated Expenses Policy will be brought to the Board later in the year. |
| 8            | 18 Mar 2020<br>(7.2) | Adoption Leave Policy and Special Leave policy to be consulted with Staff and the Union                      | 19 March 2020                           | Head of Executive Office                 | Consultation response on June agenda.                                                                                                  |
| 9            | 12 Feb 2020<br>(7.7) | Parental Leave Policy Consultation document to be consulted with the Joint Consultative Committee and staff. | 13 February 2020                        | Head of Executive Office                 | Consultation issued and closed 13 March 2020. Updated Policy on June agenda.                                                           |

| ACTION POINT | MINUTE NUMBER        | ACTION TO BE TAKEN                                                                                                                                                               | DEADLINE/ TIMESCALE | ACTION BY                | PROGRESS                                                                                                                                         |
|--------------|----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|--------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|
| 10           | 19 Nov 2019<br>(6.5) | Stornoway Historical Society to be asked to provide wording for a plaque on the wall at the Scotland Street Development commemorating Duncan 'Major' Morrison and Lady Matheson. |                     | Development Manager      | Request made to Stornoway Historical Society on 9 December 2019. Response received and to be reviewed.                                           |
| 11           | 19 Nov 2019<br>(7.2) | Attendance & Absence Policy Consultation document to be sent to Staff and Unison                                                                                                 | 21 February 2020    | Head of Executive Office | Consultation Issued and closed 21 February 2020. Updated Policy to follow in June.                                                               |
| 12           | 28 Aug 2019<br>(8.1) | Report to Board on media engagement.                                                                                                                                             | 31 October 2020     | Head of Executive Office | Media Engagement remains ongoing, particularly during COVID-19. Report and Strategy for future engagement and comms plan to be brought to Board. |
| 13           | 19 Jun 2019<br>(6.6) | First time refusals for existing stock to be added to future allocations reports.                                                                                                | June 2020           | Area Manager             | Planned                                                                                                                                          |
| 14           | 19 Jun 2019<br>(7.3) | End Violence at Work Charter initial assessment to take place with a view to being fully compliant by 31 December 2019.                                                          | 31 March 2020       | Chief Executive          | Discussed at JCC meeting.                                                                                                                        |

# COVID-19 RESPONSE UPDATE

## Board 23 June 2020

Report by Chief Executive

### Purpose of Report

- 1.1 To provide the Board with an update on the actions taken since 20 May 2020 in relation to the COVID-19 outbreak, and present for approval a Domestic Abuse Policy and our plans for re-engagement post lockdown.

### Summary

- 2.1 The update report is at Appendix 1 and draft Domestic Abuse Policy is at Appendix 2.
- 2.2 On 21 May 2020 the Scottish Government published "*Scotland's route map through and out of the crisis*" with Phase 1 coming into effect on 29 May 2020. A detailed re-engagement plan has been prepared for the Partnership and is at Appendix 3.
- 2.3 The default position is for staff to remain working from home with small admin teams providing support for work which cannot be carried out remotely. Our offices will remain closed to the public until Phase 4 of the Government's route map.
- 2.4 Our repairs service is currently at emergency and essential works only, external planned repairs and investment works have recommenced. Internal investment works will start when it can be done safely. We are working with development contractors on development sites in line with the Scottish Government timetable.
- 2.5 Our cash balance at the end of May was £5.28m. This is more than forecast as the level of spend on investment, repairs and development has been significantly impacted by lockdown measures.

### Competence

- 3.1 Financial, legal or other constraints are detailed at paragraphs 5.1 to 8.2

### Recommendations

- 4.1 **It is recommended that the Board:**
- a) **note the actions taken in response to the COVID-19 outbreak at Appendix 1;**
  - b) **approve the draft Domestic Abuse Policy at Appendix 2; and**
  - c) **approve the Re-engagement Plan for post lockdown at Appendix 3.**

|                           |                                   |
|---------------------------|-----------------------------------|
| <b>APPENDIX 1:</b>        | COVID-19 Update Report            |
| <b>APPENDIX 2:</b>        | Domestic Abuse Policy (To Follow) |
| <b>APPENDIX 3:</b>        | Re-engagement Plan                |
| <b>Background Papers:</b> | None                              |
| <b>Writer of Report:</b>  | Dena Macleod                      |

Tel: 0300 123 0773

## Competence

### *Financial*

- 5.1 Our Financial Plans are robust and are stress tested annually before they are submitted to the bank. The 30-year Plans submitted in March 2020 were based on a pre-lockdown state.
- 5.2 The key risk to our Financial Plans are our ability to continue to receive rental income whilst tenants may find themselves without employment. The Coronavirus Job Retention Schemes have helped to minimise this risk.
- 5.3 Weekly income statistics are collated and analysed to establish any issues where direct debit fails increase or arrears start to rise. Housing Officers are in dialogue with tenants who find themselves in arrears to assist with Universal Credit claims and other advice.
- 5.4 We are in a strong cash position and spend has significantly reduced as works simply cannot be performed as planned. This will result in a backlog of works which will have to be reprogrammed as we exit lockdown to comply with future safe working arrangements.
- 5.5 The Investment & Development programmes for 2020/21 are going to be severely affected by the lockdown. We continue to work closely with contractors and Scottish Government colleagues to assess the impact and to plan ahead.
- 5.6 There is likely to be an upward pressure on development costs post lockdown and these will have to be funded through additional Scottish Government grant, Comhairle Nan Eilean Siar ACTISH funding or additional private finance.

### *Legal*

- 6.1 The Coronavirus (Scotland) Act 2020 introduced changes to the law regarding evictions for social housing tenants. Our Standing Orders state *"If there is a conflict between these Standing Orders and any statutory provision, regulation of The Scottish Housing Regulator's Guidance having the force of statute, the latter shall prevail."* The same principle applies to our Policies.
- 6.2 Schedule 2 of the Act amends the period for Notice of Proceedings and we will comply with new timescales until 30 September 2020, the date the Act is due to expire.
- 6.3 The Health Protection (Coronavirus) (Restrictions) (Scotland) Regulations 2020 determine the length and scale of the lockdown. These Regulations are reviewed every three weeks. The World Health Organisation has stated that before any decision is made to lift restrictions, transmission of COVID-19 must be controlled.

### *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 Register was updated to include COVID-19 as our number one risk. The actions taken by the Officers since 24 March 2020 have been focused on mitigating the increased risk arising from the impact of COVID-19.
- 8.2 Contractor Risk – Remaining viable is one of the greatest risks facing our contractors.





Making our house  
your home

# COVID-19 UPDATE

*June 2020 Report*





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# FOREWARD

The Government put a lockdown in place on 23 March 2020 to try and limit the spread of COVID-19. The lockdown resulted in the delivery of our normal services being restricted overnight in compliance with the social distancing requirements and the 'Stay at Home' Guidance. On 21 May the Scottish Government published "*Scotland's route map through and out of the crisis*" and Phase 1 came into effect on 29 May 2020.

This is our second COVID-19 report and provides

- An update on our re-engagement plan
- A detailed account of the actions taken since our first report on 20 May 2020 including policy amendments required by the Scottish Government
- an update on how our Business Plan has been affected

Dena Macleod

Chief Executive

### HHP Services at a Glance



# 1. RE-ENGAGEMENT PLAN

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- 1.1 Our Re-engagement plan was prepared to reflect the Scottish Government's Route Map and was issued in draft to Board Members and staff on 25 May 2020. The plan has been updated to take account of comments and suggestions received. Whilst the plan was issued in draft form to Board Members, it requires to be approved by the Board at this meeting. The Re-engagement plan is a stand-alone document and a summary is at Appendix 1 with the full plan included as Appendix 3 of the Board covering report.
- 1.2 Staff Teams looked at lessons learned since lockdown. These lessons were then distilled into the top lessons which are detailed in the Table below:

| Ref | Area                     | Proposed Action                                                                                                                                                                                                                                                                                                                                                                           |
|-----|--------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1   | Tenant Engagement        | Build on the positive impact of the direct reaching out to tenants.                                                                                                                                                                                                                                                                                                                       |
| 2   | Self-Service for tenants | Systems need to facilitate bulk electronic contact. More cost effective and more timely (will include improved contact monitoring and data integrity checks).                                                                                                                                                                                                                             |
| 3   | Electronic filing system | We need to move more files and processes to a digital medium i.e., Do we want to look at e-invoicing to tenants/ letters being generated and correspondence being solely through email for example. House files for example need to be digitized as a matter of urgency.                                                                                                                  |
| 4   | Mobile Working           | Remote access to Housing Officers and Clerk of Works when they do not have a fixed internet signal. More to be done on mobile device delivery to employees and to tenants.<br><br>Two Factor Complexities need to be fixed. We need to gather input from users on issues they continue to have with 2FA and how they access files and move them from local desktop to hosted applications |
| 5   | Flexible working         | Including working at home and different working patterns                                                                                                                                                                                                                                                                                                                                  |
| 6   | Service Delivery         | Innovation - Review of how we deliver within the all the islands but in particular Harris/Uist need to be revised. We need to continue to explore innovative ways of working. Will all services be deliverable remotely as we offer more services post lockdown.                                                                                                                          |
| 7   | Hardware                 | Need to review our hardware policies to ensure staff have the equipment needed to do their job in the office or outwith. Also need to have some "buffer stock" 2 or 3 machines which can be used if we have                                                                                                                                                                               |

| Ref | Area               | Proposed Action                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|-----|--------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|     |                    | to rotate machines due to failure whilst they are repaired through warranty                                                                                                                                                                                                                                                                                                                                                                            |
| 8   | Phones             | <p>We know we have issues with landlines during power outages. Moving to a VOIP system will remove these issues but we need to review our entire call directory and service set-up when adopting any new system.</p> <p>There will be a greater draw on data usage going forward and we need to look at mobiles with larger data bundles and perhaps also look at 4G connected devices (Tablets) for roles which are not located in a fixed place.</p> |
| 9   | Board Members      | <p>Being able to access Board meetings remotely should broaden the chances of people who live outside of Stornoway being able to participate.</p> <p>Build on the work done for the Board Paper process – need to look at the whole process to digitize and introduce some form of workflow manager which ensures all checks and controls we have in place are maintained.</p>                                                                         |
| 10  | Staff surveys      | More regular, shorter maybe make use of pulse surveys.                                                                                                                                                                                                                                                                                                                                                                                                 |
| 11  | Corporate Standard | All letters whether system generated or typed need to be in an agreed Corporate Standard                                                                                                                                                                                                                                                                                                                                                               |

- 1.3 Staff decompression teams have been going through the top lessons learned to identify how we transform these lessons into action. Once all the teams have submitted their feedback a finalized action plan will be prepared and submitted to the Board for approval.
- 1.4 Feedback from Board Members would also be very welcome. The Executive Office will co-ordinate the collation of Board Members feedback.

## Services Update

1.5 We are restarting services in line with the Scottish Government route map and guidance. Full details are in the Re-engagement Plan.

| Services                       | Phase 1                                                                                                           | Phase 2                                                                                                  | Phase 3                                                     | Phase 4                                |
|--------------------------------|-------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|----------------------------------------|
| Repairs                        | Emergency<br>External backlog repairs<br>Heating repairs                                                          |                                                                                                          |                                                             | Full service                           |
| Cyclical & Planned Maintenance | Gas Servicing<br>Assisted Garden Scheme<br>Grounds Maintenance                                                    | ASHP Maintenance<br>Paths, fences and painting<br>Health & Safety matters                                |                                                             | Full service                           |
| Investment                     | External works<br>Preparation of plans to carry out internal works                                                | Smoke Alarms and fire safety works                                                                       |                                                             | Full service                           |
| Development                    | Plans prepared to re-open<br>Sites open in a phased way on completion of meeting Phase 2 of Industry restart plan | Sale of Shared Equity properties can be completed                                                        |                                                             | Full service                           |
| Allocations                    | Offers and allocations made. Controlled handling of keys                                                          | Clerk of Works to allow prospective tenants into property and arrange for signature of tenancy agreement | Housing Officers will do viewings                           | Full service                           |
| Arrears Management             | Management through phone calls, FaceTime, WhatsApp and letters                                                    |                                                                                                          | Housing Officers to commence visits but not entering a home | Full service                           |
| Estate Management              | Work can commence as waste recycling centres are opened                                                           |                                                                                                          | Housing Officers to commence Estate Inspections             | Full service                           |
| Customer Services              | No Customer access to offices                                                                                     | No Customer access to offices?                                                                           | Customers can make pre-arranged visits to the offices       | Full service delivered from the office |
| Tenant Engagement              | Web based and social media                                                                                        |                                                                                                          | Small meetings possible subject to physical distancing      | Regular tenant meetings resume         |
| <b>Commencing</b>              | <b>1 June 2020</b>                                                                                                | <b>Possibly 18 June 2020</b>                                                                             | <b>Not known yet</b>                                        | <b>Not known yet</b>                   |

## 2. ACTIONS TAKEN SINCE 20 MAY 2020

### Returns

2.1 The Scottish Housing Regulator and SFHA have asked RSL's to complete monthly returns to monitor specifically the impact on RSL's of the COVID-19 lockdown. We have submitted the following returns to date:

- SHR-April 2020
- SHR-May 2020
- SHFA-April 2020

### SHR Returns

2.2 The table below shows the information which was submitted to the Regulator:

|                                         | April          | Scottish<br>Average | May            |
|-----------------------------------------|----------------|---------------------|----------------|
| Total number of FTE                     | 45             |                     | 45             |
| Total number absent FTE                 | 3              |                     | 3              |
| Percentage of staff absent              | 6.67%          | 5.28%               | 6.67%          |
| Number of staff place on furlough (FTE) | 1.5            |                     | 1              |
| Percentage of staff on furlough         | 3.33%          | 13.46%              | 2.22%          |
| Gross Rent arrears                      | £ 336,567.00   |                     | £ 329,428.64   |
| Total rent due                          | £ 9,097,604.00 |                     | £ 9,300,060.60 |
| Gross rent arrears %                    | 3.70%          | 4.48%               | 3.54%          |
| Empty homes                             | 6              |                     | 4              |
| Empty homes (last day of the month)     | 30             |                     | 25             |
| Total lets                              | 1              |                     | 3              |
| Lets to homeless (SST)                  | 1              |                     | -              |
| Lets to homeless (short SST)            | -              |                     | -              |
| Leased to relevant local authority      | -              |                     | 1              |
| Cash balances                           | £ 4,962,519.00 |                     | £ 5,287,471.20 |

2.3 The Arrears figures are at the calendar month end, which does not always coincide with the date we receive our monthly benefit payments. Our internal monitoring of arrears, taking into account the benefit payment cycle, is continuing to show an upwards trend.

2.4 The change in the Scottish Government advice on Allocations during May has resulted in a reduction in our empty homes and a slight increase in our lets.

2.5 On 27 May 2020, the Regulator published a 'Dashboard' on their website, which summarises the results for all the RSL returns. The Dashboard was the source of the Scottish Average percentages.

- 2.6 The Regulator also held a telephone conference call on 28 May 2020 with RSL's who are of systemic importance. It was a useful call with everyone recognizing that there will be no return to "normal" but a need to embrace the opportunity to review and transform service delivery and this will include how our services will be regulated.
- 2.7 The ending of the Job Retention Scheme is when the majority of businesses, including RSL's will be in a position to get a fuller picture of the impact of lockdown. The expectation is arrears will rise.

### SFHA Return

- 2.8 The return required by SFHA was slightly different from the SHR in that they were looking at how we were performing in relation to the same period for 2018 and 2019.
- 2.9 A summary of the key information requested is shown below

|                                      | Q1 (Jan-Mar)<br>2020 | Q1 (Jan-Mar)<br>2019 | Q1 (Jan-Mar)<br>2018 |
|--------------------------------------|----------------------|----------------------|----------------------|
| Gross rents                          | 2,327,823            | 2,180,003            | 1,997,429            |
| Loss of rental income from void loss | (21,486)             | (13,303)             | (5,089)              |
| % of rent paid by UC/ HB             | 37.00%               | 38.49%               | 40.93%               |
| Bad Debt write off value             | 31,452               | 50,064               | 21,149               |
| Sickness Absence percentage          | 6%                   | 3%                   | 3%                   |
| Number of emergency repair jobs      | 317                  | 286                  | 174                  |
| Expenditure on emergency repairs     | 32,165               | 29,615               | 19,451               |
| Number of staff furloughed           | 0                    | 0                    | 0                    |

- 2.10 The trend on the % of rent paid by UC/HB could be interpreted in two ways;
- a) Less of our tenants require assistance with paying their rent; or
  - b) The level of support through the benefit system has reduced

The increase in our overall arrears at 31 March 2020 would lead you to the conclusion that the level of support through the benefit system has reduced.

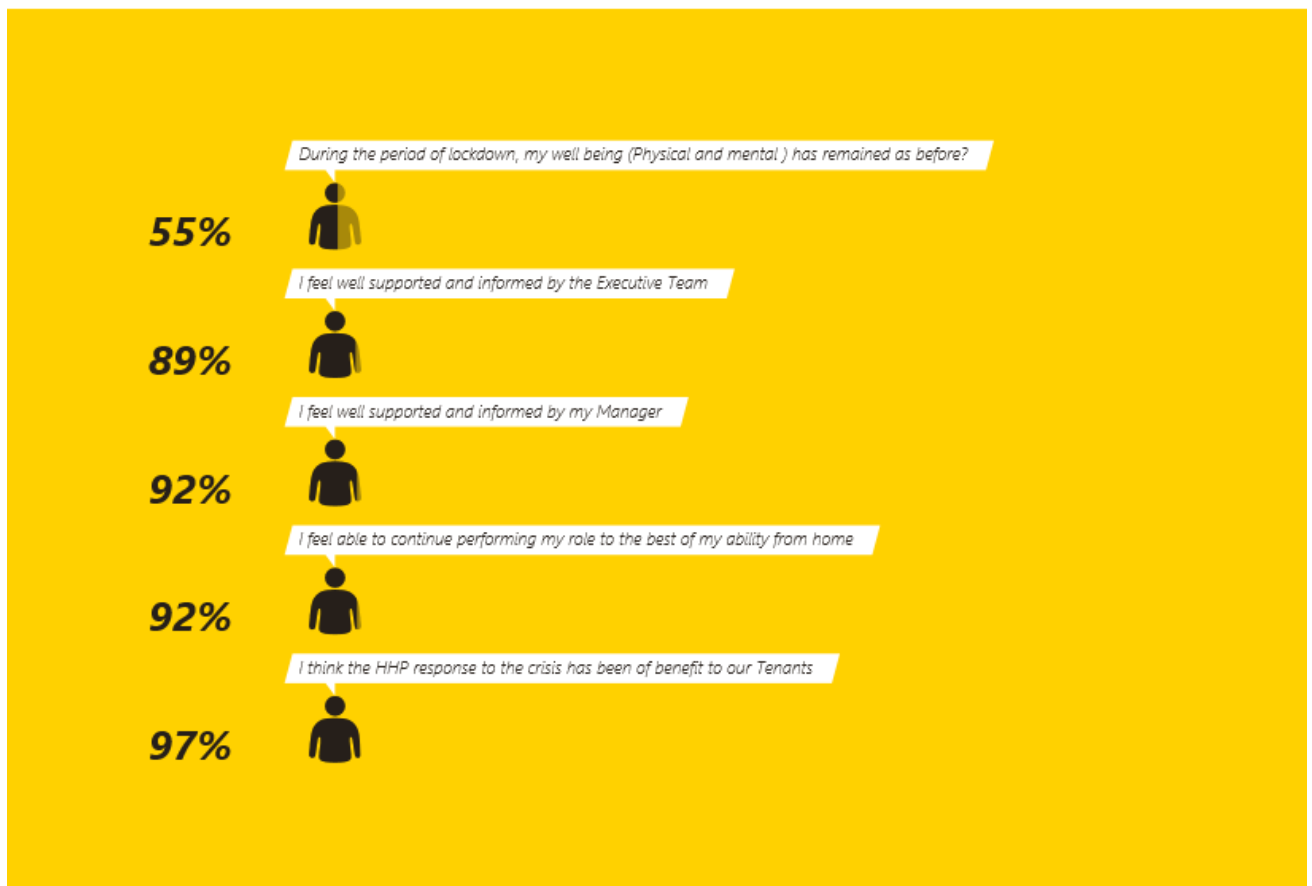
- 2.11 The level of emergency repairs is broadly in line with the pattern in the previous year. While the number of repairs in the first quarter of the year was slightly higher than in 2019 the average cost per repair was slightly lower. The increased number of jobs (31) is not significant.



### Staffing

- 2.12 A short staff survey was carried out during the first week in June and the results confirm very positive attitudes towards our handling of the COVID-19 crisis.
- 2.13 The survey consisted of seven questions and there were 38 anonymous respondents. Of these:
- 89% of respondents agreed or strongly agreed that they were kept well informed by the Executive team, and 92% of respondents felt the same regarding their Manager.
  - 92% of respondents agreed or strongly agreed that they could continue to perform their role to the best of their ability from home and 97% agreed or strongly agreed that the HHP response had been of benefit to the Tenants.
- Additional comments provided have been reviewed by the Executive Team and actions will progressed as appropriate.

### SURVEY QUESTIONS



- 2.14 Three of our staff are shielding but two of them are able to work from home.
- 2.15 Three of our staff were furloughed and two have now been brought back to support the preparation of our offices for opening in Phase 4.

- 2.16 Three members of staff were on long-term sickness. At the date of writing this report we only have one member of staff on long term sickness.
- 2.17 As mentioned in the Re-engagement Plan our default position will be to continue working from home.
- 2.18 There is no requirement at this stage to amend the Corporate Payroll policy for furlough.

## Legislative changes

### Domestic Abuse

- 2.19 On 29 May 2020 we received a letter from the Scottish Government about the importance of bringing empty properties back into use during the pandemic and support for victims of domestic abuse. The letter, a copy of which is at Appendix 2, outlines the importance of RSL's having a specific policy in place for domestic abuse.
- 2.20 In order to comply with the guidance and good practice we have prepared a draft Domestic Abuse policy which is at Appendix 2 to the overall report for approval.
- 2.21 The key elements of the policy are:
  - the importance of partnership working to identify and deal with abuse and support victims
  - provision of support to CNES homeless services in addressing abuse and providing rehousing
  - the need for a victim centred approach. Enable the victim and children to remain in the family home unless they choose to move.
  - provision of advice and assistance to victims and appropriate signposting
  - provision of training and awareness raising amongst employees and contractors
- 2.22 There will be no additional cost to the Partnership from implementing the policy.

### Other changes

- 2.23 Coronavirus (Scotland) Act 2020 introduced a range of short-term measures, including temporary (and now repealed) extensions for timescales for responses for FOI.
- 2.24 The Corporate Insolvency and Governance Bill is also anticipated to receive assent shortly and it will allow for virtual AGM's to take place until 30 September 2020. This will enable us to hold our AGM remotely, if required, which is not currently permitted by our rules.

### Welfare Calls

- 2.25 Welfare calls continue to be made to tenants and as of 5 June 2020 we made contact with 1,536 tenants. There has been no material change to the circumstances or needs being reported since our update in May. Tenants identified as being vulnerable or at risk continue to be contacted on a regular basis to check on welfare and any support needs.
- 2.26 Our Handypersons continue to support the delivery of food parcels where a need has been identified through a welfare call and also assisting with local foodbank deliveries.

### 3. IMPACT ON BUSINESS PLAN

---

- 3.1 We have been a full review of how COVID-19 has impacted our planned actions to deliver on our Strategic Goals and this will be completed once we have the route map guidance for the construction industry. At this stage, a high level review has been carried out on the impact on our Strategic Goals and this is included at Section 4.

1. Placing tenants at the centre of everything we do
2. Investing in an environmentally sustainable way in tenants' homes
3. Being a good employer that attracts and retains high quality staff
4. Working with partners to contribute to the wellbeing of communities throughout the Outer Hebrides

- 3.2 The key areas that continue to be materially impacted by a time delay and possibly by increased cost are
- Non-Emergency Repairs
  - Planned Maintenance
  - Investment Programme particularly in relation to meeting the SHQS requirement on fire safety equipment
  - Development (the number of units completed before 31 March 2021)
- 3.3 The requirement to continue with social distancing is going to impact on how we interact with our tenants and may result in tasks taking longer to complete. If the measures around cash handling continue, we will need to work with tenants to enable those who traditionally pay by cash to find suitable alternatives.
- 3.4 The Business Plan which was approved in March 2020 was submitted to our Funder for review. The Plan has been widely accepted by RBS but they have stated they would not support putting this to their credit teams for approval at this stage given the uncertainty on our Investment and Development programmes over the next 12 months. This will mean that we will revert to last year's approved plan and the associated covenant. The Management Accounts being presented to the Board in June 20 will illustrate our ability to work with this covenant until such time as we have better clarity on contractor cashflows and the ability to deliver works for the remainder of this Financial Year.

- 3.5 We will update our Business Plan once we have a better understanding of what the new “normal” is going to look like. This is likely to take place between the August and November Board meetings. In preparation for updating the Business Plan we are testing a variety of scenarios and their possible impact on the delivery of our Strategic Goals
- Continued reduction in our income
  - Increase in demand for properties for homeless
  - 2/3 month delay to site restarts for development, full repairs service and investment works
  - Various % changes to the capacity of our contractors

## 4. ACTIONS IMPACTED

 The areas which have been impacted

|   | Measure of Success                                                            | Link to Strategic Goal | 2020/21 | 2021/22 | 2022/23 | 2023/24 | Details of Impact                                                                                                                                                                                                                                                             |
|---|-------------------------------------------------------------------------------|------------------------|---------|---------|---------|---------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | % of satisfaction with our overall services >90%                              | 1                      | 90%     | ✓       |         |         |                                                                                                                                                                                                                                                                               |
| 2 | Maintain all our homes ensuring they meet or exceed the SHQS                  | 1                      | ✓       | ✓       | ✓       | ✓       |                                                                                                                                                                                                                                                                               |
| 3 | Respond to complaints 100% within SPSO targets                                | 1                      | 100%    | 100%    | 100%    | 100%    |                                                                                                                                                                                                                                                                               |
| 4 | Level of current arrears at 2% of gross rent debit                            | 1                      | 2%      | 2%      | 2%      | 2%      | Arrears are above target and officers are focused on pursuance action                                                                                                                                                                                                         |
| 5 | Voids at <1% of gross rent debit                                              | 1                      | 1%      | 1%      | 1%      | 1%      | The void loss % for 2019/20 was 0.63%                                                                                                                                                                                                                                         |
| 6 | Provide options for a rent guarantee period alongside revised rent structure  | 1                      | ✓       | ✓       | ✓       | ✓       | Rent guarantee was assessed when setting 2020/21 rents and this was not implemented due to the cost pressures on our repairs/ investment and development programme. It was agreed that this would be considered when implementing any changes to the existing rent structure. |
| 7 | 88% of tenants satisfied with opportunities to participate in decision making | 1                      | 88%     | ✓       | ✓       | ✓       |                                                                                                                                                                                                                                                                               |

## COVID-19

### Strategic Goals

|    | Measure of Success                                                               | Link to Strategic Goal | 2020/21                | 2021/22 | 2022/23       | 2023/24 | Details of Impact                                                                                                 |
|----|----------------------------------------------------------------------------------|------------------------|------------------------|---------|---------------|---------|-------------------------------------------------------------------------------------------------------------------|
| 8  | Deliver 214 new build homes by 2021 (214 includes HWEC)                          | 2                      | 136<br>(Includes HWEC) |         |               |         | 36 units expected to complete by March 21 with a potential of a further 12                                        |
| 9  | Deliver 50 extra care units in Stornoway by 2021                                 | 2                      | 50                     |         |               |         | Completion will be delayed by at least 4 months                                                                   |
| 10 | Reduce % of tenants in fuel poverty to under 25% by 2023                         | 2                      | ✓                      | ✓       | Less than 25% |         |                                                                                                                   |
| 11 | 100% of properties achieving EESSH by 2020                                       | 2                      | ✓                      |         |               |         | Achievement is still anticipated but it will be dependent on when we are able to restart the Investment programme |
| 12 | 100% of stock assessed in term of long term viability                            | 2                      | 100%                   | ✓       | ✓             | ✓       | Time impact only-work will be moved to 2021/22                                                                    |
| 13 | Flexible working policy in place by 2020                                         | 3                      | ✓                      |         |               |         |                                                                                                                   |
| 14 | Staff survey in 2020 showing positive feedback                                   | 3                      | ✓                      |         |               |         |                                                                                                                   |
| 15 | 10% of staff pursuing and obtaining qualifications                               | 3                      | 6%                     | 7%      | 8%            | ✓       |                                                                                                                   |
| 16 | 100% of vacancies filled on first attempt                                        | 3                      | 100%                   | ✓       | ✓             | ✓       | This may be impacted depending on travel restriction                                                              |
| 17 | Sustain a minimum of 65% of HHP staff with a service length greater than 3 years | 3                      | 60%                    | ✓       | ✓             | ✓       |                                                                                                                   |
| 18 | % of staff turnover at less than 10%                                             | 3                      | ✓                      | ✓       | ✓             | ✓       |                                                                                                                   |
| 19 | New arrangement in place for delivery of                                         | 4                      |                        |         |               |         | N/A                                                                                                               |



## COVID-19

### Strategic Goals

|    | Measure of Success                                                                   | Link to Strategic Goal | 2020/21 | 2021/22 | 2022/23 | 2023/24 | Details of Impact                                                                                                                                        |
|----|--------------------------------------------------------------------------------------|------------------------|---------|---------|---------|---------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
|    | accommodation for the Foyer by 1 April 2019                                          |                        |         |         |         |         |                                                                                                                                                          |
| 20 | Population forecast and decline demographics                                         | 4                      | ✓       | ✓       | ✓       | ✓       | Working with CNES on this. It could go either way especially with seeing the success of the ability to work remotely. We will look at both possibilities |
| 21 | Increased demand for affordable housing                                              | 4                      | ✓       | ✓       | ✓       | ✓       | As for 20 above                                                                                                                                          |
| 22 | Community benefit measures delivered across our communities and on all our contracts | 4                      | ✓       | ✓       | ✓       | ✓       |                                                                                                                                                          |
| 23 | 95% of tenants satisfied with management of the area they live in                    | 4                      | 95%     | ✓       | ✓       | ✓       |                                                                                                                                                          |

## COVID-19

### Strategic Goals

|   | Actions                                                                | Link to Strategic Goal | 2020/21 | 2021/22 | 2022/23                | 2023/24 | Notes                                                                                                                                                                                                                                                                                                                                            |
|---|------------------------------------------------------------------------|------------------------|---------|---------|------------------------|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Carry out affordability checks                                         | 1                      |         |         | Stock Condition Survey | ✓       |                                                                                                                                                                                                                                                                                                                                                  |
| 2 | Value for Money Strategy                                               | 1                      | Deliver | ✓       | ✓                      | ✓       |                                                                                                                                                                                                                                                                                                                                                  |
| 3 | New Rent Structure                                                     | 1                      | ✓       |         |                        |         | The new rent structure options have been reviewed internally and will be presented to the finance working group at the first available opportunity. Affordability concerns will limit the extent to which we can restructure all rents at once and we may need to adopt a position where rents will be realigned when the property becomes void. |
| 4 | Profile our customers' needs                                           | 1                      | ✓       | ✓       | ✓                      | ✓       |                                                                                                                                                                                                                                                                                                                                                  |
| 5 | Support Western Isles Housing Association Communities Forum            | 1                      | ✓       | ✓       | ✓                      | ✓       |                                                                                                                                                                                                                                                                                                                                                  |
| 6 | Develop tenants scrutiny                                               | 1                      | ✓       | ✓       | ✓                      | ✓       |                                                                                                                                                                                                                                                                                                                                                  |
| 7 | Provide dedicated tenant participation support                         | 1                      | ✓       | ✓       | ✓                      | ✓       | Recruitment currently on hold, Contract with TPAS ends April 2021                                                                                                                                                                                                                                                                                |
| 8 | Ensure tenants maximise their opportunities to access digital services | 1                      | ✓       |         |                        |         |                                                                                                                                                                                                                                                                                                                                                  |
| 9 | Develop a digital transformation strategy                              | 1                      | ✓       |         |                        |         |                                                                                                                                                                                                                                                                                                                                                  |

## COVID-19

### Strategic Goals

|    | Actions                                                 | Link to Strategic Goal | 2020/21 | 2021/22 | 2022/23 | 2023/24 | Notes                                                                                                                                                                                                                                                                                           |
|----|---------------------------------------------------------|------------------------|---------|---------|---------|---------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 10 | Develop an Anti-Poverty Strategy                        | 1                      |         |         |         |         |                                                                                                                                                                                                                                                                                                 |
| 11 | Benchmark our services with other Housing Associations  | 1                      | ✓       | ✓       | ✓       |         |                                                                                                                                                                                                                                                                                                 |
| 12 | Develop an Environmental Strategy                       | 2                      | ✓       |         |         |         |                                                                                                                                                                                                                                                                                                 |
| 13 | Update Asset Management Strategy                        | 2                      | ✓       | ✓       | ✓       | ✓       |                                                                                                                                                                                                                                                                                                 |
| 14 | Annual Investment Programmes by February each year      | 2                      | ✓       |         |         |         | Programme expected to be delivered by March at present                                                                                                                                                                                                                                          |
| 15 | Offer shadowing and coaching opportunities to all staff | 3                      | ✓       |         |         |         | This will be restarted once a clearer picture is provided of the Government's exit strategy                                                                                                                                                                                                     |
| 16 | Team building events                                    | 3                      | ✓       | ✓       | ✓       | ✓       | The formats of the team building events will be changed                                                                                                                                                                                                                                         |
| 17 | Round table discussion with Managers                    | 3                      | ✓       | ✓       | ✓       | ✓       | Format will be changed to allow for social distancing                                                                                                                                                                                                                                           |
| 18 | Develop use of on line system in particular appraisals  | 3                      | ✓       | ✓       | ✓       | ✓       |                                                                                                                                                                                                                                                                                                 |
| 19 | Deliver annual Training Plan                            | 3                      | ✓       | ✓       | ✓       | ✓       | – The annual Training Plan is being reviewed to ensure the planned training for 2020 can be delivered safely and effectively. Courses and spend will be prioritised and there will be an emphasis on Staff completing online training and the preparation of courses to be delivered internally |

## COVID-19

### Strategic Goals

|    | Actions                                                                      | Link to Strategic Goal | 2020/21 | 2021/22 | 2022/23 | 2023/24 | Notes                                                                                                                                                        |
|----|------------------------------------------------------------------------------|------------------------|---------|---------|---------|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
|    |                                                                              |                        |         |         |         |         | during any complete or partial office closure                                                                                                                |
| 20 | Work with community groups to improve common areas                           | 4                      |         |         |         |         | Work ongoing with various groups. Grant funding awarded for 2 groups in Feb 2020                                                                             |
| 21 | Identify opportunities to generate income                                    | 4                      | ✓       | ✓       | ✓       | ✓       | Not previously measured                                                                                                                                      |
| 22 | Support OHCPP to deliver its aims                                            | 4                      | ✓       | ✓       | ✓       | ✓       | Attendance at all OHCPP meetings + membership of Priority groups                                                                                             |
| 23 | Work closely with voluntary sector                                           | 4                      | ✓       | ✓       | ✓       | ✓       |                                                                                                                                                              |
| 24 | Work with CNES to deliver LHS                                                | 4                      | ✓       | ✓       | ✓       | ✓       | Main impact will be the timing of the delivery of new homes. Work is ongoing to deliver key aims of the LHS on housing supply, homelessness and fuel poverty |
| 25 | Key Risk Indicators and Key Control Indicators will be developed during 2019 | 1                      | ✓       | ✓       | ✓       | ✓       |                                                                                                                                                              |

## APPENDIX I: RE-ENGAGEMENT PLAN

|                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Services to tenants</b> | Full service will be resumed in line with Scottish Government guidance. Work is underway to be ready to start in line with the Routemap which took take effect 1 June 2020. This is covered in Section 1                                                                                                                                                                                                                                                                      |
| <b>Offices</b>             | Detailed plans are at Section 2 which includes deep cleaning, new signage, and measures for social distancing. Checklists for Hygiene and Health & Safety are currently being completed.                                                                                                                                                                                                                                                                                      |
| <b>Staff</b>               | <p>Our office return will be phased. During Phase 1 only those staff who have tasks which can't be carried out from home will be coming into the office. We will work in a minimum of two shifts to ensure social distancing is observed. The rota takes account staff who are:</p> <ul style="list-style-type: none"> <li>Shielding</li> <li>Have caring responsibilities</li> <li>Concerned about underlying health conditions but don't have a shielding letter</li> </ul> |
| <b>Board</b>               | Board meeting for June will be held remotely using Microsoft Teams                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Risk Management</b>     | Risk Assessments are being carried out for all affected areas                                                                                                                                                                                                                                                                                                                                                                                                                 |

## APPENDIX 2: SCOTTISH GOVERNMENT LETTER

---



Scottish Government  
Riaghaltas na h-Alba  
gov.scot



Minister for Local Government, Housing and Planning  
Kevin Stewart MSP

Community Wellbeing Spokesperson  
(job-share)  
Councillor Elena Whitham

T: 0300 244 4000  
E: [scottish.ministers@gov.scot](mailto:scottish.ministers@gov.scot)

Local Authority Chief Housing Officers  
RSL Chief Executives  
John Blackwood – Scottish Association of  
Landlords

---

29 May 2020

Dear Colleagues,

### **IMPORTANCE OF BRINGING EMPTY PROPERTIES BACK INTO USE DURING THE PANDEMIC AND SUPPORT FOR VICTIMS OF DOMESTIC ABUSE**

In the short space of a few months, none of us could have envisaged the significant impact that Covid-19 would have had on Scotland. Our way of life, as we knew it, has completely changed. It is, however, heartening to see how the whole of Scottish civic society has come together to tackle the biggest challenge we have faced as a country. From the outset, the resilience, agility and innovative approaches to ensuring people are protected and lives are saved have been truly fantastic.

We are writing to thank you for the leadership and support you have shown, and continue to show, throughout the pandemic and as we begin to understand the route map towards a new normal. Together we have made good progress but there is more that we need to do together to get Scotland back to some form of normality.

Scottish Ministers, special advisers and the Permanent Secretary are covered by the terms of the Lobbying (Scotland) Act 2016. See [www.lobbying.scot](http://www.lobbying.scot)

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## COVID-19 Response

One of the early actions which the Scottish Government, COSLA and the housing sector undertook was to establish three housing sector resilience working groups to work directly with local government, housing associations and private sector. Membership of these groups includes housing associations, local authorities, professional associations, private landlord, letting agent and tenant representative groups. The various expertise from across the sector, alongside partnership working, have proved helpful in understanding how social and private landlords are managing services in the context of the outbreak, as well as providing a platform to raise and resolve issues in a collaborative way. A number of outputs in the form of practical guidance and advice have been produced to help the sector provide essential services to people in their communities.

We wanted to draw your attention in particular to the [‘Covid-19 Allocations Advice and Information for the Housing Sector’](#) guidance. This non-statutory guidance provides practical information for landlords, housing managers, service delivery staff, and contractors in how to safely continue allocations. The document outlines how existing statutory duties can continue to be delivered whilst adhering to public health advice on physical distancing, property cleanliness and safe working for staff.

The guidance had been developed in partnership with members of the three resilience groups. It brings together existing housing sector duties and requirements with guidance from Health Protection Scotland (HPS) to ensure voids can be processed safely and in line with infection control measures relating to the Covid-19 outbreak. We hope the practical guidance and the joint [ALACHO and HPS Q&A](#) will enable those who are not currently processing empty homes to act now to start bringing empty homes back into use for people who need them.

Furthermore, as stated in the [Scotland’s Route Map](#) out of the lockdown, workplaces resuming in later phases can undertake preparatory work on physical distancing and hygiene measures during phase 1. Therefore, those involved in the letting or rental of homes are permitted to prepare their staff and their premises for the relaxation of restrictions on housing moves (phase 2).

## Homelessness

Although we recognise the challenges that the housing sector is facing during the health crisis, we wanted to emphasise that bringing empty properties (voids) back into use is a priority to ensure the safeguarding of tenants. We would expect all landlords to be continuing to undertake best endeavours to bring voids back into use in a safe manner. However, data returns to the Scottish Housing Regulator from social landlords suggests that many have either stopped or reduced the processing of empty properties. It is vital that where possible this work resumes to ensure we keep Scotland’s housing system running as smoothly as possible. The continuation of allocations is a vital step to ensure that homeless households in temporary or unsuitable accommodation, including domestic abuse victims, are moved onto settled accommodation.

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During the pandemic, great efforts have been made in moving a significant number of vulnerable people into short term alternative accommodation. Ensuring that everyone is moved on to stable and settled accommodation will require further work and the active support and involvement of the whole housing sector and third sector organisations. Ensuring the continued provision of secure and, where possible, settled accommodation for those affected by homelessness and for those in unsuitable accommodation remains a priority for the housing sector throughout this period.

Housing First is an important area to consider for those people with more complex needs who will benefit from settled accommodation with wrap around support. Most local authorities included an element of Housing First in their Rapid Rehousing Transition Plans, which cover more than the six areas who are part of the Pathfinder programme. This means local authorities are well placed to work with partners to assess who would benefit from Housing First and prevent people returning to rough sleeping.

### Domestic Abuse

As you will be aware, the current social restrictions on movement across Scotland creates new risks to those at risk of experiencing or recovering from domestic abuse and other forms of violence. Now, more than ever, women and children at risk of violence in the home will feel isolated and require support from the housing sector.

Local authorities and housing associations have a responsibility to prevent and respond to domestic abuse in accordance with [Equally Safe – Scotland's strategy for preventing and addressing violence against women and girls](#). We therefore also want to highlight the importance of ensuring that all local authorities and housing associations have a domestic abuse housing policy in place to support victims and would ask you to ensure that your organisation has a policy in place and that it is regularly reviewed.

A number of recent publications, set out below, provide detailed guidance to support social landlords in developing and reviewing their domestic abuse housing policies.

The Scottish Government in partnership with COSLA published [Coronavirus \(COVID-19\) Supplementary National Violence Against Women Guidance on 19 May](#). This guidance is aimed at ensuring that a sustainable joined-up approach to safeguarding the needs of women, children and young people experiencing violence during Covid-19 and beyond is embedded at a local strategic level.

Guidance for social landlords: [Domestic Abuse: COVID-19 \(April 2020\)](#) by the Chartered Institute of Housing and Scottish Women's Aid, explains the critical importance of all social landlords having a policy in place that sets out how they will respond proactively to domestic abuse. Good practice guidance published last year, ["Domestic Abuse: a good practice guide for social landlords."](#) provides a sample domestic abuse policy template for housing providers.



Partnership working as well as the need to improve the overall response to domestic abuse by ensuring landlords have developed policies to ensure victims of domestic abuse are able to move on from refuge accommodation to settled accommodation should remain a priority for social landlords. We have heard of instances where victims of domestic abuse in refuge accommodation have had their settled accommodation withdrawn in order to meet the needs of other homeless individuals due to the lack of availability of accommodation. This underlines the importance of increasing housing stock by bringing empty properties into use.

### Interlinked challenges and local innovation

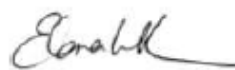
We recognise that there can be challenges in bringing empty properties back into use such as energy connections, waste processing, availability of removal companies as well as staff absences. However, we know of examples where landlords have found creative ways to overcome these challenges. For example, Fife Council's joint-working efforts of Housing, Building Services and Business Support has ensured that work on voids is now producing about 25-30 new lets per week to statutory homeless households and a small number of specific needs households. The service is also providing logistical support to help bereaved families empty homes of deceased tenants as well as offering furnishing and other support to help new tenants move in. South Lanarkshire Council is also using its suppliers to help tenants with moves where tenants are unable to source logistical support themselves. Similarly, some housing associations are using digital processes to commence tenancies as well as introducing remote working to develop safe working practices in supporting tenants. This includes contacting tenants by phone to identify what help they require prior to starting their tenancy and in providing white goods and related services.

Looking towards future economic uncertainty it is also crucial that we begin work to process any backlog of empty properties in both the social and private rented sectors in preparation for anticipated increase in homelessness presentation. It is anticipated that homelessness presentations to local authorities will increase once the lock down is lifted and we need to ensure the availability of housing stock to support vulnerable tenants who will be hardest hit by economic uncertainty or job losses.

This pandemic has brought huge challenges to all of us as individuals, as well as impacting on our organisations and communities in unprecedented ways but in many ways, it has brought out the best in us. What we have seen and heard in the past few months about the extraordinary efforts to continue providing essential services and to take steps to keep tenants and staff safe has demonstrated the very best of the housing sector. As we enter this next phase, we look forward to continue to deliver our essential housing services and to act on the opportunities presented to us to improve housing for Scotland further still.



**KEVIN STEWART**  
Minister for Local Government, Housing  
and Planning  
Scottish Government



**COUNCILLOR ELENA WHITAM**  
Community Wellbeing  
Spokesperson (job-share)  
COSLA

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hebridean housing  
partnership



## ► Domestic Abuse Policy June 2020

Effective Date: ► 23 June 2020

Review Date: ►

Approved by HHP Board:

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## INTRODUCTION

- 1.1 We understand that anyone can be a victim of domestic abuse. Abusers and victims can be male or female, any race or religion and from all different types of background.
- 1.2 Domestic abuse can be carried out by partners or ex partners, extended family, friends or carers. It can be:
  - Intimidation, degradation, isolation and control, with the use or threat of physical or sexual violence;
  - emotional or psychological;
  - physical;
  - sexual;
  - financial;
  - harassment and stalking; or
  - online or digital abuse.
- 1.3 We believe that domestic abuse presents a high risk to personal safety and is unacceptable. We will therefore take the strongest action possible against perpetrators of domestic abuse where we have the power to do so and with the consent of the victim.
- 1.4 We will deal with all reports of domestic abuse as a matter of urgency and we will assist the victim to reach a decision which they feel best secures their safety by:
  - reviewing their accommodation;
  - enabling the level of assistance they want, and
  - taking action against the perpetrator which the victim and we feel is most appropriate
- 1.5 We will at all times work with partner agencies and Police Scotland in pursuing a zero tolerance approach towards any form of domestic abuse brought to our attention.

## DEFINITION

- 2.1 For the purposes of this policy, we will use the Scottish Government definition of Domestic Abuse which is:  
*'domestic abuse (as gender based abuse) can be perpetrated by partners or ex partners and can include physical abuse (assault and physical attack involving a range of behaviour), sexual abuse (acts which degrade and humiliate women and are perpetrated against their will, including rape) and mental and emotional abuse (such as threats, verbal abuse, racial abuse, withholding money and other types of controlling behaviour such as isolation from family or friends. It can be characterised by a pattern of coercive control often escalating in frequency and severity over time).'*

It should be noted that children who live with domestic abuse are, themselves, experiencing abuse and may be referred to relevant agencies under Child Protection Procedures.

The new Coercive Control Law Domestic Abuse (Scotland) Act 2018 came into force on 1 April 2019. This new Act creates an offence with respect to the engaging by a person in a course of behavior, which is abusive towards that person's partner or ex-partner.

- 2.2 **Controlling behavior** is a range of acts designed to make a person subordinate and/or dependent by:
- isolating them from sources of support,
  - exploiting their resources and capacities for personal gain,
  - depriving them of the means needed for independence, resistance and escape, and
  - regulating their everyday behavior.
- 2.3 **Coercive control** is an act or pattern of acts of assaults, threats, humiliation and intimidation or other abuse that is used to harm, punish or frighten the victim.

## AIMS OF THE POLICY

- 3.1 By adopting this policy, we aim to:
- respond swiftly and appropriately to all reported incidents of domestic abuse;
  - improve overall safety and wellbeing by recognising that domestic abuse is a serious crime which has an adverse impact on the health of individuals, families and communities;
  - increase awareness and understanding of this issue amongst residents and employees;
  - encourage tenants and employees to report domestic abuse;
  - improve the safety and welfare of adults and children affected by domestic abuse and prevent further incidents by responding rapidly, effectively and consistently to all reports;
  - empower victims by providing information on the options available to them;
  - improve the response to victims through effective engagement of appropriate external enforcement and support agencies;
  - create a consistent approach for recording and monitoring incidents of domestic abuse.

## RESPONSIBILITIES

- 4.1 **HHP Board**
- To ensure that we have approved and implemented a policy on domestic violence and abuse that complies with current regulations and guidance.
- 4.2 **Management**
- The Director of Operations has responsibility to ensure all staff are aware of the policy.

#### 4.3 Employees

To ensure they are aware of their responsibilities under this policy, and that they implement the policy and procedure when appropriate.

### OUR APPROACH

- 5.1 We encourage all tenants and household members to report domestic abuse, whether they are victims of, or witnesses to, such incidents. We will deal with all reports of domestic abuse with sensitivity.
- 5.2 If a person feels they are experiencing domestic abuse we will deal with it under this policy.
- 5.3 We will deal with all reports in a non-judgmental and non-discriminatory manner and in confidence. We will not require victims to take legal action or to contact the Police before we provide assistance.
- 5.4 We will only act with the victim's consent. The exception to this general rule is where we consider a child is at risk in any situation or if there is a high risk of serious harm to anyone involved. Where a person is identified as the victim of domestic abuse, any interaction with them will be guided by best practice guidelines. We will follow CNES Child Protection /Adult Protection Procedures if we believe a child or vulnerable adult is at risk due to an abusive relationship or home environment.

### PREVENTION

- 6.1 As part of our arrangements to prevent Domestic Abuse, we will:
  - make all new tenants aware of our policies relating to rehousing; relationship breakdown and, where applicable, the implications for joint tenancies;
  - publicise this domestic abuse policy to all tenants and employees; highlighting the consequences for perpetrators;
  - provide advice and information within HHP's offices and website;

### CONFIDENTIALITY

- 7.1 Victims will be encouraged to allow us to share information with other agencies, including the Police, and Local Authority departments, to ensure that the full range of civil and criminal action can be pursued, and appropriate assistance provided. However, all information provided by the victim will be treated with the utmost confidence and only passed to external agencies with their proper, informed consent.
- 7.2 The exceptions will be:
  - Where we consider a child is at risk in any situation; or
  - If there is a high risk of serious harm to anyone involved; or
  - If we are obliged by law to disclose information.

Area Managers or, in their absence, a member of the Executive Team, must approve any disclosure that does not have the victim's consent.
- 7.3 Information will be shared with work colleagues on a strictly "need to know" basis. We will adhere to all GDPR requirements.

## OPTIONS FOR ACTION

- 8.1 We recognise that every reported case of domestic abuse will be different. Our response will, therefore, be tailored to the individual circumstances and needs of the victim. When a tenant or household member reports domestic abuse, all available options will be discussed and considered with them, including:
- making arrangements for their immediate personal safety;
  - reviewing and where possible improving safety and security of their existing accommodation, to enable them to remain there safely, taking into account the Safe at Home procedure by Police Scotland;
  - tenancy and housing options advice including, where appropriate legal action against the perpetrator by HHP;
  - helping them to access support from local services such as Western Isles Women's Aid, Advocacy Services, Rape Crisis etc.;
  - Referral to CNES Homelessness Service;
  - reporting incidents to Police Scotland which may result in criminal action against the perpetrator;
  - where appropriate, legal action against the perpetrator.
- 8.2 The safety of the victim and their dependents will be our priority. An Action Plan setting out further actions will be agreed with the victim, and we will regularly contact the victim to keep them updated with progress.

### **Remaining in the Property**

- 8.3 We will signpost victims who wish to remain in their own homes to other agencies and carry out a Safe at Home check at their existing accommodation.
- 8.4 We will offer assistance to those experiencing domestic abuse by not recharging them for lock changes and damage to property due to the domestic abuse.

### **Emergency Rehousing**

- 8.5 Where a resident reporting domestic abuse needs emergency accommodation we will work with Comhairle Nan Eilean Siar as the lead agency and support them in providing alternative accommodation.

### **Permanent Rehousing**

- 8.6 Where a resident reporting domestic abuse requests permanent rehousing, we will prioritise their application in terms of our Allocations Policy. We will review and determine the action to be taken on each individual case basis in discussion with other partner agencies.
- 8.7 Where rehousing requires to be out of the area, we will signpost victims to other support and advice agencies and other social landlords to access alternative accommodation.

### **Multi-agency Approach**

- 8.8 We will adopt a multi-agency approach in dealing with victims and perpetrators of domestic abuse, to ensure the safety of the victims, co-ordinate available resources, access specialist services, and take action against perpetrators. We will do this at the monthly Multiagency Risk Assessment Conference (MARAC).



## **Action against Perpetrators**

- 8.9 We will work with Police Scotland and other external agencies in dealing with perpetrators of domestic abuse. Action against perpetrators will depend upon individual circumstances. This may include legal action for recovery of possession against a perpetrator, where other members of the household have left the home because of domestic abuse.
- 8.10 Subject to data protection requirements, we will share information with other relevant agencies so that serial perpetrators are identified and dealt with appropriately.

## **STAFF TRAINING AND AWARENESS**

- 9.1 We will ensure that all staff and our Management & Executive Team are aware of this policy and receive appropriate training.

## **EQUALITY AND DIVERSITY**

- 10.1 We are committed to promoting an environment of respect, understanding, encouraging diversity and eliminating discrimination by providing equality of opportunity for all as set out in our Equal Opportunities policy.

## **GDPR**

- 11.1 We will treat all personal data in line with our obligations under the current data protection regulations and our Privacy Policy. Information regarding how all data will be used and the basis for processing your data is provided in our GDPR policy.

## **MONITORING/IMPLEMENTATION AND POLICY REVIEW**

- 12.1 This policy will initially be reviewed in 6 months to reflect wider engagement and tenant consultation, which has been at present time postponed due to the Covid-19 pandemic. Then every 3 years unless legislation, business or sector developments require otherwise to ensure it meets the stated objectives and takes account of best practice developments.

## **COMPLAINTS/APPEALS**

- 13.1 If you feel dissatisfied with how this policy has been applied, please refer to our complaints procedure.

<http://www.hebrideanhousing.co.uk/downloads/comments-and-complaint-form/>

<http://www.hebrideanhousing.co.uk/downloads/complaint-form-guidance/>

## **EQUAL OPPORTUNITIES STATEMENT**

- 14.1 This Policy complies fully with our Equal Opportunities Policy. We recognise our pro-active role in valuing and promoting diversity, fairness, social justice and equality opportunity by adopting and promoting fair policies and procedures.
- 14.2 We are committed to providing fair and equal treatment for all our stakeholders including tenants and will not discriminate against anyone on the grounds of race, colour, ethnic or natural origin, language, religious belief, age, sex, sexual



orientation, gender re-alignment, disability, marital status, pregnancy or maternity. Indeed, we will positively endeavour to achieve fair outcomes for all.

- 14.3 We carry out Equality Impact Assessments when we review our policies. We check policies and associated procedures regularly for their equal opportunity implications. We take appropriate action to address inequalities likely to result or resulting from the implementation of our policies and procedures.

## LEGAL AND REGULATORY FRAMEWORK

- 15.1 The Domestic Abuse policy considers the following legislation, and employees are encouraged to refer to this where cases require:

- Domestic Abuse (Scotland) Act 2018;
- The new Coercive Control Law Domestic Abuse (Scotland) Act 2018
- Domestic Abuse (Scotland) Act 2011;
- Anti-Social Behaviour (Scotland ) Act 2004;
- Humans Rights Act 1998;
- The Equality Act 2010;
- The Housing (Scotland) Act 2010;
- Data Protection 1998 (GDPR 2018 policy); and
- Crime and Policing (Scotland) Act 2014
- Children's Scotland Act 1995/2014

- 15.2 Related documents:

- Allocations Policy;
- Data Protection Policy;
- Anti-Social behaviour Policy;
- CIH Make a Stand in partnership with Women's Aid Scotland;
- Equally Safe Scotland's strategy to eradicate violence;
- The Scottish Housing Charter
- Equal Opportunities Policy
- Repairs and Maintenance Policy

## POLICY CHANGE HISTORY

| Version | Change Applied | Date         | By           |
|---------|----------------|--------------|--------------|
| 1.0     | Initial Policy | 10 June 2020 | Katie Walker |
|         |                |              |              |
|         |                |              |              |
|         |                |              |              |
|         |                |              |              |
|         |                |              |              |
|         |                |              |              |
|         |                |              |              |

## 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

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Phone: 0300 123 0773



Making our house  
your home

# RE-ENGAGEMENT PLAN

*2 June 2020*



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## SUMMARY

We took a day to move from 'normal' to 'lockdown' but we now know it will take months to move out of lockdown back to full service. On 21 May 2020 the Scottish Government issued the Routemap for lifting lockdown in Scotland. The Routemap for running a business is below.

### Scottish Government COVID-19 Routemap



|                                                                                                                   | Lockdown                                                                                                                                    | Phase 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Phase 2                                                                                                                                                                                                                                                                                                                                                                                    | Phase 3                                                                                                                                                                                                      | Phase 4                                                                                                                             |
|-------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                   | Lockdown restrictions:                                                                                                                      | As with previous phase but with the following changes:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | As with previous phase but with the following changes:                                                                                                                                                                                                                                                                                                                                     | As with previous phase but with the following changes:                                                                                                                                                       | As with previous phase but with the following changes:                                                                              |
|  Working or running a business | Closure of non-essential workplaces.<br>Social distancing requirements for essential businesses.<br>Remote working is the default position. | Remote working remains the default position for those who can.<br>For those workplaces that are reopening, employers should encourage staggered start times and flexible working.<br>Non-essential <b>outdoor</b> workplaces with physical distancing resume once relevant guidance agreed.<br>Construction – Phases 0-2 of industry restart plan can be implemented. Industry to consult government before progressing to phase 2.)<br>Preparing for the safe reopening of the housing market.<br>Workplaces resuming in later phases can undertake preparatory work on physical distancing and hygiene measures. | Remote working remains the default position for those who can.<br>Non-essential <b>indoor non-office-based</b> workplaces resume once relevant guidance agreed – including factories & warehouses, lab & research facilities – to re-open with physical distancing.<br>Construction sector to implement remaining stages of phased return.<br>Relaxation of restrictions on housing moves. | Remote working remains the default position for those who can.<br>Non-essential <b>indoor office</b> workplaces can open, once relevant guidance agreed, including contact centres with physical distancing. | Remote and flexible working remains encouraged.<br>All workplaces open with improved hygiene and in line with public health advice. |

Our local Director of Public Health at the CPP meeting held on the 21 May 2020 said, “the most important thing we can do to contribute to the control of the virus is to continue with hand washing, cough hygiene and social distancing”. For the foreseeable future, how and where we deliver our services from, will be different.

#### Assumptions

- Return to working in the office will be phased, the default will be to work at home
- There will be a Rota for the tasks which can only be carried out in the office
- 2 meter social distancing will continue to apply in all circumstances
- We will follow Scottish Government Guidance in all areas including when and how repairs and contracting work recommences
- No in person Board meetings or visits from 3<sup>rd</sup> party agencies (to be reviewed after June Board meeting)
- Customer access to offices will be prearranged and happen in Phase 4

## RE-ENGAGEMENT PLAN

2 June 2020

|                            |                                                                                                                                                                                                                                                                                                                                                                                                                                |
|----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Services to tenants</b> | Full service will be resumed in line with Scottish Government guidance. Work is underway to be ready to start in line with the Routemap due to take effect 1 June 2020. This is covered in Section 1                                                                                                                                                                                                                           |
| <b>Offices</b>             | Detailed plans are at Section 2 which includes deep cleaning, new signage, and measures for social distancing. Checklists for Hygiene and Health & Safety are currently being completed.                                                                                                                                                                                                                                       |
| <b>Staff</b>               | <p>Our office return will be phased. During Phase 1 only those staff who have tasks which can't be carried out from home will be coming into the office. We will work in a minimum of two shifts to ensure social distancing is observed. The rota takes account staff who are:</p> <p>Shielding</p> <p>Have caring responsibilities</p> <p>Concerned about underlying health conditions but don't have a shielding letter</p> |
| <b>Board</b>               | Board meeting for June will be held remotely using Microsoft Teams                                                                                                                                                                                                                                                                                                                                                             |
| <b>Risk Management</b>     | Risk Assessments are being carried out for all affected areas                                                                                                                                                                                                                                                                                                                                                                  |

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This plan will be updated regularly in response to changes. We will carry out the steps below and make sure the notice appears on our website, is issued to all staff and is displayed in our offices.

### Staying COVID-19 Secure in 2020

We confirm we have complied with the government's guidance on managing the risk of COVID-19

#### • FIVE STEPS TO SAFER WORKING TOGETHER •

- ✓ We have carried out a **COVID-19 risk assessment** and shared the results with the people who work here
- ✓ We have **cleaning, handwashing and hygiene procedures** in line with guidance
- ✓ We have taken all reasonable steps to **help people work from home**
- ✓ We have taken all reasonable steps to **maintain a 2m distance** in the workplace
- ✓ Where people cannot be 2m apart, we have done everything practical to **manage transmission risk**

Employer \_\_\_\_\_ Date \_\_\_\_\_

Who to contact: \_\_\_\_\_ Your Health and Safety Representative  
(or the Health and Safety Executive at [www.hse.gov.uk](http://www.hse.gov.uk) or 0300 003 1647)



## 1. SERVICES TO TENANTS

| Services                       | Phase 1                                                                                                           | Phase 2                                                                                                  | Phase 3                                                  | Phase 4                                |
|--------------------------------|-------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|----------------------------------------------------------|----------------------------------------|
| Repairs                        | Emergency<br>External backlog repairs<br>Heating repairs                                                          |                                                                                                          |                                                          | Full service                           |
| Cyclical & Planned Maintenance | Gas Servicing<br>Assisted Garden Scheme<br>Grounds Maintenance                                                    | ASHP Maintenance<br>Paths, fences and painting<br>Health & Safety matters                                |                                                          | Full service                           |
| Investment                     | External works<br>Preparation of plans to carry out internal works                                                | Smoke Alarms and fire safety works                                                                       |                                                          | Full service                           |
| Development                    | Plans prepared to re-open<br>Sites open in a phased way on completion of meeting Phase 2 of Industry restart plan | Sale of Shared Equity properties can be completed                                                        |                                                          | Full service                           |
| Allocations                    | Offers and allocations made. Controlled handling of keys                                                          | Clerk of Works to allow prospective tenants into property and arrange for signature of tenancy agreement | Housing Officers will do viewings                        | Full service                           |
| Arrears Management             | Management through phone calls, FaceTime, WhatsApp and letters                                                    |                                                                                                          | Housing Officers to commence visits but not enter a home | Full service                           |
| Estate Management              | Work can commence as waste recycling centres are opened                                                           |                                                                                                          | Housing Officers to commence Estate Inspections          | Full service                           |
| Customer Services              | No Customer access to offices                                                                                     | No Customer access to offices?                                                                           | Customers can make pre-arranged visits to the offices    | Full service delivered from the office |
| Tenant Engagement              | Web based and social media                                                                                        |                                                                                                          | Small meetings possible subject to physical distancing   | Regular tenant meetings resume         |
| <b>Commencing</b>              | <b>1 June 2020</b>                                                                                                | <b>Potentially 18 June</b>                                                                               | <b>Not known yet</b>                                     | <b>Not known yet</b>                   |

- 1.1 We are working with FES to make sure we keep our tenants informed about how work will be carried out by FES to ensure everyone is kept safe. Risk assessments are well underway and a draft communication plan is being prepared.

### Cyclical & Planned Maintenance

#### Assisted Grass cutting

- 1.2 Growing season is now well underway and we are working with our contractor to restart the assisted grass cutting scheme. Due to the social distancing

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requirements, the job will likely take longer and be more expensive so we may have to consider amending the frequency of the cuts.

- 1.3 Our contractor has completed all the appropriate risk assessments and work will recommence on 1 June 2020. Tenants will now be informed. We will only carry out the works if the tenants are happy for us to do so.

### Grounds Maintenance

- 1.4 Some of our schemes are now beginning to appear overgrown and untidy. We are working with the Comhairle to establish when this work will be restarted. Once we have a date we will inform customers and advise them on how we will be complying with current guidance.

### Planned Maintenance

- 1.5 A programme of external works will commence on 1 June 2020 including paths, fencing and painting. We will also be carrying out maintenance that contributes to health and safety requirements such as hoist servicing, communal lighting and chimney cleaning.

## Investment

- 1.6 Investment works are being categorized into internal and external with a view to commencing external works in Phase 1.
- 1.7 Where contractor staff are available we are working with contractors to ensure appropriate risk assessment are completed and signed off ahead of any work commencing.
- 1.8 Internal works will only be done where a tenant is happy for the works to go ahead. Smoke alarms are considered to be essential indoor work and will commence in Phase 2.

## Development

- 1.9 Where contractor staff are available we are working with them to prepare detailed plans for a return to development sites under Phase 1.
- 1.10 Our Development Plan will be updated to reflect changes in timescales, working practices, costs and funding for all projects which are currently underway. All other projects will be reviewed to ensure they are still viable.

## Allocations

- 1.11 Allocations are currently allowed under lockdown phase however it has been difficult for new tenants to move into the property because they are unable to access carpets etc. Larger retail shops are not allowed to re-open until Phase 3 so this could continue to prevent some applicants from being able to move into a property. A wet signature is still required for a tenancy agreement.

### Arrears Management

- 1.12 Management of arrears will continue to be carried out remotely subject to the changes made to Evictions and Notice periods. Courts are due to re-open during Phase 1 but they will have a back log of cases to clear.

### Estate Management

- 1.13 Regular visits by Housing Officers into Estates will remain on hold until Phase 3. Work identified by Clerk of Works or Handypersons during their visits can be instructed.
- 1.14 Household Waste Recycling services will re-open in Phase 1 which should help with the clearance of waste from in and around Estates.

### Customer Services

- 1.15 The office will continue to be closed to the general public until Phase 4. During Phase 3 we will allow pre-arranged visits to our offices.

### Tenant Engagement

- 1.16 People are not able to meet outside of their homes in extended groups until Phase 3 and even then it will be in limited numbers. We will continue to engage with tenants through welfare calls, social media, newsletters and our web page until Phase 3.

## 2. STAFF

| Office Based Tasks                                                                                                                        | Phase 1                     | Phase 2                     | Phase 3                                                                                                   | Phase 4       |
|-------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|-----------------------------------------------------------------------------------------------------------|---------------|
| Mail-in and out<br>Printing letters etc<br>Key Management<br>Banking<br>Filing<br>Notices<br>Allocation review<br>Scanning of house files | Admin Teams on a rota basis | Admin Teams on a rota basis | Admin Team plus others who might be required to support our key services as they progress to full service | Full service  |
|                                                                                                                                           |                             |                             |                                                                                                           |               |
|                                                                                                                                           |                             |                             |                                                                                                           |               |
| Commencing                                                                                                                                | 1 June 2020                 | Potentially 18 June         | Not known yet                                                                                             | Not known yet |

*Remote working remaining the default until Phase 4 of the Scottish Government's route map*

2.1 The process for preparing to return to our offices is underway. Using feedback from your team we have prepared a list of lessons learned and things we need to change. The creation of Decompression Teams has provided you with the opportunity to talk with each other about how

lockdown has impacted you. One of the most noticeable changes among people, in general, is the increased fear factor. There will no doubt be a rise in tensions as people get more frustrated at the restrictions in place due to lockdown, and this will affect us personally and also our work.

- 2.2 Remote working remains the default until Phase 4 of the Route map. There is a need for some officers to attend the office to deal with matters which cannot be carried out remotely. We are going to carry out those tasks through two teams.
- 2.3 **During the phased return, it is critical to remain within your assigned Team when you come into the office.**
- 2.4 During each phase the teams will work in rotas made up of 4 days in the office, 10 days at home (including weekends). This is currently thought to be the best way to minimise/avoid any spread of the virus should anyone develop symptoms.
- 2.5 As the majority of tasks which need to be done in the office are administrative, the make-up of the first two teams will primarily be admin staff. When you are in the office you will have to undertake admin tasks you are not normally responsible for, and your continued co-operation is appreciated. We want to minimize the time anyone needs to be in the office, so we all need to plan our work with a bit more rigour.

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- 2.6 The new rota will take effect from 1 June 2020. The first draft of the rota is at Appendix 3. **We will only go into the office when it is required.** There will be a key holder/manager in each Team and they will co-ordinate the times when the Team will be going into the office. We will **not** be working 9 to 5, Monday to Thursday in the office. At present the time required in the office is two mornings or afternoons a week.
- 2.7 In Section 3 we outline the changes we need to make in our office to maintain social distancing for the foreseeable future. In readiness for Phase 4 and in line with the latest guidance we will be changing the way work is organised to create distinct groups and reduce the number of contacts each employee has. The guidance says this can be achieved by implementing certain measures including:
- As far as possible, splitting staff into teams or shift groups, fixing these teams so that where contact is unavoidable, this happens between the same people
  - Minimizing non-essential travel
- 2.8 If you display any signs of an infection or a cold, you must stay at home to prevent it from spreading among the rest of the staff. You can continue to work as long as you feel well enough, otherwise you should report your sickness absence in the normal way. Please follow Government Guidance on test and protect. If a member of a Team tests positive for COVID-19 then every member of the Team will have to self-isolate for 14 days and the offices deep cleaned. If you are well you can continue to work at home whilst you are self-isolating.
- 2.9 Some of you have said you would like to continue to work from home on a more permanent basis. Our Flexible Working policy has been updated and prior to going to the Board in June we will be consulting with you to make sure the policy is fit for our purposes.

### 3. OFFICES

| Tasks                  | Phase 1                    | Phase 2       | Phase 3       | Phase 4       |
|------------------------|----------------------------|---------------|---------------|---------------|
| Stornoway & Balivanich | Risk Assessments           |               |               |               |
|                        | Deep clean                 |               |               |               |
|                        | Signage                    |               |               |               |
|                        | Social distancing measures |               |               |               |
|                        | PAT Testing                |               |               |               |
|                        | Ventilation systems review |               |               |               |
| Commencing             | 1 June 2020                | Not known yet | Not known yet | Not known yet |

- 3.1 Both offices will be deep cleaned before the office is re-opened and our current office cleaning specification will be enhanced.
- 3.2 The steps which will be carried out:



- 3.3 HM Government Guidance "Working safely during COVID-19 in offices and contact centres-dated 11 May 2020" will be followed. A copy is at Appendix 1.
- 3.4 Examples of Risk Assessments to be undertaken are at Appendix 2.

## Tasks to be undertaken

### Preparing the Buildings

- 3.5 The following steps are to be followed:
- Initial Deep Clean of both offices (using approved/applicable cleaning products)
  - Current cleaning schedules to be reviewed
  - Taping/new screening in offices as necessary
  - Inspection/review of office heating systems with a view to a reduction of air recirculation in systems if possible
  - Testing all Fire Alarms etc. including a review of fire drill procedures
  - Undertaking office maintenance not carried out/completed during shutdown (PAT, Aircon, Water etc)
  - Review and amend office door and alarm system
  - Review and amend changes to phone systems
  - Review key holders to ensure sufficient cover

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- Liaison with HIE regarding the use of the common areas by other tenants in the building
- Liaison with other main parties who visit the building (FES, CNES (bins etc)
- Provision of anti-bacterial wipes and hand sanitizer in the office areas and in toilets

3.6 As part of the review of the office layout consideration will be given to the installation of low touch or no touch door opening/light switches.

### Timescales

3.7 A three week timescale for getting the office ready is required as a minimum. Again, this will be longer the more external involvement we require.

### Office seating

3.8 To comply with the latest advice which suggests that people should not hot desk and to provide resilience, the majority of staff will need to continue working at home. It will probably be at least 12 months and perhaps longer before we can relax the social distancing measures.

| Stornoway           | Current Seating | Suggested Seating | Home Working Requirement |
|---------------------|-----------------|-------------------|--------------------------|
| Property Services   | 6               | 2                 | 4                        |
| Housing Services    | 9               | 2                 | 7                        |
| Exec Team           | 4               | 2                 | 2                        |
| Finance             | 7               | 2                 | 5                        |
| Support Section     | 2               | 0                 | 0                        |
| Corporate Resources | 5               | 1                 | 4                        |
| Meeting Room 1      | 0               | 1                 | -1                       |
| Meeting Room 2      | 0               | 1                 | -1                       |
| Customer Services   | 4               | 1                 | 3                        |
| Interview Room 1    | 0               | 1                 | -1                       |
| Interview Room 2    | 0               | 1                 | -1                       |
| IT Room             | 0               | 1                 | -1                       |
| Exec Office         | 4               | 3                 | 1                        |
| <b>Totals</b>       | <b>38</b>       | <b>18</b>         | <b>20</b>                |

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| Balivanich     | Current Seating | Suggested Seating | Home Working Requirement |
|----------------|-----------------|-------------------|--------------------------|
| Reception      | 1               | 1                 | 0                        |
| Board Room     | 0               | 1                 | -1                       |
| Spare Office   | 0               | 1                 | -1                       |
| Housing Office | 2               | 1                 | 1                        |
| Manager Office | 1               | 1                 | 0                        |
| Open Plan      | 4               | 1                 | 3                        |
| Meeting Room   | 0               |                   | -1                       |
| <b>Totals</b>  | <b>8</b>        | <b>6</b>          | <b>1</b>                 |



## 4. RISK AREAS IDENTIFIED

4.1 The following table shows the risk areas which have been identified

| Ref | Risk Area                                  | Detail of Risk                                                                                                                                                                                                                                                                | Mitigation Plan                                                                                                                      |
|-----|--------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|
| 1   | Shared access area                         | Both Stornoway & Uist have foyer areas used by other Agencies. Advice Scotland and Health Board in the case of Stornoway; FES in Uist. Shared Main entrance only in Stornoway, but Uist have closer relationship in terms of access to kitchen; toilets and main counter area |                                                                                                                                      |
| 2   | Shared doors/access ways                   | 4 doors require to be navigated in order to each side of office (+ further 2 to get to main Open Plan area)                                                                                                                                                                   |                                                                                                                                      |
| 3   | Stornoway Customer Services/Exec Office PA | Scope for Staff and Public to come in to contact; insufficient distancing space between Directors/CX offices and PA<br>Insufficient room for social distancing in meeting rooms                                                                                               | Reduced traffic between main office and Exec Wing. Rota of attendance to minimize or moving one director through to the main office. |
| 4   | Kitchens                                   | Shared access and shared use of equipment/touching                                                                                                                                                                                                                            |                                                                                                                                      |
| 5   | Shared toilet areas                        | Shared access and shared use of equipment/touching                                                                                                                                                                                                                            |                                                                                                                                      |
| 6   | Flexi clocks                               | Shared use of equipment/touching                                                                                                                                                                                                                                              |                                                                                                                                      |
| 7   | First Aid cover                            | Protocols for safe administration/delivery in distancing situations? (mouth to mouth etc)                                                                                                                                                                                     |                                                                                                                                      |
| 7   | Copiers/Printers                           | Shared use of equipment/touching                                                                                                                                                                                                                                              |                                                                                                                                      |
| 8   | Electric car                               | Shared use of equipment/touching                                                                                                                                                                                                                                              |                                                                                                                                      |

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| Ref | Risk Area                | Detail of Risk                                    | Mitigation Plan |
|-----|--------------------------|---------------------------------------------------|-----------------|
| 9   | Parking                  | Social proximity                                  |                 |
| 10  | Key drops and collection | Touching                                          |                 |
| 11  | House files              | Shared use of equipment/touching                  |                 |
| 12  | Safes                    | Shared use of equipment/touching                  |                 |
| 13  | Bins                     | Handling of hankies and other personal waste      |                 |
| 14  | Shredder                 | Shared use of equipment/touching                  |                 |
| 15  | Desks                    | Clutter and paperwork impeding effective cleaning |                 |

## APPENDIX I: GOVT GUIDANCE

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### Working safely during COVID-19 in offices and contact centres

Guidance for employers, employees and the self-employed  
11 May 2020



## APPENDIX 2: RISK CHECKLISTS

### COVID-19 RE-OPENING HYGIENE CHECKLIST

| The below is general guidance and some parts may not apply to your business depending on size/business activities, etc.                                         |                          |                          |                          |          |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|----------|
| Description                                                                                                                                                     | Yes                      | No                       | NA                       | Comments |
| <b>General</b>                                                                                                                                                  |                          |                          |                          |          |
| 1. Has consideration been given to limiting personal items brought in from home; for example, phone chargers, stationery or other items that may be shared?     | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| 2. Has an emergency response plan been put in place to allow for safe deep cleaning of any areas that a potentially infected person has come into contact with? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| <b>Staff</b>                                                                                                                                                    |                          |                          |                          |          |
| 3. Has the workplace been adapted so desks and workstations are placed further apart so the 2-metre rule can be adhered to?                                     | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| 4. Is it practicable to have staff enter by one entrance of the building and leave through another during shift change/handovers?                               | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| 5. Has consideration been given to implementing routine temperature checking of staff and to ask about any symptoms relating to COVID-19?                       | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| <b>Visitors and Contractors</b>                                                                                                                                 |                          |                          |                          |          |
| 6. Has consideration been given to preparing information/rules for visitors such as contractors that should be issued prior to them arriving on site?           | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| 7. Has consideration been given to limiting contractors and visitors to essential visitors only until further advice from the Government?                       | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| 8. Have essential visitors completed a self-assessment questionnaire?                                                                                           | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| 9. Has an isolation area for deliveries and collections been considered, if practicable?                                                                        | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |

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| The below is general guidance and some parts may not apply to your business depending on size/business activities, etc.                                                                                                 |                          |                          |                          |          |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|----------|
| Description                                                                                                                                                                                                             | Yes                      | No                       | NA                       | Comments |
| 10. Have considerations been made for eliminating the need to handle any delivery/collection paperwork?                                                                                                                 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| <b>Hygiene and Housekeeping</b>                                                                                                                                                                                         |                          |                          |                          |          |
| 11. Has a hygiene toolbox talk been implemented and delivered to returning employees?                                                                                                                                   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| 12. Has a deep clean been undertaken prior to business re-opening and/or are deep cleans undertaken on a more regular basis?                                                                                            | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| 13. Has a regular cleaning regime been implemented for "high touchpoints"?                                                                                                                                              | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| 14. Have posters been displayed promoting good hygiene control such as handwashing techniques?                                                                                                                          | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| 15. Have measures been put in place to ensure devices such as keyboards, mobile phones, telephones or other workplace equipment that may be shared, are not shared and are only assigned to one user?                   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| 16. Are surfaces such as desks, tables, telephones and keyboards cleaned on a regular basis by those who use them?                                                                                                      | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| 17. Have sanitising hand rub dispensers been placed in prominent places around the workplace? Ensure these dispensers are regularly refilled.                                                                           | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| <b>Personal Protective Equipment (PPE)</b>                                                                                                                                                                              |                          |                          |                          |          |
| 18. Has PPE been ordered and will it be ready to use at re-opening? PPE will include masks, gloves and detergents.                                                                                                      | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| 19. Is there a supply of PPE in stock or can PPE be acquired readily in case of shortages?                                                                                                                              | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| 20. Are employees trained on using PPE (how to put it on/take it off) and all other preventive measures that should be practised?                                                                                       | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| 21. Have suitable measures been put in place to ensure all reusable PPE (visors, certain types of respirator/ facemasks) can be cleaned after use and stored in a safe place free from any risk of cross-contamination? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |

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| Public Facing Roles                                                                                                                                                                    |                          |                          |                          |  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|--|
| 22. Has adequate protection been put in place to segregate the staff from the general public?                                                                                          | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |  |
| 23. Have measures been put into place to restrict the number of persons in a premise at any one time in order to allow adequate social distancing?                                     | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |  |
| 24. Has consideration been given to using contactless means of taking payment for goods rather than handling of cash or pre-payment?                                                   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |  |
| 25. Have internal and external areas of the premises been suitably marked so members of the public know how and where to queue suitably to ensure social distancing is in place?       | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |  |
| Canteens and Breakrooms                                                                                                                                                                |                          |                          |                          |  |
| 26. Has the amount of staff in canteens/restrooms been minimised, for example by implementing a break rota, zonal marking, etc?                                                        | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |  |
| 27. Are disposable cups, cutlery, plates, etc used to minimise handling and potential spreading of bacteria?                                                                           | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |  |
| 28. Have anti-bacterial wipes and gels been placed in or near high touch points, such as kettles, taps, coffee machines, etc?                                                          | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |  |
| 29. Has a policy been implemented in which staff bring their own lunch in insulated bags/flasks instead of using communal fridges and do not bring in lunches that require re-heating? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |  |
| Employee Consultation                                                                                                                                                                  |                          |                          |                          |  |
| 30. Have you consulted with employees on hygiene and taken on board any feedback provided?                                                                                             | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |  |

## COVID-19 RE-OPENING HEALTH AND SAFETY CHECKLIST

| Where the answer to any of the questions in this checklist creates the need for action, create an Action Log to note what is required and allocate the task to a named person for action.            |                          |                          |                          |          |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|----------|
| Description                                                                                                                                                                                          | Yes                      | No                       | NA                       | Comments |
| <b>Safety Policy and Insurance</b>                                                                                                                                                                   |                          |                          |                          |          |
| 31. Has your safety policy been reviewed and signed and dated?                                                                                                                                       | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| 32. Are the Safety Policy Statement and Employer's Liability Insurance Certificate both available on request from employees?                                                                         | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| 33. Have social distancing measures been implemented as set out in the enforcing authorities' guidelines into your safety policy?                                                                    | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| <b>Staff</b>                                                                                                                                                                                         |                          |                          |                          |          |
| 34. Is there a procedure for reporting and recording work-related ill health within the workplace, ie contracting COVID-19?                                                                          | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| 35. Are all employees familiar with this procedure?                                                                                                                                                  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| 36. Are supervisors and managers aware of the requirements and the circumstances in which incidents and cases of COVID-19 must be reported to the supervisors, management and enforcing authorities? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| 37. Do employees understand the requirement to report cases of the virus?                                                                                                                            | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| 38. Do supervisors and line managers have access to written instructions and advice on the method for reporting to senior management and enforcing authorities?                                      | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| 39. Have social distancing guidelines been adopted, ie markings on the ground, signage, seating arrangements, staggered breaks, etc?                                                                 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| 40. Is there adequate handwashing facilities/stations, hand sanitisers, soap, warm water available?                                                                                                  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| <b>Staff Returning to Work After Lockdown</b>                                                                                                                                                        |                          |                          |                          |          |
| 41. Have any employees returned from another country in the last 14 days? If so, where from?                                                                                                         | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |

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| Where the answer to any of the questions in this checklist creates the need for action, create an Action Log to note what is required and allocate the task to a named person for action.                                  |                          |                          |                          |          |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|----------|
| Description                                                                                                                                                                                                                | Yes                      | No                       | NA                       | Comments |
| 42. Have any employees been in close contact with anyone who has had a confirmed case of COVID-19?                                                                                                                         | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| 43. Do any employees live in the same household as someone who has symptoms of COVID-19, who has been in isolation within the last 14 days?                                                                                | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| 44. Do any employees have any of the following symptoms: <ul style="list-style-type: none"> <li>• fever</li> <li>• high temperature</li> <li>• persistent cough, breathing difficulties or shortness of breath?</li> </ul> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| 45. Do employees travel alone to work or work sites?                                                                                                                                                                       | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| 46. Have any employees been medically tested and confirmed with a positive case of COVID-19?                                                                                                                               | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| <b>Workplace Health and Safety Consultation</b>                                                                                                                                                                            |                          |                          |                          |          |
| 47. Are all employees consulted on changes which may substantially affect their health and safety?                                                                                                                         | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| 48. Are employees consulted on the health and safety consequences of COVID-19?                                                                                                                                             | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| <b>Risk Assessment and Hazard Reporting of COVID-19</b>                                                                                                                                                                    |                          |                          |                          |          |
| 49. Is there a procedure for employees to report hazards and where they suspect an employee may be unwell and may have COVID-19 symptoms?                                                                                  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| 50. Have tasks, activities and workplaces where there are hazards been assessed for the risk of injury or ill health to people?                                                                                            | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| 51. Are the significant findings from these assessments recorded?                                                                                                                                                          | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| 52. Are suitable control measures in place? Are they maintained? Is their proper use supervised?                                                                                                                           | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| 53. Have suitable safe working procedures been developed from the risk assessments? Are they maintained? Is their proper use supervised?                                                                                   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| 54. Have relevant employees been told about the outcome of risk                                                                                                                                                            | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |



## RE-ENGAGEMENT PLAN

2 June 2020

| Where the answer to any of the questions in this checklist creates the need for action, create an Action Log to note what is required and allocate the task to a named person for action. |                          |                          |                          |          |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|----------|
| Description                                                                                                                                                                               | Yes                      | No                       | NA                       | Comments |
| assessments, and instructed and trained about safe working practices and procedures?                                                                                                      |                          |                          |                          |          |
| 55. Is there a system to review risk assessments at appropriate intervals?                                                                                                                | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| <b>Occupational Health and Health Surveillance</b>                                                                                                                                        |                          |                          |                          |          |
| 56. Is occupational health surveillance required for any activities?                                                                                                                      | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| 57. Is a suitable scheme in operation?                                                                                                                                                    | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| 58. Do you have a suitable scheme for those that may have been in contact with or have had COVID-19?                                                                                      | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| <b>New and Expectant Mothers</b>                                                                                                                                                          |                          |                          |                          |          |
| 59. Has a risk assessment been carried out for new and expectant mothers?                                                                                                                 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| 60. Is a COVID-19 risk assessment in place that considers new and expectant mothers?                                                                                                      | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| 61. Have any existing risk assessments for new and expectant mothers been reviewed?                                                                                                       | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| 62. Is a system in place if an employee has contracted COVID-19 that pregnant employees are informed, and further control measures are put in place?                                      | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| 63. Is the risk assessment reviewed on a regular basis?                                                                                                                                   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| 64. If risks cannot be removed, are alternative working patterns sought, ie working hours, conditions, etc?                                                                               | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| 65. Is a private room available where women can breastfeed or express milk with secure, clean refrigerators provided for storage?                                                         | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| <b>Employing Children and Young Persons</b>                                                                                                                                               |                          |                          |                          |          |
| 66. Are there individual risk assessments for all young persons and children at work that consider COVID-19?                                                                              | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| 67. Is information, instruction, training and supervision provided to ensure that safety awareness is increased and competence levels improved?                                           | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |

# RE-ENGAGEMENT PLAN

2 June 2020

| Where the answer to any of the questions in this checklist creates the need for action, create an Action Log to note what is required and allocate the task to a named person for action. |                          |                          |                          |          |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|----------|
| Description                                                                                                                                                                               | Yes                      | No                       | NA                       | Comments |
| <b>Care of Older Staff and Those with Underlying Medical Conditions</b>                                                                                                                   |                          |                          |                          |          |
| 68. Are there individual risk assessments for all older persons at work?                                                                                                                  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| 69. Is a COVID-19 risk assessment in place that considers older staff and those with underlying medical conditions?                                                                       | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| 70. Is the risk assessment reviewed on a regular basis?                                                                                                                                   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| 71. If risks cannot be removed, are alternative working patterns sought, ie working hours, conditions, etc?                                                                               | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| <b>Lone Working</b>                                                                                                                                                                       |                          |                          |                          |          |
| 72. Has an assessment been undertaken to ensure that the risks from lone working are adequately managed?                                                                                  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| 73. Are measures in place to ensure that the risk of those working alone contracting COVID-19 is controlled?                                                                              | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| 74. Is PPE provided for those delivering goods?                                                                                                                                           | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| <b>Health and Safety Training</b>                                                                                                                                                         |                          |                          |                          |          |
| 75. Is staff induction training undertaken and recorded which includes COVID-19 awareness?                                                                                                | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| 76. Have training/refresher training needs been identified and all staff trained to an acceptable level with all details recorded?                                                        | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| 77. Have all staff been trained in applicable emergency procedures and recorded?                                                                                                          | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| <b>Health and Safety of Visitors</b>                                                                                                                                                      |                          |                          |                          |          |
| 78. Is there appropriate control/supervision of visitors?                                                                                                                                 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| 79. Are visitors taken into consideration in emergency arrangements?                                                                                                                      | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| <b>Personal Protective Equipment (PPE)</b>                                                                                                                                                |                          |                          |                          |          |
| 80. Have the PPE requirements identified from risk assessments that consider COVID-19 been implemented to ensure that suitable and appropriate PPE is selected and provided?              | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |

# RE-ENGAGEMENT PLAN

2 June 2020

| Where the answer to any of the questions in this checklist creates the need for action, create an Action Log to note what is required and allocate the task to a named person for action.                                          |                          |                          |                          |          |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|----------|
| Description                                                                                                                                                                                                                        | Yes                      | No                       | NA                       | Comments |
| 81. Are employees trained in the use, storage, maintenance and replacement of PPE?                                                                                                                                                 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| 82. Is PPE available for those responsible for administering first aid?                                                                                                                                                            | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| 83. Is PPE available for visitors?                                                                                                                                                                                                 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| <b>Disability Discrimination Compliance</b>                                                                                                                                                                                        |                          |                          |                          |          |
| 84. Is there a procedure/policy in place where staff are not discriminated if they have had COVID-19?                                                                                                                              | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| <b>Cleaning</b>                                                                                                                                                                                                                    |                          |                          |                          |          |
| 85. Have control measures and safe systems of work been identified and managed?                                                                                                                                                    | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| 86. Has a deep clean been considered prior to opening your business?                                                                                                                                                               | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| <b>Control of Waste</b>                                                                                                                                                                                                            |                          |                          |                          |          |
| 87. Is PPE available to staff who undertake cleaning activities such as deep clean of waste bins, etc, ie bagged, stored for 72 hours and disposed of?                                                                             | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| 88. Is the PPE used when dealing with waste that could be contaminated with COVID-19 disposed of correctly?                                                                                                                        | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| 89. Have all tasks and activities involving the handling and storage of waste, which could be contaminated with COVID-19, been assessed and suitable controls implemented and managed?                                             | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| 90. Have all tasks and activities involving the cleaning, setting and maintenance of waste handling/ processing equipment, which could be contaminated with COVID-19, been assessed and suitable controls implemented and managed? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| 91. Is all equipment used for the handling, storage and removal of waste suitable for use?                                                                                                                                         | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| 92. Has any training required in relation to the use and maintenance of specialist equipment been identified and provided?                                                                                                         | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |

# RE-ENGAGEMENT PLAN

2 June 2020

| Where the answer to any of the questions in this checklist creates the need for action, create an Action Log to note what is required and allocate the task to a named person for action. |                          |                          |                          |          |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|----------|
| Description                                                                                                                                                                               | Yes                      | No                       | NA                       | Comments |
| 93. Where necessary, are there specific measures for dealing with hazardous waste, eg separate waste receptacles for sharp objects or biological waste?                                   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| 94. Where necessary, is all waste disposed of by licensed contractors and waste transfer notes retained?                                                                                  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| <b>Workplace Signage</b>                                                                                                                                                                  |                          |                          |                          |          |
| 95. Are workplace signs displayed where required advising staff of the risks of COVID-19?                                                                                                 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| 96. Is handwashing signage displayed to inform employees of the correct handwashing procedure to help prevent the spread of COVID-19?                                                     | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| <b>Work Equipment</b>                                                                                                                                                                     |                          |                          |                          |          |
| 97. Are safe working arrangements in place with regard to the work environment and equipment?                                                                                             | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| 98. Have all workstations been cleaned down? Do some workstations need a deep clean?                                                                                                      | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| 99. Has all work equipment been cleaned? Does some equipment need a deep clean?                                                                                                           | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| 100. Are there handwashing facilities and hand sanitisers available?                                                                                                                      | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| 101. Is there adequate COVID-19 signage on display in the office areas?                                                                                                                   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| <b>Legionella Control</b>                                                                                                                                                                 |                          |                          |                          |          |
| 102. Have potential sources of Legionella been identified and assessed by a competent person?                                                                                             | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| 103. Has a person with managerial responsibility been appointed to oversee the system and ensure it operates safely?                                                                      | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| <b>Stress in the Workplace</b>                                                                                                                                                            |                          |                          |                          |          |
| 104. Has a "Stress in the Workplace" Policy been developed and implemented, which also considers the impact of COVID-19?                                                                  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |

## RE-ENGAGEMENT PLAN

2 June 2020

| Where the answer to any of the questions in this checklist creates the need for action, create an Action Log to note what is required and allocate the task to a named person for action.            |                          |                          |                          |          |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|----------|
| Description                                                                                                                                                                                          | Yes                      | No                       | NA                       | Comments |
| 105. Where necessary, is occupational stress or its possible indicators, monitored?                                                                                                                  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| <b>Violence and Aggression</b>                                                                                                                                                                       |                          |                          |                          |          |
| 106. Has an assessment been carried out to identify the risks of work-related violence and suitable controls identified to ensure the safety of all persons at risk and potential COVID-19 exposure? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| 107. Has a violence prevention policy been developed and implemented?                                                                                                                                | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| <b>Contractor Control and Management</b>                                                                                                                                                             |                          |                          |                          |          |
| 108. Are all contractors assessed for appropriate health and safety competence for the work to be undertaken with records kept?                                                                      | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| 109. Are all contractors given a site induction with attention given to the COVID-19 controls in place?                                                                                              | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
|                                                                                                                                                                                                      |                          |                          |                          |          |
| 110. Are the activities of contractors being appropriately monitored?                                                                                                                                | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| 111. When contractors work on site, are employees informed and warned of any additional risks that may affect them and how to avoid such risks?                                                      | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |

# RE-ENGAGEMENT PLAN

2 June 2020

## APPENDIX 3: DRAFT ROTA

|                           |        | Mon                                                                                                                                                                                                                                                                                                                                             | Tue | Wed | Thurs | Fri               | Sat | Sun | Mon                                                                                                                                                                                                                                       | Tue | Wed | Thurs | Fri                | Sat | Sun |
|---------------------------|--------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----|-------|-------------------|-----|-----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----|-------|--------------------|-----|-----|
| Admin                     | Team 1 |                                                                                                                                                                                                                                                                                                                                                 |     |     |       |                   |     |     |                                                                                                                                                                                                                                           |     |     |       |                    |     |     |
| Admin                     | Team 2 |                                                                                                                                                                                                                                                                                                                                                 |     |     |       |                   |     |     |                                                                                                                                                                                                                                           |     |     |       |                    |     |     |
| PHASE 1                   |        | <div>Admin tasks that can't be carried out at home</div> <div>Chief ExecutiveDena Macleod</div> <div>Corporate Resources OfficerSeonaid Matheson</div> <div>Personal AssistantJackie Macleod</div> <div>Admin Officer (Property Services)Philip Boyd</div> <div>Finance AssistantKenneth Mackay</div> <div>Housing AssistantJoyce Macleod</div> |     |     |       |                   |     |     | <div>Director of OperationsJohn Maciver</div> <div>Corporate Services OfficerJonathan Faigrieve</div> <div>Corporate Resources OfficerLida Glover</div> <div>Housing AssistantDez Cross</div> <div>Debt Mgt OfficerIsabel Macmillan</div> |     |     |       |                    |     |     |
| Printing Letters          |        |                                                                                                                                                                                                                                                                                                                                                 |     |     |       |                   |     |     |                                                                                                                                                                                                                                           |     |     |       |                    |     |     |
| Mail In/Out               |        |                                                                                                                                                                                                                                                                                                                                                 |     |     |       |                   |     |     |                                                                                                                                                                                                                                           |     |     |       |                    |     |     |
| Key Management            |        |                                                                                                                                                                                                                                                                                                                                                 |     |     |       |                   |     |     |                                                                                                                                                                                                                                           |     |     |       |                    |     |     |
| Banking                   |        |                                                                                                                                                                                                                                                                                                                                                 |     |     |       |                   |     |     |                                                                                                                                                                                                                                           |     |     |       |                    |     |     |
| Filing                    |        |                                                                                                                                                                                                                                                                                                                                                 |     |     |       |                   |     |     |                                                                                                                                                                                                                                           |     |     |       |                    |     |     |
| Scanning of house files   |        |                                                                                                                                                                                                                                                                                                                                                 |     |     |       |                   |     |     |                                                                                                                                                                                                                                           |     |     |       |                    |     |     |
| Offers                    |        |                                                                                                                                                                                                                                                                                                                                                 |     |     |       |                   |     |     |                                                                                                                                                                                                                                           |     |     |       |                    |     |     |
| Notices                   |        |                                                                                                                                                                                                                                                                                                                                                 |     |     |       |                   |     |     |                                                                                                                                                                                                                                           |     |     |       |                    |     |     |
| Allocations review        |        |                                                                                                                                                                                                                                                                                                                                                 |     |     |       |                   |     |     |                                                                                                                                                                                                                                           |     |     |       |                    |     |     |
|                           |        | Handyperson: Alex John Macleod                                                                                                                                                                                                                                                                                                                  |     |     |       |                   |     |     |                                                                                                                                                                                                                                           |     |     |       |                    |     |     |
| Backup Key holder/Manager |        | Area Manager                                                                                                                                                                                                                                                                                                                                    |     |     |       | Donalda Mackinnon |     |     | Service Development Manager                                                                                                                                                                                                               |     |     |       | Gary Macleod       |     |     |
| IT                        |        | IT Officer                                                                                                                                                                                                                                                                                                                                      |     |     |       | Steven Macdonald  |     |     | Corporate Resources Manager                                                                                                                                                                                                               |     |     |       | Angus Smith        |     |     |
| BALIVANICH OFFICE         |        | Area Manager                                                                                                                                                                                                                                                                                                                                    |     |     |       | Katie Walker      |     |     | Customer Services Officer                                                                                                                                                                                                                 |     |     |       | Aaron              |     |     |
|                           |        | Housing Officer                                                                                                                                                                                                                                                                                                                                 |     |     |       | Lisa Woodin       |     |     | Clerk of Works                                                                                                                                                                                                                            |     |     |       | John Paul Buchanan |     |     |

*The rota will be reviewed at the end of every month and where necessary additional people added to provide holiday cover.*

This is the days which members of the team can come into the office  
 If the tasks to be done only require someone to be in for 1 day they will  
 only have to come in for 1 day

# ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

Audit & Risk 22 June 2020  
Board 23 June 2020

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 2020 to the Board and Audit & Risk Committee for approval.

## Summary

- 2.1 The Annual Report and Accounts for the year ended 31 March 2020 have been prepared and are at Appendix 1.
- 2.2 The Subsidiary Accounts have been prepared for the year ended 31 March 2020 and are at Appendix 2. We also require 2 nominations for directors to sit on the Board of the subsidiary.

## Competence

- 3.1 The legal, financial or other constraints to any recommendations in this report being implemented are detailed in paragraphs 5.1 to 8.1.

## Recommendations

- 4.1 **It is recommended that the:**
- a) **Audit & Risk Committee review the Annual Report for the year ended 31 March 2020 as at Appendix 1 and recommend approval to the Board; and**
  - b) **Board:**
    - i. **approve the Annual Report and Accounts for the year ended 31 March 2020 as at Appendix 1; and**
    - ii. **note the Subsidiary Accounts for the year ended 31 March 2020; and**
    - iii. **provide two nominations for Directors of the Subsidiary.**

|                          |                                                                 |
|--------------------------|-----------------------------------------------------------------|
| <b>APPENDIX 1</b>        | Annual Report and Accounts for the year ended 31 March 2020     |
| <b>APPENDIX 2</b>        | HHP Community Housing Accounts for the year ended 31 March 2020 |
| <b>Background Papers</b> | None                                                            |
| <b>Writer of Report:</b> | 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 2020 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) 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

- 9.1 A set of accounts for the year ended 31 March 2020 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.
- 9.2 Opportunity to ask questions with regards to the Accounts and performance for the year will be given at the Board meeting.
- 9.3 The key financial factors to highlight in the Annual Accounts are that:
- a) Operating surplus of £2,613,838 shows a decrease from the previous year of £304,821. The key changes are detailed below:

| Area                                          | £000's | Reason                                                                                                                                                                                                             |
|-----------------------------------------------|--------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Rental Income                                 | 459    | Increase driven by annual rent increase and an increase in the number of units through new build.                                                                                                                  |
| Management & Maintenance Administration Costs | (295)  | £208K increase in the pension service cost for 19/20. Internal Fees have increased by £187K but this has been offset with increased employee costs due to the implementation of the Pay & Grading recommendations. |
| Area                                          | £000's | Reason                                                                                                                                                                                                             |
| Depreciation                                  | (320)  | Increase driven by new build properties completed and component replacements capitalised in the year                                                                                                               |
| Repairs                                       | (102)  | Cyclical repairs have increased £101K driven by enhanced maintenance regimes for Legionella / Fire Door & EICR testing.                                                                                            |
| Increase in Grants                            | 44     | Increase in Grant Amortization (£67K). OT Aids & Adaptations funding received down £24K from last year.                                                                                                            |
| Bad Debts                                     | 80     | £80K increase in bad debts, mainly driven by current arrears as the number of accounts owing over £1K has increased. This is also exacerbated by the timing delay from the receipt of Universal Credit payments.   |

- b) Reserves are allocated as shown below:

| <b>Reserves Allocation</b>      |                        |                  |                               |                     |
|---------------------------------|------------------------|------------------|-------------------------------|---------------------|
|                                 | <b>General Reserve</b> | <b>Asbestos</b>  | <b>Repairs &amp; Renewals</b> | <b>31-Mar Total</b> |
|                                 | <b>£</b>               | <b>£</b>         | <b>£</b>                      | <b>£</b>            |
| Balance at 1 April 2019         | 27,778,669             | 1,560,261        | 3,017,649                     | 32,356,579          |
| Surplus 2019/20                 | 3,122,232              |                  |                               | 3,122,232           |
| Transferred to Reserve          | (540,000)              | 140,000          | 400,000                       | -                   |
| <b>Balance at 31 March 2020</b> | <b>30,360,901</b>      | <b>1,700,261</b> | <b>3,417,649</b>              | <b>35,478,811</b>   |

- c) Increase of £3,122,235 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 gain of £702,000 for 2019/20, which has arisen due to a change in the actuarial financial measurement assumptions in relation to our pension fund.

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



hebridean housing  
partnership



# Report & Financial Statements For the Year Ended 31 March 2020

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                        |
| <b>Dolene Smith</b>       | Tenant             | 30 August 2018                   | 29 August 2019                  |
| <b>Alasdair Mackenzie</b> | Tenant             | 29 August 2019<br>(re-appointed) |                                 |
| <b>Alex Gardner</b>       | Tenant             | 30 August 2018                   |                                 |
| <b>Calum Mackay</b>       | Community          | 30 August 2018                   |                                 |
| <b>Mairi Bremner</b>      | Community          | 29 August 2019<br>(re-appointed) | 22 September 2019<br>(deceased) |
| <b>Norman M Macleod</b>   | Community          | 29 August 2019<br>(re-appointed) |                                 |
| <b>Iain Macmillan</b>     | Community          | 30 August 2018                   |                                 |
| <b>David Blaney</b>       | Community          | 30 August 2018                   |                                 |
| <b>Roddy Nicolson</b>     | Community          | 19 November 2019                 |                                 |
| <b>Roddy Mackay</b>       | Councillor         | 17 May 2017                      |                                 |
| <b>Paul Finnegan</b>      | Councillor         | 7 March 2019                     |                                 |
| <b>Norman A Macdonald</b> | Councillor         | 7 March 2019                     |                                 |
| <b>Fiona Macleod</b>      | Board<br>Appointed | 29 August 2018                   |                                 |
| <b>Roddy Nicolson</b>     | Co-optee           | 13 February 2019                 | 19 November 2019                |
| <b>Gordon Macleod</b>     | Co-optee           | 18 March 2020                    |                                 |

**Secretary and Registered Office**

Anna L Coyle LL.B (Hons)  
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**

CIB Audit  
63 Kenneth Street  
Stornoway  
HS1 2DS

**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

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## REPORT OF BOARD OF MANAGEMENT

## OVERVIEW OF BUSINESS

Our principal activity is to provide and manage good quality, affordable accommodation for people in housing need in the Outer Hebrides. We are a charitable RSL and we own and manage a range of houses for rent, primarily general need accommodation but also some sheltered and supported accommodation. We provide accommodation for homeless people who are referred as statutory homeless and requiring permanent secure accommodation by Comhairle Nan Eilean Siar. Our stock at 31 March 2020 was 2,224 with 158 new build units under development.

At the end of 2019/20, the onset of the COVID-19 pandemic brought the country and the world at large to a standstill. Lockdown has impacted every corner of our nation, and we are acutely aware of its effect in the Outer Hebrides, and on our business in particular. Our key performance indicators demonstrate that our performance for 2020/21 will be negatively affected. We have already seen an increase in arrears along with a rise in Universal Credit applications. Social distancing requirements will impact our ability to undertake some of our planned works in tenants' homes.

Our priority is to deliver our vision of, 'making our house, your home' for all our customers and we have put mitigation measures in place to limit the impact of the lockdown. We are currently in a strong financial position to manage identified risks and recognise how quickly those risks can change. Our local supply chain is vital to the economic wellbeing of many families in the Outer Hebrides and we are committed to our investment and development programmes.

Throughout the 'Lockdown' we delivered an emergency service, updated our Risk Register and moved our workforce from our offices to homeworking. Our plans will be amended as we have been very powerfully reminded of how quickly things can change. We will revise our targets once we have a clearer picture of the impact COVID-19 has had on our economy both locally and nationally.

In September 2019 we were saddened to hear of the death of Mairi Bremner who was a long standing and valued member of our Board and Chair of the Audit & Risk Committee.



## CORE VALUES

Our 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 our most recent 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 each year. Our first annual assurance statement was filed in 2019 with positive feedback received from the regulator.

The Regulator has expressed satisfaction with HHP’s progress for 2019/20.

## STRATEGY & OBJECTIVES

Our strategy and objectives are detailed in our 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

We invested heavily in tenants homes during 2019/20 with £4.58 million being spent on improvements. This was primarily focused on trying to help tenants escape from fuel poverty, which is a huge issue in our islands. 198 new heating systems were installed and we also continued to upgrade insulation where necessary. In addition, we invested in new kitchens, bathrooms, roof works and roughcasting and also began a programme of rewiring. Our 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 which has been communicated to all tenants.

We are delivering this programme through our investment framework with several local contractors carrying out the works.

### Scottish Housing Quality Standard (SHQS)

The majority of our homes meet the standard and we are addressing exemptions and abeyances as opportunities arise. Our investment programme ensures that houses continue to meet the standard in the long term. We are also working to achieve the Energy Efficiency Standard for Social Housing (ESSH) and to ensure that homes are as warm and as affordable to heat as possible.

### Repairs & Maintenance

We procured a new Repair and Maintenance contract during the year. This was won by FES FM Ltd and the contract began on 1 April 2020. It runs for 5 years with an option to extend for up to a further 4 years. The final year of the contract again delivered high levels of performance with average times to complete repairs being amongst

the best in Scotland. The strong working partnership between HHP and FES continued with high levels of customer satisfaction being reported.

### New Build Programme

The Comhairle received a major increase in funding for new build housing over the 3 year period to March 2021. We have worked closely with the Comhairle to plan and deliver this very ambitious programme which seeks to deliver housing across all our islands. Construction began in July 2019 on the development of a new care provision in Stornoway on the Goathill site owned by HHP. This project will see HHP deliver a 50 bed housing with extra care development and 74 houses on the site.

Progress was hampered by particularly wet weather in August and February and disappointingly, we had to cease work on all sites at the end of March due to COVID-19. We also experienced problems on 2 sites where a contractor ceased work and we had to retender these works.

Despite these setbacks we delivered a record amount of investment in new houses during the year with £11.24M being spent.

At the 31<sup>st</sup> of March 2020 there were 158 houses under construction across 11 sites with a further 30 either due to start or at tendering stage.

26 houses were completed during the year.

### Future New Build Projects

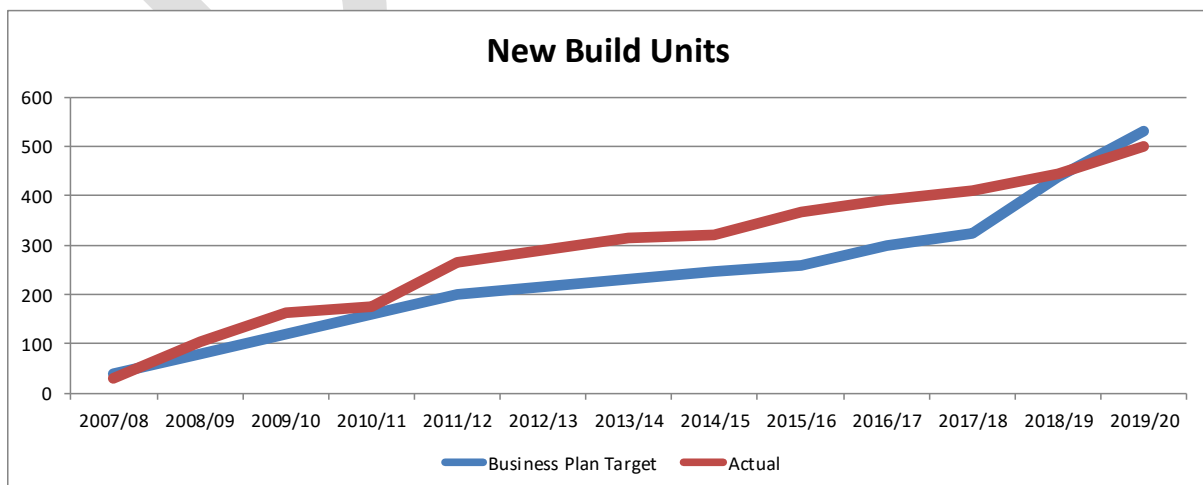
Our Board have agreed a 5 year development plan which is aligned with the Comhairle's Strategic Housing Investment Plan (SHIP). We have carried out feasibility studies on over 30 sites and are working with communities and the construction sector to identify and progress sites for the future and to try to ensure that we maximise the opportunity provided by the Scottish Government funding.

## Completed Developments

### An Glib – Rural Lewis



### Horgabost (Shared Equity) – Harris



## 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.

The number one risk on our risk register is the impact of COVID-19. The risks the pandemic has on society and the national and local economies will likely have an impact which will take many years to recover from. Where possible, we have mitigating controls in place to minimise risks.

We have assessed these risks and determined that any impact on the financial statements for the period from lockdown until 31 March 2020 is not significant. As a result, no adjustments to the financial statements for the year ended 31 March 2020 are considered necessary.

The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Partnership for future periods.

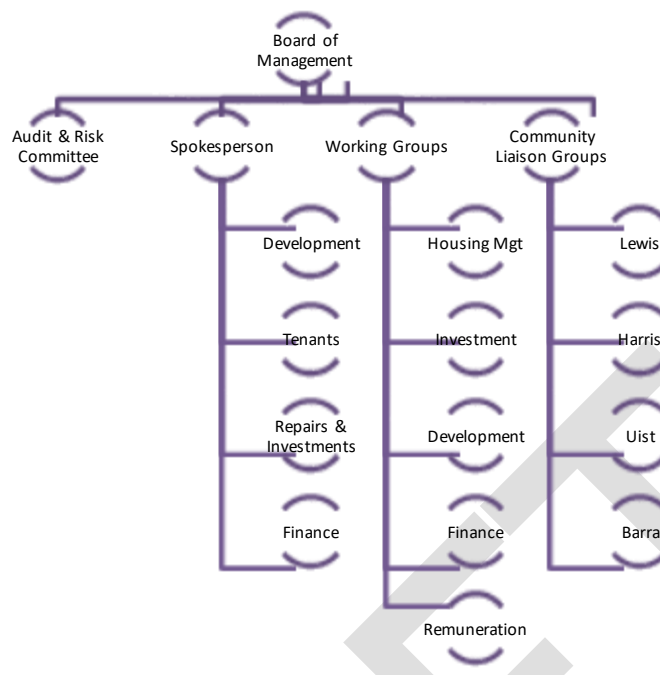
## GOVERNANCE & MANAGEMENT

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 two Standing Committees and four Community Liaison Groups. A Joint Consultative Committee was created in 2019/20.

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. 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. There are currently 12 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 2020.

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

During 2019/20 two 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 an 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 Committees:

#### 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

#### Joint Consultative Committee

To establish workable and effective arrangements 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.

#### 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 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.

During the year we were successful in securing £16.3K from Cycling Scotland which is being used to improve cycling facilities in the Cearns community area.

## 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. 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

- a) There were no political donations made by HHP during the financial year.
- b) A total of £5,200 was donated during the year to the following local charities:
- |        |                                          |
|--------|------------------------------------------|
| £1,000 | Andrew Macleod Memorial Trust            |
| £1,000 | Speak Out Group (Advocacy Western Isles) |
| £1,000 | Crossroads Lewis & Harris                |
| £1,000 | Tagsa Uibhist                            |
| £1,000 | The Eilidh Macleod Memorial Fund         |
| £200   | When You Wish Upon A Star                |

## Auditors

A resolution to appoint CIB Audit as auditors for the next financial year will be proposed at the Annual General Meeting in August 2020.

## 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 was implemented in 2019/20.

## Recruitment

We 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

We are committed to the training and development of all our employees 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. We also appointed



a new Training and Development Officer last year which will allow us to deliver a comprehensive training plan for staff and Board Members.

## 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, Committees and Working Groups.

### 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 2019/20 were the implications of the COVID-19 pandemic, climate change and the changing demographics and reducing population. Other significant risk factors include the impact of BREXIT and 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 11 March 2020 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 October 2019 the Board appointed Wylie & Bisset as their Internal Auditors. The Internal Auditors report directly to the Audit and Risk Committee. Scott Moncrieff were the internal auditors in place for the first six months of the last fiscal year and Wylie & Bisset have relied on the work performed by them in arriving at their audit opinion for the full year.

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 2019/20 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.

DRAFT

## 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 2020. 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.

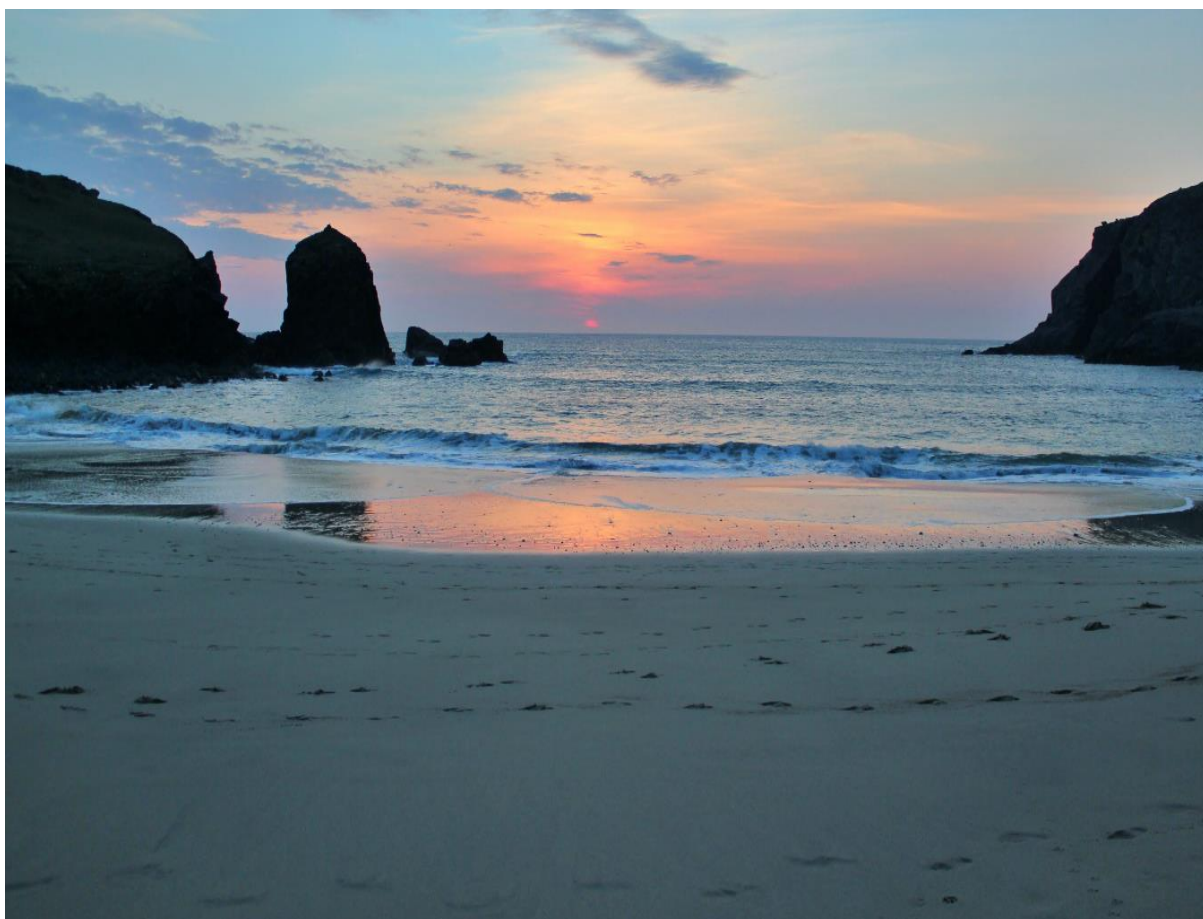
The Board of Management is responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Partnership and to enable them to ensure the Financial statements comply with the Co-operative & Community Benefits Societies Act 2014, the 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 and the number of claimants has steadily increased. This has presented challenges as arrears have increased and claimants have struggled to adapt to the new system. We work closely with our tenants and partners to help them adapt to the new system. Our 'trusted partner' status with DWP has assisted in this and the very good relationship with the local DWP team has been very useful to enable us to provide some additional help to tenants.

The 'bedroom tax' continued to be mitigated in full again this year through Discretionary Housing Payments (DHP) and we acknowledge the role of the Scottish Government and the Comhairle with this.

Void rent loss has reduced as a result of the decision to dispose of some stock. Low demand continues to impact on performance but the average days taken to let properties was reduced to 24.7 days. This is a reasonable performance and we are working to improve on it. Measures have been included in the new Repair and Maintenance contract to seek to assist in this.

However, weak demand for housing across most areas remains a concern and one which the Board monitors closely. We are exploring options to address this and are reviewing all our stock to identify any houses or groups of houses which do not deliver good solutions for tenants and which impact negatively on the business. We will then consider the best options for any such stock.

Partnership working is critical if we are to address the demographic challenges which are a concern for the future of our islands and which contribute to this weakening demand. We continue to seek to encourage and develop this debate and promote action to address it.

The level of anti-social behaviour has remained low and we did not take any legal enforcement action during the year. Partnership working between HHP, Police Scotland and the Comhairle continue to focus 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 seeks to provide opportunities for tenants to take part in ways that suit them. We have sought to develop links with interested tenants across the islands and to encourage and support 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 choice in participation is important in a large and sparsely populated area such as the Outer Hebrides where there is a high number of

small schemes consisting of less than 20 houses which makes participation challenging. A highly successful tenant event was again held in Stornoway, during the year and we continue to review our approach to such events. We have been well supported by partners for which we are grateful.

Tenant participation continues in other areas through smaller scale tenant and resident groups. A number of small gardening groups have formed in Tarbert, Howmore, Daliburgh and Lochboisdale. Most of these groups have benefited from our new Community Grant fund. Linking up with other agencies such as the Woodland Trust, Tagas Uibhist and Storas Uibhist has been beneficial and promotes wider community engagement. Staff promote and encourage tenant engagement and actively work with these groups to improve neighbourhoods and build relationships. Events have taken place to plant trees and assist with community clean ups.

A joint event with our Contractor is being planned for Barra later this year with the focus on investment and repairs. However this will be kept under review in light of the current COVID-19 crisis.

We will review our strategy for participation to make it easier for harder to reach groups and members of the community to engage with us.

## OPERATIONAL REVIEW

### Planned & Cyclical Maintenance

Our 5 year planned maintenance programme continued to protect homes and their wider environment. The benefits of this can be seen as we enter a third cycle of this approach. The large amount of fencing within housing areas poses a challenge in terms of maintenance 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 including fencing replacement 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. Additional landlord safety inspections were undertaken for electrical works, anti-scald valves and legionella inspections.



### Investment Programme

This was the first year of our new 4 year framework contract and £4.58M was invested in tenant's homes delivering the following improvements during 2019/20:

|                            | 2019/20 Units        |            | 2019/20 Units |
|----------------------------|----------------------|------------|---------------|
| Heating Systems            | 198                  | Kitchens   | 62            |
| Bathrooms                  | 74                   | Windows    | 4             |
| Roughcasting               | 4                    | Fire Doors | 72            |
| Fencing/<br>Environmentals | 26                   | Roofing    | 9             |
| Smoke Detectors            | 905 (2645 detectors) |            |               |

Alleviating fuel poverty remains a key priority and this is demonstrated by our investment in new heating systems. We installed 145 Air Source Heat Pumps in off-gas areas which deliver a good affordable solution for our tenants. 27 gas heating replacements and a further 26 infra-red heating systems were installed, primarily in one bedroom properties or where construction prevented the installation of Air Source Heat Pump systems. The infra-red heating systems 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 £215K of funding from the Scottish Government which delivered 202 different measures benefiting 119 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 continue to be 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 meet the requirements of EESSH and improve energy efficiency. In particular we are replacing solid fuel heating systems with Air Source Heating and installing new gas combi boilers where gas supply is available.

We have continued our partnership with Citrus to provide impartial advice and assistance to tenants on switching energy suppliers. We also work closely with local advice agencies particularly TIG and CAB.

Work also continues 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. This has included representations during the year on the Scottish Government's Fuel Poverty bill and the Hydro Benefit Replacement Scheme & Common Tariff Obligation.

## FINANCIAL REVIEW

### Comprehensive Income

The turnover for the year to 31 March 2020 was £12.640 million (2019: £11.270m) against operating costs of £9.996 million (2019: £8.356m). Operating costs for the year included £0.366 million (2019: £0.393) of capital investment written off against expenditure and £1.279M of construction costs on Shared Equity properties. The main source of income was from rental income of £9.370 million (2019: £8.911m) with £1.171 million (2019: £0.823m) received in grant from The Scottish Government. Turnover on other activities included factoring, reflecting the requirements of the Property Factors Act 2011. There were 8 Shared Equity properties sold during the year (2019: 3).

The operating surplus on Letting Activities was £2.614 million, 31% of Net Rental Income (2019: £2.919 million, 33% 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 32. 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 26 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 mainly due to the repayment of £500K of retained Right To Buy (RTB) receipts to Scottish Government.

### Cash Flow

The Cash Flow is shown on page 30. The net change in cash equivalents was £1.546 million (2019: £3.907m). The principal cash outflows were operating, development costs and investment in assets with cash inflow boosted by RHI Income.

### Current Liquidity

At 31 March 2020 HHP had cash and short-term deposits of £4.757 million (2019: £6.302m). It is anticipated that there will be a requirement to draw down funds during 2020/21.

### 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.

Our 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 £18.51 million over the next 5 years ensuring the Scottish Housing Quality Standard is maintained in all its properties. £13.414 million of private finance has been earmarked for the new build projects due for completion in the next 5 years. The last 2 years have seen unprecedented levels of spend with the increased Affordable Housing Grant allocated to the Outer Hebrides. 2020/21 was forecast to be another big year in terms of the level of monies spent on the development of homes throughout the Outer Hebrides. COVID-19 lockdown measures have resulted in a pause in all development works and our development program will be reviewed to accommodate post COVID-19 cost & timing implications.

## INDEPENDENT AUDITORS REPORT

### Opinion

We have audited the financial statements of Hebridean Housing Partnership (the 'Partnership') for the year ended 31 March 2020 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, 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 2020 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 17, 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.

CIB Audit  
Chartered Accountants  
Statutory Auditor  
Stornoway

Date: 20 June 2020

## 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 14 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 14 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.

CIB Audit  
Chartered Accountants  
Statutory Auditors  
Stornoway

Date: 20 June 2020



## **FINANCIAL STATEMENTS**



## STATEMENT OF COMPREHENSIVE INCOME AS AT YEAR 31 MARCH 2020

|                                                    |              | 31 March 2020    | 31 March 2019    |
|----------------------------------------------------|--------------|------------------|------------------|
|                                                    |              | £                | £                |
|                                                    | <b>Notes</b> |                  |                  |
| Turnover                                           | 3            | 12,640,195       | 11,269,972       |
| Operating expenditure                              | 3            | (9,995,807)      | (8,355,818)      |
| Other Income                                       |              |                  |                  |
| <b>Operating surplus</b>                           | 3            | <b>2,644,388</b> | <b>2,914,154</b> |
| Loss on disposal of property, plant & equipment    |              | (416,801)        | (242,482)        |
| Interest receivable                                | 6            | 23,511           | 23,290           |
| Interest payable and financing costs               | 7            | (344,865)        | (335,576)        |
| <b>Surplus before tax</b>                          |              | <b>1,906,232</b> | <b>2,359,386</b> |
| Actuarial gain/(loss) in respect of pension scheme | 22           | 1,216,000        | (633,000)        |
| <b>Total comprehensive income for the year</b>     |              | <b>3,122,232</b> | <b>1,726,386</b> |

The results for the year relate wholly to continuing activities.

These financial statements were approved by the Board on 20<sup>th</sup> June 2020 and were signed on its behalf by:

**Norman Macleod**

Chair

**Anna Coyle**

Secretary

**Calum Mackay**

Board Member

The notes on pages 34 to 57 form part of these financial statements

## STATEMENT OF CHANGES IN RESERVES AS AT YEAR 31 MARCH 2020

|                                                | Share<br>Capital<br>£ | Unrestricted<br>Fund<br>£ | Total<br>Reserves<br>£ |
|------------------------------------------------|-----------------------|---------------------------|------------------------|
| <b>Current Year</b>                            |                       |                           |                        |
| Balance at 1 April 2019                        | 206                   | 32,356,579                | 32,356,785             |
| Movement in Share Capital                      | 2                     |                           | 2                      |
| Surplus from statement of comprehensive income |                       | 3,122,232                 | 3,122,232              |
| Balance at 31 March 2020                       | 208                   | 35,478,812                | 35,479,020             |
| <b>Prior Year</b>                              |                       |                           |                        |
| 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             |

The notes on pages 34 to 57 form part of these financial statements

## STATEMENT OF FINANCIAL POSITION AS AT YEAR 31 MARCH 2020

|                                                                |              | 31 March 2020      | 31 March 2019      |
|----------------------------------------------------------------|--------------|--------------------|--------------------|
|                                                                |              | £                  | £                  |
| <b>Fixed Assets</b>                                            | <b>Notes</b> |                    |                    |
| Tangible Assets-Social Housing                                 | 8            | 93,548,643         | 83,824,774         |
| Tangible Assets-Property, plant & equipment                    | 9            | 1,844,031          | 2,285,271          |
| Investments                                                    | 10           | 2                  | 2                  |
|                                                                |              | <u>95,392,676</u>  | <u>86,110,047</u>  |
| <b>Current Assets</b>                                          |              |                    |                    |
| Stock                                                          |              | 1,127,058          | 672,649            |
| Trade and other debtors                                        | 11           | 1,364,580          | 2,198,587          |
| Investments                                                    |              | 3,109,329          | 5,681,883          |
| Cash and cash equivalents                                      |              | 1,647,257          | 620,447            |
|                                                                |              | <u>7,248,223</u>   | <u>9,173,566</u>   |
| <b>Less: Creditors amounts falling due within one year</b>     | 12           | <u>(2,373,354)</u> | <u>(2,663,407)</u> |
| <b>Net current assets</b>                                      |              | <u>4,874,869</u>   | <u>6,510,159</u>   |
| <b>Total assets less current liabilities</b>                   |              | 100,267,545        | 92,620,206         |
| <b>Creditors: amounts falling due after more than one year</b> | 13           | (10,491,996)       | (10,877,254)       |
| Deferred Capital Grants                                        | 14           | (52,943,529)       | (47,331,167)       |
| Pension Liability                                              | 15           | (1,353,000)        | (2,055,000)        |
| <b>Net Assets</b>                                              |              | <u>35,479,020</u>  | <u>32,356,785</u>  |
| <b>Reserves</b>                                                |              |                    |                    |
| Share Capital                                                  | 16           | 208                | 206                |
| Income & Expenditure reserve                                   |              | 35,478,812         | 32,356,579         |
|                                                                |              | <u>35,479,020</u>  | <u>32,356,785</u>  |

These financial statements were approved by the Board on 20<sup>th</sup> June 2020 and were signed on its behalf by:

**Norman  
Macleod**

Chair

**Anna  
Coyle**

Secretary

**Calum  
Mackay**

Board  
Member

The notes on pages 34 to 57 form part of these financial statements.

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020

|                                                               |               | 31 March 2020      | 31 March 2019      |
|---------------------------------------------------------------|---------------|--------------------|--------------------|
|                                                               |               | £                  | £                  |
| <b>Net Cash inflow from operating activities</b>              | <b>Note 1</b> | 3,243,689          | 1,699,221          |
| <b>Cashflow from investing activities</b>                     |               |                    |                    |
| Purchase of tangible assets                                   |               | (13,119,283)       | (10,188,996)       |
| Proceeds from sale of tangible fixed assets                   |               | 970,280            | 273,013            |
| Grants received                                               |               | 7,576,858          | 4,584,978          |
| Interest received                                             |               | 23,511             | 23,290             |
| Acquisition of Shares                                         |               |                    |                    |
| <b>Cashflow from financing activities</b>                     |               |                    |                    |
| Interest paid                                                 |               | (240,798)          | (261,166)          |
| Repayments of borrowings                                      |               | -                  | (37,207)           |
| <b>Net change in cash equivalents</b>                         |               | <u>(1,545,744)</u> | <u>(3,906,867)</u> |
| <b>Cash and cash equivalents at the beginning of the year</b> |               | 6,302,330          | 10,209,197         |
| <b>Cash and cash equivalents at the end of the year</b>       |               | <u>4,756,586</u>   | <u>6,302,330</u>   |
|                                                               |               | <u>(1,545,744)</u> | <u>(3,906,867)</u> |

The notes on pages 34 to 57 form part of these financial statements.

## NOTES TO THE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020

### Cashflow from Operating Activities

|                                                                  | 2020<br>£        | 2019<br>£        |
|------------------------------------------------------------------|------------------|------------------|
| Surplus for the year                                             | 2,644,388        | 2,914,154        |
| <b><i>Adjustments for non-cash items:</i></b>                    |                  |                  |
| Depreciation of tangible fixed assets                            | 3,242,258        | 2,921,938        |
| (Increase)/Decrease in stock                                     | (454,408)        | (431,016)        |
| Decrease/(Increase) in trade and other debtors                   | 834,007          | (1,092,282)      |
| (Decrease)/Increase in trade and other creditors                 | (1,135,311)      | (1,124,225)      |
| Pension costs less contributions payable                         | 460,000          | 252,000          |
| Carrying amount of tangible fixed asset disposed                 | (678,351)        | (284,495)        |
| <b><i>Adjustments for investing or financing activities:</i></b> |                  |                  |
| Proceeds from the sale of tangible fixed assets                  | (416,801)        | (242,482)        |
| Government grants utilised in the year                           | (1,356,161)      | (1,288,781)      |
| Interest payable                                                 | 104,068          | 74,410           |
| Interest receivable                                              |                  |                  |
|                                                                  | <u>3,243,689</u> | <u>1,699,221</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.

### 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                    |
| Motor Vehicles                           | 25% reducing balance |

### 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.

### Going Concern

The Board has assessed the Partnership's ability to continue as a going concern and have reviewed the 30 year Business Plan and its exposure to key risks through detailed sensitivity analysis.

In the context of the COVID-19 pandemic the specific issues that may affect the Partnership are:

- Increased rent arrears;
- Delays to programmed works;
- Increased costs in delivering our development and investment programmes;
- Increased pension costs due to deteriorating stock market values;
- Increased insurance premiums being charged on housing stock.

Based on these projections and the wider information currently available, the Board consider that the Partnership has sufficient resources to meet any potential concerns and there are no material uncertainties about the Partnership's ability to continue as a going concern.

### NOTE 3 – TURNOVER, OPERATING COSTS AND OPERATING SURPLUS

|                                      | 2020                       |                         |                           | 2019                       |                         |                           |
|--------------------------------------|----------------------------|-------------------------|---------------------------|----------------------------|-------------------------|---------------------------|
|                                      | Operating<br>Turnover<br>£ | Operating<br>Costs<br>£ | Operating<br>Surplus<br>£ | Operating<br>Turnover<br>£ | Operating<br>Costs<br>£ | Operating<br>Surplus<br>£ |
| Income and Expenditure from Lettings |                            |                         |                           |                            |                         |                           |
| Social Lettings (Note 4)             | 11,265,878                 | (8,652,040)             | 2,613,838                 | 10,767,686                 | (7,849,027)             | 2,918,659                 |
| Other Activities (Note 5)            | 1,374,317                  | (1,343,767)             | 30,550                    | 502,286                    | (506,791)               | (4,505)                   |
| <b>TOTAL</b>                         | <b>12,640,195</b>          | <b>(9,995,807)</b>      | <b>2,644,388</b>          | <b>11,269,972</b>          | <b>(8,355,818)</b>      | <b>2,914,154</b>          |

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

|                                                                  | General Needs<br>Housing<br>£ | Supported<br>Accommodation<br>£ | Shared<br>Ownership<br>£ | Total<br>£ | 2019<br>£  |
|------------------------------------------------------------------|-------------------------------|---------------------------------|--------------------------|------------|------------|
| <b>Income from rent and service charges</b>                      |                               |                                 |                          |            |            |
| Rent receivable net of service charges                           | 9,237,507                     | 74,821                          | 3,759                    | 9,316,088  | 8,862,678  |
| Service charges                                                  | 50,822                        | -                               | 2,835                    | 53,656     | 48,061     |
| <b>Gross Income from rents and service charges</b>               | 9,288,329                     | 74,821                          | 6,594                    | 9,369,744  | 8,910,739  |
| Less voids                                                       | (60,266)                      | -                               | -                        | (60,266)   | (55,873)   |
| <b>Net Income from rents and service charges</b>                 | 9,228,064                     | 74,821                          | 6,594                    | 9,309,478  | 8,854,867  |
| Release of deferred capital grant                                | 1,356,161                     | -                               | -                        | 1,356,161  | 1,288,781  |
| Other Revenue Grants                                             | 600,239                       | -                               | -                        | 600,239    | 624,038    |
| <b>Total Turnover from social letting activities</b>             | 11,184,464                    | 74,821                          | 6,594                    | 11,265,878 | 10,767,686 |
| <b>Expenditure</b>                                               |                               |                                 |                          |            |            |
| Management and Maintenance Administration costs                  | 2,423,754                     | 23,380                          | 3,340                    | 2,450,474  | 2,154,993  |
| Planned and Cyclical Maintenance including major repairs         | 1,267,566                     | 7,804                           | -                        | 1,275,370  | 1,172,934  |
| Reactive Maintenance                                             | 1,531,376                     | 6,329                           | -                        | 1,537,705  | 1,532,372  |
| Bad Debts-rents and service charges                              | 146,233                       | -                               | -                        | 146,233    | 66,790     |
| Depreciation of social housing                                   | 3,209,045                     | 31,086                          | 2,127                    | 3,242,258  | 2,921,938  |
| <b>Operating costs for social letting activities</b>             | 8,577,975                     | 68,599                          | 5,467                    | 8,652,040  | 7,849,027  |
| <b>Operating surplus on letting activities for 31 March 2020</b> | 2,606,489                     | 6,223                           | 1,126                    | 2,613,838  | 2,918,659  |
| Operating surplus on letting activities for 31 March 2019        | 2,900,050                     | 17,514                          | 1,095                    | 2,918,659  |            |

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

|                                                      | Grants from<br>Scottish Ministers | Other Revenue<br>Grants | Other<br>Income | Total<br>Turnover |           | Other<br>Operating Costs |           | Operating<br>Surplus/ Deficit |           |
|------------------------------------------------------|-----------------------------------|-------------------------|-----------------|-------------------|-----------|--------------------------|-----------|-------------------------------|-----------|
|                                                      | £                                 | £                       | £               | 2020<br>£         | 2019<br>£ | 2020<br>£                | 2019<br>£ | 2020<br>£                     | 2019<br>£ |
| Factoring                                            | -                                 | -                       | 4,180           | 4,180             | 4,048     | 3,282                    | 3,796     | 898                           | 252       |
| Development & construction of<br>Property Activities | -                                 | -                       | 84,754          | 84,754            | 62,240    | 54,469                   | 65,295    | 30,285                        | (3,055)   |
| Sale of Developments                                 | 570,496                           | -                       | 708,730         | 1,279,226         | 429,546   | 1,279,226                | 429,546   | -                             | -         |
| Management Services                                  | -                                 | -                       | 6,157           | 6,157             | 6,452     | 6,790                    | 8,154     | (633)                         | (1,702)   |
| <b>Total from other activities<br/>2020</b>          | <b>570,496</b>                    | <b>-</b>                | <b>803,821</b>  | <b>1,374,317</b>  |           | <b>1,343,767</b>         |           | <b>30,550</b>                 |           |
| Total for other activities 2019                      | 198,546                           | -                       | 303,740         |                   | 502,286   |                          | 506,791   |                               | (4,505)   |

## NOTE 6 - INTEREST RECEIVABLE AND OTHER INCOME

| Interest Receivable and Other Income      |               |               |
|-------------------------------------------|---------------|---------------|
|                                           | 2020          | 2019          |
|                                           | £             | £             |
| Interest receivable on deposits           | 22,503        | 23,045        |
| Interest receivable on loan to subsidiary | 1,008         | 245           |
|                                           | <u>23,511</u> | <u>23,290</u> |

## NOTE 7 – INTEREST PAYABLE AND SIMILAR CHARGES

| Interest Payable and Similar Charges |                |                |
|--------------------------------------|----------------|----------------|
|                                      | 2020           | 2019           |
|                                      | £              | £              |
| Interest Payable                     | 222,944        | 230,372        |
| Other Financing costs                | 67,921         | 71,204         |
| Net Cost on pension                  | 54,000         | 34,000         |
|                                      | <u>344,865</u> | <u>335,576</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     |                                          |                                            |                                        |                     |
|---------------------------|------------------------------------------|--------------------------------------------|----------------------------------------|---------------------|
| <b>SOCIAL HOUSING</b>     | Housing Properties held for letting<br>£ | Housing Properties under construction<br>£ | Shared Ownership held for letting<br>£ | Total<br>£          |
| <b>Current Year Cost</b>  |                                          |                                            |                                        |                     |
| At start of the year      | 100,596,509                              | 5,363,147                                  | 127,643                                | 106,087,299         |
| Additions during the year | 4,412,326                                | 9,127,415                                  | -                                      | 13,539,741          |
| Transfers in year         | 3,377,132                                | (3,377,132)                                | -                                      | -                   |
| Disposals                 | (1,394,090)                              | (17,649)                                   | -                                      | (1,411,738)         |
| <b>At end of year</b>     | <b>106,991,877</b>                       | <b>11,095,781</b>                          | <b>127,643</b>                         | <b>118,215,301</b>  |
| <b>Depreciation</b>       |                                          |                                            |                                        |                     |
| At start of year          | (22,185,939)                             | -                                          | (76,586)                               | (22,262,525)        |
| Provided in year          | (3,135,394)                              | -                                          | (2,127)                                | (3,137,521)         |
| Eliminated on Disposal    | 733,388                                  | -                                          | -                                      | 733,388             |
| <b>At end of year</b>     | <b>(24,587,945)</b>                      | <b>-</b>                                   | <b>(78,713)</b>                        | <b>(24,666,658)</b> |
| <b>Net Book Value</b>     |                                          |                                            |                                        |                     |
| At end of year            | 82,403,931                               | 11,095,781                                 | 48,930                                 | 93,548,643          |
| <b>Prior Year</b>         |                                          |                                            |                                        |                     |
| 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                                  | -                                      | 9,844,869           |
| Transfers in year         | 5,136,865                                | (5,136,865)                                | -                                      | -                   |
| Disposals                 | (570,938)                                | (17,405)                                   | -                                      | (588,342)           |
| <b>At end of year</b>     | <b>100,596,509</b>                       | <b>5,363,147</b>                           | <b>127,643</b>                         | <b>106,087,299</b>  |
| <b>Depreciation</b>       |                                          |                                            |                                        |                     |
| At start of year          | (19,647,666)                             | -                                          | (74,460)                               | (19,722,126)        |
| Transfers in year         | -                                        | -                                          | -                                      | -                   |
| Provided in year          | (2,842,121)                              | -                                          | (2,126)                                | (2,844,247)         |
| Eliminated on Disposal    | 303,848                                  | -                                          | -                                      | 303,848             |
| <b>At end of year</b>     | <b>(22,185,939)</b>                      | <b>-</b>                                   | <b>(76,586)</b>                        | <b>(22,262,525)</b> |
| <b>Net Book Value</b>     |                                          |                                            |                                        |                     |
| At end of year            | 78,410,570                               | 5,363,147                                  | 51,057                                 | 83,824,774          |

Development administration costs capitalised amounted to £218,943 (2019: £146,485) for which Social Housing Grants amounting to £nil (2019: £nil) were received in the year.

The loss on sale of property disposals in the year were £6,121 (2019: profit of £38,258).

The cost of new components capitalised in the year was £7,789,458 (2019: £8,817,831). Components with a cost of £1,394,090 (2019: £549,745), HAG of £227,715 (2019: £nil) and accumulated depreciation of £733,388 (2019: £309,936) were disposed of in the year.

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

| TANGIBLE FIXED ASSETS       |                            |                             |                          |                            |                    |                         |                  |
|-----------------------------|----------------------------|-----------------------------|--------------------------|----------------------------|--------------------|-------------------------|------------------|
| Property, Plant & Equipment | Heritable<br>Property<br>£ | Commerical<br>Property<br>£ | Office<br>Equipment<br>£ | Computer<br>Equipment<br>£ | Motor<br>Vans<br>£ | Other<br>Equipment<br>£ | Total<br>£       |
| <b>Current Year Cost</b>    |                            |                             |                          |                            |                    |                         |                  |
| At start of the year        | 1,313,012                  | 939,280                     | 91,840                   | 459,955                    | -                  | 95,112                  | 2,899,199        |
| Additions during the year   | 27,905                     | -                           | -                        | 57,644                     | 38,950             | -                       | 124,499          |
| Transfers in year           | (461,002)                  | -                           | 646                      | (646)                      | -                  | -                       | (461,002)        |
| Disposals                   | -                          | -                           | -                        | -                          | -                  | -                       | -                |
| <b>At end of year</b>       | <b>879,915</b>             | <b>939,280</b>              | <b>92,486</b>            | <b>516,952</b>             | <b>38,950</b>      | <b>95,112</b>           | <b>2,562,696</b> |
| <b>Depreciation</b>         |                            |                             |                          |                            |                    |                         |                  |
| At start of year            | -                          | (189,049)                   | (87,793)                 | (243,563)                  | -                  | (93,523)                | (613,928)        |
| Transfers in year           | -                          | -                           | -                        | -                          | -                  | -                       | -                |
| Provided in year            | -                          | (22,499)                    | (2,390)                  | (75,013)                   | (3,246)            | (1,590)                 | (104,737)        |
| Eliminated on Disposal      | -                          | -                           | -                        | -                          | -                  | -                       | -                |
| <b>At end of year</b>       | <b>-</b>                   | <b>(211,548)</b>            | <b>(90,183)</b>          | <b>(318,575)</b>           | <b>(3,246)</b>     | <b>(95,113)</b>         | <b>(718,665)</b> |
| <b>Net Book Value</b>       |                            |                             |                          |                            |                    |                         |                  |
| At end of year              | 879,915                    | 727,732                     | 2,303                    | 198,377                    | 35,704             | (0)                     | 1,844,031        |
| <b>Prior Year</b>           |                            |                             |                          |                            |                    |                         |                  |
| 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          |
| Disposals                   | -                          | -                           | -                        | (74,166)                   | -                  | -                       | (74,166)         |
| <b>At end of year</b>       | <b>1,313,012</b>           | <b>939,280</b>              | <b>91,840</b>            | <b>459,954</b>             | <b>-</b>           | <b>95,112</b>           | <b>2,899,199</b> |
| <b>Depreciation</b>         |                            |                             |                          |                            |                    |                         |                  |
| At start of year            | -                          | (166,551)                   | (84,436)                 | (285,574)                  | -                  | (89,707)                | (626,268)        |
| Provided in year            | -                          | (22,498)                    | (3,357)                  | (32,155)                   | -                  | (3,816)                 | (61,826)         |
| Eliminated on Disposal      | -                          | -                           | -                        | 74,166                     | -                  | -                       | 74,166           |
| <b>At end of year</b>       | <b>-</b>                   | <b>(189,050)</b>            | <b>(87,793)</b>          | <b>(243,562)</b>           | <b>-</b>           | <b>(93,523)</b>         | <b>(613,927)</b> |
| <b>Net Book Value</b>       |                            |                             |                          |                            |                    |                         |                  |
| At end of year              | 1,313,012                  | 750,231                     | 4,047                    | 216,392                    | -                  | 1,589                   | 2,285,271        |



## NOTE 10 – INVESTMENTS

| Investments                          |                                       |                   |                     |
|--------------------------------------|---------------------------------------|-------------------|---------------------|
|                                      |                                       | 2020              | 2019                |
|                                      |                                       | £                 | £                   |
| 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                                |                  |                  |
|------------------------------------------------------------|------------------|------------------|
|                                                            | 2020             | 2019             |
|                                                            | £                | £                |
| Rental Arrears                                             | 252,477          | 158,370          |
| Less: provision for bad debts                              | (191,195)        | (91,476)         |
|                                                            | <u>61,283</u>    | <u>66,894</u>    |
| Amounts owed by subsidiary undertaking (due within 1 year) | 17,560           | 16,552           |
| Other debtors                                              | 722,141          | 113,099          |
| Prepayments and accrued income                             | 418,624          | 1,834,291        |
| Other debtors (due in more than 1 year)                    | 144,972          | 167,751          |
| Total                                                      | <u>1,364,580</u> | <u>2,198,587</u> |

## NOTE 12 – CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

| Creditors-Amounts falling due within one year |                  |                  |
|-----------------------------------------------|------------------|------------------|
|                                               | 2020             | 2019             |
|                                               | £                | £                |
| Trade payables                                | 629,755          | 560,762          |
| Contract retentions                           | 267,151          | 242,908          |
| Accruals and deferred income                  | 899,124          | 1,158,102        |
| Rent in advance                               | 55,905           | 80,334           |
| HAG creditor                                  | 136,642          | 121,301          |
| RTB Receipts Repayable on demand              | 384,778          | 500,000          |
| Total                                         | <u>2,373,354</u> | <u>2,663,407</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                                                                          |            |            |
|---------------------------------------------------------------------------------------------------------------------------------|------------|------------|
|                                                                                                                                 | 2020       | 2019       |
|                                                                                                                                 | £          | £          |
| Bank term loans                                                                                                                 | 4,908,996  | 4,908,996  |
| RTB Receipts due to the Scottish Government                                                                                     | 5,583,000  | 5,968,258  |
| Total                                                                                                                           | 10,491,996 | 10,877,254 |
| 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 | 10,491,996 |
|                                                                                                                                 | 10,491,996 | 10,877,254 |

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.

## NOTE 14 – DEFERRED CAPITAL GRANTS

| Deferred Capital Grants   |                                          |                                            |                                        |                                 |                     |
|---------------------------|------------------------------------------|--------------------------------------------|----------------------------------------|---------------------------------|---------------------|
|                           | Housing Properties held for letting<br>£ | Housing Properties under construction<br>£ | Shared Ownership held for letting<br>£ | Property Plant & Equipment<br>£ | Total<br>£          |
| <b>Current Year Cost</b>  |                                          |                                            |                                        |                                 |                     |
| At start of the year      | (41,669,784)                             | (4,338,390)                                | (49,438)                               | (1,273,555)                     | (47,331,167)        |
| Additions during the year | (114,320)                                | (7,163,712)                                | -                                      | -                               | (7,278,032)         |
| Disposals during the year | 227,715                                  | -                                          | -                                      | -                               | 227,715             |
| Transfers in year         | (2,377,769)                              | 1,959,062                                  | -                                      | 500,502                         | 81,795              |
| Amortised in year         | 1,353,324                                | -                                          | 2,060                                  | 777                             | 1,356,161           |
| <b>At end of year</b>     | <b>(42,580,834)</b>                      | <b>(9,543,041)</b>                         | <b>(47,378)</b>                        | <b>(772,276)</b>                | <b>(52,943,529)</b> |
| <b>Prior Year</b>         |                                          |                                            |                                        |                                 |                     |
| 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           |
| <b>At end of year</b>     | <b>(41,669,784)</b>                      | <b>(4,338,390)</b>                         | <b>(49,438)</b>                        | <b>(1,273,555)</b>              | <b>(47,331,167)</b> |

## NOTE 15 – PROVISIONS FOR LIABILITIES & CHARGES

| Pension Fund            |                  |                  |
|-------------------------|------------------|------------------|
|                         | 2020<br>£        | 2019<br>£        |
| At 1 April 2019         | 2,055,000        | 1,136,000        |
| Created in Year         | (702,000)        | 919,000          |
| <b>At 31 March 2020</b> | <b>1,353,000</b> | <b>2,055,000</b> |

## NOTE 16 – SHARE CAPITAL

| Share Capital                           |            |            |
|-----------------------------------------|------------|------------|
|                                         | 2020<br>£  | 2019<br>£  |
| Shares of £1 each issued and fully paid |            |            |
| At 1 April 2019                         | 206        | 203        |
| issued during period                    | 2          | 3          |
| <b>At 31 March 2020</b>                 | <b>208</b> | <b>206</b> |

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

Norman Macleod

Calum Mackay

Iain Macmillan

Alasdair Mackenzie

David Blaney

Alex Gardner

Fiona Macleod

Roddy Nicolson

Mairi Bremner\*

Dolene Smith\*\*

\* Mairi Bremner passed away on 22 September 2019

\*\* Dolene Smith resigned from the Board on 29 August 2019

## NOTE 17 – KEY MANAGEMENT EMOLUMENTS

| OFFICER'S EMOLUMENTS                                                                                                                             |           |           |
|--------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-----------|
|                                                                                                                                                  | 2020<br>£ | 2019<br>£ |
| 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)                               | 212,027   | 197,400   |
| <i>*Amount reported in 2019 restated to exclude Employers NI contributions.</i>                                                                  |           |           |
| Emoluments payable to the highest paid officer (excluding pension contributions)                                                                 | 87,078    | 83,400    |
| 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                                                                                                      | 2         | -         |
| More than £70,000 but not more than £80,000                                                                                                      | -         | -         |
| More than £80,000 but not more than £100,000                                                                                                     | 1         | 1         |
| Pension contributions                                                                                                                            | 37,913    | 15,012    |
| 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: 51

At 31 March 2020 the number of employees of the Partnership, including Executive Directors, was 45 (FTE), (2019 – 43 FTE).

| EMPLOYEE INFORMATION                       |                  |                  |
|--------------------------------------------|------------------|------------------|
|                                            | 2020             | 2019             |
|                                            | £                | £                |
| <b>Staff costs (for the above persons)</b> |                  |                  |
| Wages and Salaries                         | 1,463,109        | 1,266,816        |
| Social Security costs                      | 139,443          | 114,939          |
| Employers' pension costs                   | 271,905          | 241,960          |
| FRS102 Pension Adjustment (Note 22)        | 460,000          | 252,000          |
|                                            | <u>2,334,457</u> | <u>1,875,715</u> |
| Staff costs capitalised                    | <u>(580,573)</u> | <u>(516,413)</u> |
|                                            | <u>1,753,884</u> | <u>1,359,302</u> |

## NOTE 19 – OPERATING SURPLUS

| OPERATING SURPLUS                                  |             |             |
|----------------------------------------------------|-------------|-------------|
|                                                    | 2020        | 2019        |
|                                                    | £           | £           |
| <b>Operating surplus is stated after charging:</b> |             |             |
| Depreciation                                       | 3,242,259   | 2,906,073   |
| Amortised capital grants                           | (1,356,161) | (1,288,781) |
| Repairs:cyclical, major, day to day                | 2,813,073   | 2,705,306   |
| Auditor's remuneration                             |             |             |
| -in their capacity as auditors                     | 11,340      | 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                                                                                         |                   |                   |
|-------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
|                                                                                                             | 2020              | 2019              |
|                                                                                                             | £                 | £                 |
| Capital expenditure which has been contracted for but has not been provided for in the financial statements | 27,167,633        | 28,504,787        |
| Capital expenditure which has been authorised by the Board but is not contracted                            | <u>22,846,067</u> | <u>28,622,213</u> |
|                                                                                                             | <u>50,013,700</u> | <u>57,127,000</u> |
| This is to be funded by:                                                                                    |                   |                   |
| Funding from the Scottish Government                                                                        | 16,317,500        | 20,357,400        |
| Private Finance                                                                                             | <u>33,696,200</u> | <u>36,769,600</u> |
|                                                                                                             | <u>50,013,700</u> | <u>57,127,000</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 18% of pensionable salaries.

As at the balance sheet date there were 51 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 2020. The funding update revealed an increase in the assets of the Scheme to £11.145 million and indicated a decrease in the shortfall of assets compared to liabilities to approximately £1.353 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.

| <b>Employer Membership Statistics</b> |           |                                      |           |
|---------------------------------------|-----------|--------------------------------------|-----------|
|                                       | Number    | Total Salaries/Pensions: Average Age |           |
|                                       | 31-Mar-17 | £000's                               | 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 2020 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 2019 to 31 March 2020 | (3.90%) |
| Total returns from 1 April 2019 to 31 March 2020  | (3.90%) |



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

The bid value of the Fund's assets are estimated to be £1,885,254,592 based on information provided by the Administering Authority.

| Period Ended | 31-Mar-20 | 31-Mar-19 |
|--------------|-----------|-----------|
| Equities     | 66%       | 70%       |
| Bonds        | 16%       | 15%       |
| Property     | 12%       | 12%       |
| Cash         | 6%        | 3%        |

### Financial Assumptions

| Period Ended          | 31-Mar-20 | 31-Mar-19 |
|-----------------------|-----------|-----------|
| Pension increase Rate | 1.90%     | 2.50%     |
| Salary increase Rate  | 2.80%     | 3.50%     |
| Discount Rate         | 2.30%     | 2.40%     |

### Historic Mortality

| Period Ended | Prospective Pensioners                                                                                              | Pensioners                                                                                                          |
|--------------|---------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|
| 31-Mar-20    | 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 2020

| Period ended 31 March 2020                                                 | Assets<br>£000's | Obligations<br>£000's | Net Liability/<br>Asset<br>£000's |
|----------------------------------------------------------------------------|------------------|-----------------------|-----------------------------------|
| Fair Value of Plan Assets                                                  | 10,052           | -                     | 10,052                            |
| Present Value of liabilities                                               | -                | 12,075                | (12,075)                          |
| Present value of unfunded liabilities                                      | -                | 32                    | (32)                              |
| <b>Opening Position at 31 March 2019</b>                                   | <b>10,052</b>    | <b>12,107</b>         | <b>(2,055)</b>                    |
| <b>Service Cost</b>                                                        | <b>-</b>         | <b>729</b>            | <b>(729)</b>                      |
| <b>Net Interest</b>                                                        |                  |                       |                                   |
| Interest on income on plan assets                                          | 243              | -                     | 243                               |
| Interest cost on defined benefit obligation                                | -                | 297                   | (297)                             |
| <b>Total Net interest</b>                                                  | <b>243</b>       | <b>297</b>            | <b>(54)</b>                       |
| <b>Total defined benefit cost recognised in P &amp; L</b>                  | <b>243</b>       | <b>1,026</b>          | <b>(783)</b>                      |
| <b>Cashflows</b>                                                           |                  |                       |                                   |
| Plan Participants contributions                                            | 91               | 91                    | -                                 |
| Employers contributions                                                    | 268              | -                     | 268                               |
| Contributions in respect of unfunded benefits                              | 1                | -                     | 1                                 |
| Benefits paid                                                              | (194)            | (194)                 | -                                 |
| Unfunded benefits paid                                                     | (1)              | (1)                   | -                                 |
| <b>Expected closing position</b>                                           | <b>10,460</b>    | <b>13,029</b>         | <b>(2,569)</b>                    |
| <b>Remeasurements</b>                                                      |                  |                       |                                   |
| Changes in demographic assumptions                                         | -                | (425)                 | 425                               |
| Changes in financial assumptions                                           | -                | (1,366)               | 1,366                             |
| Other experience                                                           | -                | (64)                  | 64                                |
| Return on assets excluding amounts in net interest                         | (639)            | -                     | (639)                             |
| <b>Total remeasurements recognised in Other Comprehensive Income (OCI)</b> | <b>(639)</b>     | <b>(1,855)</b>        | <b>1,216</b>                      |
| Fair Value of plan assets                                                  | 9,821            | -                     | 9,821                             |
| Present value of funded liabilities                                        | -                | 11,145                | (11,145)                          |
| Present value of unfunded liabilities                                      | -                | 29                    | (29)                              |
| <b>Closing position at 31 March 2020</b>                                   | <b>9,821</b>     | <b>11,174</b>         | <b>(1,353)</b>                    |

## 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 |           |
|                                                                               | 2020                | 2019         | 2020                    | 2019      |
| Unimproved                                                                    |                     |              |                         |           |
| New Build                                                                     | 440                 | 389          | 158                     | 50        |
| Improved                                                                      | 1,761               | 1,777        | -                       | -         |
| <b>General Needs Housing</b>                                                  | <u>2,201</u>        | <u>2,166</u> | <u>158</u>              | <u>50</u> |
| Shared Ownership Accommodation                                                | 3                   | 3            | -                       | -         |
| Supported Housing Accommodation                                               | 20                  | 24           | -                       | -         |
| <b>Total Housing Stock</b>                                                    | <u>2,224</u>        | <u>2,193</u> | <u>158</u>              | <u>50</u> |
| <b>Other Property</b>                                                         |                     |              |                         |           |
| Garages                                                                       | 42                  | 42           | -                       | -         |
| Commercial                                                                    | 6                   | 6            | -                       | -         |
| Heritable-Partnership's offices                                               | 3                   | 3            | -                       | -         |
| <b>Total Other Property</b>                                                   | <u>51</u>           | <u>51</u>    | <u>-</u>                | <u>-</u>  |

## NOTE 24 – REVENUE COMMITMENTS

| Operating Leases                                                                                                                                                  |              |              |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|--------------|
|                                                                                                                                                                   | 2020         | 2019         |
| At 31 March 2020 the Partnership had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows: | £            | £            |
| Within one year                                                                                                                                                   | 4,851        | 6,721        |
| In the second to fifth year inclusive                                                                                                                             | 4,851        | -            |
|                                                                                                                                                                   | <u>9,702</u> | <u>6,721</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                      £10,084.91

Arrears                              £278.88

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 £17,560 (2019: £16,552) 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, STORNOW AY, 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](mailto:info@hebrideanhousing.co.uk)

Web: [www.hebrideanhousing.co.uk](http://www.hebrideanhousing.co.uk)

Phone: 0300 123 0773

Registered Number: SC379412 (Scotland)

HHP COMMUNITY HOUSING LIMITED  
REPORT OF THE DIRECTORS AND  
UNAUDITED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 APRIL 2019 TO 31 MARCH 2020

HHP COMMUNITY HOUSING LIMITED  
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FOR THE PERIOD 1 APRIL 2019 TO 31 MARCH 2020

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HHP COMMUNITY HOUSING LIMITED  
FINANCIAL STATEMENTS  
FOR THE PERIOD 1 APRIL 2019 TO 31 MARCH 2020

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**DIRECTORS:**

N M Macleod  
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 2019 TO 31 MARCH 2020

The Directors present their report with the financial statements of the Company for the period 1 April 2019 to 31 March 2020.

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 2019 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            | 22 September 2019 (deceased) |
| 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:

- 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.



HHP COMMUNITY HOUSING LIMITED  
FINANCIAL STATEMENTS  
FOR THE PERIOD 1 APRIL 2019 TO 31 MARCH 2020

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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:

23 June 2020

HHP COMMUNITY HOUSING LIMITED  
 FINANCIAL STATEMENTS  
 FOR THE PERIOD 1 APRIL 2019 TO 31 MARCH 2020

**INCOME & EXPENDITURE ACCOUNT**

|                                                                 |       | 31 March 2020 | 31 March 2019 |
|-----------------------------------------------------------------|-------|---------------|---------------|
|                                                                 |       | £             | £             |
| Turnover                                                        | Notes | -             | -             |
| Operating Costs                                                 |       | -             | -             |
| <b>Operating Surplus</b>                                        |       | -             | -             |
| Surplus on sale of fixed assets                                 |       |               |               |
| -housing properties                                             |       | -             | -             |
| -other assets                                                   |       | -             | -             |
| Interest receivable and other income                            |       | -             | -             |
| Interest payable and other charges                              |       | (248)         | (245)         |
| <b>Loss on ordinary activities, before transfer to Reserves</b> |       | (248)         | (245)         |
| Tax on surplus on ordinary activities                           |       | -             | -             |
| <b>Deficit for the Year</b>                                     |       | (248)         | (245)         |
| Revenue Reserve at 1 April 2019                                 |       | (17,312)      | (17,067)      |
| Revenue Reserve at 31 March 2020                                |       | (17,560)      | (17,312)      |

HHP COMMUNITY HOUSING LIMITED  
FINANCIAL STATEMENTS  
FOR THE PERIOD 1 APRIL 2019 TO 31 MARCH 2020

**BALANCE SHEET**

|                                                |              | 31 March 2020 | 31 March 2019 |
|------------------------------------------------|--------------|---------------|---------------|
|                                                |              | £             | £             |
|                                                | <b>Notes</b> |               |               |
| Current Assets                                 |              |               |               |
| Cash at bank and in hand                       |              | 1             | 1             |
|                                                |              | 1             | 1             |
| Creditors: amounts falling due within one year | 2            | (17,560)      | (17,312)      |
| Net current assets                             |              | (17,559)      | (17,311)      |
| Total assets less current liabilities          |              | (17,559)      | (17,311)      |
| Capital and Reserves                           |              |               |               |
| Called up Share Capital                        | 3            | 1             | 1             |
| Revenue Reserve                                | 4            | (17,560)      | (17,312)      |
| SHAREHOLDERS FUNDS                             |              | (17,559)      | (17,311)      |

#### 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 2020 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 2020 in accordance with Section 476 of the Companies Act 2006

For the financial year ended 31 March 2020 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 23 June 2020

Director

**Company Registration No: SC379412**

The notes form part of these financial statements.

## 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

|                       | 2020   | 2019   |
|-----------------------|--------|--------|
|                       | £      | £      |
| Intercompany Creditor | 17,560 | 17,312 |

## 3. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

| Number: | Class:   | Nominal Value | 2020     | 2019     |
|---------|----------|---------------|----------|----------|
|         |          |               | £        | £        |
| 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

|                                             | 2020                   | 2019                   |
|---------------------------------------------|------------------------|------------------------|
|                                             | £                      | £                      |
| Accumulated surplus at 1 April 2019         | (17,312)               | (17,067)               |
| Loss for the year                           | <u>(248)</u>           | <u>(245)</u>           |
| <b>Accumulated surplus at 31 March 2020</b> | <b><u>(17,560)</u></b> | <b><u>(17,312)</u></b> |

# BUDGETARY PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2020

Board 23 June 2020

Report by Director of Finance & Corporate Services

## Purpose of Report

- 1.1 To present to the Board for approval a report on the performance against budget for the year ended 31 March 2020, including an overview of Board Members expenses and consultancy spend for the year. The report also presents any budget carry forward requirements for approval.

## Summary

- 2.1 The report on the performance against budget, including consultancy spend and Board Members expenses for the year ended 31 March 2020 is at Appendix 1.
- 2.2 Proposals for carrying forward underspend of £110,655 into 2020/21 are at Appendix 2.

## Competence

- 3.1 The legal, financial or other constraints to any recommendation in this report are contained in Paragraphs 5.1 to 8.1.

## Recommendations

- 4.1 **It is recommended that the:**
- 1) **Audit & Risk Committee note the report; and**
  - 2) **Board:**
    - a) **note the performance against budget for the year ended 31 March 2020 as at Appendix 1;**
    - b) **approve the carry forward of £110,655 of slippage into 2020/21 as detailed in Appendix 2;**
    - c) **approve a recommendation to the AGM that £5,000, or another sum, of the surplus be donated to local charities during 2020/21; and**
    - d) **note the Financial Covenant for 2019/20 as detailed in Appendix 3.**

|                           |                                     |
|---------------------------|-------------------------------------|
| <b>APPENDIX 1:</b>        | Budgetary Performance for 2019/20   |
| <b>APPENDIX 2:</b>        | Carry Forward Slippage 2020/21      |
| <b>APPENDIX 3:</b>        | Financial Covenant 2019/20          |
| <b>Background Papers:</b> | Corporate Sponsorship 17 March 2012 |
| <b>Writer of Report:</b>  | 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 2020/21 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 2020/21.

### *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 £100,000.

### *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 our finances. The Financial Covenant for 2019/20 was a maximum cash flow deficit of £5,977,400. Appendix 3 shows the covenant position at 31 March 2020.

## Report Details

- 9.1 Actual performance has been reviewed against budget and the report at Appendix 1 provides explanations for material variances against approved budgets.
- 9.2 Appendix 2 details proposals for carrying forward budgets into 2020/21 totaling £110,655.
- 9.3 In June 2019 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 2020 AGM.



## APPENDIX 1

| Line                                | 2016/17<br>ACTUAL<br>£ | 2017/18<br>ACTUAL<br>£ | 2018/19<br>ACTUAL<br>£ | 2019/20<br>ACTUAL<br>£ | 2019/20<br>BUDGET<br>£ | VARIANCE<br>£    | %             |
|-------------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------|---------------|
| 1 Net Rental Income                 | (8,282,597)            | (8,250,863)            | (8,787,442)            | (9,109,589)            | (9,053,322)            | 56,267           | (0.62)        |
| 2 Grants                            | (446,387)              | (489,690)              | (624,038)              | (600,239)              | (534,000)              | 66,239           | (12.40)       |
| 3 Grant Amortisation                | (1,209,599)            | (1,249,903)            | (1,288,781)            | (1,356,161)            | (1,230,000)            | 126,161          | (10.26)       |
| 4 Sale of Assets                    | 127,511                | 117,424                | 242,482                | 416,801                | -                      | (416,801)        |               |
| 5 Other Income                      | (394,210)              | (1,422,484)            | (1,019,333)            | (1,343,219)            | (1,505,286)            | (162,067)        | 10.77         |
| 6 Interest Received                 | (9,330)                | (15,330)               | (23,045)               | (23,511)               | (21,300)               | 2,211            | (10.38)       |
| <b>7 Total Income</b>               | <b>(10,214,613)</b>    | <b>(11,310,845)</b>    | <b>(11,500,158)</b>    | <b>(12,015,918)</b>    | <b>(12,343,908)</b>    | <b>(327,990)</b> | <b>2.66</b>   |
| 8 Employee Costs                    | 1,420,710              | 1,501,647              | 1,614,635              | 1,835,924              | 1,886,749              | 50,825           | 2.69          |
| 9 Premises Costs                    | 36,514                 | 38,379                 | 38,086                 | 63,427                 | 69,400                 | 5,973            | 8.61          |
| 10 Supplies and Services            | 210,407                | 249,755                | 239,484                | 188,457                | 219,730                | 31,273           | 14.23         |
| 11 Administration Costs             | 83,376                 | 83,500                 | 97,343                 | 70,759                 | 110,165                | 39,406           | 35.77         |
| 12 Corporate Expenses               | 465,808                | 498,574                | 507,104                | 477,022                | 749,152                | 272,130          | 36.33         |
| <b>13 Total Management Costs</b>    | <b>2,216,815</b>       | <b>2,371,855</b>       | <b>2,496,652</b>       | <b>2,635,588</b>       | <b>3,035,196</b>       | <b>399,607</b>   | <b>13.17</b>  |
| 14 General Repairs                  | 1,227,907              | 1,215,311              | 1,321,003              | 1,347,344              | 1,301,723              | (45,621)         | (3.50)        |
| 15 Specific Repairs                 | 57,200                 | 63,967                 | 92,317                 | 64,807                 | 74,025                 | 9,217            | 12.45         |
| 16 Rechargeable Repairs             | 29,903                 | 23,433                 | 59,075                 | 23,290                 | 16,700                 | (6,590)          | (39.46)       |
| 17 Insurance Repairs                | 52,210                 | 47,696                 | 39,221                 | 70,610                 | 72,231                 | 1,621            | 2.24          |
| 18 Non Dwelling Repairs             | 21,087                 | 18,953                 | 20,753                 | 31,653                 | 30,380                 | (1,273)          | (4.19)        |
| <b>19 Total Response Repairs</b>    | <b>1,388,307</b>       | <b>1,369,359</b>       | <b>1,532,369</b>       | <b>1,537,705</b>       | <b>1,495,059</b>       | <b>(42,646)</b>  | <b>(2.85)</b> |
| 20 Planned Maintenance              | 622,601                | 652,698                | 650,768                | 751,846                | 866,096                | 114,250          | 13.19         |
| 21 Estate Works                     | 33,668                 | 74,071                 | 129,289                | 66,082                 | 125,236                | 59,154           | 47.23         |
| <b>22 Total Planned Maintenance</b> | <b>656,269</b>         | <b>726,770</b>         | <b>780,058</b>         | <b>817,929</b>         | <b>991,332</b>         | <b>173,403</b>   | <b>17.49</b>  |
| 23 Investment Programme             | 4,217,963              | 3,875,911              | 4,235,093              | 4,948,635              | 5,099,501              | 150,866          | 2.96          |
| 24 Development Programme            | 3,168,364              | 4,095,038              | 2,500,262              | 2,220,874              | 1,869,090              | (351,784)        | (18.82)       |
| 25 Non Housing Investment           | 225                    | 197                    | 210,783                | 154,238                | 142,250                | (11,988)         | (8.43)        |
| <b>26 Total Capital Investment</b>  | <b>7,386,552</b>       | <b>7,971,146</b>       | <b>6,946,138</b>       | <b>7,323,747</b>       | <b>7,110,841</b>       | <b>(212,906)</b> | <b>(2.99)</b> |

### Commentary on Performance

#### Total Income

£328K under budget for the year. This was mainly driven by the loss on disposal of components in the year - mainly on heating systems. Shared Equity sales were also less than budget due to the timing of the lockdown which impacted on the ability to conclude legal works associated with the sales.

#### Total Management Costs

Significant costs savings were made in all areas. Details can be found on the following page.

#### Total Response Repairs Cost

General repairs were 3.5% over budget driven by Responsive Repairs £22K and Void Repairs £14K.

Rechargeable Repairs (Net of Recharged Costs) is £6.6K over budget but this is a significant improvement year to year (£37K).

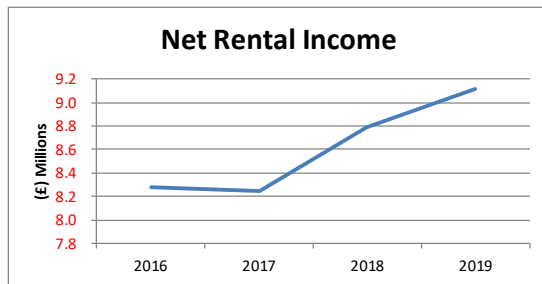
#### Total Response & Planned Repairs Costs

Final out-turn shows an underspend of £130K. EICR, fire door & safety and water systems & legionella testing account for £86K of savings with another £57K of savings attributable to general and other servicing & maintenance and £59K on Estate Works.

Those savings are offsetting the overspend in Response Repairs.

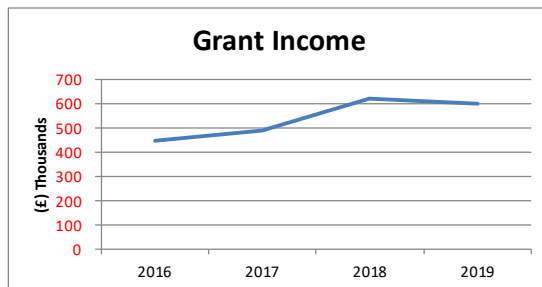
#### Total Capital Investment

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 2020 and to accept savings on projects where works were accelerated.



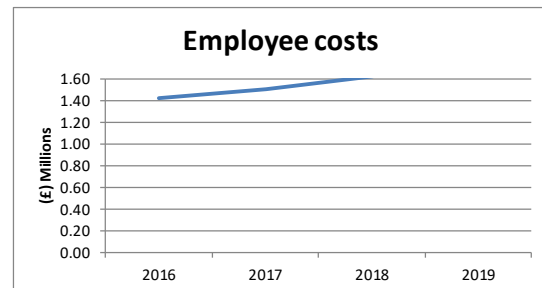
#### Commentary on Net Rental Income

Net Rental Income over budget by 0.62%. This was due mainly to the fact we wrote off fewer bad debts in the year.



#### Commentary on Grant Income

Grant income down slightly year on year due to a reduction in the allocated stage 3 adaptations funding in 2019/20. The partnership continues to be active in its utilisation of stage 3 adaptation grants.

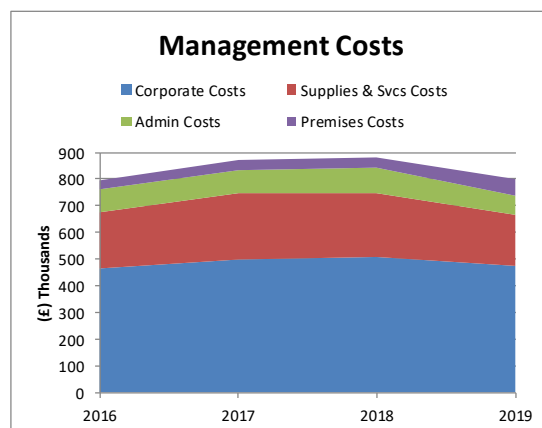


#### Commentary on Employee Costs

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

|              |      |                                         |
|--------------|------|-----------------------------------------|
| NI           | £3k  | Employers NI Allowance                  |
| Pensions     | £11k |                                         |
| Travel & Sub | £15k | Level of travel was less than expected. |
| Other Costs  | £20K | Driven by saving on employee exp        |

Salaries came in on budget.



#### Commentary on Management Costs

Management costs are £350k under budget as summarised below:

|                     |       |                                                                                     |
|---------------------|-------|-------------------------------------------------------------------------------------|
| Premises            | £6k   | Due to maintenance and energy cost                                                  |
| Supplies & Services | £31k  | Mainly due to:                                                                      |
|                     |       | IT & Telecoms £10K                                                                  |
|                     |       | Payroll & Cashdesk £21K                                                             |
| Administration      | £39k  | Mainly due to:                                                                      |
|                     |       | Health & Safety £4K                                                                 |
|                     |       | Recruitment £5k                                                                     |
|                     |       | Community Support £11k                                                              |
| Corporate Exp       | £272k | Mainly due to:                                                                      |
|                     |       | Legal Fees £77K                                                                     |
|                     |       | (Securities exercise delayed / Number of outstanding corrective conveyancing cases) |
|                     |       | Consultancy £131K                                                                   |
|                     |       | Governance £29K                                                                     |
|                     |       | PR & Marketing £10K                                                                 |
|                     |       | Grants £6K                                                                          |
|                     |       | Insurance £11K                                                                      |

| CONSULTANCY SPEND 2019/2020   |                                                |          |            |                     |                                                     |                                                                                                       |                       |                                            |
|-------------------------------|------------------------------------------------|----------|------------|---------------------|-----------------------------------------------------|-------------------------------------------------------------------------------------------------------|-----------------------|--------------------------------------------|
| Area                          | Consultant                                     | Cost (£) | Budget (£) | Responsible Officer | Scope of Works                                      | Summary of Performance                                                                                | Value for Money (Y/N) | Comments                                   |
| Property Consultants          | ACS Physical Risk Control Ltd                  | 5,664    | 6,000      | John Maciver        | Refurbishment Asbestos Survey                       | Specialist service and performance in line with requirements                                          | Y                     |                                            |
| Property Consultants          | ALT Procurement                                | 41,860   | 41,860     | John Maciver        | Procurement of investment framework 2019/20-2022/23 | Good performance and procurement carried out in line with target timescales and cost                  | Y                     |                                            |
| VAT Consultants               | Campbell Dallas LLP                            | 384      | 6,000      | Donald Macleod      | General VAT Advice                                  | Fees incurred with respect to the HMRC remote inspection performed in the year.                       | Y                     |                                            |
| Property Consultants          | Corgi Technical Services                       | 4,794    | 5,000      | John Maciver        | Audit of gas servicing work and overall process     | Specialist service.                                                                                   | Y                     | Board decision to carry out annual service |
| Consultants Funders Valuation | Jones Lang LaSalle Ltd                         | 10,620   | 15,000     | Donald Macleod      | Providing a valuation for our funders for 2020      | Valuation performed and submitted to the bank in line with agreed timetable.                          | Y                     |                                            |
| Consultants General           | Tenant Participation Advisory Service          | 35,701   | 33,300     | John Maciver        | Development of tenant participation opportunities.  | Independent service valued by tenants. Links with tenants continue to be developed in variety of ways | Y                     |                                            |
| Property Consultants          | Uist Property                                  | 1,563    | 1,600      | John Maciver        | Sale of Brahead Properties                          | Estate agent service for marketing of property.                                                       | Y                     | Sale successfully concluded                |
| Consultants General           | Universal Credit Advice                        | 432      | 500        | John Maciver        | Annual Membership                                   | Specialist advice on UC and welfare benefits more widely.                                             | Y                     |                                            |
| Consultants General           | Western Isles Energy and Property services Ltd | 920      | 1,000      | John Maciver        | EPC Inspections                                     | Specialist service                                                                                    | Y                     |                                            |

## BOARD MEMBER EXPENSES 2019/20

- 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 Company Secretary 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 63% 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 Video Conference Calls 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 2019/20 | 79% |
| Actual for 2018/19 | 71% |
| Actual for 2017/18 | 66% |

- d) inability to attend Board Training for personal reasons; and
- e) training events were arranged where possible to coincide with Board meetings to avoid the requirement to incur additional travel and subsistence costs.

|                    |     |
|--------------------|-----|
| Target Attendance  | 85% |
| Actual for 2019/20 | 47% |
| Actual for 2018/19 | 55% |
| Actual for 2017/18 | 43% |

**Budget Spend**

| Category                      | Percentage |
|-------------------------------|------------|
| Conference Fees               | 32%        |
| Island Travel                 | 30%        |
| Mainland Travel & Subsistence | 13%        |
| Island Subsistence            | 13%        |
| Board Training                | 12%        |

[illegible]

## APPENDIX 2

### CARRY FORWARD PROPOSALS 2020/21

|                                       | Under<br>£     | Over<br>£ | Saving/<br>Slippage<br>£ | Total<br>£     |
|---------------------------------------|----------------|-----------|--------------------------|----------------|
| <b><u>Budget Variances</u></b>        |                |           |                          |                |
| Management Costs                      | 261,307        |           | 138,300.00               | 399,607        |
| Repairs                               | (35,791)       |           | 107,397                  | 71,606         |
| Estate Works                          | 59,154         |           |                          | 59,154         |
| Non Housing Investment                | 18,379         |           | 44,278                   | 62,656         |
| Investment                            | 33,916         |           | 509,204                  | 543,120        |
| Development                           | 178,411        |           | (688,524)                | (510,113)      |
|                                       | <b>515,376</b> | <b>-</b>  | <b>110,655</b>           | <b>626,031</b> |
| Transfer to Designated Reserves       |                |           |                          |                |
| Underspend for 2019/20                |                |           |                          | <b>626,031</b> |
| <b><u>2019/20 Saving/Slippage</u></b> |                | Note      |                          |                |
| Investment programme                  |                | 1         | 509,204                  |                |
| Management Costs                      |                | 2         | 138,300                  |                |
| Repairs - Planned Maintenance         |                | 3         | 107,397                  |                |
| Non-housing Investment                |                | 4         | 44,278                   |                |
| Development                           |                | 5         | (688,524)                |                |
| Total Slippage                        |                |           |                          | <b>110,655</b> |

|          | <b>CARRY FORWARD PROPOSALS 2020/21</b>              |                 |           |                  |
|----------|-----------------------------------------------------|-----------------|-----------|------------------|
| NOTE     |                                                     |                 | £         | £                |
| <b>1</b> | <b>Investment Slippage</b>                          |                 |           |                  |
|          | Bathrooms                                           | Council Houses  | 3,250     |                  |
|          |                                                     | Taobh Na Mara   | 3,068     |                  |
|          | Fencing                                             | Caol Orghasaidh | 10,001    |                  |
|          | Heating                                             | Anderson Road   | 12,370    |                  |
|          |                                                     | Bruach Gorm     | 27,500    |                  |
|          |                                                     | Pentland Drive  | 691       |                  |
|          |                                                     | Stomaigh        | 11,860    |                  |
|          | Insulation                                          | Heatherhill     | 83,274    |                  |
|          |                                                     | Scott Road      | 104,093   |                  |
|          | Kitchen                                             | Tomair          | 4,015     |                  |
|          | Rewiring                                            | Bridge Cottages | 89,120    |                  |
|          |                                                     | Ford Terrace    | 36,080    |                  |
|          |                                                     | Matheson Road   | 17,446    |                  |
|          | Roofing                                             | Keose Glebe     | 1,540     |                  |
|          | Roughcast                                           | Leonard Place   | 1,100     |                  |
|          | Showers                                             | Council Houses  | 2,350     |                  |
|          |                                                     | Taobh Na Mara   | 1,953     |                  |
|          | Windows & Doors                                     | Fire Doors      | 10,593    |                  |
|          |                                                     | Caladh Siar     | 18,725    |                  |
|          |                                                     | Lewis Street    | 3,300     |                  |
|          |                                                     | Macaulay Road   | 8,250     |                  |
|          | Other allocated Exp                                 |                 | 58,625    |                  |
|          |                                                     |                 |           | <b>509,204</b>   |
| <b>2</b> | <b>Management</b>                                   |                 |           |                  |
|          | Employee Costs                                      |                 | 10,000    |                  |
|          | Legal Costs                                         |                 | 70,000    |                  |
|          | Arrears Legal Fees                                  |                 | 8,300     |                  |
|          | Consultants Fees                                    |                 | 50,000    |                  |
|          |                                                     |                 |           | <b>138,300</b>   |
| <b>3</b> | <b>Total Repairs</b>                                |                 |           | <b>107,397</b>   |
|          | - To fund Planned Maintenance works                 |                 |           |                  |
|          |                                                     |                 |           |                  |
| <b>4</b> | <b>Non Housing Investment slippage</b>              |                 |           |                  |
|          | IT Investment                                       |                 | 20,000    |                  |
|          | Uist Heating System                                 |                 | 17,000    |                  |
|          | EV Charge Point (Net of Energy Savings Trust Grant) |                 | 7,278     |                  |
|          |                                                     |                 |           | <b>44,278</b>    |
| <b>5</b> | <b>Development</b>                                  |                 |           |                  |
|          |                                                     | Cost            | 813,530   |                  |
|          |                                                     | Grant           | (749,947) |                  |
|          |                                                     | Sales           | (752,106) |                  |
|          |                                                     |                 |           | <b>(688,524)</b> |
|          | <b>Total Carry Forward</b>                          |                 |           | <b>110,655</b>   |

## APPENDIX 3

### Annual Cash flow Deficit

| Line | Detail                                   | Current Position   |
|------|------------------------------------------|--------------------|
|      | <b>Income</b>                            | <b>£</b>           |
| 1    | Dwelling rents (net)                     | 9,094,402          |
| 2    | Non Dwelling rents (net)                 | 15,187             |
| 3    | Grant Funding                            | 600,239            |
| 4    | Other Income                             | 64,241             |
| 5    | Grant received for New Build             | 7,163,712          |
| 6    | Sale of LIFT received                    | 708,730            |
| 7    | Grant on LIFT received                   | 1,190,507          |
| 8    | Insurance Receipts                       | 102,115            |
| 9    | <b>Total Income</b>                      | <b>18,939,133</b>  |
|      | <b>Expenditure</b>                       |                    |
| 10   | Supervision & Management                 | 2,620,896          |
| 11   | Response Repairs                         | 1,537,703          |
| 12   | Estate Works                             | 66,082             |
| 13   | Planned/Cyclical Maintenance             | 751,846            |
| 14   | Investment Programme                     | 3,905,747          |
| 15   | Office Alterations and IT                | 96,594             |
| 16   | LIFT Costs                               | 2,349,050          |
| 17   | Opening Balances                         |                    |
| 18   | Development Costs                        | 8,887,740          |
| 19   | <b>Total Expenditure</b>                 | <b>20,215,657</b>  |
| 20   | <b>Net Operating Cashflow</b>            | <b>(1,276,524)</b> |
| 21   | Interest Paid                            | 290,865            |
| 22   | Interest Collected                       | (22,503)           |
| 23   | <b>Total Interest</b>                    | <b>268,363</b>     |
| 24   | <b>Annual Cashflow Surplus/(Deficit)</b> | <b>(1,544,886)</b> |
|      | Interest Ratio                           | -21%               |
|      | Covenant Requirement                     |                    |
|      | Maximum Annual Cashflow deficit          | (5,977,400)        |
|      | Tolerance                                | 4,432,514          |
|      |                                          | -135%              |



# **REVIEW OF FINANCIAL AUTHORITIES & FINANCIAL REGULATIONS**

**Board 23 June 2020**

Report by Director of Finance &amp; 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 are required to be reviewed on an annual basis.
- 2.2 The Financial Regulations at Appendix 1 have been reviewed with minor updates to reflect the ability to obtain authorisations through an electronic signature, e-mail or system authorisation subject to the delegations provided in the Financial Authorities.
- 2.3 The Financial Authorities at Appendix 2 have had one minor update to clarify the position on bank authorisations. Cheques and payments to any one supplier in excess of £50K require 2 authorisations. Payment runs under £100K, where no single supplier receives a payment over £50K only require one signature.

## **Competence**

- 3.1 Financial, legal and other constraints arising from the recommendation to this report being implemented are detailed at 5.1 – 8.1.

## **Recommendations**

- 4.1 **It is recommended that the:**
1. **Audit & Risk Committee review and recommend approval to the Board of the:**
    - a) **Financial Regulations at Appendix 1; and**
    - b) **Financial Authorities at Appendix 2.**
  2. **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 6 on the Risk Register.

## Report Details

- 9.1 The Financial Regulations require to be updated annually.
- 9.2 The Financial Regulations were updated last year to reflect changes to the Standing Orders and virement limits. As such, only minor amendments were required this year to capture changes to dates in the regulations and minor typos.
- 9.3 Authorisations have been clarified in the Financial Regulations to include e-signatures, e-mails, system authorisations and physical signatures subject to compliance with the delegations outlined in the Financial Authorities.
- 9.4 The Financial Authorities, which can be found at Appendix 2 of this report, have been updated to provide clarity on bank authorisations. Consistent with the increase in the virement threshold from £50K to £100K last year, the threshold for second authorisations on payment runs has been increased to £100K.
- 9.5 Signing of cheques over £50K still requires 2 authorisations as outlined in Appendix 2.
- 9.6 Any payment to a single supplier over £50K also requires 2 signatures.



hebridean housing  
partnership



## ► Financial Regulations

June 2020

Effective Date: ► 23 June 2020

Review Date: ► June 2021

Approved by HHP Board: 23 June 2020

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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 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 Our core value as a business is Integrity and this is upheld through a competency framework which outlines the requirements of each role.
- 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 to:
- 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 including the annual publication of our Assurance Statement.
  - 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) 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 Committee. 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 Chair, a decision is urgently required which is reserved to the Board or Committee, the Chair 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 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 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.
- 3.7.2 The Director of Finance & Corporate Services is responsible for reporting to the Chief Executive if they consider 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. If the item in question relates to the Chief Executive, the Board and External Auditor will be advised accordingly.
- 3.7.3 The Director of Finance & Corporate Services, if necessary in conjunction with the Chief Executive and after consultation with the Chair of the Board, shall have the powers to take any action necessary to safeguard the interests of the Partnership.
- 3.7.4 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 (where such items exceed the £100K virement delegation in place for Directors) 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 their 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 budget manager. 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 tender awards 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 recommended 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 Heads of Service 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 & Risk 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, 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 their control. They 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 their express permission.
- 5.8.3 Keys to safes or other similar containers are securely stored in a locked drawer; 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 the timescales set by the regulator.
- 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 Chief Executive, Head of

Executive Office 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 of 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 & Risk Committee, or failing that the Chair of the Board shall be informed.

# SYSTEMS AND PROCEDURES

## GENERAL CONTROLS

- 6.1.1 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 Budget Manager will ensure that an approved purchase order is in place to reflect the

staging of payments on each contract between the Partnership and the contractor.

- 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
  - h) 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 Head of Service 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.



- 6.6.5 Authorisations can be obtained through e-signatures, e-mail, system authorisations or physical signatures in accordance with the delegations permitted in the Financial Authorisations.

## 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 outlined in the Debt Management policy 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, Head of Executive Office, 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

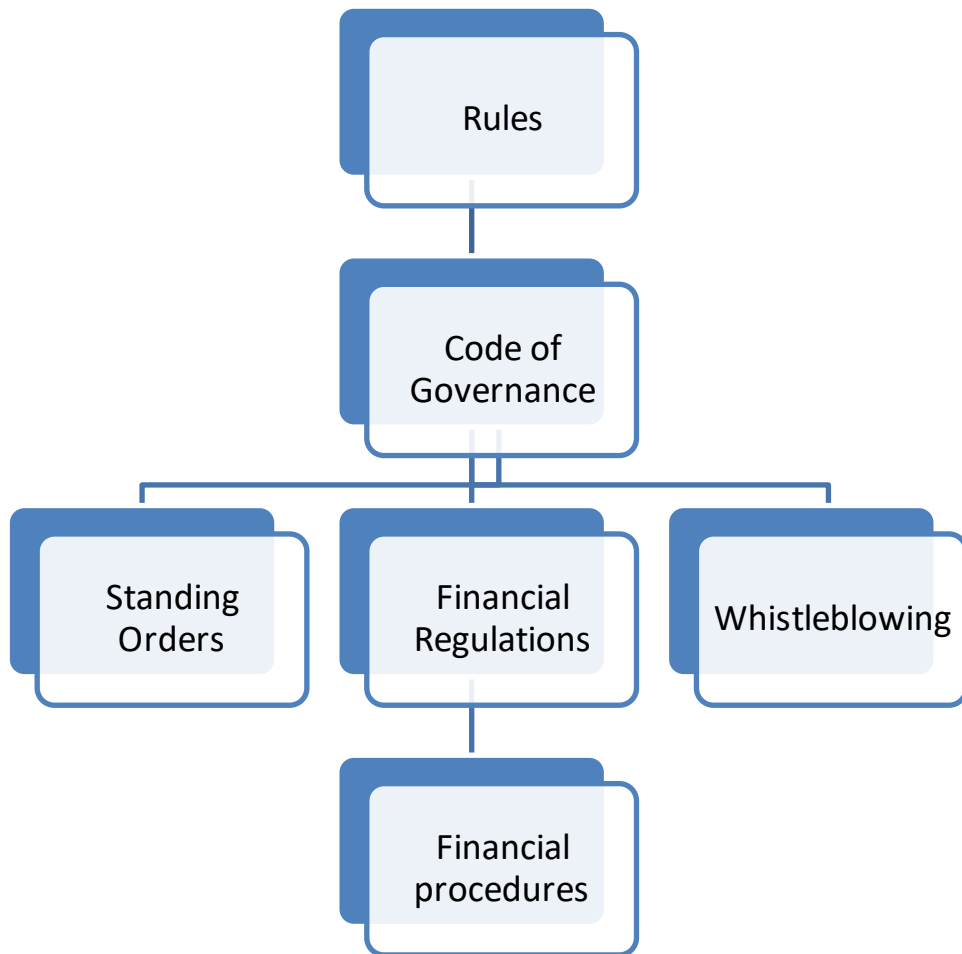
used other than for the Partnership's purposes except in accordance with specific directions issued by the Director concerned.

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 2020)

| Value of Purchase<br>(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 <sup>th</sup> 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<br>Update the whole document to reflect change in job designations<br>-Director of Resources to Director of Finance & Corporate Services<br>-Finance Manager to Financial Controller<br>-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 |
| 4.4 | Policy reviewed with minor changes to correct typos and dates.                                                                                                                              | 04 Jun 2020 | 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>Chair</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                                             |
| <b>Staff Appointments, Salaries, Staff &amp; Board Costs</b>  |                                                       |                                                       |                                                                                     |                                                           |
| A. New appointment of staff - Below Directorate Level         | (Within terms of recruitment policy)                  | Chief Executive                                       | (Salary Payments) Chief Executive, Directors, Head of Executive Office              | Authorised to establish new posts below Directorate level |
| New appointment of staff                                      | (Within terms of recruitment policy)                  | 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        |
| 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                                                |

# **REVIEW OF STANDING ORDERS**

**Board 23 June 2020**

Report by Company Secretary

## **Purpose of Report**

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

## **Summary**

- 2.1 In accordance with Standing Order 36.6, the Standing Orders shall be subject to an annual review to be completed before the Annual General Meeting.
- 2.2 Standing Orders were last approved on 19 June 2019.
- 2.3 The previous review in 2019 required a consultation period followed by a Working Group being convened, as there were several updates to the Standing Orders required as a consequence of the Pay and Grading exercise.
- 2.4 The updates being presented in this report are more minor in nature and do not require a full consultation or working group review. A summary of these updates is contained at section 9 of this report.

## **Competence**

- 3.1 Financial, legal or other 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:**
- 1. Audit & Risk Committee review the revised Standing Orders at Appendix 1 and recommend approval to the Board; and**
  - 2. Board:**
    - a) approve the revised Standing Orders at Appendix 1, and;**
    - b) note the summary of key changes at Section 9 of this report.**

## 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 is critical to our long-term viability. Reviewing and updating the Standing Orders as outlined in this report will ensure we have a robust Governance framework in place and the Standing Orders are compliant with the Rules.
- 8.2 Failure to recruit Board Members is itemised at number 7 on the Risk Register.

**APPENDIX 1:** Composite Standing Orders v11.0

**Background Papers:** HHP Rules

**Writer of Report:** Anna Coyle

0300 123 0773

## Report Details

### 9.1 Summary of Key Changes:

| Standing Order               | Area                                                      | Comment                                                                                                                                                                                                                           |
|------------------------------|-----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>5.3</b>                   | Board Member effectiveness – self evaluated questionnaire | Confirmation that the report completed following a Board Members self-evaluated questionnaire will be the responsibility of the <b>Company Secretary</b> to produce, for the Board to consider.                                   |
| <b>13.3</b>                  | Role and Remit of the Board                               | Removal of the duplication of the requirement for Board Members to confirm in writing that they agree with the terms of the Code of Conduct. SO 5.10 already covers this obligation in more detail.                               |
| <b>17.5</b>                  | Notice of Meetings                                        | Additional drafting has been added to cover remote meetings being held via video conferencing.                                                                                                                                    |
| <b>21.2</b>                  | Quorum at AGM                                             | Standing Orders have been updated to align with Rule 24.1 which reads If there are more than 70 Members, at least one-tenth must either be present or represented at the venue by a representative in terms of Rule 27.1 (proxy). |
| <b>Part 2</b>                | Schedule of Decisions Reserved to the Board               | c (iii) amended from 'Schedule of Matters' to 'Schedule of Decisions' in keeping with the remainder of the Section.                                                                                                               |
| <b>A&amp;R - 6.1</b>         | Audit & Risk Committee Minute                             | Confirmation that the minute will be submitted to the Board in accordance with SO 24.5 to avoid any inconsistency.                                                                                                                |
| <b>JCC - 3.1</b>             | JCC Committee Chair                                       | The Chairperson for each meeting of the JCC shall be nominated alternately by the Union side and the Management side, <b>or as otherwise agreed in writing by both sides.</b>                                                     |
| <b>Remuneration WG – 3.2</b> | Frequency of Meetings                                     | Section updated to reflect that the Pay and Grading exercise may need reviewed in the future.                                                                                                                                     |
| <b>Scheme of Delegation</b>  | Numbering                                                 | Minor updates to amend numbering, and cross check references.                                                                                                                                                                     |
| <b>Definitions</b>           | The Act                                                   | Reference to the Housing (Amendment) (Scotland) Act 2018 added.                                                                                                                                                                   |



hebridean housing  
partnership



# ► Composite Standing Orders

DRAFT FOR APPROVAL

Effective Date: ► 23 June 2020

Review Date: ► June 2021

Approved by HHP Board:



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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 23 June 2020.

### 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 fulfils 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 by the Company Secretary 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 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".

13.4 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.

13.5 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.

13.6 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.
- 17.5 Depending on prevailing circumstances, meetings may be convened remotely using the Partnership's video conferencing facilities. The Secretary shall take all reasonable steps to ensure that all Board Members are able to access and participate in the meeting if it is being held in this manner.

## **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 enquiries.

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 70 persons, at least one tenth 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 seconds of the motion’;
  - d) The seconds 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 virements 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 Decisions 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 23 June 2020, 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 LIAISON 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 in accordance with 24.5.
- 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, or as otherwise agreed in writing by both sides.
- 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 LIAISON 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 of 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 may be a requirement to meet more frequently if the grading and salary framework is being reviewed 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.
- 5.3 To authorise official hospitality.
- 5.4 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.
- 5.5 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.
- 5.6 To authorise, subject to prior consultation with the Chair of the Board, attendance by Members at seminars, conferences and like events
- 5.7 To determine applications for the release of vacant posts.
- 5.8 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.
- 5.9 To grant wayleaves or servitudes over property owned by the Hebridean Housing Partnership.
- 5.10 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.
- 5.11 To institute and defend any proceedings on behalf of the Board.
- 5.12 To obtain the opinion or other services of Counsel and/or other legal or financial practitioners up to a maximum cost of £10,000.
- 5.13 To settle claims against the Board up to a figure of £10,000, excluding interest and judicial expenses.
- 5.14 To ensure the implementation and regular revision of the Board's general policy on Health and Safety.
- 5.15 To ensure that all complaints are dealt with in conformity with the Board's Complaints Procedure.
- 5.16 To approve the award in writing of agreements and contracts.
- 5.17 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.

- 5.18 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.
- 5.19 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.
- 8.11 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.
- 8.12 To issue Contracts of Employment.
- 8.13 To determine requests for training in line with the approved Training Plan.
- 8.14 To apply for Air Discount Scheme Cards for approved Staff and Board Members.
- 8.15 Implement a Performance Management System.
- 8.16 To develop and implement a Corporate Risk Assessment framework.

- 8.17 Authorising Charity returns and any other returns relating to the Company Secretarial role.
- 8.18 To apply for Regulator's consent where it is required.
- 8.19 To authorise the implementation of agreed salary and wage awards in respect of employees of the Partnership.
- 8.20 To determine and approve authorised car users for the Partnership.
- 8.21 To determine and approve the allocation of mobile phones to posts within the Partnership.
- 8.22 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.

## PART 5 – CODE OF GOVERNANCE (VERSION 7.0)

### INTRODUCTION

- 1.1 We attach the greatest importance to ensuring that high standards of governance and ethical behaviour are demonstrated by all of our people and in all of our activities.
- 1.2 This Code of Conduct sets out the requirements and expectations which are attached to your role as a member of our Governing Body. You have a personal responsibility to uphold the requirements of this Code. You cannot be a member of the Governing Body if you do not agree to adopt this Code of Conduct. To confirm that you understand its requirements and accept its terms, you must review and sign this Code annually.
- 1.3 As a Registered Social Landlord (RSL), we are required to adopt and comply with an appropriate Code of Conduct. This Code is based on the Model Code of Conduct produced by the Scottish Federation of Housing Associations. The Scottish Housing Regulator (SHR) has confirmed that this Code fully complies with its Regulatory Standards and their input during the production of this code is acknowledged.
- 1.4 This Code of Conduct is an important part of our governance arrangements. Members of the Governing Body are responsible for ensuring that they are familiar with the terms of this Code and that they always act in accordance with its requirements and expectations. Governing Body Members must always ensure their actions accord with the legal duties of the RSL and with regulatory guidance. You must also ensure you are familiar with any policies which are linked to this code.
- 1.5 If a member of the Governing Body appears to have breached any part of this Code, the matter will be investigated in accordance with the procedures set out at (Appendix 2). A breach of this Code may result in action being taken by the Governing Body to remove the member(s) involved.

### WHO THE CODE APPLIES TO

- 2.1 This Code of Conduct applies to all elected, appointed and co-opted members of our Governing Body and its committees and to the governing bodies of all subsidiaries.

### HOW THE CODE IS STRUCTURED

- 3.1 The Code is based on the seven principles which are recognised as providing a framework for good governance. They demonstrate honesty, integrity and probity.  
  
Each principle is described, as it applies to the activities of a RSL and its Governing Body Members, and supporting guidance is offered for each to provide more explanation of the Code's requirements. The guidance is not exhaustive and it should be remembered that Governing Body Members and RSLs are responsible for ensuring that their conduct at all times meets the high standards that the RSL sector is recognised for upholding.



## THE PRINCIPLES

- 4.1 The seven principles and what they mean for the purposes of this Code are:
- Selflessness;
  - Openness;
  - Honesty;
  - Objectivity;
  - Integrity;
  - Accountability; and
  - Leadership.

## SELFLESSNESS

- 5 You must act in the best interests of HHP at all times and must take decisions that support and promote our strategic plan, aims and objectives. Members of the Governing Body should not promote the interests of a particular group or body of opinion to the exclusion of others.**
- 5.1 You must always uphold and promote our aims, objectives and values and act to ensure their successful achievement.
- 5.2 You should exercise the authority that comes with your role as a Governing Body member responsibly and not seek to use your influence inappropriately or for personal gain or advantage.
- 5.3 You must accept responsibility for all decisions properly reached by the Governing Body (or a committee or working group with appropriately delegated responsibility) and support them at all times, even if you did not agree with the decision when it was made.
- 5.4 If you are unable to support in public a decision that has been properly reached by the Governing Body, you should resign.
- 5.5 You must consider the views of others and be tolerant of differences.
- 5.6 You must not seek to use your position to influence decisions that are the responsibility of staff (e.g. granting a tenancy, ordering a repair, awarding a contract).
- 5.7 You must not seek to use your influence for the benefit of yourself or your business interests, or the benefit of someone to whom you are closely connected or their business interests.
- 5.8 Mobile phones should be switched off during meetings, seminars, training courses etc.

## OPENNESS

- 6 You must be transparent in all of your actions; you must declare and record all relevant personal and business interests and must be able to explain your actions.**
- 6.1 You should exercise reasonable skill and care in the conduct of your duties.

- 6.2 You should avoid any situation that could give rise to suspicion or suggest improper conduct.
- 6.3 You must declare any personal interest(s) and manage openly and appropriately any conflicts of interest and observe the requirements of our policy on the matter.
- 6.4 You must not accept any offers of gifts or hospitality from individuals or organisations which might reasonably create – or be capable of creating – an impression of impropriety, influence or place you under an obligation to these individuals or organisations. You must comply with our policy on the matter.
- 6.5 You must ensure that you are informed about the views, needs and demands of tenants and service users and that your decisions are informed by this understanding.
- 6.6 You must ensure that the organisation is open about the way in which it conducts its affairs and positive about how it responds to requests for information.
- 6.7 You must not prevent people or bodies from being provided with information that they are entitled to receive.

## HONESTY

- 7 You must ensure that you always act in the best interests of the organisation and that all activities are transparent and accountable.**
- 7.1 You should always act in good faith when undertaking your responsibilities as a Member of our Governing Body.
- 7.2 You should use your skills, knowledge and judgement effectively to support our activities.
- 7.3 You should ensure that decisions are always taken and recorded in accordance with our Rules and procedures.
- 7.4 You must ensure that the organisation has an effective policy and procedures to enable, encourage and support any staff or Governing Body member to report any concerns they have about possible fraud, corruption or other wrongdoing.
- 7.5 You must report any concerns or suspicions about possible fraud, corruption or other wrongdoing to the appropriate senior person within the organisation in accordance with our whistleblowing policy.
- 7.6 You must not misuse, or contribute to or condone the misuse of our resources and must comply with our policies and procedures regarding the use of its funds and resources.
- 7.7 We forbid all forms of bribery, meaning a financial or other advantage or inducement intended to persuade someone to perform improperly any function or activity. You are not allowed to accept or give bribes from/to anyone, and must comply with our policy on bribery. You are also obliged to report any instances of suspected bribery within the organisation or any of its business partners.
- 7.8 You, or someone closely connected to you (see Appendix 1), cannot as a result of your role with us receive preferential treatment relating to any services

provided by the organisation or its contractors/suppliers, and you should be able to demonstrate this.

## OBJECTIVITY

- 8 You must consider all matters on their merits; you must base your decisions on the information and advice available and reach your decision independently.**
- 8.1 You must ensure that the decisions that you take are consistent with our aims and objectives and with the relevant legal and regulatory requirements (including those of the Scottish Housing Regulator, the Office of the Scottish Charity Regulator, the Financial Conduct Authority and the Care Inspectorate).
  - 8.2 You must prepare effectively for meetings and ensure you have access to all necessary information to enable you to make well-informed decisions.
  - 8.3 You must monitor performance carefully to ensure that the organisation's purpose and objectives are achieved, and take timely and effective action to identify and address any weaknesses or failures.
  - 8.4 You should use your skills, knowledge and experience to review information critically and always take decisions in the best interests of the organisation, our tenants and our service users.
  - 8.5 You should ensure that the Governing Body seeks and takes account of additional information and external/independent advice where necessary and/or appropriate.
  - 8.6 You should ensure that effective policies and procedures are implemented so that all decisions are based on an adequate assessment of risk, deliver value for money, and ensure the financial well-being of the organisation.
  - 8.6 You should contribute to the identification of training needs, keep your housing and related knowledge up to date, and participate in training that is organised or supported by us.

## INTEGRITY

- 9 You must actively support and promote our values; you must not be influenced by personal interest in exercising your role and responsibilities.**
- 9.1 You must always treat your Governing Body colleagues, our staff and their opinions with respect.
  - 9.2 You must always conduct yourself in a courteous and professional manner; you must not, by your actions or behaviour, cause distress, alarm or offence.
  - 9.3 You must declare any personal interests in accordance with this Code (see Appendix 1); in the event that you have a continuing personal interest which conflicts with our activities, values, aims or objectives, you should resign.
  - 9.4 You must ensure that you fulfil your responsibilities as they are set out in the relevant role description; that you maintain relationships that are professional, constructive and that do not conflict with your role as a member of the Governing Body.
  - 9.5 You must uphold our equality and diversity, whistleblowing and acceptable use policies.

- 9.6 You must respect confidentiality and ensure that you do not disclose information to anyone who is not entitled to receive it, both whilst you are a member of the Governing Body and after you have left.
- 9.7 You must observe and uphold the legal requirements and our policies in respect of the storage and handling of information, including personal and financial information.
- 9.8 You must not make inappropriate or improper use of, or otherwise abuse, our resources or facilities and must comply with our policies and procedures regarding the use of its funds and resources.
- 9.9 You must not seek or accept benefits, gifts, hospitality or inducements in connection with your role as a member of our Governing Body, or anything that could reasonably be regarded as likely to influence your judgement. You must not benefit, or be perceived to benefit, inappropriately from your involvement with the organisation and must comply with our policies on the matter.

## ACCOUNTABILITY

- 10 You must take responsibility for and be able to explain your actions, and demonstrate that your contribution to our governance is effective.**
- 10.1 You must observe and uphold the principles and requirements of the SHR's Regulatory Standards of Governance and Financial Management, guidance issued by the SHR and other regulators, and ensure that HHP's legal obligations are fulfilled.
- 10.2 You must ensure that we have effective systems in place to monitor and report its performance and that corrective action is taken as soon as the need is identified.
- 10.3 You should contribute positively to our activities by regularly attending and participating constructively in meetings of the Governing Body, its committees and working groups.
- 10.4 You should always be courteous and polite and behave appropriately when acting on our behalf.
- 10.5 You must participate in and contribute to an annual review of the contribution you have made individually to our governance.
- 10.6 You must ensure that there is an appropriate system in place for the support and appraisal of our Senior Officer and that it is implemented effectively.
- 10.7 You must not speak or comment in public on our behalf without specific authority to do so.
- 10.8 You must co-operate with any investigations or inquiries instructed in connection with this Code.
- 10.9 You recognise that the Governing Body as a whole is accountable to its tenants and service users, and you reflect this in your actions as an individual.

## LEADERSHIP

- 11 You must uphold our principles and commitment to delivering good outcomes for tenants and other service users, and lead the organisation by example.**

- 11.1 You must ensure that our strategic aims, objectives and activities deliver good outcomes for tenants and service users. You must ensure that you make an effective contribution to our strategic leadership.
- 11.2 You must ensure that our aims and objectives reflect and are informed by the views of tenants and service users.
- 11.3 You must always be a positive ambassador for the organisation.
- 11.4 You must participate in and contribute to the annual review of the Governing Body's effectiveness and help to identify and attain the range of skills that we need to meet our strategic objectives.
- 11.5 You must not criticise the organisation or our actions in public.
- 11.6 You must not criticise staff in public; any staffing related matters should be discussed privately with the Chair and/or Senior Officer.
- 11.7 You must not use social media to criticise or make inappropriate comments about the organisation, its actions or any member of the Governing Body, staff or other partners.
- 11.8 You must not act in a way that could jeopardise our reputation or bring us into disrepute.<sup>7.1</sup>

## **DECLARING AND MANAGING PERSONAL INTERESTS**

- 12.1 Where you have a personal, business or financial interest in any matter that is relevant to our activities or is being considered (or is likely to be considered), or you know that someone to whom you are closely connected has such an interest, you must declare it promptly and record it in our Register of Interests.
- 12.2 You must keep your entry in the Register of Interests complete, accurate and up to date.
- 12.3 More details and examples are included at Appendix 1 (p11).

## **BREACH OF THIS CODE**

- 13.1 Each member of the Governing Body has a personal and individual responsibility to promote and uphold the requirements of this Code. If any member of the Governing Body believes that they may have breached the Code, or has witnessed or has become aware of a potential breach by another member, they should immediately bring the matter to the attention of the Chair.
- 13.2 Alleged breaches of the Code of Conduct will be dealt with by the Chair, with the support of the Senior Officer where appropriate. Where the allegation of a breach is against the Chair, the Vice-Chair will be responsible for leading the investigation. The procedure for dealing with alleged breaches is described in the accompanying protocol.
- 13.3 Each member of the Governing Body has a duty to co-operate with and contribute to any investigation relating to the Code of Conduct

## **REVIEW**

- 14.1 This Code of Conduct was adopted by the Governing Body on 29 August 2018. It will be reviewed not later than August 2021.

## 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.<br><br>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                                                                                                                                                                                                                                                             | 19 June 2019 | IF  |
| V11.0   | Full review and update on previous Standing Orders                                                                                                                                                                                                                                                             | 5 June 2020  | AC  |
|         |                                                                                                                                                                                                                                                                                                                |              |     |

## 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, and the Housing (Amendment) (Scotland) Act 2018.                                                                                                                                                                      |
| 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                                                 |                                                                                                                                                                                                                                                             |



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, STORNOW AY, 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](mailto:info@hebrideanhousing.co.uk)

Web: [www.hebrideanhousing.co.uk](http://www.hebrideanhousing.co.uk)

Phone: 0300 123 0773



# HOUSING ALLOCATIONS ANNUAL REPORT

## 2019/20

Board 23 June 2020

Report by Director of Operations

### Purpose of Report

- 1.1 This report provides statistical information on housing allocations during 2019/20 and outlines a number of key issues surrounding supply and demand for housing.

### Summary

- 2.1 The report at Appendix 1 is the tenth report to the Board setting out information on supply and demand. This will continue to be used in developing an indication of 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 closely monitored. The demands as demonstrated by waiting lists is weak and had reduced significantly over the last 10 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 are 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 The financial, legal and other constraints to the recommendations of this report are at paragraph 5.1 - 8.1.

### Recommendations

- 4.1 **It is recommended that the Board:**
- a) **approve the quotas for allocating properties in Stornoway remain at 50% of homeless applicants, 15% for transfer applicants and 35% for other waiting list applicants; and**
  - b) **note the Allocations Report 2019/20 at Appendix 1.**

## Competence

### *Financial*

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

### *Legal*

- 6.1 There are no legal implications arising directly from the 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 HHP. 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.

**APPENDIX 1:** Allocations Report 2019/20

**Background Papers:** None

**Writer of Report:** Mina Maclean

Tel: 0300 123 0773



hebridean housing  
partnership



## ► Allocations Report 2019/20

Author: ► Mina Maclean, Housing Officer (Allocations)

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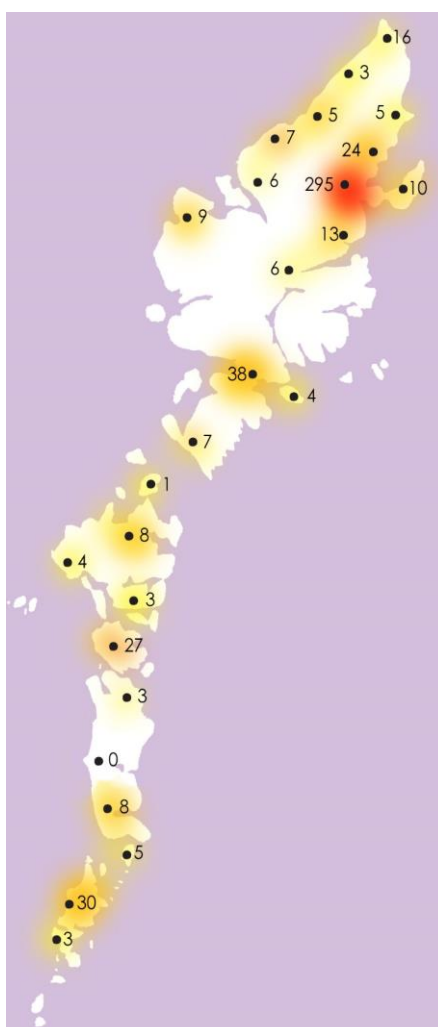
# ALLOCATIONS REPORT 2019/20

## AIMS

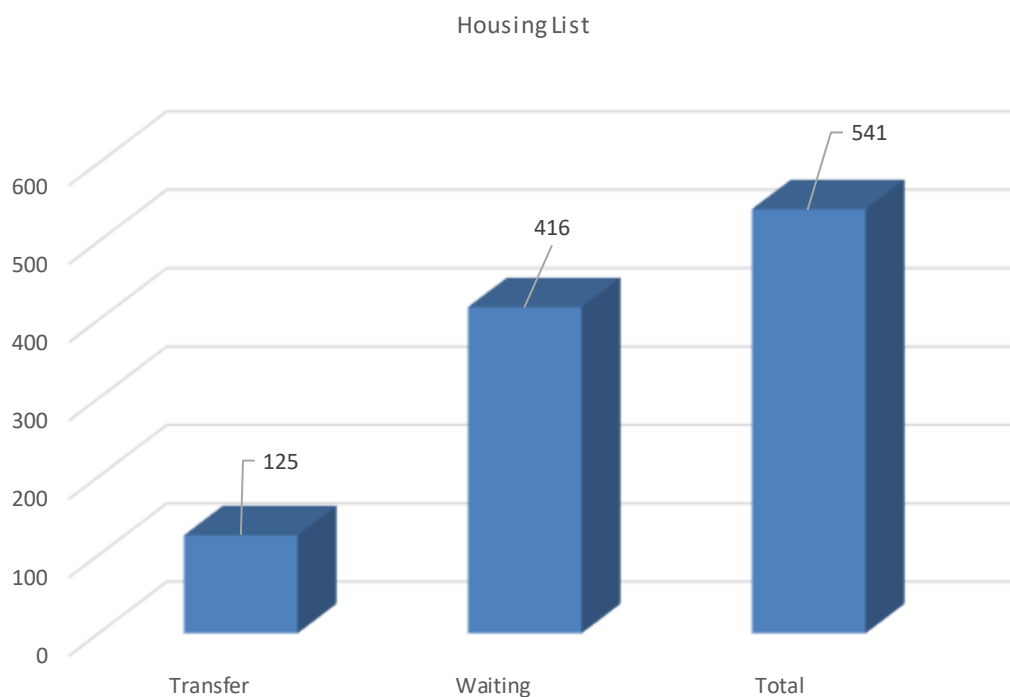
- 1.1 The aims of this report are
- to provide information on the supply and demand for social housing in the Outer Hebrides
  - inform decisions on the requirement for, and location of, new supply
  - monitoring equality in terms of access to housing

## WAITING LIST AT 31 MARCH 2020

- 2.1 The map below shows the number of applicants on the waiting list at 31 March 2020 and incorporates first choice area of preference:



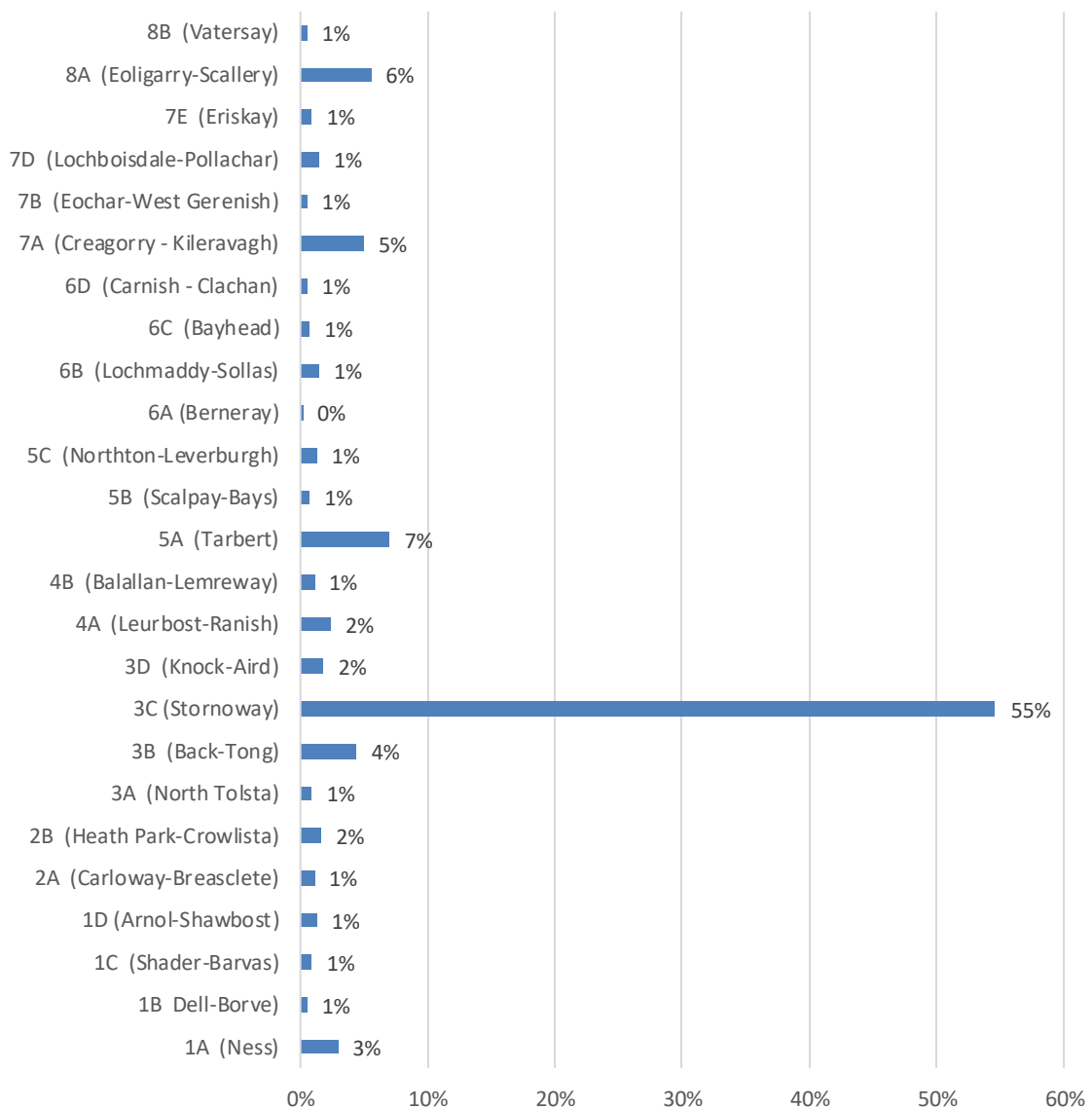
- 2.2 As can be seen demand is highest at the main centres of population and is lower in the rural areas.
- 2.3 The waiting list broken down to show waiting and transfer applicants (excluding 23 suspended and 90 deferred) is below :



## PERCENTAGE OF DEMAND BY AREA BY FIRST CHOICE

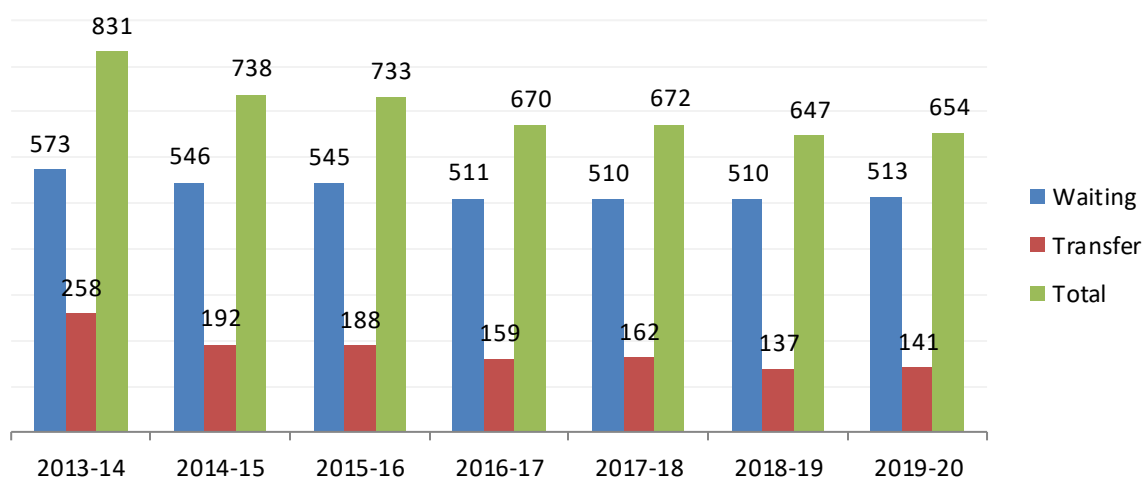
- 3.1 The chart shows that the largest demand by a considerable distance is for the Stornoway area with 55% of applicants recording this as their preference. The next largest areas of demand at 7% is Tarbert followed by Eoligaray/Scallery at 6% and then Creagorry/Killeravagh at 5%. Back/Tong is the next largest demand area at 4%.

Percentage of Demand by Area - First Choice



## BREAKDOWN OF APPLICANTS ON WAITING LIST FROM 2013-2020 (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.

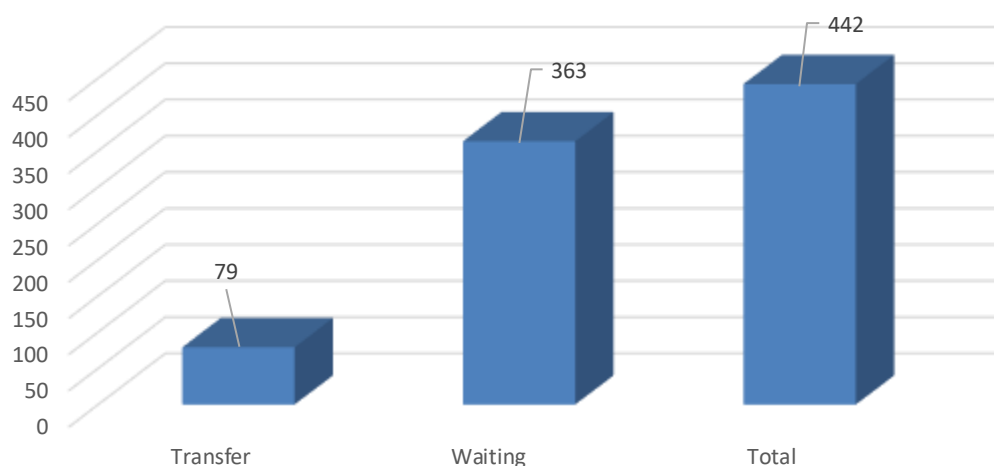


- 4.2 There has been a 1.0% increase in the total number of applicants from 31 March 2019 and a 0.5% increase in the waiting list applications. Since 2013/14 waiting list applications have fallen by 10.5%.

## APPLICATIONS RECEIVED DURING 2019/20

- 5.1 The total number of applications received during 2019/20 was 442, an increase of 4.2% from the previous year but which is a decrease of 8.9% since 2013/14.
- 5.2 The average time taken to process these applications was 1 day.

Applications received during 2019/20

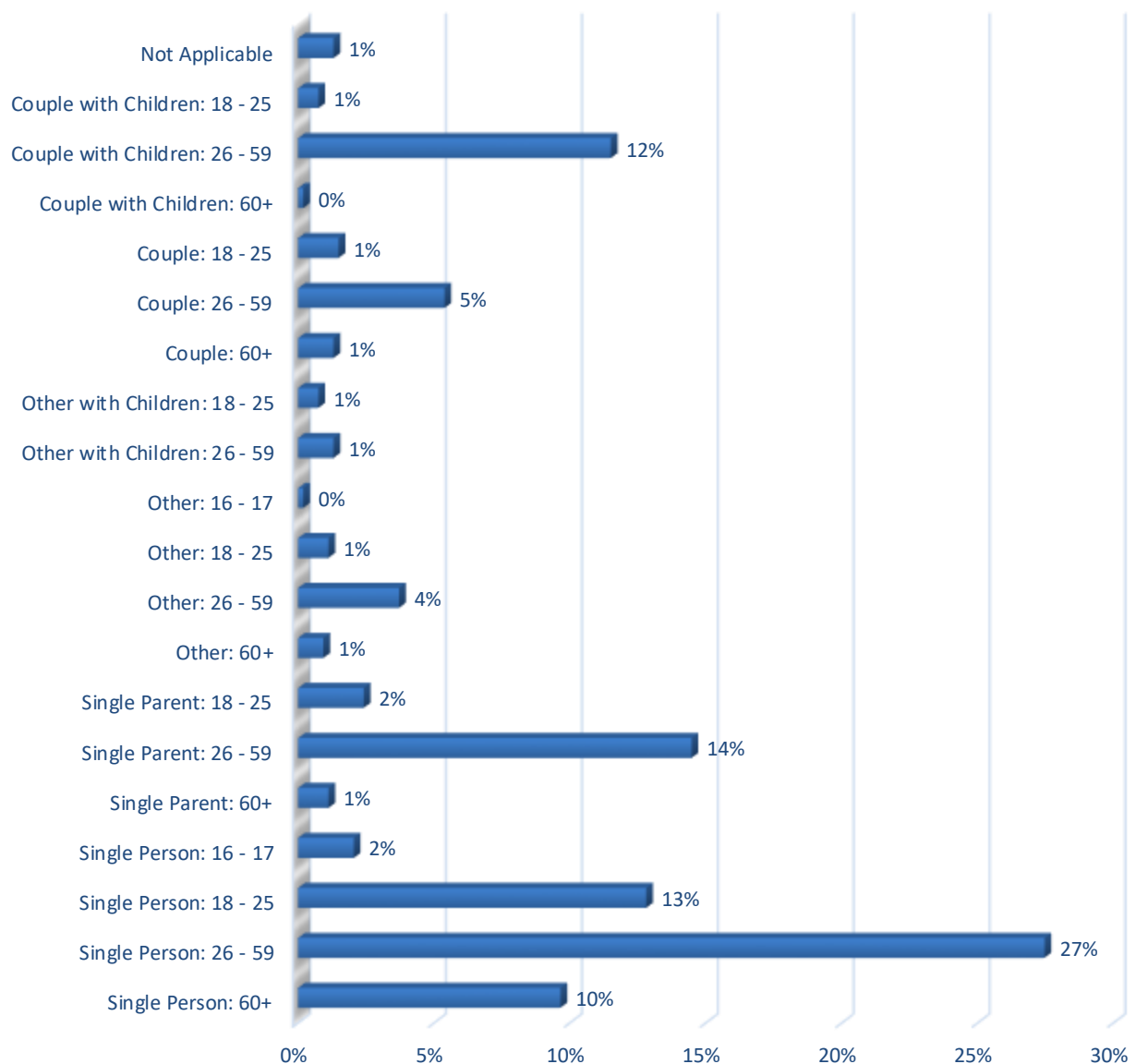




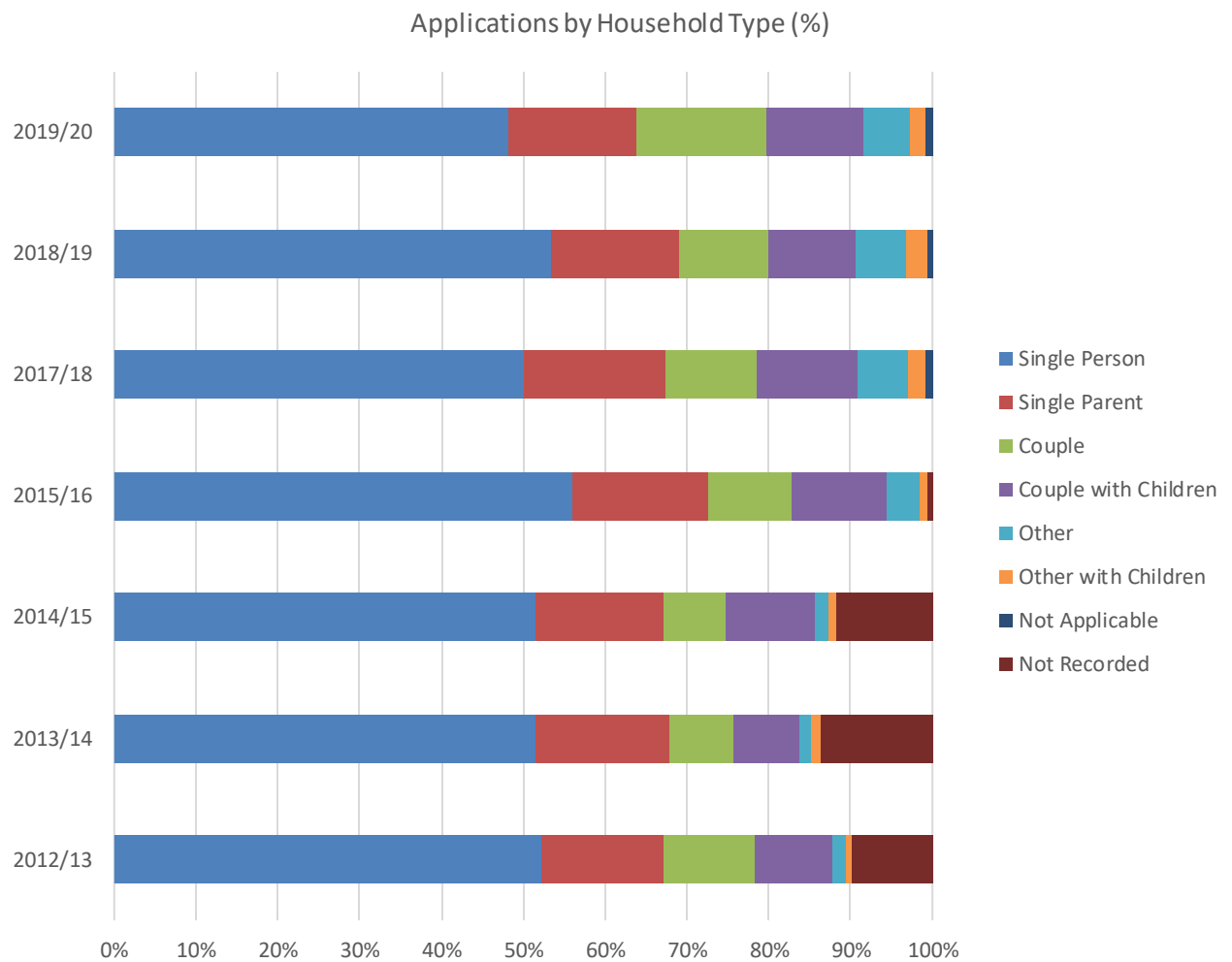
## PERCENTAGE OF WAITING AND TRANSFER APPLICATIONS BY HOUSEHOLD TYPE

- 6.1 Single people make up 52% of the applicants with 27% aged 26-59. 31% of applicants are households with children.
- 6.2 In 2016/17 the figures were 54% of applicants were single with 31% aged 26-59. 28% applicants were households with children.
- 6.3 In 2011/12 the figures were 50% of applicants were single and 28% were single people aged 26-59. 12% of applicants were households with children.

Percentage of Waiting & Transfer applications by Household Type



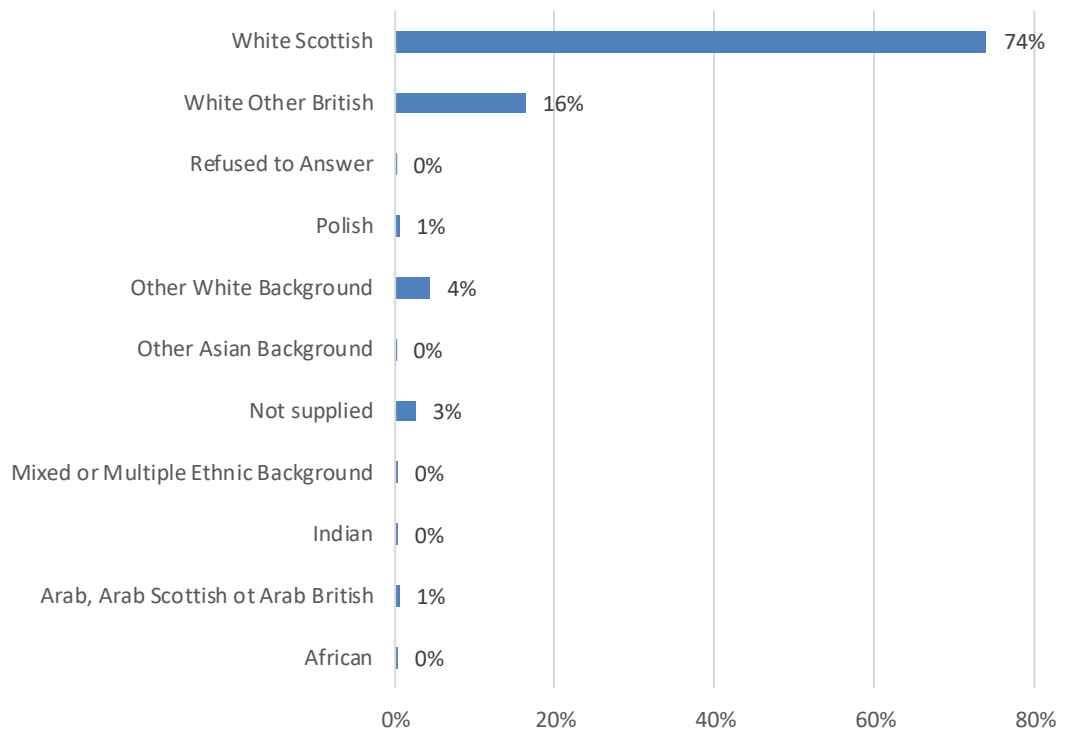
6.3 The chart below shows the applications by Household type over the last seven years.



## PERCENTAGE OF WAITING & TRANSFER APPLICANTS BY ETHNIC ORIGIN

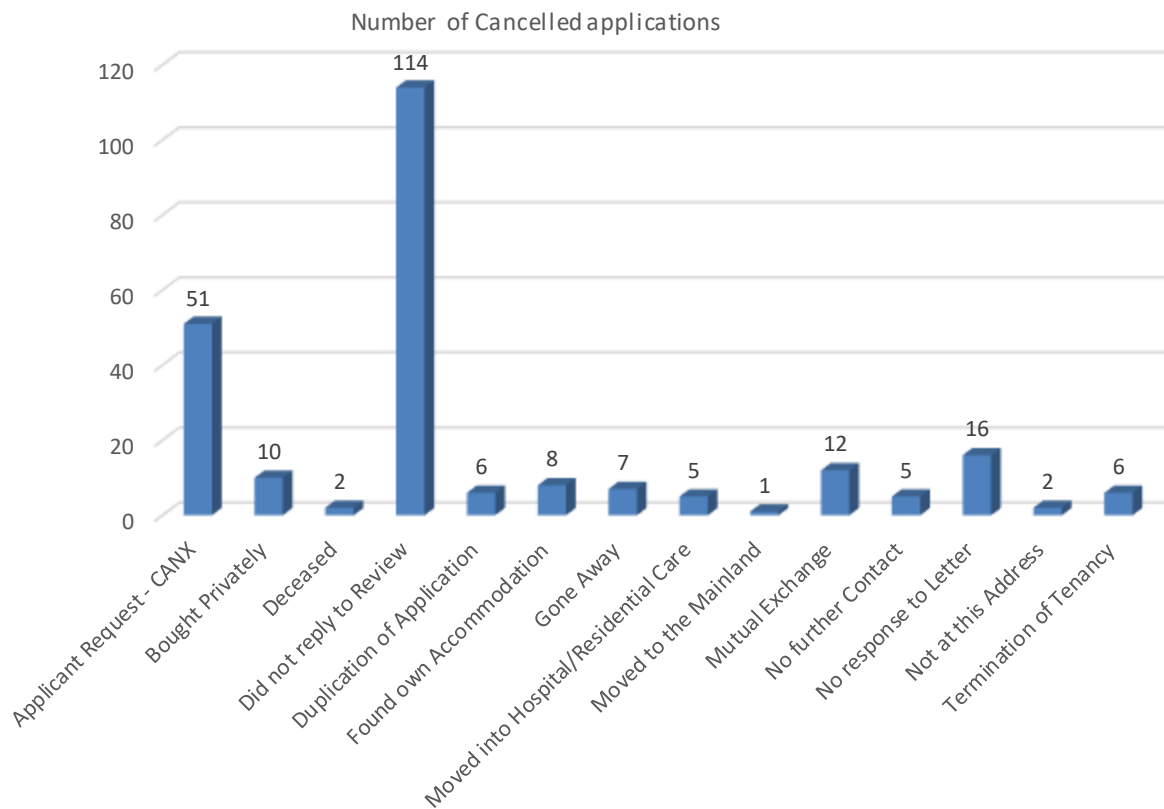
- 7.1 The chart below shows that the largest applicant group is white Scottish at 74% with 16% of applicants being of other white British origin. Other white backgrounds make up 4%. 3% did not provide information.
- 7.2 In 2016/17 the percentage of White Scottish was 77% with 15% being white British origin. White Irish and other white background was 4%. 1% did not provide information.

Percentage of Waiting & Transfer applications by Ethnic Origin



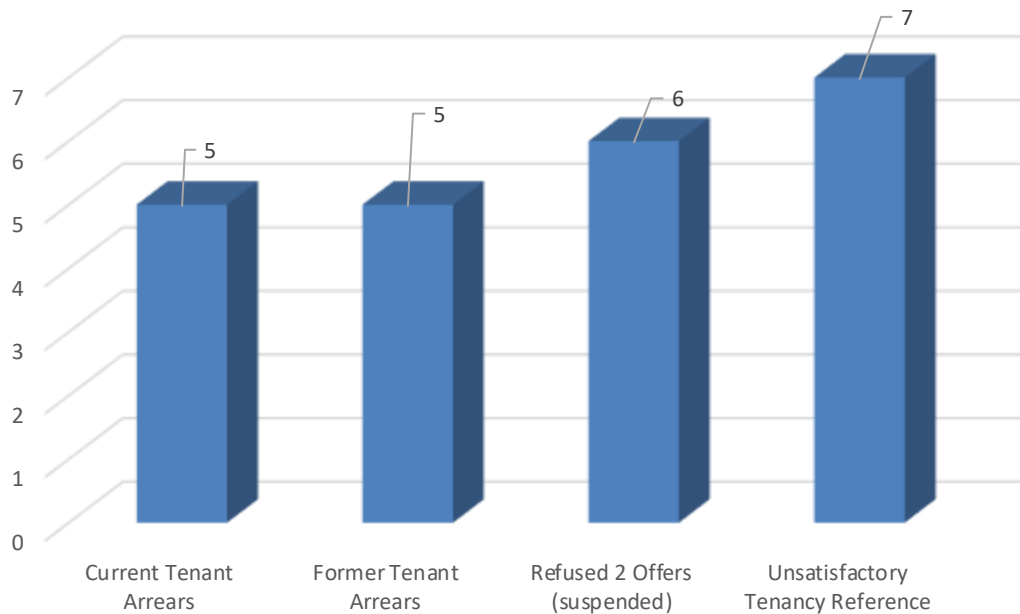
## NUMBER OF CANCELLED APPLICATIONS

- 8.1 During the year 245 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 114 applications cancelled as a result of this. The rolling review process is important in keeping data live and up to date.

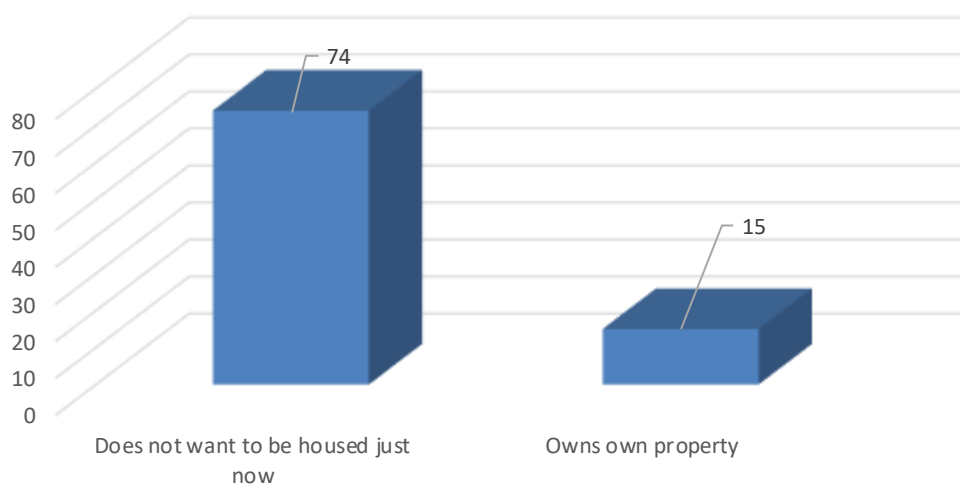


## SUSPENSIONS AND DEFERRED APPLICATIONS

- 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 23 applications suspended, 5 are suspended because of current tenant arrears, 5 are suspended because of former tenant arrears and 7 because of conduct issues. 6 applicants are suspended for refusing two offers of housing which met their choices.

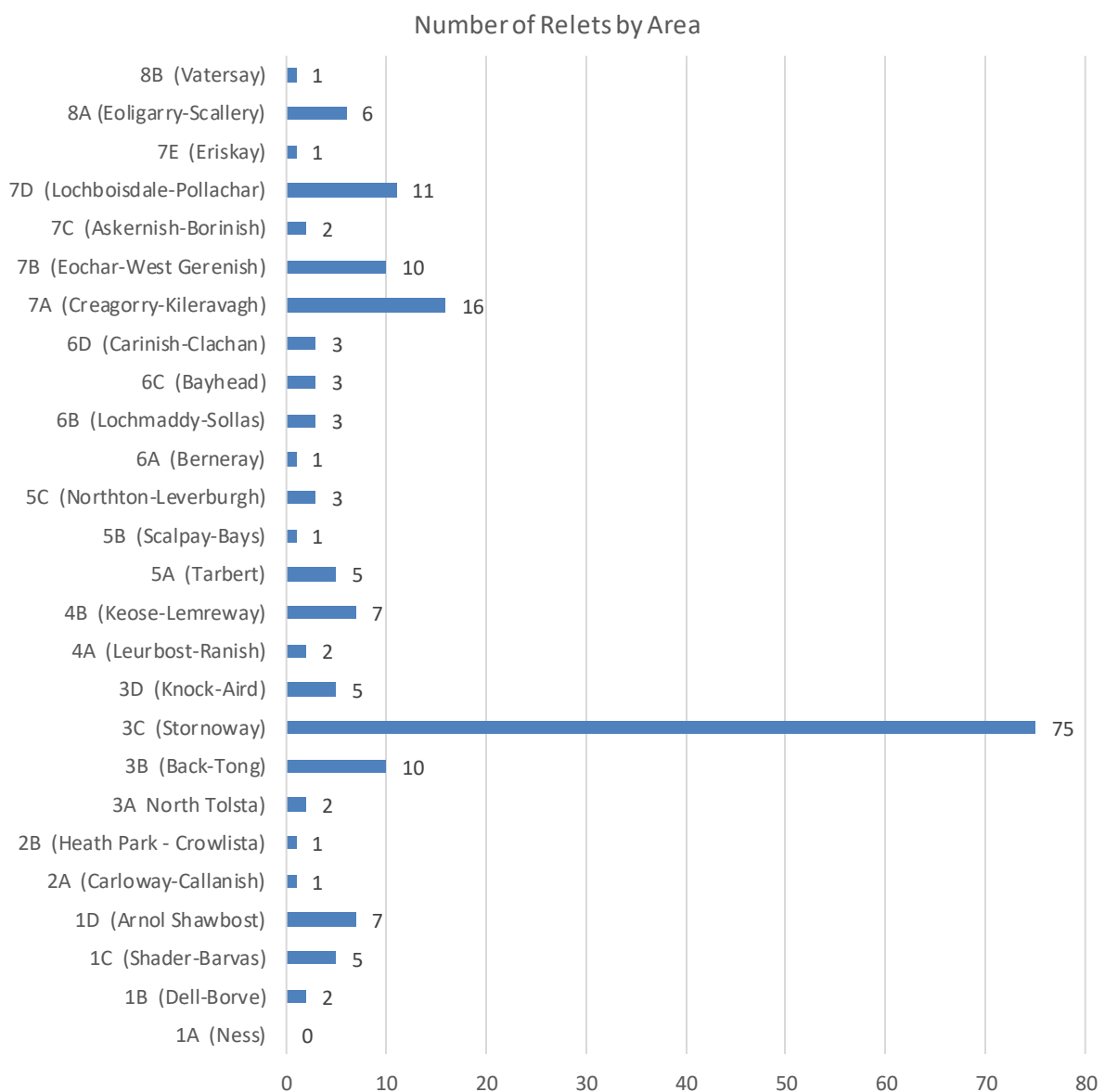


- 9.2 74 applicants do not wish to be housed at present and are deferred until such time as their circumstances change. 15 applicants are deferred as they own their own property.

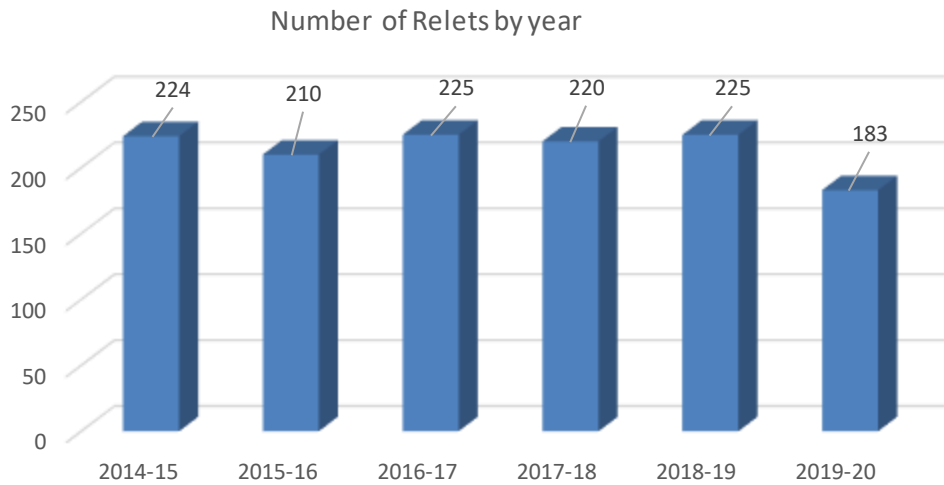


## HOUSING SUPPLY

- 10.1 In total 183 properties (excluding new build) were re-let during 2019/20. There were 23 lets made to transfer applicants. There were 3 Direct Lets to other agencies.
- 10.2 The number of relets by area is shown below. 75 lets (40.98%) were in the Stornoway area with 16 lets (8.74%) in Balivanich and 11 lets (6.01%) in Lochboisdale.
- 10.3 In the 2016/17 report the figures were 54 lets (26.6%) in the Stornoway area, 18 lets (8.9%) in Balivanich and 19 lets (9.36%) in Lochboisdale.
- 10.4 In the 2011/12 report the figures were 56 lets (39.49%) in the Stornoway area, 14 lets (8.91%) in Balivanich and 21 lets (13.37%) in Lochboisdale.



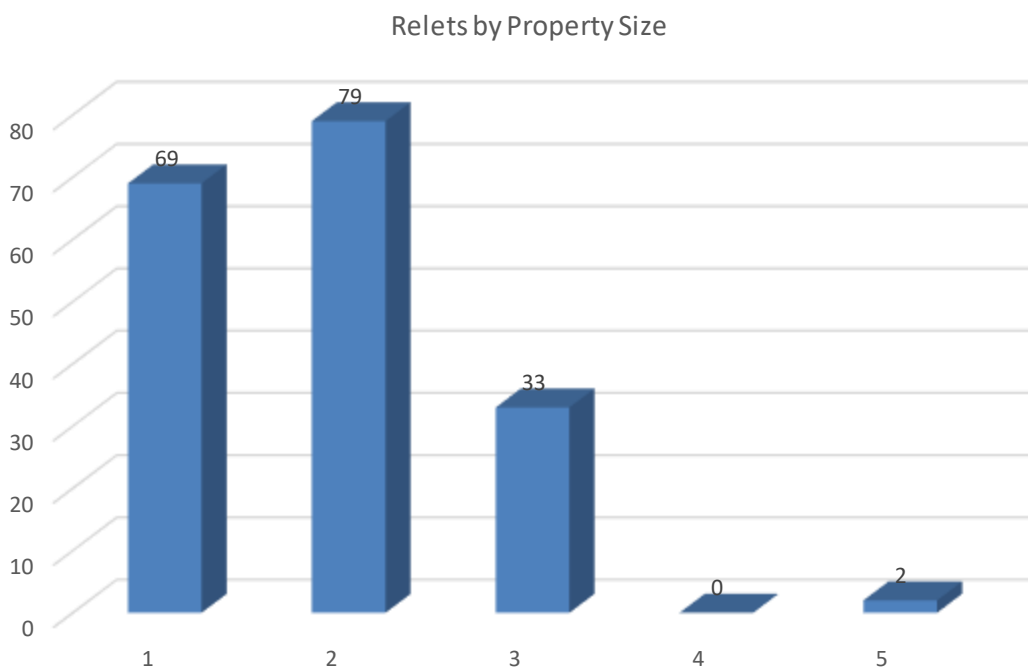
10.4 The chart below shows the relets for each year since 2014/15



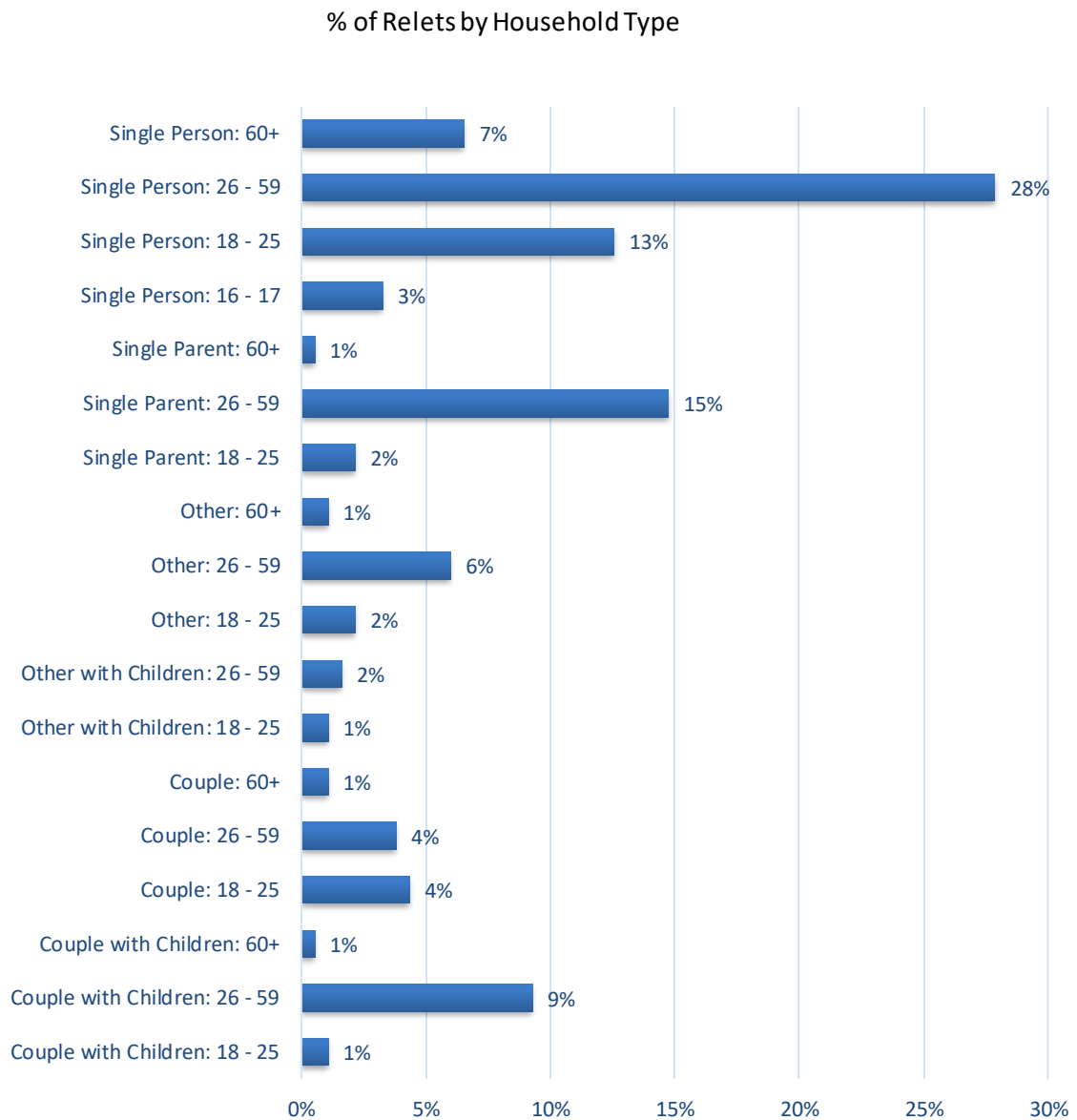
10.5 69 lets (33.82%) were for 1 bedroom properties and 79 lets (38.73%) were 2 bedroom properties. 33 lets (16.18%) were of 3 bedroom properties.

10.6 In the 2016/17 report the figures were 71 lets (33%) of 1 bedroom properties and 73 lets (34%) of 2 bedroom properties.

10.7 In the 2011/12 report the figures were 62 lets (39%) of 1 bedroom properties and 47 lets (29%) of 2 bedroom properties.

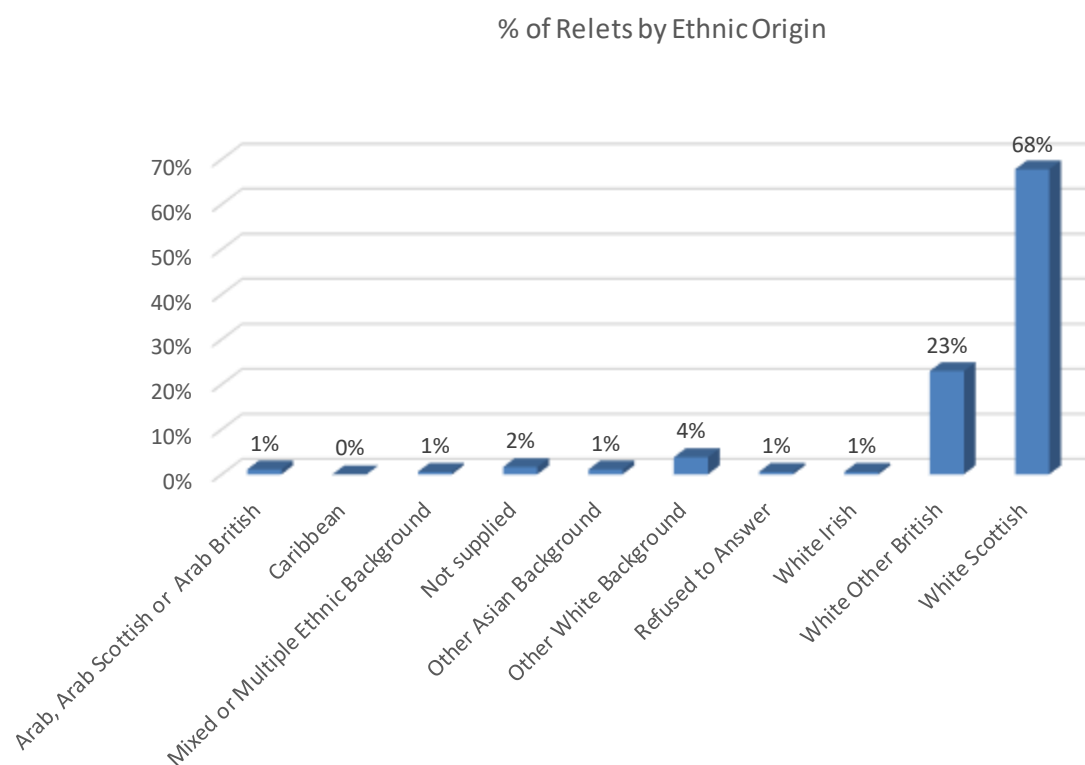


- 10.8 The graphs below shows applicants housed during the year by household type and by ethnic origin. 11% of lets were to couples with children, 9% were to couples, 17% were to single parents and 51% were to single people. These figures are broadly in line with the proportion of households on the waiting list.



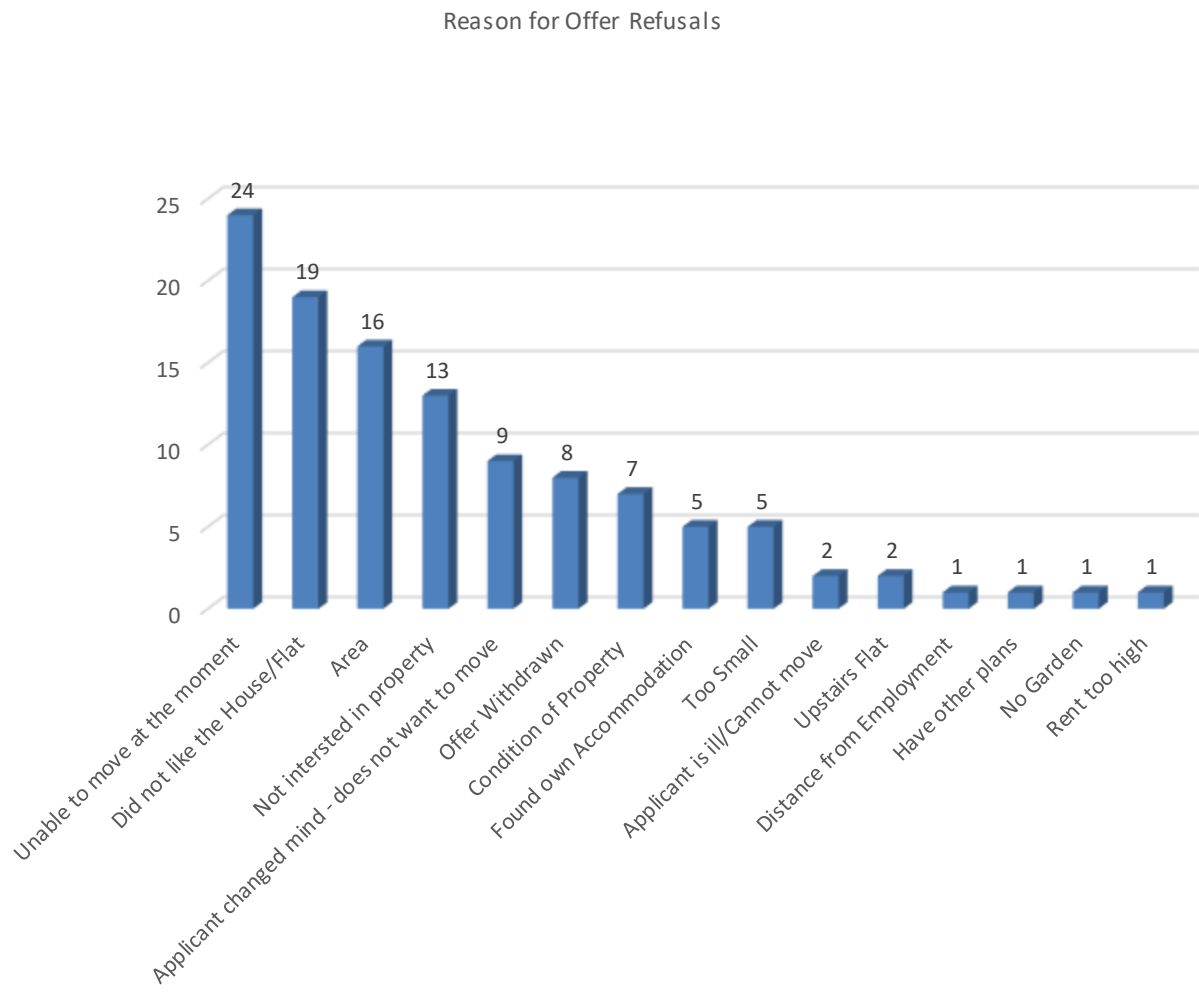


10.9 68% of lets were to white Scottish applicants and 28% to other white groups. This is broadly in line with the make-up of waiting lists.



## OFFER REFUSALS BY REASON

11.1 The chart below shows the offers that were made in 2019/20 and the refusal reasons.

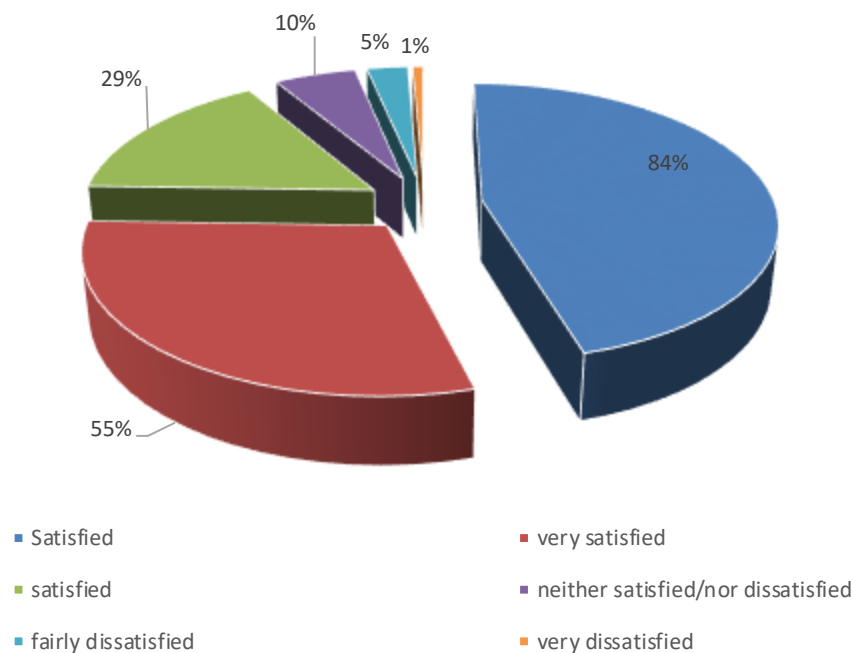


11.2 26% of properties were refused by the first tenant they were offered to, and overall 33% of offers were refused.

## NEW TENANTS SATISFACTION WITH CONDITION OF THE HOUSE

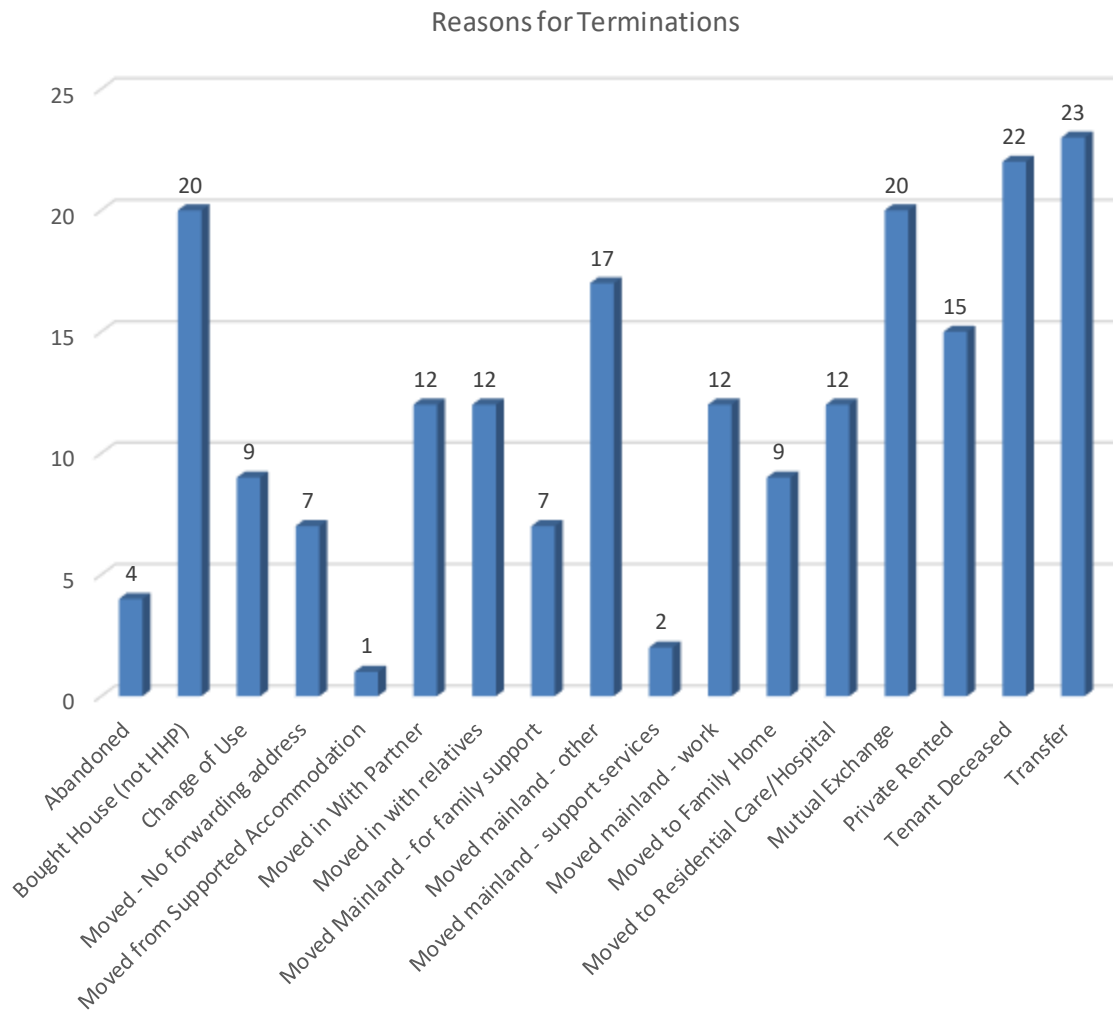
- 12.1 A questionnaire is sent to new tenants within the first week of their tenancy starting asking various questions regarding the standard, decoration, cleanliness of the property and the quality of repairs carried out. 45% of questionnaires were returned. 84% of tenants said they were satisfied with the condition of the house. 6% were dissatisfied due to decoration and the condition of the property.

% satisfied with condition of house



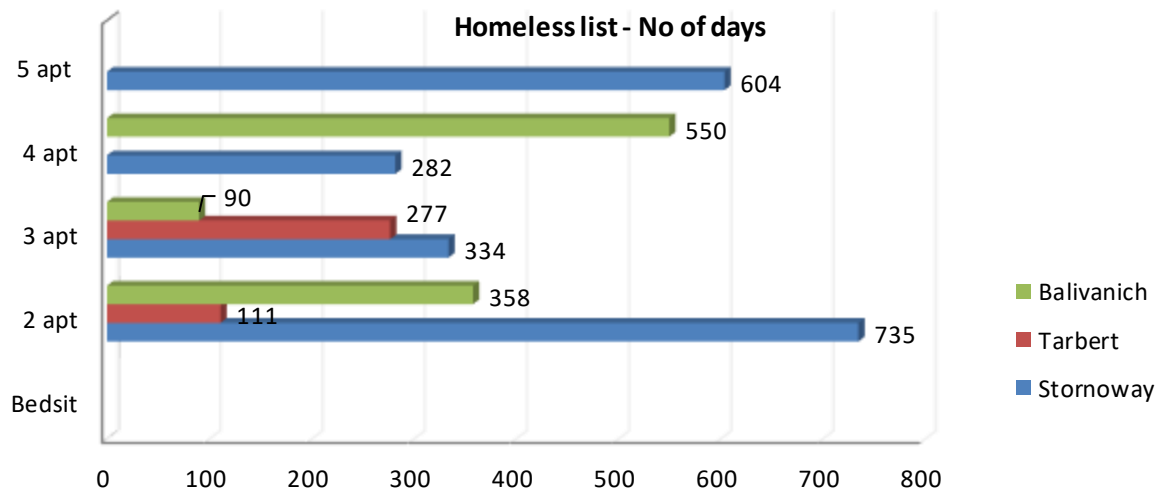
## REASONS FOR TERMINATIONS

- 13.1 The reasons for terminations are, 17% moved to the private sector; while 19% moved to the mainland. 6% moved to the mainland for work.
- 13.2 If the 23 transfer applicants were removed this figure would be 19% moved to the private sector, 20% moved to the mainland and 7% moved to the mainland for work.

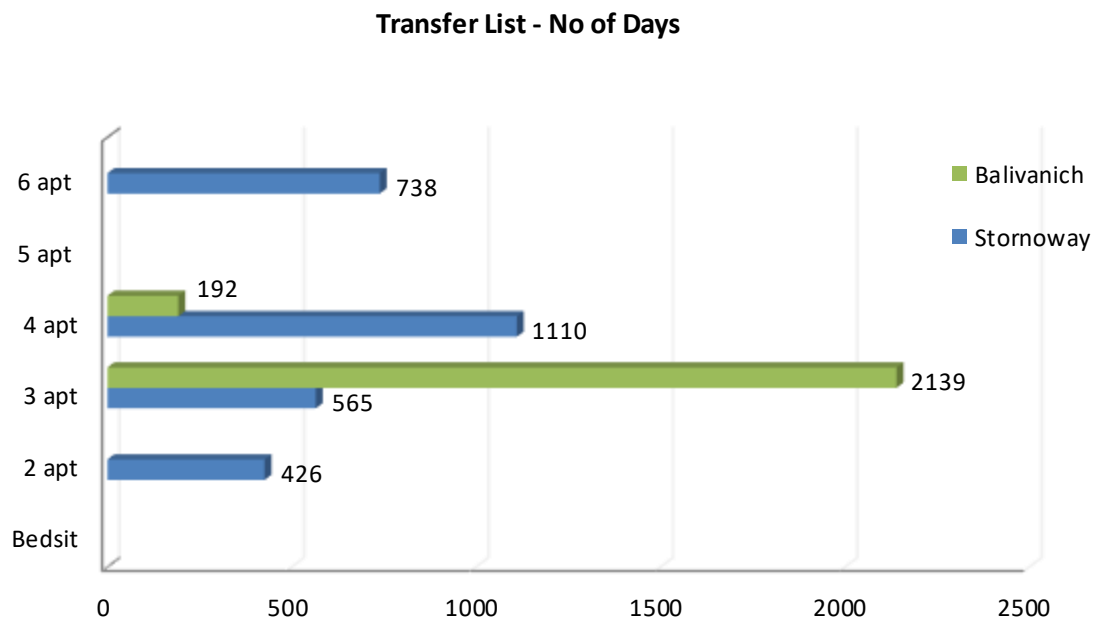


## AVERAGE WAITING TIMES FOR APPLICANTS

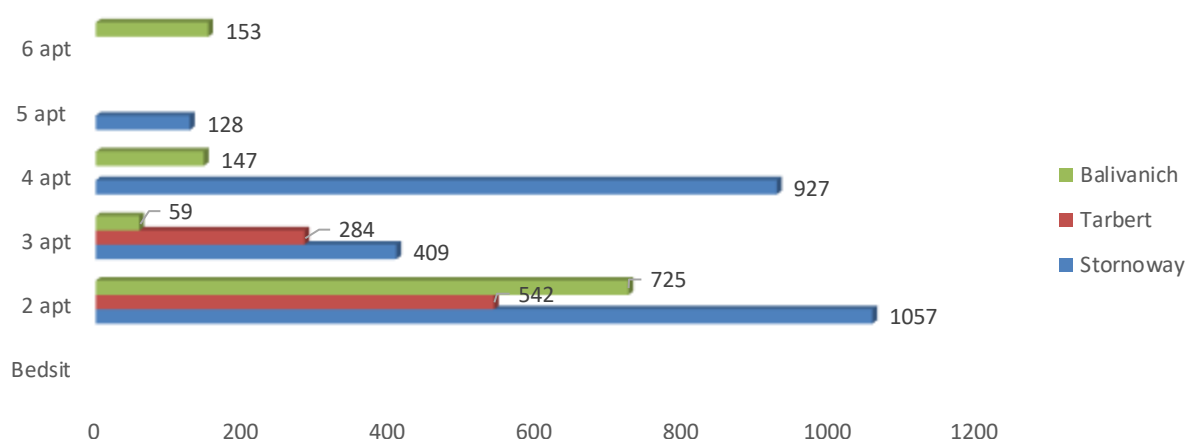
- 14.1 The waiting time from the date of application to commencement of tenancy for the Homeless List, Transfer List and Housing List are shown in the following three charts.



- 14.2 The longest time taken to allocate on the Homeless list was 735 days for a 2 apt property and the shortest time taken was 90 days for a 3 apt property in the Balivanich area.



### Housing List - No of Days



### LOW DEMAND PROPERTIES

- 15.1 The low demand for many rural areas is increasing and is a cause for concern. At the time of writing there are five properties at Calabhaigh Lochboisdale, one at Kenneth Terrace, Lochboisdale, one property at Bruach Gorm and one property in Seileamol, Harris which are unlet due to lack of demand.
- 15.2 At the time of writing there are no properties in Lewis which are unlet because of low demand, although there are two three bedroom properties at the new development at Breasclete which have not been provisionally offered due to lack of demand.
- 15.3 Overall 56 relets during the year were classed for ARC purposes as being low demand. Annual void loss slightly decreased from 0.8% in 2016/17 to 0.6% in 2018/19. In 2019/20 the void loss figure remains static at 0.6%. Further information and potential interventions will be reported to future Board meetings as appropriate.

### HOMELESS APPLICANTS

- 16.1 In total, 84 statutory homeless applicants were housed during 2019/20. Of these 40 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 formal request by the Comhairle to amend the current quota. Of all allocations made throughout the Outer Hebrides, 46% were made to statutory homeless applicants.
- 16.2 Discussions are continuing with the Comhairle regarding the Scottish Government's rapid rehousing agenda.

### QUOTAS FOR ALLOCATING HOUSES

- 17.1 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.

- 17.2 The quota for waiting applicants is 35% and for transfer applicants in the Stornoway area is 15%.
- 17.3 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

- 18.1 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.
- 18.2 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 52% of the waiting list is single people. In 2018/19 the waiting list for single people was made up of 53%.
- 18.3 The percentage of lets made by ethnic group is in line with the composition of the waiting list although the numbers are small.
- 18.4 Demand against supply needs to be closely monitored. On a simplistic level there are 513 applicants on the waiting list excluding transfer applicants. This figure includes suspended and deferred applications. If deferred and suspended applicants are excluded the figure is 416. 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.
- 18.5 There is continuing concern that we are increasing supply through the Development programme while demand is static or shrinking. Demand 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.



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# RISK MANAGEMENT POLICY & STRATEGY

Board 23 June 2020

Report by Chief Executive

## Purpose of Report

- 1.1 The purpose of this report is to present the revised Risk Management Policy and Strategy for approval.

## Summary

- 2.1 The Risk Management Policy and Strategy are reviewed annually. The policy and strategy at Appendix 1 have been updated to take account of:
- assessing how our current risks might change in the future in light of rapid changes being brought about through digital services at Para 3.4;
  - inclusion of 'pandemic' in our operational risks at Para 6.2; and
  - a new table has been included at Para 8.1 to clarify and expand on roles and responsibilities.

## Competence

- 3.1 The financial, legal and other constraints to the recommendations of this report are at paragraph 5.1 - 8.1.

## Recommendations

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

**APPENDIX 1:** Risk Management Policy and Strategy

**Background Papers:** None

**Writer of Report:** Dena Macleod

Tel: 0300 123 0773



## Competence

### *Financial*

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

### *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 evaluation and corporate governance.”

### *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.



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## ► Risk Management Policy & Strategy

Effective Date: ► June 2020

Review Date: ► June 2021

Approved by HHP Board: 23 June 2020

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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.
- 3.4 Our risk strategy recognises that risks can also present opportunities to develop and innovate in order to achieve their strategic aims and objectives. We will seek to identify the positive side of risk and potential benefits of managing each risk effectively.

## 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. As part of this process we will look at how the risks we face today might change in the future e.g. how artificial intelligence will affect our business.
- 5.3 We will look at how today's risks might change in the future e.g. changing risk with our increased movement into a digital world.
- 5.4 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, pandemic 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 & ACCOUNTABILITY

- 8.1 The various roles and responsibilities are detailed in the table below .

|                          | Role                                                                                                                                                                   | Responsibilities                                                                                                                                                                                                                                                                                                                                                            |
|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Board                    | To ensure the adequacy of our risk management framework                                                                                                                | In particular to be aware of and understand key business risks in a changing environment                                                                                                                                                                                                                                                                                    |
| Audit & Risk Committee   | To take an overview of risk systems on behalf of the Board                                                                                                             | Each meeting of the Committee reviews the Risk Register will make arrangements to identify, review, evaluate and manage risk and consider the reports by officers on their evaluation of key business risks                                                                                                                                                                 |
| Executive Team           | Maintain our risk management capabilities and develop strategies to effectively manage new and existing risks<br><br>Reporting to the Audit & Risk Committee and Board | <ul style="list-style-type: none"> <li>• Setting the risk management framework;</li> <li>• Assessing risks based on recommendations from the Risk Co-ordinator and Team Leaders</li> <li>• Ensuring the process is operated effectively and efficiently and</li> <li>• To share and promote experience of risk management and strategies across the Partnership.</li> </ul> |
| Head of Executive Office | Development of the Corporate Risk Assessment framework                                                                                                                 | Regularly monitor, review and evaluate the effectiveness of the Corporate Risk Assessment framework                                                                                                                                                                                                                                                                         |

|                   | Role                                                                                                                                                                                                          | Responsibilities                                                                                                                                                                                                                                                                                                                                                                                        |
|-------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Managers          | To ensure the effective management of risks for their respective teams                                                                                                                                        | <ul style="list-style-type: none"> <li>• Ensure the strategy is implemented consistently within teams</li> <li>• Contribute to the development of the risk management strategy</li> <li>• Identify and communicate any relevant specific risk management issues to Executive Team through the Risk Co-ordinator</li> </ul>                                                                              |
| Risk Co-ordinator | Provision of admin support for risk management function and the Audit & Risk Committee                                                                                                                        | <ul style="list-style-type: none"> <li>• Day to day management of the process and for reporting any identified risks to Executive Team</li> <li>• 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</li> </ul>                                                            |
| All staff         | To contribute to the management of risk for your department or team                                                                                                                                           | <ul style="list-style-type: none"> <li>• Identify potential and actual hazards/risks within the workplace</li> <li>• Assist with the removal or reduction of hazards and risks</li> <li>• Comply with current risk management and health &amp; safety policies</li> </ul>                                                                                                                               |
| Internal Audit    | To provide the Partnership's Audit & Risk Committee, the Chief Executive and Executive Team of the Association, with an assessment of the adequacy and effectiveness of management's internal control systems | <ul style="list-style-type: none"> <li>• Review and appraise the financial and other controls operated by the Partnership;</li> <li>• Review the established policies and procedures adopted by the Partnership;</li> <li>• Assessment of whether internal controls are reliable;</li> <li>• Provide regular reports to the Audit &amp; Risk Committee in line with the approved audit plan.</li> </ul> |

## ALLOCATION OF OFFICER FOR EACH RISK

- 9.1 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.

## 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 our 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 our activities.

## RISK CAPACITY

- 11.1 We will determine at our Board Business Planning Day our 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 Team & Board Business Planning Day |
| December | Map risks to Strategic Objectives                                    | Executive Team & Board Business Planning Day |
| February | Report on risk capacity from Business Planning Day to Board          | Chief 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 |
| 8.0     | Roles and responsibilities updated and minor amendments to include assessing how risks might change in the future | June 2020 | 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>Risk Co-ordinator</i>                                                                                      | Corporate Resources Admin Officer                                                                              |
| <i>Executive Team</i>                                                                                         | Chief Executive, Director of Operations, Director of Finance & Corporate Services and Head of Executive Office |
|                                                                                                               |                                                                                                                |
|                                                                                                               |                                                                                                                |
|                                                                                                               |                                                                                                                |
| All references to the masculine gender in this policy shall read as equally applicable to the feminine gender |                                                                                                                |



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Phone: 0300 123 0773

# FLEXIBLE WORKING POLICY

Board 23 June 2020

Report by Chief Executive

## Purpose of Report

- 1.1 The purpose of this report is to present the revised Flexible Working Policy for approval to consultation with staff and the Union.

## Summary

- 2.1 Our current Flexible Working Policy which was approved in 2015 has now been updated to take account of legislative changes which extends the right to request flexible working to all employees with a minimum of 26 weeks service.
- 2.2 The approval route for requests has also been changed from Director to Manager. A Director will then be able to manage any appeals on decisions.

## Competence

- 3.1 The financial, legal and other constraints to the recommendations of this report are detailed at 5.1 - 8.1.

## Recommendations

- 4.1 **It is recommended that:**
- a) **the Flexible Working Policy at Appendix 1 be approved for consultation with staff and the Union; and**
  - b) **if there are no material changes to the policy arising from the consultation, that the policy is approved, otherwise a revised policy be presented to the next meeting of the Board.**

**APPENDIX 1:** Flexible Working Policy  
**APPENDIX 2:** Consultation Response Form  
**Background Papers:** None  
**Writer of Report:** Dena Macleod

Tel: 0300 123 0773

## Competence

### *Financial*

- 5.1 There may be financial implications arising from a flexible working request, which will be funded from within our currently approved budgets.

### *Legal*

- 6.1 The approval of personnel policy is a matter reserved for the Board.
- 6.2 The revised policy ensures compliance with the current legislative requirements under the Employment Rights Act 1996, the Work and Families Act 2006, and the Flexible Working Regulations 2014.

### *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 An up to date Flexible Working Policy should reduce the risk of not complying with current employment legislation and will safeguard our employee's wellbeing.



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## ► Flexible Working Policy

Effective Date: ►

Review Date: ► March 2022

Approved by HHP Board:

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# FLEXIBLE WORKING POLICY

## INTRODUCTION

- 1.1 We recognise the contribution of all our employees and understand that at some stage during your working lives you may find it difficult to fulfil domestic, family and working commitments due to your responsibilities. We recognise the anxiety this may cause and aim to offer practical help through our Special Leave policy.
- 1.2 There is a duty on employers to give serious consideration to requests from employees to work flexibly. You can request changes to your contract on a permanent basis in relation to hours, location and pattern of work. Whilst there is a right of request, there is no automatic right to these changes.
- 1.3 The policy is applicable to all employees of Hebridean Housing Partnership.

## ELIGIBILITY

- 2.1 To be eligible to make a request, you need 26 weeks' service at the date the application is made, and must not have made a similar request in the last 12 months.

## MAKING AN APPLICATION

- 3.1 Only one application can be made every 12 months.
- 3.2 You must make the request in writing, including details of the desired working pattern (including location), the proposed effective date and how you satisfy the requirements relating to the eligibility as described above. You need to incorporate what effects the request to work flexibly will have on our business and in your opinion how these might be dealt with.
- 3.3 An application form is at Appendix 1. Completed application forms should be submitted to your manager.
- 3.4 A list of managers authorised to consider and approve applications is at Appendix 2.

## PROCESS

- 4.1 If your manager is not in a position to automatically agree to the change, your manager will meet you within 28 days of your application. Your manager can extend the 28 days as long as they have your permission. The purpose of the meeting is to discuss the proposal and how it may be arranged, and to consider alternative working patterns, should there be problems in accommodating the desired working pattern.
- 4.2 You have the right to be accompanied at the meeting by a fellow worker. If the chosen companion is not available to attend the meeting, your manager must postpone the meeting to a convenient time for everyone entitled to attend the meeting, within seven days beginning with the first day after the day proposed by your manager.



- 4.3 Your application is considered as withdrawn if you fail to attend two or more meetings or unreasonably refuse to provide your manager with information required to assess whether or not to agree to the change.
- 4.4 Within 14 days of the meeting, your manager needs to inform you in writing of its decision, as follows:
- a) If the manager is agreeing to the request, the start date and contract variation must be specified.
  - b) If the manager is rejecting the request, the business grounds for refusing the application and the appeal procedure must be specified. The manager may only refuse the application if there is a clear business reason relating to one or more of the following:
    - burden of additional costs
    - detrimental effect on ability to meet customer demand
    - inability to reorganise work among existing staff
    - an inability to recruit additional staff
    - detrimental impact on quality
    - detrimental impact on performance
    - insufficiency of work during the periods the employee proposes to work
    - planned structural changes to the business

## TRIAL PERIOD

- 5.1 The proposed flexible working arrangements can be tried out for a mutually agreed period before any permanent changes are made to an employment contracts.

## WORKING TIME REGULATIONS

- 6.1 Flexible working arrangements still need to comply with the law on working time. The UK's Working Time Regulations 1998 lay down the minimum conditions relating to weekly working time. All flexible working arrangements must comply with the Working Time Regulations 1998 and any subsequent updates. Generally, employees aged 18 or over are entitled to:
- 5.6 weeks' annual holiday (includes public holidays)
  - At least one day off per week, or two days per fortnight
  - A 20-minute break if working over six hours
  - A maximum 48-hour average working week
  - A daily rest period of at least 11 hours in each 24-hour period of work
- 6.2 There are stricter rules for younger employees.

## APPEAL

- 7.1 You have the right to appeal against your Manager's decision within 14 days of receiving their decision. The appeal must be in writing setting out the grounds for appeal. The Chief Executive must hold the appeal hearing within 14 days of this notice being given, but the Chief Executive can agree an extension of time with you. You have a right to be accompanied by a fellow

worker at the appeal hearing. The Chief Executive must give their written decision within 14 days of the appeal hearing.

- 7.2 If the Chief Executive is your line manager then your appeal will be heard by the Remuneration Working Group.

## **EXTENSION OF PERIODS**

- 8.1 An employer and employee may agree in writing to an extension of any of the above periods. If the person who would ordinarily consider the application for flexible working is on sick leave or annual leave, the 28 days in which to hold the meeting will run from the date of their return or 28 days after the application is made, whichever is the sooner.

## **EMPLOYEE'S REMEDIES**

- 9.1 You are protected against suffering a detriment or being dismissed for exercising the right to request flexible working, or accompanying a colleague in their request, and may present a complaint to an employment tribunal within three months of the detriment or dismissal.
- 9.2 In addition, employees can bring a claim to an employment tribunal if the employer has failed to follow the necessary procedures outlined above or if the decision to reject the application was based on incorrect facts. Employment tribunals can make an order to require the employer to reconsider the application and/or award compensation. Compensation is limited to two weeks' pay for failure to allow the employee to be accompanied at a meeting and eight weeks' pay for failure to follow the prescribed procedure. The tribunal cannot question the commercial validity of the employer's decision. These provisions are independent of existing discrimination law.

## **POLICY REVIEW**

- 10.1 This policy will be reviewed every three years in line with the policy review schedule.

| Version | Change Applied                                            | Date        | By           |
|---------|-----------------------------------------------------------|-------------|--------------|
| 1.0     | Initial Policy                                            | 18 Nov 2015 | Dena Macleod |
| 2.0     | Revision to take account of the latest legal requirements | 18 Feb 2020 | Dena Macleod |
|         |                                                           |             |              |
|         |                                                           |             |              |
|         |                                                           |             |              |
|         |                                                           |             |              |
|         |                                                           |             |              |
|         |                                                           |             |              |

DRAFT

## 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>Leave</i>                                                                                                  | Leave is taken to mean both annual and public holiday entitlement subject to the statutory minimum |
| <i>Personnel Section</i>                                                                                      | Chief Executive's Personal Assistant & Head of Executive Office                                    |
|                                                                                                               |                                                                                                    |
|                                                                                                               |                                                                                                    |
|                                                                                                               |                                                                                                    |
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|                                                                                                               |                                                                                                    |
|                                                                                                               |                                                                                                    |
| All references to the masculine gender in this policy shall read as equally applicable to the feminine gender |                                                                                                    |

## APPENDIX 1 – REQUEST FOR FLEXIBLE WORKING

[Addressee]  
[Address line 1]  
[Address line 2]  
[Town]  
[County]  
[POSTCODE]

[Date]

Dear [Enter name]

### **Request for flexible working**

I am writing to request flexible working and:

- request [Enter details of the flexible working pattern that you are seeking]
- would like to commence this flexible working pattern on [Enter date]
- understand that this, if agreed, will mean a permanent variation to my terms and conditions of employment
- think that this proposed change will have [Enter details of the effect you think your move to flexible working may have, eg in terms of any allocation of work, meeting of deadlines, ability to attend meetings] and suggest that this can be overcome by [Enter details of suggestions]
- have/have not\* made a previous application for flexible working; the previous application was made on [Enter date]\*
- will not be accompanied at the request meeting\*
- will be accompanied at the request meeting by [Enter name], [Enter job title]\*.

I look forward to hearing from you.

Yours sincerely

[Signatory name]  
[Job title / Department]

*\*delete as appropriate*

## APPENDIX 2 – LIST OF MANAGERS AUTHORISED TO APPROVE FLEXIBLE WORKING

|                                          |
|------------------------------------------|
| Area Managers                            |
| Investment Manager                       |
| Finance Manager                          |
| Corporate Resources Manager              |
| Service Development Manager              |
| Head of Executive Office                 |
| Director of Finance & Corporate Services |
| Director of Operations                   |
| Chief Executive                          |



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](mailto:info@hebrideanhousing.co.uk)

Web: [www.hebrideanhousing.co.uk](http://www.hebrideanhousing.co.uk)

Phone: 0300 123 0773

## CONSULTATION RESPONSE FORM

### Flexible Working Policy Consultation

June 2020

| No. | QUESTION                                                                                                                             | RESPONSE                       |
|-----|--------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|
| 1   | At para 3.3 of the policy the approval route has been amended from Director to Manager. Do you think this is set at the right level? |                                |
| 2   | Is there anything we have not covered in this Policy that you think we should cover?                                                 | YES/NO (please comment if Yes) |
| 3   | If you have any additional comments, please use this space to let us know.                                                           |                                |

Return initial comments by 22 June 2020  
Final comments by 7 July 2020 to: Jackie Macleod

# POLICY CONSULTATION RESPONSE

Board 23 June 2020

Report by Head of Executive Office

## Purpose of Report

1.1 To approve the following Policies following consultation:

- Attendance & Absence Policy at Appendix 1;
- Parental Leave Policy at Appendix 2;
- Adoption Leave Policy at Appendix 3; and
- Special Leave Policy at Appendix 4.

## Summary

- 2.1 The Attendance & Absence Policy was approved for consultation with staff and the Union on 19 November 2019 and the consultation period was initially from 20 November 2019 to 20 December 2019. The consultation period was extended to 21 February 2020 to allow for further responses. The responses to the consultation are at Appendix 5a.
- 2.2 The Parental Leave Policy was approved for consultation with staff and the Joint Consultative Committee on 12 February 2020 until 13 March 2020. The responses for the consultation are at Appendix 5b.
- 2.3 The Adoption Leave and Special Leave Policies were approved for consultation with staff and the Union on 18 March 2020 until 30 April 2020. The responses to the consultation are at Appendices 5c & 5d respectively.
- 2.4 Following the consultations, the Policies have been considered and updated and it is recommended the Board approve these updated Policies which can be found at Appendices 1 – 4.
- 2.5 A summary of the key changes to each Policy can be found at Sections 9 – 12 of this report.

## Competence

- 3.1 Financial, legal and other constraints from the recommendations to this report are at paragraph 5.1 – 8.2.

## Recommendations

- 4.1 **It is recommended that the Board approve the:**
- a) Attendance & Absence Policy at Appendix 1;**
  - b) Parental Leave Policy at Appendix 2;**
  - c) Adoption Leave Policy at Appendix 3; and**
  - d) Special Leave Policy at Appendix 4.**



## Competence

### *Financial*

- 5.1 There are no financial implications arising directly from the consideration of this report. The Policies are all in place currently, and where there is a requirement to fund cover for an Employee taking leave in accordance with these Policies, this will be dealt with under existing budgets.

### *Legal*

- 6.1 The updated Policies ensure we are compliant with legislation and best practice.

### *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.
- 8.2 Our third strategic goal is: 'Being a good employer, that attracts and retains high quality staff'. Conducting regular reviews of Policies, including Policies based on attendance and leave is central to creating a good working environment and a healthy work / life balance which will help ensure good industrial relations between Employer and Staff.

**APPENDIX 1:** Attendance and Absence Policy

**APPENDIX 2:** Parental Leave Policy

**APPENDIX 3:** Adoption Leave Policy

**APPENDIX 4:** Special Leave Policy

**APPENDIX 5:** Consultation Responses

**Background Papers:** None

**Writer of Report:** Anna Coyle

0300 123 0773

## Report Details

### *Attendance and Absence Policy*

- 9.1 Following consultation, there were a number of further amendments to this Policy. Full details are provided at Appendix 5a and key updates are summarised below:
- 9.2 Return to Work interviews have been split up into informal (following every absence), and formal (following an absence of longer than 7 days). The limitation on one Phased Return to Work in a 12 month period has been removed, and will default to what is required by the employee's doctor.
- 9.3 Clarification provided that if an employee takes leave in accordance with this Policy, their pension payments and entitlements will be governed by the Local Government Pension Scheme (Scotland), and following the advice of our Pensions Administrator, The Highland Council.
- 9.4 A clause has been added requiring that employees do not attend work if they are, or reasonably believe they could be carrying an infection or have infectious symptoms. Instead if they are fit enough to work (but infectious or potentially infectious), they should agree a working from home arrangement with their manager rather than attending the office.
- 9.5 Carry forward of annual leave, will be lost if not taken by 28 February unless an employee is absent in accordance with this Policy has been clarified.
- 9.6 A clause covering a situation where an employee is uncomfortable discussing their health issues with their line manager, confirming that we will provide an alternative contact to enable the discussion to take place, has been added.
- 9.7 Addition to the Policy covering absences resulting from IVF treatment which will not be processed as sick leave or pay unless they have been off by the employee's Doctor as a consequence of, or otherwise in relation to such treatment in which case they will be treated in accordance with this Policy.
- 9.8 A number of other minor corrections, and additional amendments to language that were requested by the Union have been considered and updated in line with the overall Policy position.

### *Parental Leave Policy*

- 10.1 Following consultation, there were no further updates required to this Policy.

### *Adoption Leave Policy*

- 11.1 Following consultation, there were no further updates required to this Policy.

### *Special Leave Policy*

- 12.1 Following consultation, there was one further update made to this Policy which clarifies that if an Employee takes leave in accordance with this Policy, their pension payments and entitlements will be governed by the Local Government Pension Scheme (Scotland), following the advice of our Pensions Administrator, The Highland Council.



hebridean housing  
partnership



## ► Attendance & Absence Policy

Effective Date: ► June 2020  
Review Date: ► October 2022  
Approved by HHP Board: 23 June 2020

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# ATTENDANCE & ABSENCE POLICY

## INTRODUCTION

- 1.1 We are committed to improving the health, wellbeing and attendance of all employees and recognise the crucial role of sickness absence procedures as part of a wider organisational policy to establish a healthy workplace.
- 1.2 A fundamental feature of good attendance management is the accurate and timely recording of all absences. This is essential both in terms of the requirements of statutory sick pay arrangement's and our sickness benefit scheme. Accurate information also allows patterns to be identified and can be an early indication of underlying problems. The sooner problems are identified and acted upon the more likely a successful conclusion for the employee and employer alike can be achieved.
- 1.3 Accurate recording is also an essential element in satisfying any concerns over the fairness of any actions taken by managers. The responsibility for maintaining such records rests with the Personal Assistant.
- 1.4 The policy applies to absence caused by personal illness or accident, not the need to take time off work because of the illness or accident of others e.g. children or partners.
- 1.5 You are entitled to be accompanied by another Employee or a Trade Union Representative to any meeting arising under this Policy.

## ABSENCE REPORTING PROCEDURES

- 2.1 Procedures for notifying and certifying sickness and other absences are outlined in paragraphs 2.2 – 2.5.

### Reporting

- 2.2 You or your representative must phone your line manager before 9.30am to inform them when you are sick and unable to attend your work. You should let your manager know:
  - a) why you are unable to attend work;
  - b) how long you think you are going to be off for;
  - c) what action you are taking to mitigate the effects of the illness, e.g. visiting the doctor; and
  - d) if there are any pieces of work that need to be dealt with in your absence.

If you have contracts which means you have two line managers then you must speak to both managers. You must not rely on the information being passed on by one manager to the other.

- 2.3 If your line manager is not available you should ask for the Personal Assistant. Texting and e-mail are not considered an acceptable method of informing your manager that you are unable to attend work except in exceptional circumstances.

### Certification

- 2.4 Self-Certificates will be required for absences for up to seven days and thereafter Doctor's Statement of Fitness for Work will be needed. In exceptional cases Doctor's Certificates may be required for absences less than seven days.

- 2.5 Saturdays and Sundays and Public Holidays are to be included e.g. if an employee is absent from work from Friday to Monday then Monday is the fourth day of absence.

#### Keeping in Touch

- 2.6 The onus lies on the employee to keep their manager informed of the reason and progress of all absences. Generally speaking, if the period of absence is expected to be less than seven days then the employee should call their manager at least once every second day. If the period of absence exceeds seven days the employee must contact his manager at intervals of seven days. Where an employee fails to keep in touch as outlined above, their manager will then initiate and maintain contact with the employee. If absence is certified by a doctor the employee should call at least once a week.
- 2.7 Where a Doctor's Statement of Fitness for Work covers a period of more than seven days e.g. statement cover 28 days, it will not be necessary to report to his manager after each period of seven days' however, employees will be expected to call their manager at least once in every six week period, or on at least one occasion if the Doctor's Statement of Fitness for Work covers less than a six week period.
- 2.8 Where, for reasons related to their absence, an employee cannot call their manager in line with the above frequency, this should be communicated by a representative of the employee to the employee's manager or the Personal Assistant as soon as possible.

#### Failure to Comply

- 2.9 Where the employee does not follow reporting; certification; or agreed "keeping in touch" arrangements, we may withhold Sickness Benefit payments. Refusal to comply with these requirements may also lead to disciplinary action being considered in accordance with our disciplinary procedures. Similarly any falsification or attempt to mislead on the employee's part will lead to disciplinary action. In serious and/or repeated cases dismissal may result.

#### Statutory Sick Pay (SSP)

- 2.10 Employees are entitled to SSP irrespective of their entitlement to occupational sick pay. SSP is reviewed by the Government every October. It is not paid for the first three days of absence and runs for 28 weeks after that. An employee who is no longer entitled to SSP may be entitled to benefits and they would need to visit their local benefits office to find out their rights.

#### Occupational Sick Pay

- 2.11 Employees who have completed 26 continuous weeks work for us are eligible for Occupational Sick Pay payment provided that all of the conditions of this policy and procedures have been fully complied with and are fully satisfied.

- 2.12 The duration of payment of Occupational Sick Pay during sickness absence will, in addition to all the relevant conditions being met, depend on the length of the employee's employment as follows:

| Continuous Employment                 | Full Pay Period | Half Pay Period |
|---------------------------------------|-----------------|-----------------|
| Less than 26 weeks                    | Nil             | Nil             |
| 26 weeks or more but less than 1 year | 5 weeks         | 5 weeks         |
| 1 years but less than 2 years         | 9 weeks         | 9 weeks         |
| 2 years but less than 3 years         | 18 weeks        | 18 weeks        |
| 3 years but less than 5 years         | 22 weeks        | 22 weeks        |
| 5 years and over                      | 26 weeks        | 26 weeks        |

- 2.13 Employees entitlement to Occupational Sick Pay will be calculated by taking in to account the total number of sickness absence days in the immediately previous 52 week period of absence.

## RETURN TO WORK

- 3.1 An informal return to work interview must be carried out after every period of absence. This will be done by the employee's line manager (or Director if he is not available) on the first day of their return to work, or as soon as practicable thereafter if the manager and the Director are not available on the first day of the employees return to work.
- 3.2 A formal return to work interview must be carried out following absences in excess of 7 days, or persistent short term absence. This will be done by the employee's line manager (or Director if he is not available) on the first day of their return to work, or as soon as practicable thereafter if the manager and the Director are not available on the first day of the employees return to work. Completed forms will be kept in the employee's personal file. The return to work interview forms contain confidential information and may only be viewed by authorised personnel.
- 3.3 Having maintained attendance records, managers will be expected to provide and discuss monthly aggregated statistics at Management Team meetings and at team meetings with staff. The following statistics will be discussed:

|            | Days lost of sickness for month |        | Days list to sickness for the year |        |
|------------|---------------------------------|--------|------------------------------------|--------|
|            | Actual                          | Target | Actual                             | Target |
| Overall    |                                 |        |                                    |        |
| Operations |                                 |        |                                    |        |
| Resources  |                                 |        |                                    |        |

- 3.4 The Personal Assistant will prepare the report for each Management meeting using the information from our HR system.
- 3.5 Individual cases will not be discussed at Management Team meetings as they form a confidential record of each employee.

- 3.6 If a doctor made suggestions for any adjustments to the workplace or work pattern then these will be discussed at a return to work interview, along with suggestions that the employee or line manager could have also made. Although employers are not bound by the doctor's suggestions, all possible effort will be made to accommodate the employee's prompt return, if possible. If any adjustments are made, timescales and reviews will also be agreed.
- 3.7 If your manager has cause to be concerned about your health e.g. you have had a number of periods of sickness for the same reason in a short period, then your line manager may suggest that you visit the doctor for a check-up. In certain circumstances especially if your long-term employment is in doubt because of your sickness record, then you may be asked to see a medical practitioner of HHP's choosing. Failure to comply with any request to attend an appointment with a medical practitioner of the HHP's choice will be a disciplinary matter.
- 3.8 An Employee will not be pressurised into returning to work prematurely. If they have been signed off, a Doctor's Statement of Fitness for Work will outline when they are deemed fit to return to work.
- 3.9 Phased Return to Work
- A Phased Return to Work (PRW) recognises that staff who have experienced a prolonged period of absence from work due to illness or injury may require particular support in returning to their normal hours and duties of work. It aims to assist staff in such circumstances to return to work in an effective and productive way which does not compromise their recovery or long-term health by facilitating appropriate measures to support rehabilitation.
- 3.10 A PRW is a supportive arrangement which may be put in place to assist an employees' rehabilitation if they have had a continuous period of absence from work as a result of illness or injury. We will facilitate a phased return to work programme only where this is supported by written medical advice from the employees GP.
- 3.11 The purpose of a PRW is to rehabilitate the employee to their full duties and to enable them to gradually progress to undertake their full normal working hours within an agreed timescale.
- 3.12 Any agreed PRW programme will be time-limited and will normally not exceed a period of six weeks.
- 3.13 The agreed arrangements for the PRW will be discussed between the employee and manager and detailed in an agreed Return to Work Plan which will include:
- the start and end date of the PRW programme;
  - the attendance pattern (your hours of work should increase incrementally over the period of the phased return to work programme);
  - the date for a formal review of the return to work arrangements.
- Once the PRW programme has been agreed a copy will be sent to the employee and to the line manager.
- 3.14 The employee will be paid their normal contractual pay for the time they are in work during PRW period. The time that the employee is not in work during the



PRW period will be classified as sick days. If you are absent due to illness during your PRW, you will be classified as being on sick leave.

- 3.15 Periods of annual leave will not be permitted through the PRW period, unless it is an absence for a specific reason, for example to attend a wedding. Periods of annual leave immediately prior to a PRW may be taken into account when structuring the overall plan and the PRW period reduced accordingly. Any extended periods of absence would only undermine the aim of the PRW which is to gradually support the employee return to their normal duties and hours of work.
- 3.16 Managers will take into account that an employee may feel very anxious about returning to work after a lengthy period of absence and worried about how they will be perceived and treated by colleagues and management. In such cases, managers will take positive steps to make the employee feel at home and facilitate their reintegration into the workplace

## ATTENDANCE MANAGEMENT

- 4.1 We aim to secure good attendance by way of support and encouragement to employee concerned in the first instance. This involves maintaining accurate records, ensuring return to work interviews take place and investigating and addressing any underlying causes of absence.
- 4.2 Where this fails to secure an improvement we may invoke the terms of this disciplinary procedures. Unsatisfactory attendance reviews may result in disciplinary action, including dismissal. If at any stage during this process it becomes apparent that an underlying health issue is involved, the alternative procedures for dealing with long-term sickness will be used.
- 4.3 Absence periods relating to pregnancy or an underlying medical condition that fall within the scope of the Equality Act 2010 in particular Disability Discrimination will not be counted for the purpose of the attendance management process.

### Attendance Review Triggers

- 4.4 In some cases it may be necessary for managers to review attendance and causes of absence in greater detail with the employee. Such an attendance review will be triggered by:
- two absences within a four week period;
  - a pattern of absences, e.g. regularly absent on the same weekday or regularly absent around long weekends;
  - 6 periods of absence within six months;
  - 12 periods of absence within twelve months; and
  - absent at any time without permission.

## ABSENCE MANAGEMENT

- 5.1 Our managers will adopt a sympathetic and understanding approach to any employee dealing with a long-term and/or chronic health problem. Staff who find themselves in such a position should be confident that their manager will react in a supportive fashion when approached.

- 5.2 The following points should always be considered in relation to long-term absence:
- The nature of the illness;
  - any contributing factors;
  - the likely duration of the employee's absence;
  - the nature of the employee's duties in relation to his health problems;
  - our Business needs and the impact that the employee's absence is having upon these.

#### Entitlement of Sickness Benefit

- 5.3 Throughout the duration of an employee's absence it will also be expected that he will keep in touch and advise of progress. Managers will, where and when appropriate, also seek to obtain medical reports and assessments during the absence and will arrange to discuss these with the employee when received. Medical reports may also be requested where the employee may be suffering from an underlying medical condition even though the employee has not been off sick for a prolonged period. The line manager will ask the employee for consent (preferably in writing, where this is possible) to obtain a medical report from the employee's GP or other medical professional, and/or refer the employee to an occupational health provider for a medical assessment. Where the employee disagrees with the nature of any medical reports he will be free to seek and offer alternative medical evidence. Where the employee refuses access to medical records or does not turn up at an independent medical assessment, the process will be managed and decisions made based on the information available at the time.
- 5.4 Along with considering any medical reports, the manager will keep the employee fully apprised as to whether/for how long the absence or absences can be borne by HHP. In cases where dismissal through medical incapacity is being considered, full discussions with the employee will take place first, and he will be afforded the opportunity to express views on any such course of action. Alternatives to dismissal will always be considered where appropriate such as, reasonable adjustments and/or any current vacancies we may have will be considered, in line with business needs.
- 5.5 Employees must not attend work if they are, or reasonably believe they could be carrying an infection or have infectious symptoms. Where an employee is physically well enough to work, but not in the office to reduce the risk of infecting others, they will be entitled to work at home with the prior agreement of their Manager. Normal sickness reporting must be adhered to if an Employee is sick such that they are not able to work from home.
- 5.6 In cases where employees do leave employment due to ill health, managers will make every effort they can to help secure appropriate access to their pension and/or other relevant financial benefits that may be available.

#### **DISHONEST ABSENCE**

- 6.1 If an employee is found to falsify or exaggerate their absence, this will be treated as gross misconduct. An investigation will be carried out in accordance with our disciplinary procedure and disciplinary action may be imposed, including dismissal or future withdrawal of any organisational sickness benefit.

## OTHER PROVISIONS

### Absence and holidays

- 7.1 If the employee is on annual leave and falls sick, it is possible to override the annual leave and process sick leave and pay instead. In these, circumstances a doctor's certificate to confirm the illness/injury must be obtained by the employee.
- 7.2 We acknowledge that a holiday may aid in the recovery of an employee who is on sick leave. Where an employee intends to go on holiday while on sickness absence, they must inform their line manager as soon as is reasonably practical. The line manager will decide, considering the employee's reason for absence, if appropriate medical advice should be sought in such circumstances. Where an employee goes on holiday without authorisation, a full investigation will be initiated and depending on the outcome, disciplinary action may be invoked.

### Carrying forward annual leave

- 7.3 All leave should be taken within the current leave year. However, you can carry five days over to the next leave year. This is pro-rated if you work part-time or compressed hours. For example, if you work three days a week, you can carry forward the equivalent of these three days in hours. This time must be used 28 February or it will be lost, unless affected by absence per this Policy .
- 7.4 You can't carry forward a negative leave balance to the following year. For example, you can't borrow leave from the next leave year to make up for having taken too much leave in the current one.
- 7.5 In exceptional circumstances and with the agreement of your manager, you may be able to carry forward more than five days, if:
- you have been on maternity, adoption or shared parental leave and weren't able to take your leave before the end of the leave year;
  - an exceptional business need precluded you from taking your leave that year. This must have been pre-agreed by the Chief Executive.

### Long Term sickness and carry forward of annual leave

- 7.6 Employees who are on certified sick leave accrue statutory annual leave. Statutory annual leave, which includes public holidays is 28 days. Statutory annual leave remaining on 31 December due to being on certified sick leave can be carried forward for a period of **15 months** after the end of the leave year in which it was accrued.
- 7.7 Any enhanced annual leave accrued in addition to statutory annual leave and remaining on 31 December due to being on certified sick leave can be carried forward for a period of **4 months** after the end of the leave year in which it was accrued.

### Doctor/Hospital/Dental Appointments

- 7.8 Doctor and hospital appointments should be arranged out with working hours, wherever possible. If it is not possible, then employees should request time off from their line manager. Arrangements could include using annual leave, FLEXI or unpaid time off this includes appointments for physio where generally there is flexibility in the time an appointment can be arranged.

7.9 Time will be credited to FLEXI where a hospital appointment has been arranged by the health service e.g. a scan.

7.10 Time will be credited for attendance at Hospital appointments on the mainland as follows:

| Travelling from | Inverness | Glasgow   |
|-----------------|-----------|-----------|
| Stornoway       | 7:05 max  | 7:05 max  |
| Balivanich      | 7:05 max  | 10:10 max |
| Castlebay       | 10:10 max | 10:10 max |

(the above excludes attendance at a mainland hospital for long term treatment)

#### Home visits

7.11 Where an employee is off long term sick it will usually be necessary to visit them in their own home. The visit will discuss the ongoing absence from work and what if any support can be given to facilitate a return to work. The meeting may also take place within the HHP offices or another mutually agreed venue. Home visits will only take place with the consent of the employee.

#### Conduct whilst off sick

7.12 When on sick leave, employees are still expected to adhere to the terms in their contract of employment. Employees are expected not to participate in activities that would be at odds with their medical condition, or their employment. Any breach in respect of this will be dealt with under the disciplinary procedure.

#### Cosmetic procedures

7.13 Absence due to cosmetic procedures (whether carried out in the UK or abroad) will not fall under the sick leave or pay. In these cases, the employee should request time off and agree with their line manager how the absence will be processed, e.g. annual leave or unpaid leave. Where cosmetic surgery is connected to an underlying health condition normal sick leave and pay procedures will apply.

7.14 In some cases cosmetic procedures can cause medical complications and further surgery is required on a corrective basis. In these circumstances normal sick pay and leave procedures will apply.

#### IVF treatment

7.15 Absences resulting from IVF treatment will not be processed as sick leave or pay unless they have been signed off by the employee's Doctor as a consequence of, or otherwise in relation to such treatment in which case they will be treated in accordance with this Policy. The same relates to a partner of a person that is undergoing such treatment. Instead employees should discuss with their line manager how time off for the treatment could be accommodated, e.g. annual leave, flexi time or unpaid leave. Absences relating to IVF treatment will also not be treated as relating to pregnancy unless the employee falls pregnant.

### Stress management

- 7.16 Stress is not an illness but a state. It can result from an illness or lead to one but it is not an illness in itself. The same relates to "nervous debility". If an employee goes off sick with stress, the manager will endeavor to find out the underlying cause so that it can be determined whether the conditions at work cause or contribute to the condition, and whether action can be taken to assist in a return to work. If the absence is certified by a doctor, the manager may ask the employee's doctor to clarify the underlying cause for stress.

### Disabilities

- 7.17 If an employee's absence is because of a disability or an illness leaves them in a mental or physical condition which falls within the definition of a disability, the organisation will do whatever it can to make all reasonable adjustments to his job to enable him to carry on working. If, using all reasonable endeavours, effective adjustments cannot be made, dismissal may have to take place.
- 7.18 If an employee has a disability, time off for rehabilitation will be paid, subject to medical confirmation, and will not be counted as sickness absence.
- 7.19 If an employee's absence is because of his association with another person who is disabled, then the organisation will consider reasonable adjustments to enable him to keep his absence to a minimum.

## **PENSIONS**

- 8.1 If there is any impact to an Employees Pension contributions or entitlement as a result of taking leave in accordance with this Policy, this shall be dealt with in accordance with the Local Government Pension Scheme (Scotland), and following the advice of our Pensions Administrator, Highland Council.

## **MONITORING AND REVIEW OF POLICY**

- 9.1 This Policy will be reviewed every three years in line with the Policy Review Schedule.
- 9.2 The Policy will be monitored through quarterly reports to Executive Team and annual reports to the Board in the Information Bulletin.

## POLICY CHANGE HISTORY

| Version | Change Applied                                                                                                                                                                                                                            | Date         | By           |
|---------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|--------------|
| 1.0     | Initial Policy                                                                                                                                                                                                                            | 18 Nov 2015  | Dena Macleod |
| 2.0     | Updates to formatting and additional provisions regarding keeping in touch, phased return to work, carrying forward of annual leave and attendance review triggers added. Further updates following consultation with Staff and the Union | 11 June 2020 | Anna Coyle   |
|         |                                                                                                                                                                                                                                           |              |              |
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## 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 |                                                      |



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partnership



## ► Parental Leave Policy

Effective Date: ► June 2020

Review Date: ► October 2023

Approved by HHP Board: 23 June 2020



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# PARENTAL LEAVE POLICY

## INTRODUCTION

- 1.1 Parental Leave gives parents or adoptive parents of children under the age of 18 years the right to take one or more period of unpaid leave to look after a child or make arrangements for a child's welfare.
- 1.2 Parental Leave is intended to support parents in spending more time with their children and help them to strike a work-life balance that works for them. It is not intended, for example, to allow you time off to pursue a hobby.
- 1.3 Both parents may take Parental Leave.

## ELIGIBILITY

- 2.1 To be entitled to take unpaid Parental Leave you must be named on the child's birth certificate or adoption certificate or have (or expect to have) parental responsibility as defined by law, for the child.
- 2.2 You must also have completed one year's qualifying service with us at the time you want to take the Parental Leave.

## PAY AND BENEFITS DURING PARENTAL LEAVE

- 3.1 You are not entitled to receive remuneration during Parental Leave. A period of Parental Leave does not affect your entitlement to paid annual leave. However, any additional contractual holiday entitlement will not accrue during that period.

## HOW MUCH LEAVE MAY BE TAKEN

- 4.1 You are entitled to take unpaid Parental Leave for up to 18 weeks for each child. You can take leave in blocks of one week or more, up to a maximum of four weeks in a year for each eligible child.
- 4.2 You must take Parental Leave as whole weeks (e.g. 1 week or 2 weeks) rather than individual days. A 'week' equals the length of time you normally work over 7 days. The exception to this is if your child is disabled. Parents of disabled children may take the leave in odd days rather than weeks.
- 4.3 You don't have to take all the leave at once.

## WHEN MUST THE LEAVE BE TAKEN

- 5.1 You must use Parental Leave before the child's eighteenth birthday.

## CARRYING LEAVE OVER FROM A PREVIOUS JOB

- 6.1 Parental Leave applies to each child not to an individual's job, for example, an Employee is entitled to 18 weeks. If they've used 10 with a previous Employer. They can use up to 8 weeks with us if they're eligible.

## **GIVING NOTICE**

- 7.1 You must submit a request in writing using the appropriate form to the Personnel Section, giving at least 21 days' notice of your intention to take Parental Leave and stating when the leave will start and end.

## **MONITORING AND REVIEW OF POLICY**

- 8.1 The Policy will be reviewed every three years in line with the policy review schedule.

## POLICY CHANGE HISTORY

| Version | Change Applied                                                                      | Date        | By           |
|---------|-------------------------------------------------------------------------------------|-------------|--------------|
| 1.0     | Initial Policy                                                                      | 18 Nov 2015 | Dena Macleod |
| 2.0     | Formatting amendments and amendments to eligibility in line with statutory updates. | 28 Jan 2020 | Anna Coyle   |
|         |                                                                                     |             |              |
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## 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>Leave</i>                                                                                                  | Leave is taken to mean both annual and public holiday entitlement subject to the statutory minimum |
| <i>Personnel Section</i>                                                                                      | Chief Executive's Personal Assistance and the Head of Executive Office                             |
|                                                                                                               |                                                                                                    |
|                                                                                                               |                                                                                                    |
|                                                                                                               |                                                                                                    |
| All references to the masculine gender in this policy shall read as equally applicable to the feminine gender |                                                                                                    |



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## ► Adoption Leave Policy

Effective Date: ► June 2020

Review Date: ► May 2023

Approved by HHP Board: 23 June 2020

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# ADOPTION LEAVE POLICY

## INTRODUCTION

- 1.1 This policy sets out the adoption leave and pay entitlements and the procedures for employees to request adoption leave. It is based on the statutory minimum requirements for adoption leave.
- 1.2 The entitlement to Statutory adoption leave (SAL) applies to any employee newly adopting a child up to the age of 18. The entitlement to SAL applies irrespective of whether the employee is entitled to statutory adoption pay (SAP).
- 1.3 Parents adopting step-children of a partner do not qualify for SAL or SAP, although they may qualify for parental leave.

## WHAT IS ADOPTION LEAVE (SAL)

- 2.1 SAL may be taken by an employee when a child up to 18 years of age is placed with them for adoption, provided they meet certain qualifying conditions. In most cases, the employee will also be entitled to receive statutory adoption pay (SAP).
- 2.2 Where a couple (whether opposite sex or same-sex partners) are adopting jointly, only one person may take SAL (and receive SAP). This person will be the Lead Adopter and the other partner will be the Secondary Adopter. The Secondary Adopter may be entitled (subject to meeting certain eligibility criteria) to take one or two weeks' paid paternity leave and/or a period of unpaid parental leave.

## RIGHTS PRIOR TO SAL

- 3.1 Employees that are adopting are entitled to time off for adoption appointments to either have contact with the child, or for another purpose connected to the adoption.
- 3.2 The Lead Adopter is entitled to up to five paid adoption appointments (each of not more than 6.5 hours in length).
- 3.3 The Secondary Adopter is entitled to up to two adoption appointments, without pay (each of no more than 6.5 hours).

## ELIGIBILITY FOR SAL

- 4.1 To qualify for SAL an employee must be newly matched with a child for adoption by an approved adoption agency and have notified the Personnel Section in accordance with this policy.

## NOTICE REQUIREMENTS

- 5.1 The employee must notify HHP of their intention to take SAL within seven days of being notified of a match by the adoption agency, unless this is not reasonably practicable.



- 5.2 The following details must be provided in writing to the Personnel Section:
- Confirmation that they intend to take SAL;
  - When the child is expected to be placed with them;
  - When they would like their SAL/SAP period to commence.
- 5.3 The employee can change their mind over when they would like to commence their SAL provided they give at least 28 days' notice of the change (unless this is not reasonably practicable).
- 5.4 The employee must provide documentary evidence of the placement for adoption in the form of a matching certificate.

### HOW MUCH LEAVE MAY BE TAKEN

- 6.1 An eligible employee is entitled to an overall entitlement of 52 weeks' SAL (comprising 26 weeks' ordinary adoption leave (OAL) followed immediately by a further 26 weeks of additional adoption leave (AAL)).
- 6.2 The employee can start their leave on any day of the week, from either the actual date of the child's placement, or a predetermined date no more than 14 days before the expected date of placement.
- 6.3 Only one period of leave is permitted for each placement regardless of how many children are placed at that time as part of the same arrangement.
- 6.4 If, for some reason, the placement is not successful and ends after the SAL period has begun, the employee will be allowed to continue their leave for a maximum of eight weeks after the end of week the placement ends, or until the end of the maximum leave period, if that is sooner.
- 6.5 If the employee starts their SAL before the child is placed, they need to be sure that the placement is going ahead. If it is delayed once the employee has started their leave, they cannot stop their leave and start it again at a later date.

### SHARED PARENTAL LEAVE

- 7.1 Employees entitled to SAL may be able to convert a period of this into a period of shared parental leave (SPL) and pay, subject to meeting the required eligibility and notifications requirements.

### PAY AND BENEFITS DURING SAL

- 8.1 Most employees are entitled to receive SAP during their SAL. In addition to the eligibility requirements for SAL listed above, to be entitled to SAP the employee must have:
- Worked for HHP for at least 26 weeks continuously by the week they were matched with the child;
  - Earned more than the lower earnings limit in the eight weeks prior to the notification of placement (the Personnel Section can provide further details about this);
  - Notified the Personnel Section at least 28 days' notice of the date they want SAP to start.

- 8.2 The maximum entitlement to SAP is 39 weeks' pay. Employees will receive higher rate SAP in respect of the first six weeks (90% of average earnings) and the flat lower rate of SAP for the remaining entitlement.
- 8.3 An employee who is not entitled to SAP will be sent a letter explaining why they are not eligible.

## **TERMS AND CONDITIONS DURING SAL**

- 9.1 During OAL and AAL the employee's contract of employment continues as normal with the exception of remuneration.
- This includes:
- paid holiday entitlement which continues to accrue (the employee cannot take accrued holiday during their SAL but can, with agreement, take it immediately before and/or at the end of the leave period)
  - benefits such as share schemes, the reimbursement of professional subscriptions, the use of a company car and/or mobile phone (unless provided for business use only) will continue.
- 9.2 During periods of paid SAL the organisation will continue to pay pension contributions, which will be calculated as if the employee was in receipt of their normal remuneration.
- 9.3 If the employee normally makes pension contributions, these will also continue during periods of paid leave but will be based on what the employee is actually paid rather than on their normal remuneration.

## **RETURNING TO WORK**

- 10.1 If the employee intends to take their full SAL entitlement, there is no need to formally notify the organisation of their return to work.
- 10.2 The employee is allowed to return early from leave. However, they must provide (preferably in writing) eight weeks' notice of their intended early date of return.
- 10.3 If the adoption placement is disrupted and the employee is returning earlier than expected, they still need to give the eight weeks' notice.
- 10.4 If the employee attempts to return early without notification, we may delay the return by up to eight weeks, provided this does not extend beyond the end of their maximum leave entitlement. However, all reasonable steps will be taken to ensure the employee can return early if they wish to.
- 10.5 The employee has the right to return to the same job following a period of OAL.
- 10.6 Following AAL the employee is also entitled to return to the same job unless there is a good reason why they cannot do so, in which case the employee must be offered a similar job on terms and conditions that are no less favourable than their original job.
- 10.7 If the employee decides not to return to work at all at the end of their SAL, they must tender their resignation giving their usual period of notice

## **WORKING DURING SAL**

- 11.1 An employee can, by agreement, work during their SAL for up to 10 "keeping in touch" (KIT) days without bringing their SAL to an end or losing SAP.

- 11.2 An employee does not have to work on such a day if they do not wish to do so. Equally, the organisation is not obliged to offer any KIT days.
- 11.3 Before the employee works on a KIT day, they must agree with their line manager the amount of pay that they will receive for that day and for that week.
- 11.4 The total duration of SAL period will remain at 52 weeks, regardless of whether or not an employee works on one or more KIT day

#### **CONTACT DURING ADOPTION LEAVE**

- 12.1 We are entitled to make reasonable contact with the employee during their SAL. We may contact the employee, e.g. to discuss whether or not their planned date of return to work has changed or is likely to do so.
- 12.2 The employee is also entitled to make reasonable contact with the organisation during their SAL, e.g. to discuss any flexible working arrangements that may be requested in accordance with the Flexible Working Policy.

#### **MONITORING AND REVIEW OF POLICY**

- 13.1 This policy will be reviewed every three years in line with the policy review schedule.

## POLICY CHANGE HISTORY

| Version | Change Applied                                                                                          | Date         | By           |
|---------|---------------------------------------------------------------------------------------------------------|--------------|--------------|
| 1.0     | Initial Policy                                                                                          | 18 Nov 2015  | Dena Macleod |
| 2.0     | Clarifications provided in line with statutory position and minor updates to formatting and definitions | 1 March 2020 | Anna Coyle   |
|         |                                                                                                         |              |              |
|         |                                                                                                         |              |              |
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## INTERPRETATIONS & ABBREVIATIONS

The following interpretation and abbreviations are used in this policy:

| Word                                                                                                          | Interpretation                                                                                                                                                                                                     |
|---------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| AAL                                                                                                           | Additional Adoption Leave                                                                                                                                                                                          |
| HHP or Partnership                                                                                            | Hebridean Housing Partnership                                                                                                                                                                                      |
| Board                                                                                                         | Means the Board of the Hebridean Housing Partnership                                                                                                                                                               |
| Board Members                                                                                                 | All Members of the Board including co-opted Members                                                                                                                                                                |
| Leave                                                                                                         | Leave is taken to mean both annual and public holiday entitlement subject to the statutory minimum                                                                                                                 |
| Personnel Section                                                                                             | Chief Executive's Personal Assistant and in her absence, the Head of Executive Office                                                                                                                              |
| KIT day                                                                                                       | Keep-in-touch day                                                                                                                                                                                                  |
| OAL                                                                                                           | Ordinary Adoption Leave                                                                                                                                                                                            |
| Parent                                                                                                        | Includes biological and adoptive parents, as well as those who have acquired responsibility for a child, e.g. legal guardian or the new partner of a parent, provided they meet all the other eligibility criteria |
| SAL                                                                                                           | Statutory Adoption Leave                                                                                                                                                                                           |
| SAP                                                                                                           | Statutory Adoption Pay                                                                                                                                                                                             |
| SPL                                                                                                           | Shared Parental Leave                                                                                                                                                                                              |
|                                                                                                               |                                                                                                                                                                                                                    |
| All references to the masculine gender in this policy shall read as equally applicable to the feminine gender |                                                                                                                                                                                                                    |



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## ► Special Leave Policy

Effective Date: ► June 2020

Review Date: ► May 2023

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# SPECIAL LEAVE POLICY

## INTRODUCTION

- 1.1 All special leave requests should, wherever possible, be applied for in advance of the dates being requested.
- 1.2 With the exception of statutory parental bereavement leave, the entitlements detailed in this policy are non-contractual and we reserve the right to revise this Policy in accordance with our Standing Orders.
- 1.3 Requests for unpaid leave to enhance the time off permitted by this policy can be made to the employees line Director. Such requests will always be considered and will be granted at the discretion of the Director, and in their absence, the Chief Executive.

## PAID LEAVE

### Bereavement

- 2.1 The following leave applies:
  - a) Parents who suffer a still birth or the loss of a child under the age of 18 are entitled to two weeks statutory parental leave. This is a day 1 right.
  - b) Eligible employees will be able to take the leave as either a single block of two weeks, or as two separate blocks of one week, each taken at different times during the 56 weeks after their child's death.
  - c) The first week of this parental bereavement leave will be paid in full. For the second week of parental bereavement leave, employees who have at least 26 weeks continuous service and earn over the lower earnings limit will be entitled to statutory parental bereavement leave pay, in line with other family leave rates.
- 2.2 In the event of a death of an immediate family member, the employee is entitled to receive bereavement leave with pay of five (5) working days within the seven day period following the death of the family member. The immediate family is defined as being wife, husband, partner, mother, father, father-in-law, mother-in-law, son-in-law, daughter-in-law, sister, brother and grandchild. These relationships also include step relationships.
- 2.3 In the event of the death of the next-of-kin of an employee or an employee acting as an executor/executrix, the entitlement for paid bereavement leave is up to three (3) working days within the seven day period following the death.
- 2.4 In the event of the death of a grandparent of an employee, he is entitled to receive bereavement leave with pay of three (3) working days within the seven day period following the death of the family member.
- 2.5 In the event of the death of a brother-in-law or sister-in-law of an employee, he is entitled to receive paid bereavement leave of one (1) working day within the seven day period following the death of the family member.
- 2.6 In the event of the death of an uncle or aunt (blood relative) of an employee, he is entitled to receive paid bereavement leave of one (1) working day within the seven day period following the death of the family member.



- 2.7 In the event of the death of a nephew or niece (blood relative) of an employee, he is entitled to receive paid bereavement leave of one (1) working day within the seven day period following the death of a family member.
- 2.8 If it is not possible for relatives to arrange the funeral within the seven day period stated above, the seven day period will be extended accordingly.

#### Requirement to Escort to Hospital

- 3.1 Paid leave up to a maximum of three (3) working days will be granted to employees who are required by the GP or hospital to escort immediate family members for hospital treatment. The immediate family is defined as being wife, husband, partner, child, mother, father, sister and brother or other relatives, where the employee is the main carer.

#### Family Illness

- 4.1 Employees are entitled to up to five (5) days of paid leave to care for a dependant who is suddenly taken seriously ill or has been injured and is unable to look after themselves.

#### Conferences

- 5.1 Leave of absence, with pay will be granted at the discretion of the appropriate Director, to a maximum of six (6) working days per annum:
- (a) Employees attending, as delegates, conferences, courses and meetings which are organised by a recognised body; and
  - (b) Employees invited to lecture in their professional capacity.

Any additional leave will require the specific approval of the Board

#### Union Activities

- 6.1 Employees elected as a Union Steward or to office of the Western Isles Branch of a Union recognised by the Board or sub-branches thereof shall be granted paid leave of absence to attend meetings of the Branch, and up to 5 days paid leave to attend training subject to the approval of the appropriate Director and service requirements.

#### Post Entry Training and Education

- 7.1 All post entry training and education must be linked into the Approved Training Plan and the Performance Appraisal process. Employees undertaking approved examinations related to recognised qualifications will be granted leave of absence with pay for attendance at examinations or to attend training sessions related to the approved course or exam. Such absence must be in accordance with the Training Policy and must be agreed in advance with the Line Director.
- 7.2 Where an employee finds it necessary to re-sit an examination, special leave will not apply.

#### Community Services

- 8.1 Leave for Community Service is
- (a) Children's Panel – Up to five (5) days paid and five (5) days unpaid leave in a leave year.

- (b) Lifeline Agencies – Volunteers with Lifeline Agencies be granted up to five (5) days paid leave in a leave year for training and response to incidents.

Lifeline Agencies are the:

- Maritime and Coastguard Agency;
- Lifeboat Association;
- Scottish Ambulance First Responder;
- Northern Constabulary (Special Constables); and
- Territorial Army.

Volunteers with Lifeline Agencies must have recorded on the Declaration of Interest form and held on their Personnel file which Lifeline Agencies they are part of, and in which capacity.

#### Jury Service/Witnesses

- 9.1 An employee receiving a summons to serve on a jury must report the fact to their Director and shall be granted special leave with pay to attend, unless exemption is secured, subject to the deduction of the allowances to which an employee is entitled under the Juror's Allowances Regulations and accordingly the employee should claim such allowances. Any allowances received should be offset against salary and discussed with the Director of Finance & Corporate Services. When required to attend for jury service, an employee will be furnished with an official note of salary, expressed in terms of an hourly rate. As witnesses are legally required to attend Court, paid special leave should be made available for the duration of the attendance. The employee should provide their Director with a copy of the citation.

#### Make a Difference Day

- 9.2 Employees are entitled to one day's paid leave per year as a 'Make a Difference' day. This day can be used to volunteer at an event or otherwise provide support to a charity organisation. Employees must have approval in advance to use a Make a Difference day from their Director. Opportunities for positive publicity in connection with activities for a Make a Difference day should be taken.

### **UNPAID LEAVE**

- 10.1 Time off for Dependants is unpaid leave taken by an employee for urgent family reasons where their immediate presence is indispensable. This entitlement may be used in addition to any relevant paid special leave provided, and is intended to help employees reconcile the demands of work and home life.

#### When leave may be taken

- 10.2 An employee is entitled to take time off in order to take necessary action:
- To provide assistance on an occasion when a dependant falls ill, gives birth or is injured;
  - To make arrangements for the provision of care for a dependant who is ill or injured (physically or mentally);
  - In consequence of the death of a dependant;

- Because of the unexpected disruption or termination of arrangements for the care of a dependant;
- To deal with an incident which involves a child of the employee and which occurs unexpectedly in a period during which an educational establishment which the child attends is reasonable for him/her; and
- To accompany a dependant to a medical appointment.

#### Who is a dependant?

- 10.3 For all of the situations described above, a dependant is a person who is the employee's spouse, child, or parent, or a person who lives in the employee's household. (This does not include someone who is the employee's tenant, lodger, or employee.)
- 'Dependant' can also mean any person who reasonably relies on the employee: for assistance if they fall ill or are injured;
  - To make arrangements for the provision of their care in the event of illness or injury; and
  - To assist when there has been unexpected disruption or termination of arrangements for their care.

#### Length of Unpaid Leave

- 10.4 The length of leave given is at the discretion of the Director. One or two days will be considered reasonable. Managers should seek advice from their Director. Completed forms will be kept in the employee's personal file. The return to work interview forms contain confidential information and may only be viewed by authorised personnel.

#### Family Friendly Policies

- 10.5 In terms of its family friendly policies, we are keen to support employees where there would be no financial consequences or detrimental effect on service by granting such leave.
- Directors may grant up to five (5) working days unpaid special leave in any one year; and
  - The Chief Executive may grant up to a further five (5) working days unpaid special leave in any one year where there are special circumstances.
- 10.6 The special leave described in 10.5 is in addition to entitlements arising in the Parental Leave Policy, and arrangements that may be agreed in accordance with the Flexible Working Policy.

#### Charitable Works-National and International

- 10.7 Special leave up to ten (10) days be made available to staff involved in voluntary work at a national/international level. The leave taken would be unpaid and require prior approval by their Director.

#### Parental Assistance/Youth Camps/Sports Competitions

- 10.8 Special leave up to ten (10) days be made available to employees who are involved with youth activities/clubs and who are required to accompany children to camps and competitions. The leave taken would be unpaid and require 21 days prior approval by their Director.

## **PENSIONS**

- 11.1 If there is any impact to an Employees Pension contributions or entitlement as a result of taking leave in accordance with this Policy, this shall be dealt with in accordance with the Local Government Pension Scheme (Scotland), and following the advice of our Pensions Administrator, Highland Council.

## **EQUAL OPPORTUNITIES**

- 12.1 This policy has been developed ensuring that all employees, including those who work part time have equal opportunities for access to special leave. There are no exclusions to the categories of employee who have access to this policy. No employee will be excluded on the grounds of colour, race, ethnic or national origin, religion, social background, marital status, sexual orientation, age or disability.

## **MONITORING AND REVIEW OF POLICY**

- 13.1 This policy will be review every three years in line with the policy review schedule.

## POLICY CHANGE HISTORY

| Version | Change Applied                                                                                                                             | Date         | By           |
|---------|--------------------------------------------------------------------------------------------------------------------------------------------|--------------|--------------|
| 1.0     | Initial Policy                                                                                                                             | 18 Nov 2015  | Dena Macleod |
| 2.0     | Para 6.1 updated to allow paid time for Union Stewards                                                                                     | 24 May 2017  | Dena Macleod |
| 3.0     | Update to include Statutory Parental Bereavement leave, minor amendments to formatting and inclusion of Head of Executive Office job role. | 6 March 2020 | Anna Coyle   |
| 4.0     | Update to include reference to Pensions in accordance with Local Government Pensions Scheme (Scotland), and guidance from Highland Council | 11 June 2020 | Anna Coyle   |
|         |                                                                                                                                            |              |              |
|         |                                                                                                                                            |              |              |
|         |                                                                                                                                            |              |              |
|         |                                                                                                                                            |              |              |

## 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>Leave</i>                                                                                                  | Leave is taken to mean both annual and public holiday entitlement subject to the statutory minimum |
| <i>Personnel Section</i>                                                                                      | Chief Executive's Personal Assistant and in their absence, the Head of Executive Office            |
|                                                                                                               |                                                                                                    |
|                                                                                                               |                                                                                                    |
|                                                                                                               |                                                                                                    |
| 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

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**APPENDIX 5A****RESPONSES TO ATTENDANCE AND ABSENCE POLICY CONSULTATION**

|                                                      |                          |
|------------------------------------------------------|--------------------------|
| Number of responses                                  | <b>6</b>                 |
| Number of responses received before revised deadline | <b>6</b>                 |
| Number of responses received after revised deadline  | <b>0</b>                 |
| Staff / Union                                        | <b>5 staff / 1 Union</b> |

**Staff Responses:**

| Clause | Area                                  | Comment                                                                                                                                                                                                                                                          | Management Response                                                                                                                                                                                  |
|--------|---------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2.2 c  | Absence Reporting                     | Is this information required at the point of absence reporting? It may not be known in the first instance of absence.                                                                                                                                            | Information that is known at the point of absence to be reported by the Employee or their representative, including how long you 'think' you are going to be off.<br><br><b>No update to Policy.</b> |
| 2.3    | Absence Reporting                     | Some employees and managers may have a relationship in which a text message might be common communication. It would sometimes be beneficial for a manager to receive a text (for example the night before or early in the morning to notify them of an absence). | Consistency is required across all Managers.<br><br><b>No update to Policy.</b>                                                                                                                      |
| 2.9    | Absence Reporting / Failure to comply | An employee could be hospitalized suddenly, either locally or on the mainland and be in a situation where they would be unable to comply with the Policy. There should be a provision to allow the employer to contact the next of kin in these circumstances.   | Reporting requirements in this section provide for 'you or your representative'.<br><br><b>No update to Policy.</b>                                                                                  |

| Clause               | Area                                | Comment                                                                                                                                                                                              | Management Response                                                                                                                                                                                                                                                                                                                                                                |
|----------------------|-------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3.1                  | Return to Work Interview            | A return to work interview after a day or two seems excessive – especially if the line manager is not available and it has to be carried out by a Director.                                          | <p>This section has been <b>amended</b> in line with feedback also provided by the Union, see below.</p> <p>Policy updated to require an informal return to work interview after every period of absence and a formal return to work interview after an absence of 7 (calendar) days.</p>                                                                                          |
| 3.10                 | Phased Return to Work               | Only one PRW permitted in any 12 month period may be problematic for anyone who has had a return from surgery or unanticipated complications requiring follow up.                                    | <p>Phased Return to Work will be facilitated only where this is supported by written medical advice from the employee's GP (see 3.8).</p> <p>This section has been <b>amended</b>:</p> <p><i>Any agreed PRW programme will be time-limited and will normally not exceed a period of six weeks. <del>There will only be one PRW permitted in any twelve month period.</del></i></p> |
| 7.8                  | Doctor/Hospital/Dental Appointments | It can be very difficult to get appointments out with working hours. It would read better: "Doctor and hospital appointments should be booked where possible out with working hours where possible". | <p>This section has been <b>amended</b> in line with feedback also provided by the Union, see below:</p> <p>Policy covers 'where it is not possible' already, but 'wherever possible' has been added to clarify.</p>                                                                                                                                                               |
| Additional comments: |                                     |                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                    |



| Clause | Area              | Comment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Management Response                                                                                                                                                                                                                                                                                                                                                    |
|--------|-------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|        | Stress Management | A separate section covering mental health illness and treatment or associated absence would be beneficial as organisational policy and procedure is confusing.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <p>Stress Management is covered at 7.16, and there is a separate Stress Management Policy, which is also due for review in November 2020.</p> <p><b>No update to Policy.</b></p>                                                                                                                                                                                       |
|        | Pensions          | <p>Reg 11(5) should be implemented by your payroll team as soon as possible - In effect it means for authorised leave other than illness/injury for periods of 30 days or less where an employee's actual pay is reduced, their Gross Pensionable pay should not be reduced on account of the absence and scheme contributions to be applied to the Gross Pensionable Pay that would have been paid but for absence. This protects the employee's pensionable pay for the first 30 days of any period of authorised leave and they will have the right to pay additional contributions to buy any lost pension beyond the 30 day period on their return.</p> <p>Regulations 11(5) states as follows:</p> <ul style="list-style-type: none"> <li>An active member, who is absent from work with permission from the member's Scheme employer (otherwise than by reason of illness or injury) for a continuous period of less than 31 days and is receiving reduced or no pay, must pay contributions on the pensionable pay the member would have received during that period but for the absence.</li> </ul> | <p>Clause 8.1 added to <b>clarify</b>:</p> <p><i>If there is any impact to an Employees Pension contributions or entitlement as a result of taking leave in accordance with this Policy, this shall be dealt with in accordance with the Local Government Pension Scheme (Scotland), and following the advice of our Pensions Administrator, Highland Council.</i></p> |

**Union Response:**

| Clause | Area                        | Comment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Management Response                                                                                                                                                         |
|--------|-----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.1    | Introduction                | <p>Additional information added.</p> <p>"We are committed to improving the health, wellbeing and attendance of all employees and recognise the crucial role of sickness absence procedures as part of a wider organisational policy to establish a healthy workplace. <del>We take a supportive approach to sickness absence by tackling the underlying causes of sickness and offering assistance to employees during and after a period of sick leave. We recognise that such an approach has a positive effect on the standard of service provided by the organisation through the benefits to workforce morale and retention of staff.</del>"</p> | <b>Wording partially included</b>                                                                                                                                           |
| 1.5    | Introduction                | <p>New point added:</p> <p>We accept that workers may wish to be accompanied by a trade union rep to any meeting concerning sickness absence that is held as part of the procedures defined in this agreement.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>Clause 1.5 added:</b> <i>You are entitled to be accompanied by another Employee or a Trade Union Representative to any meeting arising under this Policy.</i>            |
| 2.5    | Absence Reporting Procedure | <p>Comment</p> <p>Requires further details e.g. doesn't affect SSP as they have not been absent for 4 working days.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <p>SSP is unaffected by this Policy as it is a Statutory Entitlement.</p> <p>Clause 2.5 is about the certification period.</p> <p><b>No update to Policy.</b></p>           |
| 2.9    | Absence Reporting Procedure | <p>New point added</p> <p>Properly reported sickness absence where the employee is ill will never, on any grounds, be subject to disciplinary procedures.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <p>Just because absence is properly reported, does not mean that such absence would never be the subject of disciplinary procedures.</p> <p><b>No update to Policy.</b></p> |

| Clause | Area                        | Comment                                                                                                                                                                                                                                                                                                                                                                                           | Management Response                                                                                                                                                                                                      |
|--------|-----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2.11   | Absence Reporting Procedure | New point added<br><br>An employee will have the right to appeal when notified of a decision to terminate by placing a written statement of appeal to us.                                                                                                                                                                                                                                         | Employees right to appeal when notified of a decision to terminate will be dealt with in accordance with existing Disciplinary Procedures.<br><br><b>No update to Policy.</b>                                            |
| 2.14   | Occupational Sick Pay       | Comment<br><br>Where does guidance above come from?                                                                                                                                                                                                                                                                                                                                               | The duration of payment provided are our enhanced Occupational Sick Pay timescales. As these are in excess of the Statutory requirements, they are not being considered at this time.<br><br><b>No update to Policy.</b> |
| 3.1    | Return to Work              | Replacement for original point<br><br>An informal return to work interview will take place after every period of absence. This will be done by the employee's line manager (or Director if he is not available) on the first day of their return to work, or as soon as practicable thereafter if the manager and the Director are not available on the first day of the employees return to work | <b>Accepted – Policy updated.</b>                                                                                                                                                                                        |
| 3.2    | Return to Work              | Reworded<br><br>A formal return to work interview must be carried out following absences in excess of 7 days or persistent short term absence <del>(defined as three absences in a three month period or twelve in a 12-month period).</del><br><br>What forms? Should these be an addendum?                                                                                                      | Accepted, except persistent short term absence is not defined. <b>Policy updated.</b><br><br>4.4 also covers details for attendance review triggers<br><br>Forms are available from the Personal Assistant.              |
| 3.4    | Return to Work              | The Personal Assistant will prepare the report for each Management meeting using the information from our HR system.<br><br>Is this supposed to happen or is it a proposal?                                                                                                                                                                                                                       | This is supposed to happen.<br><br><b>No update to Policy.</b>                                                                                                                                                           |

| Clause | Area                  | Comment                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Management Response                                                                                                                                                                                                                                                                                                    |
|--------|-----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3.8    | Return to Work        | <p>Additional Point</p> <p>At no point will employees be placed under pressure to return to work before they are sufficiently well and additional medical assessments will only be requested when they are reasonably likely to provide new information.</p>                                                                                                                                                                                                                      | <p>Employee's fitness to return to work shall be established by their GP or a medical practitioner.</p> <p><b>Clarification added to Policy.</b></p>                                                                                                                                                                   |
| 3.9    | Return to Work        | <p>Additional Point</p> <p>The purpose of a PRW is to rehabilitate the employee to their full duties and to enable them to gradually progress to undertake their full normal working hours within an agreed timescale without bringing about a recurrence of the sickness experienced by the employee.</p>                                                                                                                                                                        | <p><i>It aims to assist staff in such circumstances to return to work in an effective and productive way which does not compromise their recovery or long-term health by facilitating appropriate measures to support rehabilitation.</i></p> <p>This point is already covered.</p> <p><b>No update to Policy.</b></p> |
| 3.14   | Return to Work        | <p>Managers will take into account that an employee may feel very anxious about returning to work after a lengthy period of absence and worried about how they will be perceived and treated by colleagues and management. <del>This may be a particular concern if the employee's absence was the result of a mental illness.</del> In such cases, managers will take positive steps to make the employee feel at home and facilitate their reintegration into the workplace</p> | <p><b>Policy amended</b> except for the section on Mental health, which may inadvertently highlight an Employee's status. All Employees should be treated with care and respect when returning from work regardless of the reason for their absence.</p>                                                               |
| 4.4    | Attendance Management | <p>Replacement for Original Point</p> <p>three absences in a three month period</p>                                                                                                                                                                                                                                                                                                                                                                                               | <p>Original timescale remains.</p> <p><b>No update to Policy.</b></p>                                                                                                                                                                                                                                                  |

| Clause    | Area               | Comment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Management Response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-----------|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 5.3       | Absence Management | The line manager will ask the employee for written consent to obtain a medical report...                                                                                                                                                                                                                                                                                                                                                                                                  | <p><b>Amendment to Policy:</b></p> <p><i>The line manager will ask the employee for consent (preferably in writing, where this is possible) to obtain a medical report...</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                   |
| 5.5       | Absence Management | <p>New Point to open section</p> <p>If a manager believes that an employee has come to work when they are not sufficiently well, or there is a risk of infection spreading, a discussion will be held with the employee with a view to agreeing whether there are grounds for absence or an adjustment such as working from home.</p>                                                                                                                                                     | <p>This principle has further developed with the emergence of COVID-19. <b>An additional clause has been added:</b></p> <p><i>5.5 Employees must not attend work if they are, or reasonably believe they could be carrying an infection or have infectious symptoms. Where an employee is physically well enough to work, but not in the office to reduce the risk of infecting others, they will be entitled to work at home with the prior agreement of their Manager. Normal sickness reporting must be adhered to if an Employee is sick such that they are not able to work from home.</i></p> |
| 6.2 & 6.3 | Dishonest Absence  | <p>Additional Points</p> <p>We will ensure that sickness absence records are not utilised to influence discretionary payments, such as any form of performance pay</p> <p>All records will be retained and processed in accordance with the General Data Protection Regulations classification of health records as special category personal data. Any failure to comply with the regulations in handling of staff medical records will be treated as a serious disciplinary matter.</p> | <p>This is not relevant to dishonest absence. The payment of discretionary payments would always be discretionary – performance and attendance may influence that.</p> <p>All information is handled in accordance with GDPR.</p> <p><b>No update to Policy.</b></p>                                                                                                                                                                                                                                                                                                                                |

| Clause      | Area                             | Comment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Management Response                                                                                                                                                                                                                                                            |
|-------------|----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 7.1         | Other Provisions                 | <p>Replacement of Original Point</p> <p>If an employee becomes sick while on annual leave, as long as established reporting procedures have been observed, the annual leave will be reinstated.</p> <p>Define holiday</p>                                                                                                                                                                                                                                                                                                                                                                          | <p>The Doctors certificate is required, not the following of established reporting procedures. Holiday is not strictly defined. The onus is on the employee to act in accordance with 7.12</p> <p><b>No update to Policy.</b></p>                                              |
| 7.3         | Carrying forward of Annual Leave | <p>This time must be used by 28 February or it will be lost, <u>unless affected by absence per this Policy.</u></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <p><b>Accepted. Policy updated.</b></p>                                                                                                                                                                                                                                        |
| 7.8         | Other Provision                  | <p>Additional Points</p> <p>Doctor and hospital appointments should be arranged out with working hours where possible. If it is not possible, then employees should request time off from their line manager. Arrangements could include using annual leave, FLEXI or unpaid time off this includes appointments for physio where generally there is flexibility in the time an appointment can be arranged. <del>GP appointments should not be delayed for extended periods in order to fit outside core hours as early diagnosis and treatment could prevent further sickness absence.</del></p> | <p>Policy covers 'where it is not possible' already, but 'wherever possible' has been added to clarify.</p> <p>Last section is not required. The language is emotive and the clause already covers these options for employees.</p> <p><b>No further update to Policy.</b></p> |
| 7.11        | Home Visits                      | <p>Home visits will only take place with the express consent of the employee.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <p>Accepted, with 'consent' rather than 'express consent'.</p> <p><b>Policy updated.</b></p>                                                                                                                                                                                   |
| 7.12        | Conduct whilst off sick          | <p>Duties of fidelity is an outdated term, consider replacing.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <p><b>Accepted, Policy updated.</b> Reference to duties of fidelity has been removed.</p>                                                                                                                                                                                      |
| 7.12 – 7.14 | Other Provisions                 | <p>Additional Points</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <p>1&amp;2 Not required, covered already.</p>                                                                                                                                                                                                                                  |

| Clause | Area             | Comment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Management Response                                                                                                                                                                                                                                                                                                        |
|--------|------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|        |                  | <p>Discussions between managers and employees will focus on:</p> <ol style="list-style-type: none"> <li>1) Any further health assessment other than that undergone for the doctor's fit note, which may be of assistance in recovery and return to work.</li> <li>2) Phased return to work, altered hours, amended duties or workplace adaptations or redeployment, which may assist the worker to return to work without bringing about a recurrence of the sickness experienced by the employee.</li> </ol> <p>7.13 Where an employee is uncomfortable discussing their health issues with their line manager for any reason, an alternative contact will be agreed to enable the discussion to take place.</p> <p>7.14 At no point will employees be placed under pressure to return before they are sufficiently well.</p> | <p><b>7.13 Accepted – Policy updated</b></p> <p>7.14 – covered at the new 3.8</p>                                                                                                                                                                                                                                          |
| 7.15   | Other Provisions | <p>Questions raised:</p> <p>Is this not putting pressure on someone considering IVF?</p> <p>Does it go against our family friendly approach?</p> <p>If using annual leave then there is no need to divulge IVF treatment</p> <p>Doctors may also sign patients off as unfit for work during IVF</p> <p>In other words, this may need looked at and re-written</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <p><b>Clarification inserted:</b></p> <p>Absences resulting from IVF treatment will not be processed as sick leave or pay unless they have been signed off by the employee's Doctor as a consequence of, or otherwise in relation to such treatment in which case they will be treated in accordance with this Policy.</p> |
| 7.16   | Other Provisions | <p>Replacement of initial point</p> <p>Stress is not an illness itself, but it can cause serious illness if it is not addressed.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <p>Stress Management is the subject of another specific Policy which deals with these issue in more detail and is due for review in Nov 2020.</p>                                                                                                                                                                          |

| Clause    | Area                          | Comment                                                                                                                                                                                                                                                                                                                                                              | Management Response                                                                                                                                                                                                                                                                                                   |
|-----------|-------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|           |                               | <p>Questions also raised</p> <p>Surely stress is something that needs to be captured as formal, confidential return to work interview to reduce chance of it being repeated?</p>                                                                                                                                                                                     | <b>No update to Policy.</b>                                                                                                                                                                                                                                                                                           |
| 7.17      | Other Provisions              | <p>Questions raised</p> <p>Obviously lifted from somewhere. Change male references.</p> <p>Also consider revamping as it reads excessively harsh</p> <p>Perhaps speak to <a href="http://disabilityequality.scot/">http://disabilityequality.scot/</a></p>                                                                                                           | <p>All references to the masculine gender in this policy shall read as equally applicable to the feminine gender, but 'him' has been updated to 'them'.</p> <p>Wording has also been revised to allow for 'all reasonable endeavours' to be made by HHP before a dismissal may take place, <b>Policy updated.</b></p> |
| 8.3 & 8.4 | Monitoring & Review of Policy | <p>Additional Points</p> <p>We will consult with health and safety committee over any proposal that can be expected to have a significant effect on sickness absence.</p> <p>A regular review of sickness absence policy that draws on aggregate sickness absence data will be reviewed by the health and safety committee with a view to agreeing improvements.</p> | <p>Attendance and Absence monitoring is within the remit of the Managers, not the H&amp;S committee (certain monitoring for the Managers meeting covered in clause 3.3).</p> <p><b>No further update to Policy.</b></p>                                                                                               |



## APPENDIX 5B

## RESPONSES TO PARENTAL LEAVE POLICY CONSULTATION

|                                                      |       |
|------------------------------------------------------|-------|
| Number of responses                                  | 3     |
| Number of responses received before revised deadline | 3     |
| Number of responses received after revised deadline  | 0     |
| Staff / Union                                        | 2 / 1 |

## Staff Responses:

| Clause | Area                         | Comment                                                                                                                                                                                                                                                                                                                       | Management Response                                                                                                                                                                                                                                                                                                                                                                                    |
|--------|------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 4.2    | Definition of disabled child | Definition of disability would be beneficial in order to provide clarity, i.e. defined under the Equality Act.                                                                                                                                                                                                                | <p>The Statutory definition of disabled would be the minimum standard applied (this would be by reference to whether the child was in receipt of Disability Living Allowance and/or Personal Independence Payment. By not defining disability in these terms, discretion is maintained for Managers to approve the more flexible leave pattern, if appropriate.</p> <p><b>No update to Policy.</b></p> |
|        | Refusing Parental Leave      | Are there any circumstances where an application for Parental Leave can be refused? For example, is it similar to having the right to apply for flexible working on return from maternity leave but this does not mean that an organisation has to actually approve the request if they have a legitimate business reason not | There is a presumption that qualifying employees will be able to take leave applied for in accordance with the Policy. The Policy is based on the                                                                                                                                                                                                                                                      |

| Clause | Area | Comment                                                                                     | Management Response                                                                                              |
|--------|------|---------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|
|        |      | to? It might be worth making the distinction so the policy is clearer with regards to this. | statutory position which will govern if/when HHP can postpone parental leave.<br><br><b>No update to Policy.</b> |

**Union Response:**

| Clause | Area              | Comment                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Management Response                                                                                                                                                                          |
|--------|-------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.1    | Introduction      | Deletion of additional information.<br><br>Parental Leave is intended to support parents in spending more time with their children and help them to strike a work-life balance that works for them. <del>It is not intended, for example, to allow you time off to pursue a hobby.</del>                                                                                                                                                                                   | This wording is in as a clarification.<br><br><b>No update to Policy.</b>                                                                                                                    |
| 3.1    | Paid Leave        | <i>You are not entitled to receive remuneration during Parental Leave. A period of Parental Leave does not affect your entitlement to paid annual leave. However, any additional contractual holiday entitlement will not accrue during that period. <b>Clarification required.</b></i><br><br>Does it relate to the extra days awarded after 5 years service and/or public holidays? How is the adjustment to additional contractual holidays worked out? Is it pro-rata? | Parental Leave entitlement will reflect the statutory position. Public holidays are included within the contractual accrual.<br><br><b>No update to Policy.</b>                              |
|        | General Questions | I would also add the following examples:<br>Parental leave can be taken for any reason as long as it is related to the care of your child. Examples of the way it might be used include:<br><ul style="list-style-type: none"> <li>• spending more time with your child in their early years;</li> <li>• accompanying your child during a stay in hospital;</li> </ul>                                                                                                     | The introduction covers the purpose of the Policy, without providing what would be a non-exhaustive list.<br><i>Parental Leave is intended to support parents in spending more time with</i> |

| Clause | Area       | Comment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Management Response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|--------|------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|        |            | <ul style="list-style-type: none"> <li>• looking at new schools;</li> <li>• settling your child into new childcare arrangements;</li> <li>• enabling your family to spend more time together. For example, taking them to stay with grandparents.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                   | <p><i>their children and help them to strike a work-life balance that works for them.</i></p> <p><b>No update to Policy.</b></p>                                                                                                                                                                                                                                                                                                                                                                          |
|        | Pain Leave | Paid leave up to a maximum of three (3) working days will be granted to employees who are required by the GP or hospital to escort immediate family members for hospital treatment. The immediate family is defined as being wife, husband, partner, child, mother, father, sister and brother or other relatives, where the employee is the main carer.                                                                                                                                                                                                                                                                       | <p>In this instance application for leave would be made under the Special Leave Policy, which is separate to the statutory Parental Leave Policy</p> <p><b>No update to Policy.</b></p>                                                                                                                                                                                                                                                                                                                   |
|        |            | <p>Various questions raised</p> <p>Can we add details on special arrangements or flexibility?</p> <p>HHP will enable staff to work reduced hours over a given period without losing any pay.</p> <p>HHP will allow parental leave if the child is over the statutory age to legally qualify e.g. 19 but living at home or still attending school.</p> <p>HHP will extend parental leave for disabled children up to 21 years of age</p> <p>The policy needs to include information on related issues so that staff recognise they have other options, not just parental leave e.g.:</p> <p><i>Dealing with emergencies</i></p> | <p>The Flexible Working Policy is going to the Board for approval to consult with Staff and the Union in June.</p> <p><b>No update to Policy.</b></p> <p>The Parental Leave Policy is based on the Statutory position and is not being considered for enhancement.</p> <p><b>No update to Policy.</b></p> <p>A related Policies matrix is being drawn up as part of the Policy Review Schedule which will cover this point.</p> <p>Parental Leave is a statutory requirement, it is unpaid and is not</p> |

| Clause | Area | Comment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Management Response                                                                                                                                                                                                                                                                                                            |
|--------|------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|        |      | <p><i>Even if you do not qualify for parental leave, you will receive time off to deal with genuine emergencies. You have the right to take a reasonable amount of unpaid time off to deal with certain emergencies involving people you care for.</i></p> <p><i>You qualify for "time off for dependents" regardless of how long you have been working for your employer.</i></p> <p>The policy should also refer to actual rights for parent's e.g.:</p> <p>You have the right to take time off to look after your children until they are five years old.</p> <p>Parental leave gives you time to care for your children in the first five years of their lives (or until they are 18 if they are disabled or for the earlier of the first five years of their placement and their 18th birthday if they are adopted)</p> <p>Would HHP consider payment for parental leave in exceptional circumstances, as we are a family friendly employer?</p> | <p>being considered for enhancement.</p> <p>There are other leave options that can be considered, depending on the circumstances, e.g. Annual Leave, Flexi Leave, Special Leave and the Flexible Working Policy.</p> <p>1.1 confirms that Parental leave applies until Children are 18.</p> <p><b>No update to Policy.</b></p> |

## APPENDIX 5C

## RESPONSES TO ADOPTION LEAVE POLICY CONSULTATION

|                                                      |       |
|------------------------------------------------------|-------|
| Number of responses                                  | 4     |
| Number of responses received before revised deadline | 4     |
| Number of responses received after revised deadline  | 0     |
| Staff / Union                                        | 3 / 1 |

**Staff Responses:**

All three Staff responses received confirmed they foresaw no difficulty in applying this Policy, nothing that we have not covered in this Policy that they think we should cover and no further comments.

**Union Response:**

| Clause | Area                   | Comment                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Management Response                                                                                                                                                                                   |
|--------|------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 8.2    | Statutory Adoption Pay | 8.2 Is confusing and needs clarity. Statutory Adoption Pay is paid at a flat rate of £151.20 a week, or 90% of your normal gross weekly earnings, whichever is lower. The maximum entitlement to SAP is 39 weeks' pay. Employees will receive higher rate SAP in respect of the first six weeks (90% of average earnings) and the flat lower rate of SAP (£151.20 a week, or 90% of your normal gross weekly earnings, whichever is lower) for the remaining entitlement. | SAP is defined in the Policy as Statutory Adoption Pay, and will be paid at the prevailing statutory rate for the period of leave taken in accordance with the Policy.<br><b>No update to Policy.</b> |

## APPENDIX 5D

## RESPONSES TO SPECIAL LEAVE POLICY CONSULTATION

|                                                      |       |
|------------------------------------------------------|-------|
| Number of responses                                  | 3     |
| Number of responses received before revised deadline | 3     |
| Number of responses received after revised deadline  | 0     |
| Staff / Union                                        | 3 / 0 |

## Staff Responses:

| Clause | Area              | Comment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Management Response                                                                                                                                                                                                                                                                                                                                              |
|--------|-------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|        | Bereavement Leave | In the event of an employee becoming a bereaved parent/spouse, they are highly likely to be signed off on sick leave by their GP. If HHP enhanced the position even further (the employee will be paid either way) it would a) avoid the employee unnecessary stress in having to get a sick note and b) boost HHP's reputation as a sympathetic and caring employer.                                                                                                                                                                                                                                                                                | An Employee is required to be signed off by their GP if they are medically unfit to work. The Special Leave Policy (in respect of Parental Bereavement) is already an enhancement on the Statutory Position.<br><br><b>No update to Policy.</b>                                                                                                                  |
|        | Pensions          | Reg 11(5) should be implemented by your payroll team as soon as possible - In effect it means for authorised leave other than illness/injury for periods of 30 days or less where an employee's actual pay is reduced, their Gross Pensionable pay should not be reduced on account of the absence and scheme contributions to be applied to the Gross Pensionable Pay that would have been paid but for absence. This protects the employees pensionable pay for the first 30 days of any period of authorised leave and they will have the right to pay additional contributions to buy any lost pension beyond the 30 day period on their return. | <b>Clause 11.1 added to clarify:</b><br><br><i>If there is any impact to an Employees Pension contributions or entitlement as a result of taking leave in accordance with this Policy, this shall be dealt with in accordance with the Local Government Pension Scheme (Scotland), and following the advice of our Pensions Administrator, Highland Council.</i> |

| Clause | Area | Comment                                                                                                                                                                                                                                                                                                                                                                                                                                         | Management Response         |
|--------|------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
|        |      | <p>Regulations 11(5) states as follows:</p> <ul style="list-style-type: none"> <li>An active member, who is absent from work with permission from the member's Scheme employer (otherwise than by reason of illness or injury) for a continuous period of less than 31 days and is receiving reduced or no pay, must pay contributions on the pensionable pay the member would have received during that period but for the absence.</li> </ul> |                             |
|        |      | I would like to say I think it is great to see that make a difference day is included in this Policy.                                                                                                                                                                                                                                                                                                                                           | <b>No update to Policy.</b> |

**Union Response:****No response received.**

# BUSINESS PLAN APPENDIX 4 UPDATE

Board 23 June 2020

Report by Head of Executive Office

## Purpose of Report

- 1.1 The purpose of this report is to provide the Board with an updated Appendix 4 to the five year Business Plan (2019/20 to 2023/24) for approval.

## Summary

- 2.1 Appendix 4 relates to our Key Performance Indicators and shows target performance against achieved outcome. The Appendix 4 that was presented to the Board in March omitted the Performance outcome figures for 2018/19 in error.
- 2.2 Two new KPI's have also been added relating to average length of time taken to complete emergency and non-emergency repairs to ensure our KPI's are in line with the Annual Return on the Charter.
- 2.3 Existing KPI's will be reviewed for the Business Plan Update due in 2021 to ensure they continue to be appropriate and in line with other performance reporting functions.
- 2.4 An updated Appendix 4 including the Performance outcome figures for 2018/19 is included at Appendix 1 to this report.

## 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 approve the updated Appendix 4 to the Business Plan.**

**APPENDIX 1:** Appendix 4 – Key Performance Indicators – Updated

**Background Papers:** Business Plan 2019/20 to 2023/24 – 2020 Update

**Writer of Report:** Tina Cook

Tel: 0300 123 0773



## KEY PERFORMANCE INDICATORS TARGETS

[illegible]

[illegible]

| KEY<br>PERFORMANCE<br>INDICATOR                                     | 2016/17<br>(Target) | 2016/17<br>(Outcomes) | 2017/18<br>(Target) | 2017/18<br>(Outcomes) | 2018/19<br>(Target) | 2018/19<br>(Outcomes) | 2019/20<br>(Target) | 2020/21<br>(Target) | 2021/22<br>(Target) | 2022/23<br>Target) | 2023/24<br>(Target) |
|---------------------------------------------------------------------|---------------------|-----------------------|---------------------|-----------------------|---------------------|-----------------------|---------------------|---------------------|---------------------|--------------------|---------------------|
| Annual Gas Service Inspection % compliant (ARC)                     | 100%                | 100%                  | 100%                | 99.8%                 | 100%                | 100%                  | 100%                | 100%                | 100%                | 100%               | 100%                |
| Total current arrears as % of gross debit (ARC/SHBVN)               | <2.1%               | 1.83%                 | <2.1%               | 1.7%                  | <2.0%               | 1.96%                 | <2.0%               | <2.0%               | <2.0%               | <2.0%              | <2.0%               |
| Total current and former tenant arrears as a % of gross debit (ARC) | <4%                 | 3.32%                 | <4%                 | 3.15%                 | <4%                 | 3.46%                 | <4%                 | <4%                 | <4%                 | <4%                | <4%                 |
| Rent loss due to voids as % of gross debit (funders valuation/ ARC) | <0.8%               | 0.85%                 | <0.8%               | 1.17%                 | <0.8%               | 0.66%                 | <0.8%               | <0.8%               | <0.8%               | <0.8%              | <0.8%               |
| % of anti-social behaviour cases resolved in the year               | 85%                 | 71%                   | 88%                 | 69.4%                 | 88%                 | 82.50%                | 88%                 | 90%                 | 90%                 | 90%                | 90%                 |

# BOARD DEVELOPMENT PLAN PROGRESS REPORT

Board 23 June 2020

Report by Chief Executive

## Purpose of Report

- 1.1 This Report provides progress report following the Board Skills Exercise carried out during September and October 2019 and the Board Development Session held on 12 December 2019.

## Summary

- 2.1 In accordance with the Scottish Housing Regulator's *Regulatory Standards of Governance and Financial Management*, the Board needs to "assess annually the skills, knowledge, diversity and objectivity that it needs for its decision-making, what is contributed by continuing governing body members, and what gaps there are that need to be filled."
- 2.2 The outcome from the Skills Assessment, in addition to a further development session led by the Chair, was used to populate the 2020 Development Plan for the Board, shown in Appendix 1.
- 2.3 Delegation was given to the Chair and Chief Executive to finalise the 2020 Board Development Plan.
- 2.4 A Training Plan for August 2019 to August 2020 was prepared and progress towards this is shown at Appendix 2.
- 2.5 Tenant Scrutiny training which had been scheduled for July 2020, has been postponed to allow for the new TPAS Tenant Participation Officer to be recruited and settle into post.
- 2.6 Furthermore, progress towards the Training Plan has been hampered by the COVID-19 lockdown. Three sessions had been scheduled, only one of which has been rescheduled due to trainer unavailability. It is hoped that as we begin to emerge from lockdown the remaining sessions will be delivered remotely, or in person should social distancing measures allow.
- 2.7 In accordance with Rule 37.9 the Board are required to assess the skills, knowledge, diversity and objectivity it needs for its decision making processes, annually. Further information required for the Board to complete its Annual Assessment is at Appendix 3.

## Competence

- 3.1 The financial, legal or other constraints arising from the recommendations to this report being implemented are detailed at 5.1 – 8.2.

## Recommendations

### 4.1 It is recommended that the Board:

- a) note the 2020 Board Development Plan update at Appendix 1;
- b) note the 2019/20 Training Plan update at Appendix 2; and
- c) consider applications for re-election from Board Members with 9 years services as detailed in the 2020 Board Annual Assessment at Appendix 3.

**APPENDIX 1:** 2020 Board Development Plan

**APPENDIX 2:** 2019/20 Training Plan Progress

**APPENDIX 3:** 2020 Board Annual Assessment

**Background Papers** Regulatory Standards of Governance and Financial Management

**Writer of Report** Tina Cook

Tel: 0300 123 0773

## Competence

### *Financial*

- 5.1 There will be a financial cost to the implementation of the Board Training Plan which will be borne from existing budgets. The allocation for Board Training in 2019/20 was £7000 of which £999.59 was spent. The 2020/21 budget is £6,000.

### *Legal*

- 6.1 There is a regulatory requirement to carry out a skills assessment and provide ongoing training to Board Members in order to sustain their continued effectiveness.
- 6.2 Any training undertaken by Board Members will be in accordance with HHP's Training Policy and Training Plan.

### *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. Carrying out skills assessments helps to ensure that the Board has the skills, knowledge and diversity it needs to provide capable leadership, control and constructive challenge to achieve the RSL's purpose, and helps to mitigate the risk of not delivering good tenant outcomes or manage the Partnership's affairs.
- 8.2 Recruitment of Governing Body Members is detailed at number 7 on the Risk Register.

## BOARD DEVELOPMENT PLAN

| Task                                                                                                                                        | Responsibility           | Timescale   | Progress                                                                                 |
|---------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|-------------|------------------------------------------------------------------------------------------|
| Complete development review and report to the board on the effectiveness of the external delivery of development (TIG) plus Clerk of Works. | Director of Operations   | June 2020   |                                                                                          |
| Include Board Members in the Away Day.                                                                                                      | Chief Executive          | June 2020   | Away Day cancelled due to COVID-19                                                       |
| Revisit how we report to the Board: frequencies, depth and opportunities to allow challenge.                                                | Head of Executive Office | Oct 2020    | To be included with Policy review                                                        |
| Review Performance Information provided with a view of enhancing it.                                                                        | Head of Executive Office | Oct 2020    | Full review of all performance and KPI reporting underway                                |
| Consider introducing the Garden Award to encourage better estate management & provide visibility of Board in estates.                       | Director of Operations   |             |                                                                                          |
| Regular report on Chief Executive activities.                                                                                               | Chief Executive          | 31 Jan 2020 | COMPLETE                                                                                 |
| Training sessions for board to be kept to two hours.                                                                                        | Head of Executive Office | Immediately | Training & Development Officer advised and will ensure timings are specified to trainer. |

## 2019/20 Board Training Plan

| Training                                                  | Training Provider | 2019 |      |      | 2020 |     |      |      |      |     |     |      |
|-----------------------------------------------------------|-------------------|------|------|------|------|-----|------|------|------|-----|-----|------|
|                                                           |                   | Oct  | Nov  | Dec  | Jan  | Feb | Mar  | Apr  | May  | Jun | Jul | Aug  |
| Freedom of Information Training                           | Share             |      | 20th |      |      |     |      |      |      |     |     |      |
| Development Session to be held with Board                 | In-house          |      |      | 12th |      |     |      |      |      |     |     |      |
| Business Planning                                         | In-house          |      |      |      | 15th |     |      |      |      |     |     |      |
| Treasury Options                                          | Michael Leslie    |      |      |      | 15th |     |      |      |      |     |     |      |
| Appraising Your Director                                  | EVH               |      |      |      |      |     | 19th |      |      |     |     |      |
| Questions You Should Be Asking - Finance                  | Share             |      |      |      |      |     |      | 22nd |      |     |     |      |
| The Scottish Housing Regulator - What You Need to Know    | Share             |      |      |      |      |     |      |      | 21st |     |     |      |
| Housing Legislation Refresher                             | TBC               |      |      |      |      |     |      |      |      |     |     |      |
| Tenant Scrutiny Training                                  | In-house          |      |      |      |      |     |      |      |      |     | 8th |      |
| Housing Allocations & Housing Options                     | In-house          |      |      |      |      |     |      |      |      |     |     | 26th |
| Strategic Planning                                        | External TBC      |      |      |      |      |     |      |      |      |     |     |      |
| Following AGM - 2020/21 Skills Assessment Cycle Commences |                   |      |      |      |      |     |      |      |      |     |     |      |

AGM

| Training                                               | Date      | Time          | Location      | Status    |
|--------------------------------------------------------|-----------|---------------|---------------|-----------|
| Freedom of Information Training                        | 20-Nov-19 | 09:30 - 11:30 | HHP Boardroom | Completed |
| Development Session to be held with Board              | 12-Dec-19 | 10:00 - 12:00 | HHP Boardroom | Completed |
| Business Planning                                      | 15-Jan-20 | 09:30 - 15:30 | HHP Boardroom | Completed |
| Treasury Options                                       | 15-Jan-20 | 13:30 - 14:30 | HHP Boardroom | Completed |
| Appraising Your Director                               | 28-May-20 | 10:30 - 12:00 | HHP Boardroom | Completed |
| Questions You Should Be Asking - Finance               | 22-Apr-20 | 16:30 - 18:00 | HHP Boardroom | Postponed |
| The Scottish Housing Regulator - What You Need to Know | 21-May-20 | 09:30 - 11:00 | HHP Boardroom | Postponed |
| Housing Legislation Refresher                          | TBC       | TBC           | TBC           | TBC       |
| Tenant Scrutiny Training                               | 08-Jul-20 | 17:30 - 18:30 | HHP Boardroom | Postponed |
| Housing Allocations & Housing Options                  | 26-Aug-20 | 16:30 - 17:00 | HHP Boardroom | Scheduled |
| Strategic Planning                                     | TBC       | TBC           | TBC           | TBC       |



Board Annual Assessment

| Name               | Category        | First appointed | Last appointed | Continuous Years' Service | Required to stand down in 2020 |
|--------------------|-----------------|-----------------|----------------|---------------------------|--------------------------------|
| Alasdair Mackenzie | Tenant          | 2011            | 2019           | 9                         |                                |
| Alex Gardner       | Tenant          | 2018            | 2018           | 2                         |                                |
| Calum Mackay       | Community       | 2012            | 2018           | 8                         |                                |
| David Blaney       | Community       | 2018            | 2018           | 2                         |                                |
| Fiona Macleod      | Board Appointed | 2018            | 2018           | 2                         | *                              |
| Gordon Macleod     | Co-opted        | 2020            | 2020           | 0                         |                                |
| Iain Macmillan     | Community       | 2011            | 2018           | 9                         |                                |
| Norman A Macdonald | Council         | 2019            | 2019           | 1                         |                                |
| Norman M Macleod   | Community       | 2012            | 2019           | 7                         |                                |
| Paul Finnegan      | Council         | 2019            | 2019           | 1                         |                                |
| Roddy Mackay       | Council         | 2017            | 2017           | 3                         |                                |
| Roddy Nicolson     | Community       | 2019            | 2019           | 1                         |                                |

\* Board Meeting 19 August 2019 Item 7 Minute Extract:

*The Board:*

- a) approved Ms Fiona MacLeod's appointment to HHP's Board for a period of **two years** as a Board Appointed Member with effect from 29 August 2018;...

**Key Extracts from Constitutional Documents**

- Rule 37.9      *The Board shall assess annually the skills, knowledge, diversity and objectivity that it needs for its decision making and what is contributed by the Board Members by way of annual performance reviews. The Board must be assured that any Board Member who has continuous service on the Board of nine years or more and who is seeking re-election or re-appointment is able to demonstrate his/her continued effectiveness as a Board Member before he/she may stand for re-election or re-appointment.*
- Rule 39.1      *At the end of every annual general meeting, two Tenant Board Members and two Community Board Members must retire. Anybody appointed as a co-optee under Rule 42.1 or to fill a casual vacancy under Rule 41 and who retires for that reason, shall not count towards the foregoing requirements. The retiring Board Members should be selected in accordance with Rule 39.2*
- Rule 39.2      *The retiring Board Members should be those in their respective Board Member Groups who have served the longest on the Board since the date of their last election. If two or more Board Members within the same Board Member Group have served equally long and cannot agree who should retire, they must draw lots.*
- Rule 39.3      *Board Members must also retire if they have been co-opted onto the Board under Rule 42.1 or have filled casual vacancies under Rule 41.*
- Rule 39.4      *If an elected Board Member retires from the Board in terms of Rule 39 before or on the date of the next annual general meeting, that Board Member can stand for re-election without being nominated.*
- Rule 42.1      *The Board can co-opt to the Board or sub-committee anyone it considers is suitable to become a Board Member or member of a sub-committee. Co-optees do not need to be Members, but they can only serve as co-optees on the Board or sub-committee until the next annual general meeting or until removed by the Board. A person co-opted to the Board can also serve on any sub- committees.*

# FUNDERS VALUATION 2020

## Board 23 June 2020

Report by Director of Finance & Corporate Services

### Purpose of Report

- 1.1 To inform the Board of the outcome of the Funders Valuation for 2020 which has been submitted to the Funders.

### Summary

- 2.1 The Funding Facility with the Royal Bank of Scotland (RBS) requires the Partnership to evidence that the "Value of the Charged Properties is not less than 110% of the amount of outstanding loans". The evidence is provided through an independent valuation which is submitted to the Bank on an annual basis.
- 2.2 The Valuation shows that the Partnership is in compliance with the minimum value requirement with Existing Use Value (EU V-SH) of stock at £42.423M (£4.876M increase on last year). This sets our potential borrowing threshold at £38.56M.

### 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 note the:**
- a) **Existing Use Value of £42.423M at 31 March 2020 at Appendix 1; and**
  - b) **Summary Valuation Report for 2020 at Appendix 1.**

**APPENDIX 1:** Summary Valuation Report to 31 March 2020

**Background Papers:** None

**Writer of Report:** Donald Macleod

0300 123 0773

## Competence

### *Financial*

- 5.1 Section 21 of the Funding Facility with RBS requires the Partnership to carry out a Funders Valuation each year. The conditions are:
- i) The Borrower will procure that at all times the Value of the Charged Properties will not at any time be less than:
    - a) 110% based on the EUV-SH basis, or
    - b) 125% based on the MV-ST basisof the Outstandings.
  - ii) The Lender will require and will obtain a valuation:
    - a) of the Charged Properties on or about each successive Anniversary (except each Anniversary in respect of which a Valuation is delivered by the Borrower to the Lender in accordance with sub-clause 9b below) addressed to the lender prepared by the Valuer on a "desktop" basis setting out in reasonable detail the Value of the Charged Properties;
    - b) incorporating an updated Stock Condition Survey of all or any of the Charged Properties on or about each successive fifth Anniversary (or such longer period as the Lender may agree) of the last Valuation;
    - c) of all or any of the Charged Properties within 90 days of a Valuation carried out in accordance with sub-clause 9b above, if such Valuation confirms a minimum value ration in Clause 21.1 (Minimum Value) has been breached; and
    - d) At any time on the request of the Lender.
- 5.2 The cost of carrying out the Valuation is paid for by the Partnership and provision was made in the 2019/20 budget for this work.

### *Legal*

- 6.1 There are no legal implications arising directly from 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 complying with the requirement to provide an updated Valuation within the agreed timescale is that we might breach the conditions of Para 20.1 of the Facility Agreement which could result in the condition of the Facility being amended unfavourably.
- 8.2 The risks of not providing the relevant financial information to the Regulator are that we could breach a condition of its registration which would have serious implications for the organization. Legislation and Regulatory Changes are itemised at number 6 on the Risk Register.

## Report Details

- 9.1 The Facility agreed with RBS requires the Partnership to provide an independent Valuation to RBS on an annual basis. This is standard practice for the RSL sector.
- 9.2 The Valuations must be with RBS no later than 31 March each year. Due to the onset of the COVID-19 pandemic this date was relaxed by RBS.
- 9.3 The valuation at Appendix 1 was submitted to the funder in April due to delays as a result of the COVID-19 lockdown and the banks delay in issuing their instruction letter to Jones Lang Lasalle (JLL).

| VALUATION SUMMARY                                                |            |             |           |                |               |             |           |                |           |                        |               |             |           |
|------------------------------------------------------------------|------------|-------------|-----------|----------------|---------------|-------------|-----------|----------------|-----------|------------------------|---------------|-------------|-----------|
| Client - Hebridean Housing Partnership (New Build Units)         |            |             |           | 2019 Valuation |               |             |           | 2020 Valuation |           |                        |               |             |           |
| Scheme                                                           | Date Built | No of Units | Yr 1 Rent | EUV-SH         | EUV-SH / Unit | MVST        | MVST/Unit | No of Units    | Yr 1 Rent | EUV-SH                 | EUV-SH / Unit | MVST        | MVST/Unit |
| New Developments                                                 |            |             |           |                |               |             |           |                |           |                        |               |             |           |
| St Michaels Cottages, Castlebay, Isle of Barra                   | 2010       | 4           | £3,815    | £120,000       | £30,000       | £145,000    | £36,250   | 4              | £3,899    | £130,000               | £32,500       | £160,000    | £40,000   |
| Cialla, Eoligarry, Isle of Barra                                 | 2009       | 2           | £4,047    | £65,000        | £32,500       | £65,000     | £32,500   | 2              | £4,153    | £70,000                | £35,000       | £70,000     | £35,000   |
| Corran Ciasmol, Hove, Isle of Barra                              | 2018       | 6           | £4,697    | £290,000       | £48,333       | £310,000    | £51,667   | 6              | £4,800    | £300,000               | £50,000       | £310,000    | £51,667   |
| Winfield Place Ph1, Balivanich, Isle of Benbecula                | 2015       | 4           | £4,546    | £180,000       | £45,000       | £185,000    | £46,250   | 4              | £4,646    | £190,000               | £47,500       | £190,000    | £47,500   |
| Winfield Place Ph2, Balivanich, Isle of Benbecula                |            |             |           |                |               |             |           | 1              |           | To be included in 2021 |               |             |           |
| Taigh Sgoile, Rushgarry, Isle of Berneray                        | 2009       | 4           | £3,927    | £125,000       | £31,250       | £140,000    | £35,000   | 4              | £4,013    | £140,000               | £35,000       | £140,000    | £35,000   |
| Ceann An Ora, Bunavoneader, Isle of Harris                       | 2011       | 8           | £4,694    | £340,000       | £42,500       | £390,000    | £48,750   | 8              | £4,797    | £380,000               | £47,500       | £430,000    | £53,750   |
| Pairc Niseabost, Horgabost, Isle of Harris                       | 2016       | 6           | £5,250    | £330,000       | £55,000       | £475,000    | £79,167   | 6              | £5,366    | £340,000               | £56,667       | £500,000    | £83,333   |
| An Sithean, Back, Isle of Lewis                                  | 2009       | 6           | £4,291    | £205,000       | £34,167       | £245,000    | £40,833   | 6              | £4,386    | £220,000               | £36,667       | £270,000    | £45,000   |
| Ionad Phoil, Back, Isle of Lewis                                 | 2018       | 3           | £4,258    | £45,000        | £15,000       | £45,000     | £15,000   | 3              | £4,352    | £60,000                | £20,000       | £90,000     | £30,000   |
| Cearnag a Sgoile, Lochs Street, Barvas, Isle of Lewis            | 2016       | 8           | £4,773    | £390,000       | £48,750       | £445,000    | £55,625   | 8              | £4,878    | £400,000               | £50,000       | £450,000    | £56,250   |
| Sgeir Ghlais, Breasclete, Isle of Lewis                          | 2020       |             |           |                |               |             |           | 6              |           | To be included in 2021 |               |             |           |
| An Glib, Garrabost, Isle of Lewis                                | 2019       |             |           |                |               |             |           | 2              | £5,413    | £120,000               | £60,000       | £130,000    | £65,000   |
| Slighe Nan Caimbeul, Habost, Ness, Isle of Lewis                 | 2016       | 4           | £4,547    | £180,000       | £45,000       | £210,000    | £52,500   | 4              | £4,647    | £190,000               | £47,500       | £210,000    | £52,500   |
| Kennedy View, Leurbost, Isle of Lewis                            | 2014       | 8           | £4,542    | £360,000       | £45,000       | £410,000    | £51,250   | 8              | £4,642    | £370,000               | £46,250       | £430,000    | £53,750   |
| Sealladh a’ Chliseim, Lurbost, Isle of Lewis                     | 2018       | 10          | £4,944    | £525,000       | £52,500       | £595,000    | £59,500   | 10             | £5,083    | £530,000               | £53,000       | £610,000    | £61,000   |
| Bennadrove Road/Maryhill, Marybank, Isle of Lewis                | 2007       | 4           | £4,533    | £150,000       | £37,500       | £195,000    | £48,750   | 4              | £4,633    | £170,000               | £42,500       | £210,000    | £52,500   |
| Eitseal Way, Marybank, Isle of Lewis                             | 2007       | 5           | £3,983    | £160,000       | £32,000       | £195,000    | £39,000   | 5              | £4,070    | £170,000               | £34,000       | £210,000    | £42,000   |
| Bridge Cottages, Newmarket, Isle of Lewis                        | 2011       | 18          | £4,595    | £785,000       | £43,611       | £895,000    | £49,722   | 18             | £4,696    | £850,000               | £47,222       | £990,000    | £55,000   |
| Gleann Dubh, Newmarket, Isle of Lewis                            | 2008       | 36          | £4,219    | £1,200,000     | £33,333       | £1,585,000  | £44,028   | 36             | £4,312    | £1,290,000             | £35,833       | £1,740,000  | £48,333   |
| Milestone Cottages, Newmarket, Isle of Lewis                     | 2007       | 4           | £4,209    | £130,000       | £32,500       | £170,000    | £42,500   | 4              | £4,302    | £140,000               | £35,000       | £190,000    | £47,500   |
| Cnoc a Ruinaire Ph1, North Tolsta, Isle of Lewis                 | 2012       | 4           | £5,076    | £200,000       | £50,000       | £240,000    | £60,000   | 4              | £5,188    | £220,000               | £55,000       | £240,000    | £60,000   |
| Cnoc a Ruinaire Ph2, North Tolsta, Isle of Lewis                 | 2020       |             |           |                |               |             |           | 4              |           | To be included in 2021 |               |             |           |
| Edgemoor Square, Port of Ness                                    | 2019       |             |           |                |               |             |           | 2              | £5,283    | £110,000               | £55,000       | £130,000    | £65,000   |
| Mackenzie Avenue Ph1, Sandwick, Isle of Lewis                    | 2018       | 16          | £4,844    | £815,000       | £50,938       | £965,000    | £60,313   | 16             | £4,990    | £860,000               | £53,750       | £1,000,000  | £62,500   |
| Mackenzie Avenue Ph2, Sandwick, Isle of Lewis                    | 2019/20    |             |           |                |               |             |           | 16             | £4,894    | £830,000               | £51,875       | £970,000    | £60,625   |
| MacKenzie Crescent, Sandwick, Isle of Lewis                      | 2014-16    | 20          | £4,738    | £965,000       | £48,250       | £1,120,000  | £56,000   | 20             | £4,842    | £1,020,000             | £51,000       | £1,190,000  | £59,500   |
| Mackenzie Lane, Sandwick, Isle of Lewis                          | 2017       | 12          | £4,646    | £570,000       | £47,500       | £650,000    | £54,167   | 12             | £4,748    | £590,000               | £49,167       | £700,000    | £58,333   |
| 1-19 Mackenzie Park, Sandwick, Isle of Lewis                     | 2012/13    | 19          | £4,357    | £760,000       | £40,000       | £980,000    | £51,579   | 19             | £4,453    | £830,000               | £43,684       | £1,070,000  | £56,316   |
| Tom na Ba, South Galsion, Isle of Lewis                          | 2009       | 6           | £3,940    | £185,000       | £30,833       | £215,000    | £35,833   | 6              | £4,027    | £190,000               | £31,667       | £240,000    | £40,000   |
| Tom na Ba, South Galsion, Isle of Lewis                          | 2018       | 4           | £4,546    | £185,000       | £46,250       | £190,000    | £47,500   | 4              | £4,646    | £200,000               | £50,000       | £200,000    | £50,000   |
| Church Street/Lamont Lane, Stornoway, Isle of Lewis              | 2009       | 8           | £3,401    | £185,000       | £23,125       | £250,000    | £31,250   | 8              | £3,475    | £190,000               | £23,750       | £280,000    | £35,000   |
| Elizabeth Haldane Court, Church Street, Stornoway, Isle of Lewis | 2007       | 22          | £3,820    | £605,000       | £27,500       | £825,000    | £37,500   | 22             | £3,904    | £650,000               | £29,545       | £910,000    | £41,364   |
| Gibson Gardens, Stornoway, Isle of Lewis                         | 2013       | 24          | £4,726    | £1,105,000     | £46,042       | £1,285,000  | £53,542   | 24             | £4,830    | £1,180,000             | £49,167       | £1,310,000  | £54,583   |
| Langley Apartments, Stag Road, Stornoway                         |            | 12          | £4,422    | £460,000       | £38,333       | £580,000    | £48,333   | 12             | £4,519    | £540,000               | £45,000       | £620,000    | £51,667   |
| Muirneag Court, Keith Street, Stornoway, Isle of Lewis           | 2007       | 5           | £3,692    | £140,000       | £28,000       | £185,000    | £37,000   | 5              | £3,773    | £140,000               | £28,000       | £200,000    | £40,000   |
| Ardanmhor, Kenneth Street, Stornoway, Isle of Lewis              | 2011       | 6           | £4,656    | £270,000       | £45,000       | £300,000    | £50,000   | 6              | £4,758    | £290,000               | £48,333       | £330,000    | £55,000   |
| Manor Drive Stornoway, Isle of Lewis                             | 2011       | 30          | £4,752    | £1,355,000     | £45,167       | £1,720,000  | £57,333   | 30             | £4,857    | £1,480,000             | £49,333       | £1,730,000  | £57,667   |
| Arras Cottages, Perceval Road, Stornoway, Isle of Lewis          | 2009       | 12          | £4,183    | £405,000       | £33,750       | £585,000    | £48,750   | 12             | £4,275    | £420,000               | £35,000       | £650,000    | £54,167   |
| Leanna Ruadh, Timsgharry, Isle of Lewis                          | 2015       | 4           | £4,547    | £180,000       | £45,000       | £185,000    | £46,250   | 4              | £4,646    | £190,000               | £47,500       | £190,000    | £47,500   |
| Milkinghill Park, Tong, Isle of Lewis                            | 2010       | 12          | £4,345    | £430,000       | £35,833       | £510,000    | £42,500   | 12             | £4,441    | £480,000               | £40,000       | £550,000    | £45,833   |
| Gearraidh Ghuirn, Upper Coll, Isle of Lewis                      | 2007       | 2           | £4,048    | £65,000        | £32,500       | £80,000     | £40,000   | 2              | £4,137    | £70,000                | £35,000       | £90,000     | £45,000   |
| Gearraidh Ghuirn, Upper Coll Ph2, Isle of Lewis                  | 2011       | 11          | £4,834    | £515,000       | £46,818       | £605,000    | £55,000   | 11             | £4,941    | £560,000               | £50,909       | £660,000    | £60,000   |
| 48 Upper Coll, Isle of Lewis                                     | 2009       | 3           | £4,589    | £110,000       | £36,667       | £155,000    | £51,667   | 3              | £4,690    | £120,000               | £40,000       | £160,000    | £53,333   |
| Slighe Ruairidh Alasdair, Kirkibost, Isle of North Uist          | 2012       | 6           | £4,904    | £285,000       | £47,500       | £365,000    | £60,833   | 6              | £5,012    | £300,000               | £50,000       | £370,000    | £61,667   |
| Trosaraidh, Garrynamonie, Isle of South Uist                     | 2020       |             |           |                |               |             |           | 5              |           | To be included in 2021 |               |             |           |
| Beinn Mhor Cottages, Howmore, Isle of South Uist                 | 2007       | 8           | £4,432    | £245,000       | £30,625       | £355,000    | £44,375   | 8              | £4,530    | £290,000               | £36,250       | £410,000    | £51,250   |
| Calabhaigh, Lochboisdale, Isle of South Uist                     | 2007       | 6           | £3,981    | £165,000       | £27,500       | £185,000    | £30,833   | 6              | £4,069    | £190,000               | £31,667       | £190,000    | £31,667   |
| Cnoc a Monach, Torlum, Isle of South Uist                        |            |             |           |                |               |             |           | 2              |           | To be included in 2021 |               |             |           |
| Sub Total                                                        |            | 392         |           | £15,780,000    | £40,255       | £19,230,000 | £49,056   | 412            |           | £18,000,000            | £43,689       | £21,720,000 | £52,718   |
| EX-Council Transfer Stock( Inc ROTS AND MTR )                    | Various    | 1529        | £4,153    | £16,275,000    | £10,644       | £16,275,000 | £10,644   | 1529           | £4,265    | £18,710,000            | £12,237       | £18,710,000 | £12,237   |
| Ex-RSL Rental Stock                                              | Various    | 268         | £4,504    | £5,450,000     | £20,336       | £10,330,000 | £38,545   | 268            | £4,597    | £5,670,000             | £21,157       | £10,470,000 | £39,067   |
| Ex RSL Shared Ownership Units                                    |            | 3           |           | £42,000        | £14,000       | £73,000     | £24,333   | 3              |           | £43,000                | £14,000       | £74,000     | £24,333   |
| TOTAL                                                            |            | 2,192       |           | £37,547,000    | £17,129       | £45,908,000 | £20,943   | 2,212          |           | £42,423,000            |               | £50,974,000 |           |

# QUARTERLY TREASURY REPORT TO 31 MARCH 2020

Board 23 June 2020

Report by Director of Finance & Corporate Services

## Purpose of Report

- 1.1 To inform the Board of the Treasury Management activities of the fourth quarter of 2019/20.

## Summary

- 2.1 The quarterly Analysis of Investment and Borrowing report required by the Treasury Management Policy is at Appendix 1.
- 2.2 Financial covenants were met for 2019/20.
- 2.3 The Annual Financing Strategy (AFS) forecast that £5M would be drawn down from our approved borrowing facility in 2019/20. The Board approved a 30 year Business Plan in March which showed the requirement to draw down the remaining borrowing facility in the first half of 2020/21. The onset of the COVID-19 pandemic has resulted in a halt to our development program and the phasing of the draw down of the remaining loan facility.

## Competence

- 3.1 Financial, legal and other 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 note:**
- a) **the quarterly report on the Analysis of Investment and Borrowing as shown at Appendix 1;**
  - b) **the outstanding loans at 31 March 2020 of £4.91 million; and**
  - c) **the cash balance at 31 March 2020 of £5.151 million.**

|                          |                                          |
|--------------------------|------------------------------------------|
| <b>APPENDIX 1</b>        | Analysis of Investment and Borrowings    |
| <b>APPENDIX 2</b>        | Quarterly Income and Expenditure Profile |
| <b>Background Papers</b> | None                                     |
| <b>Writer of Report</b>  | Donald Macleod                           |

Tel: 0300 123 0773

## Competence

### *Financial*

- 5.1 This report deals entirely with the cash resources utilised over the fourth quarter of 2019/20.

### *Legal*

- 6.1 Rule 19.1 to 20.1 details the Partnership's borrowing powers.
- 6.2 The effecting of borrowing and lending money is in accordance with our borrowing and lending policies and CIPFA's "Treasury Management in Housing Partnerships: A Code of Practice", and has been delegated to the Director of Finance & Corporate Services.
- 6.3 The Treasury Management Policy requires that as a minimum a quarterly report is provided to the Board in the form "Analysis of Investment and Borrowing".
- 6.4 The Treasury Management Policy requires that if the cash balances exceed £4 million the funds should be spread over no fewer than four interest bearing accounts. The cash balances are in a special interest account with Royal Bank of Scotland (RBOS). The remainder is held in the current accounts with the RBOS.

### *Regulatory Guidance*

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

### *Risk*

- 8.1 There are a number of risks highlighted in the Risk Register in relation to Treasury Management. The risk scored as "high" is the impact of increases in the interest rate and inflation rate and this has been addressed in Appendix 1.
- 8.2 The COVID-19 pandemic has resulted in turmoil in the financial markets. The reduction in the bank interest rates are not posing a risk at present as we have hedged appropriately between our fixed and variable loan facility. It does however mean that there will be a reduction in interest received on deposit accounts.



## Report Details

- 9.1 There were no borrowings during the fourth quarter.
- 9.2 The fourth quarter of the year saw £6.771 million expenditure of which £3.523 million related to new build.
- 9.3 The income for the fourth quarter was £6.452 million and comprised Rental Income (38%), Sale of Shared Equity Units (9%) Government Grants including new build (50%) and Other income (3%).
- 9.4 Appendix 2 summarises the income and expenditure profiles for the fourth quarter.
- 9.5 The cash balances at 31 March 2020 decreased quarter on quarter by £0.656M to £5.151M. This was driven by the timing of investment and development spend.
- 9.6 We currently hold RTB receipts of £0.385M which is due to be repaid to the Scottish Government in December 2020. £500K was paid to the Scottish Government in December 2019.
- 9.7 All covenants will be complied with for 2019/20.

## 31MAR20 ANALYSIS OF INVESTMENTS AND BORROWINGS

### INVESTMENTS

|                         | Mar-19 | Jun-19 | Sep-19 | Dec-19 | Mar-20 | Average |
|-------------------------|--------|--------|--------|--------|--------|---------|
| <b>DEPOSIT ACCOUNTS</b> | £000's | £000's | £000's | £000's | £000's | £000's  |
| Royal Bank              | 3,375  | 3,379  | 2,778  | 956    | 749    | 2,247   |
| CWS                     | 0      | 0      | 0      | 0      | 0      | 0       |
| BOS                     | 725    | 749    | 760    | 770    | 782    | 757     |
| Santander               | 1,567  | 1,572  | 1,574  | 1,576  | 1,578  | 1,573   |
| Total Deposit           | 5,667  | 5,701  | 5,112  | 3,303  | 3,109  | 4,579   |
| <b>CURRENT ACCOUNTS</b> |        |        |        |        |        |         |
| General Account         | 252    | 392    | 965    | 1,991  | 1,195  | 959     |
| Standing Order          | 134    | 270    | 410    | 102    | 345    | 252     |
| Direct Debit            | 126    | 371    | 638    | 277    | 257    | 334     |
| Office/Cash             | 169    | 599    | 573    | 100    | 208    | 330     |
| Property Factoring      | 31     | 31     | 33     | 34     | 36     | 33      |
| Total current           | 712    | 1,663  | 2,620  | 2,504  | 2,042  | 1,908   |
| Total                   | 6,379  | 7,364  | 7,732  | 5,807  | 5,151  | 6,821   |

Balances shown are taken from the Bank Statements and not the ledger.

The cash held at the Royal Bank is split between 5 operational accounts totalling £2.042m. 5 deposit accounts held with the 4 banks shown above total £3.109m.

### BORROWINGS

|                                                |      |
|------------------------------------------------|------|
| <b>Core Funding Facility</b>                   | £m   |
| Estimated debt outstanding (per Business Plan) | 9.95 |
| Actual amount outstanding                      | 4.91 |
| Difference                                     | 5.04 |

### Compliance with Cash Flow Forecasts

Due to slippage in the programming of development works, no monies were drawn from our borrowing facility in the year. The onset of the COVID-19 pandemic has resulted in a halt to our development program in 2020/21 and the phasing of the drawdown of the remaining loan facility.

### Interest Rates

The Interest Rate that applies to the Partnership is LIBOR plus an agreed margin. LIBOR (London Inter Bank Offer Rate) is the interest rate banks borrow funds from each other in the London Interbank Market.

The Base Rate fell twice in Q4 from 0.75% to 0.25% in early March and falling to 0.1% as lockdown was initiated. 3 month LIBOR decreased to 0.60% as at 31 March 2020.

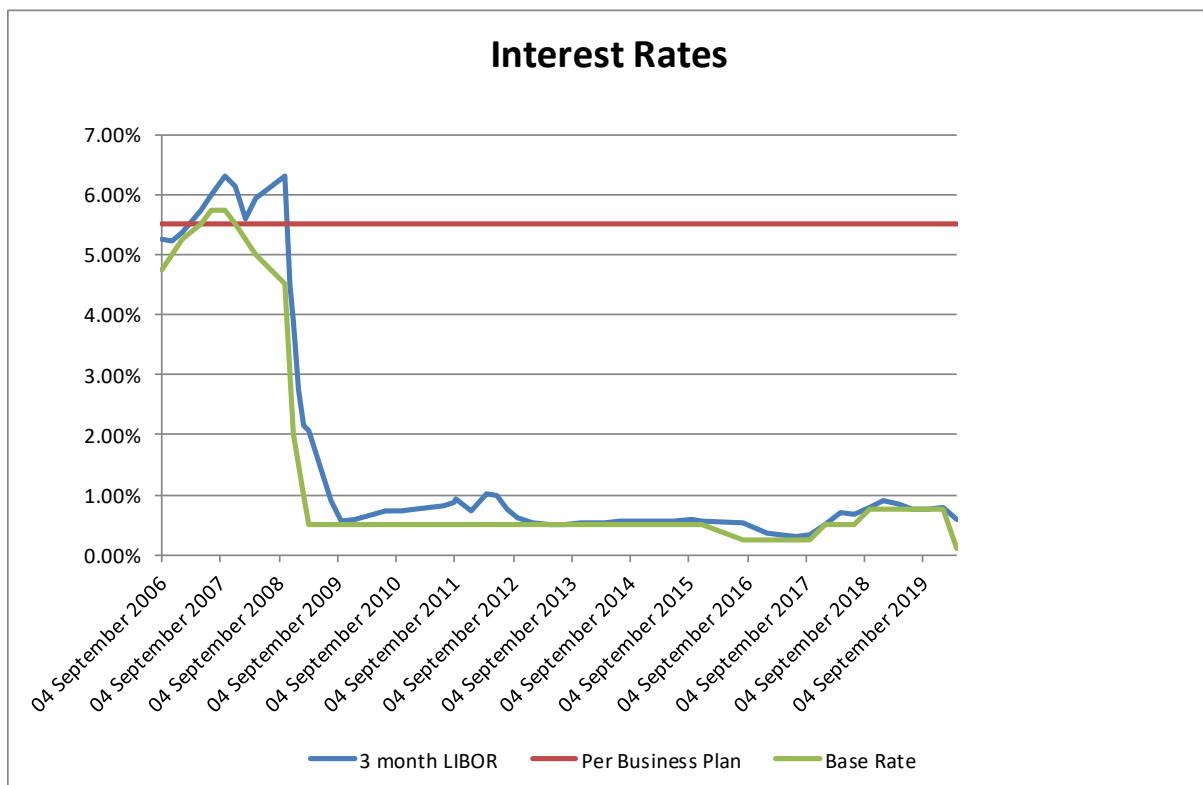
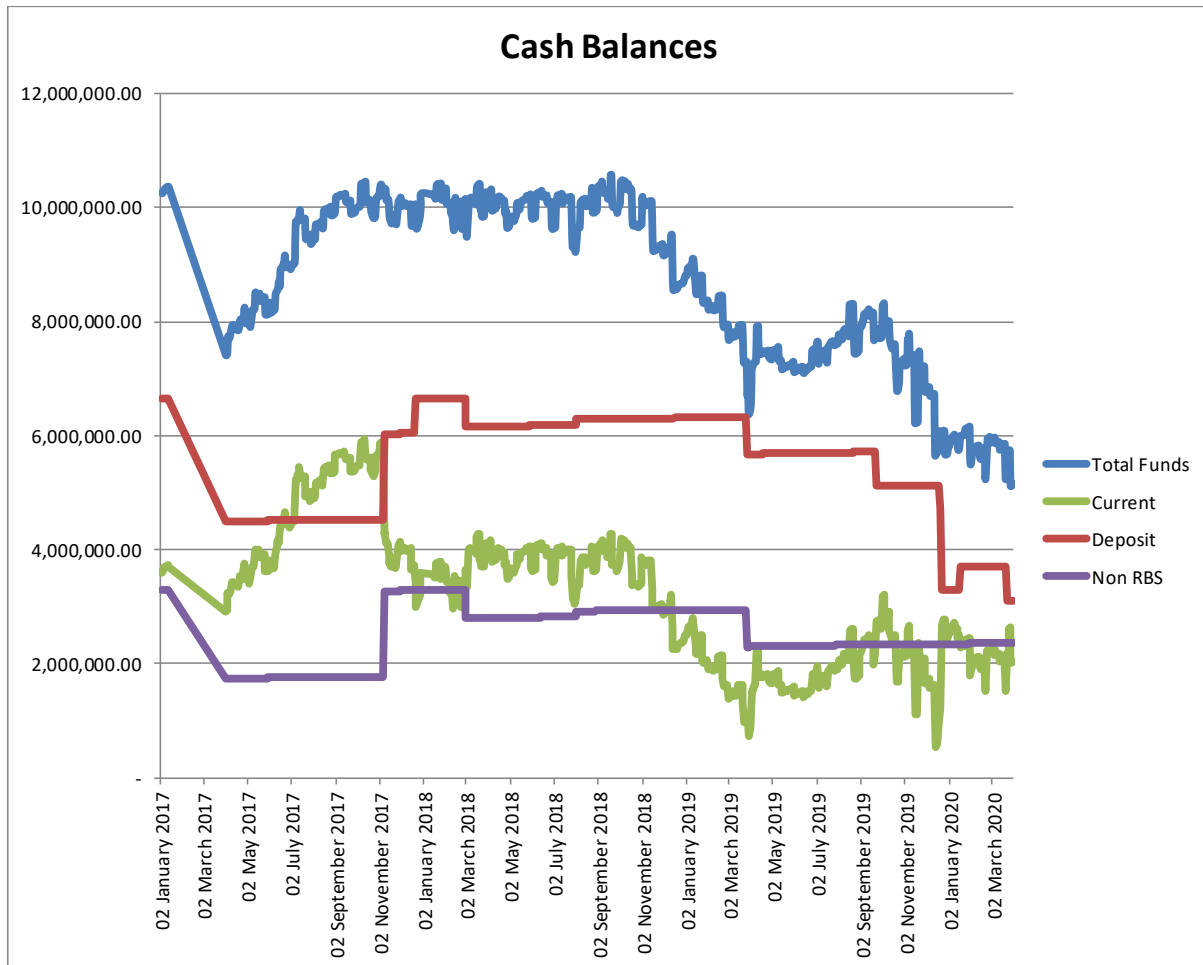
| <b>Borrowings</b>                          | <b>Mar-19</b> | <b>Jun-19</b> | <b>Sep-19</b> | <b>Dec-19</b> | <b>Mar-20</b> | <b>Average</b> |
|--------------------------------------------|---------------|---------------|---------------|---------------|---------------|----------------|
|                                            | <b>£000's</b> | <b>£000's</b> | <b>£000's</b> | <b>£000's</b> | <b>£000's</b> | <b>£000's</b>  |
| Facilities arranged                        | 15,000        | 15,000        | 15,000        | 15,000        | 15,000        | 15,000         |
| <i>Loans outstanding</i>                   | 4,909         | 4,909         | 4,909         | 4,909         | 4,909         | 4,909          |
| <i>Variable/Fixed analysis-amounts</i>     |               |               |               |               |               |                |
| Variable amount                            | 1,409         | 1,409         | 1,409         | 1,409         | 1,409         | 1,409          |
| Fixed amount                               | 3,500         | 3,500         | 3,500         | 3,500         | 3,500         | 3,500          |
| Other Hedging                              | -             | -             | -             | -             | -             | -              |
|                                            | <u>4,909</u>  | <u>4,909</u>  | <u>4,909</u>  | <u>4,909</u>  | <u>4,909</u>  | <u>4,909</u>   |
| <i>Variable/Fixed analysis-Percentages</i> |               |               |               |               |               |                |
| Variable                                   | 28.70%        | 28.70%        | 28.70%        | 28.70%        | 28.70%        | 28.70%         |
| Fixed                                      | 71.30%        | 71.30%        | 71.30%        | 71.30%        | 71.30%        | 71.30%         |
| Other Hedging Products                     |               |               |               |               |               |                |
|                                            | <u>100%</u>   | <u>100%</u>   | <u>100%</u>   | <u>100%</u>   | <u>100%</u>   | <u>100%</u>    |
| <i>Lenders amounts</i>                     |               |               |               |               |               |                |
| Core Facility (RBS)                        | 4,909         | 4,909         | 4,909         | 4,909         | 4,909         | 4,909          |
| Other Borrowings                           | -             | -             | -             | -             | -             | -              |
|                                            | <u>4,909</u>  | <u>4,909</u>  | <u>4,909</u>  | <u>4,909</u>  | <u>4,909</u>  | <u>4,909</u>   |

**Average cost of borrowing**

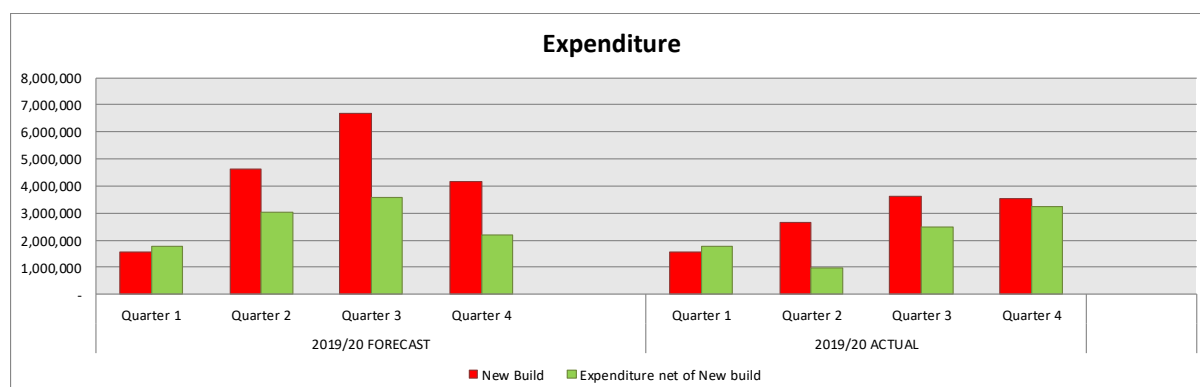
| <b>Amount £000's</b>  | <b>Interest</b> | <b>Type</b> | <b>Annual Cost</b> |
|-----------------------|-----------------|-------------|--------------------|
| 3,500.00              | 5.55%           | Fixed       | 194,300            |
| <u>1,408.67</u>       | 3.65%           | Variable    | <u>51,424</u>      |
| <u>4,908.67</u>       |                 |             | <u>245,724</u>     |
| Average cost of funds |                 |             | 5.01%              |

**Anticipated level of borrowing over next 5 years**

| <b>Year</b> | <b>2019/20 Est</b> | <b>AFS Forecast</b> | <b>Variance</b> |
|-------------|--------------------|---------------------|-----------------|
|             | <b>£m</b>          | <b>£m</b>           | <b>£m</b>       |
| 2019/20     | 4.946              | 9.946               | (5.000)         |
| 2020/21     | 14.842             | 14.842              | -               |
| 2021/22     | 14.842             | 14.842              | -               |
| 2022/23     | 14.842             | 14.842              | -               |
| 2023/24     | 14.842             | 14.842              | -               |



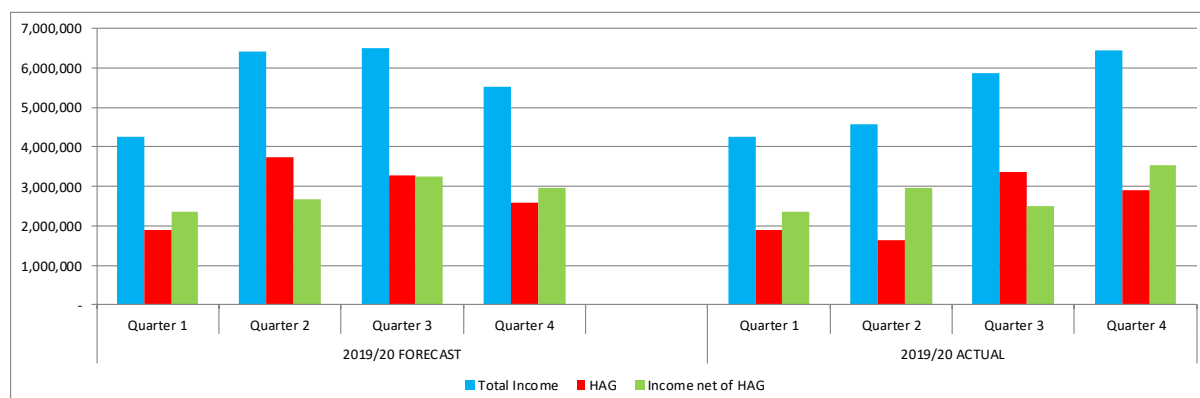
## EXPENDITURE



Overall the expenditure for the fourth quarter of 2019/20 is up compared with the initial budget. This is mainly driven by a delay in getting onto site & slippage in development works programmes (£0.6M). Investment spend is up compared to budget as a result of the investment program being skewed more towards quarter four than originally forecast.

Financial covenants were met for the full year.

## INCOME



Total Income for the fourth quarter of 2019/20 is up compared to the initial budget. This is mainly driven by the sale of Shared Equity units at Mackenzie Avenue which were originally forecast to sell in the third quarter.

# MANAGEMENT REPORT TO 31 MAY 2020

Board 23 June 2020

Report by Director of Finance & Corporate Services

## Purpose of Report

- 1.1 To present the Management Report for the period ended 31 May 2020 to the Board for review.

## Summary

- 2.1 The Management Report to 31 May 2020 at Appendix 1 shows that the operating surplus forecast for the year is expected to be down £382K to £1.716M mainly due to the carry over requests being presented to the Board at the budgetary performance agenda item.
- 2.2 The management accounts show that the financial covenant will be met for the year ended 31 March 2021.
- 2.3 COVID-19 is likely to have an adverse impact on the delivery of our investment and development programmes. Whilst this is a constantly evolving situation, we have forecast the likely impact in the Management Report at Appendix 1.

## Competence

- 3.1 Financial, legal or other constraints arising from the recommendation to this report being implemented are detailed at 5.1 – 8.1.

## Recommendations

- 4.1 **It is recommended that the Board note the Management Report at 31 May 2020 as detailed in Appendix 1.**

**APPENDIX 1:** Management Report to 31 May 2020

**Background Papers:** None

**Writer of Report:** Katia Petteloot

Tel: 0300 123 0773

## Competence

### *Financial*

- 5.1 The Board approved budgets for 2020/21 in March 2020, which projected a surplus for the year of £2,098,569. The forecasted out-turn is £1,716,492.
- 5.2 RBS are unable to bring the Business Plan approved by the Board in March 2020 to their Credit team for approval given the large uncertainty on the development program. The financial covenant for 2020/21 therefore becomes the year 2 covenant as per the Board approved plan from last year.
- 5.3 Given the large amount of slippage on our development programme, the covenant is forecast to be met for the full year.
- 5.4 As the situation surrounding the easing of lockdown becomes clearer we will update our Business Plan for Board review and approval prior to submission with our funders and the Scottish Housing Regulator.

### *Legal*

- 6.1 The following Partnership rules are applicable:

*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.*

### *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 key risk is that we do not meet our Financial Covenants on an ongoing basis. The covenant for 2020/21 has been formally approved by our Funders in the context that we revert to the existing approved covenants from the Business Plan approved by the Board in March 2020. The covenant is currently forecast to be met for the year ended 31 March 2021.

## Report Details

- 9.1 The Business Plan which was approved by the Board in March 2020 was a pre COVID-19 budget and the world has changed significantly since then. We are actively reviewing the impact the lockdown will have on the approved budget. As the route map out of lockdown becomes clearer we will update our Business Plan and 30 year Financial Plans accordingly.
- 9.2 Following submission of our Board approved Business Plan to the bank in March 2020, we were advised by the Royal Bank of Scotland (RBS) that due to the uncertainty on development, in the wake of COVID-19 lockdown, they would not recommend submitting our Business Plan for formal credit approval.
- 9.3 The Management Report at Appendix 1 reviews forecast out-turn against the existing approved covenants i.e., Year 2 approved covenants from the Business Plan approved by RBS in June 2019.
- 9.4 RBS have confirmed they are supportive of our Business Plan and development aspirations and will welcome a revised Business Plan being submitted later in the year should the need arise.
- 9.5 The Management Report at Appendix 1 shows that the covenant will be met for the year ended 31 March 2020. This is primarily due to the anticipated slippage on development delaying the point at which private finance is required to fund the completion of key developments.

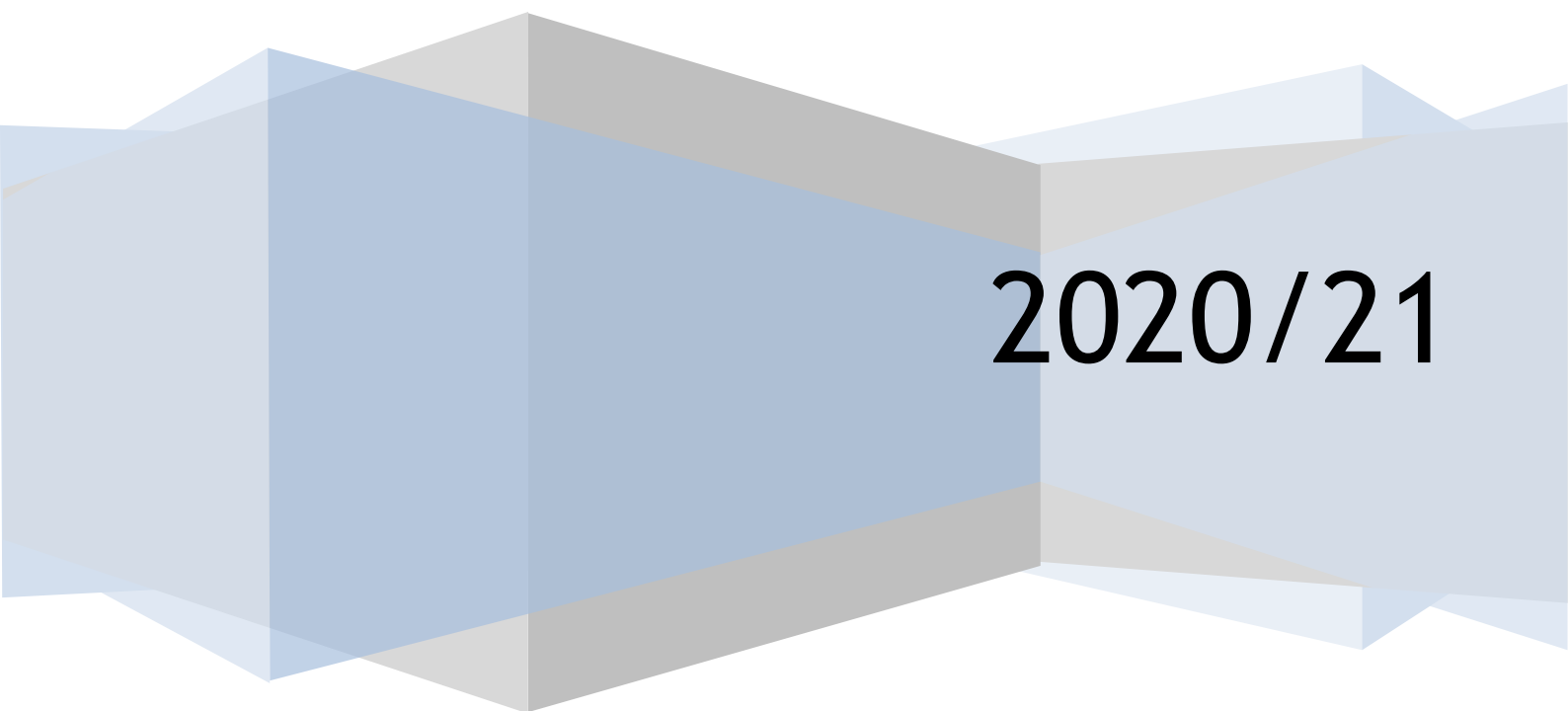


**Hebridean Housing Partnership**

Registered Scottish Charity SCO 35767

# Management Reports

To 31 May 2020

An abstract graphic at the bottom of the page consisting of several overlapping, semi-transparent geometric shapes in shades of blue and grey, creating a layered, architectural effect.

**2020/21**

## Introduction

The Management Reports for 31 May 2020 are attached and if Board Members or Managers have any areas of concern or would like additional information they should contact the Finance Manager or the Director of Finance & Corporate Services.

The Management Reports are made up of three sections:

### Section 1: High Level Summary

- Written by the Director of Finance & Corporate Services. This section shows in graphical format how HHP is performing in relation to the annual budget for 2020/21.

### Section 2: Management Accounts

- Prepared by the Finance Manager. Provides an Income & Expenditure Account, Balance Sheet and detailed operational budgets for the period. The Management Accounts include a more detailed commentary from Budget Managers on performance.

### Section 3: Key Financial Performance Measures

- Prepared by the Finance Manager including a review of Financial Covenants to provide the Board with assurance that the Covenant for 2020/21 will not be breached.

# Section 1-High Level Summary

## Commentary on Performance by Director of Finance & Corporate Services

|                                                             | £              |
|-------------------------------------------------------------|----------------|
| Initial approved Surplus                                    | 2,098,569      |
| Virements                                                   | (5,445)        |
| Virement/Adjustment current period                          | (80,000)       |
| Revised Surplus                                             | 2,013,124      |
| <b>Changes identified this financial year</b>               |                |
| Changes to Income increases/(decreases)                     | (56,960)       |
| Cost (increases)/decreases                                  | (239,672)      |
| Depreciation                                                | -              |
| Grant Amortisation                                          | -              |
| Forecast Surplus to 31 March 2021                           | 1,716,492      |
| <b>Increase in funds required to meet forecast out-turn</b> | <b>296,632</b> |

The carry forward shown above of £239K includes the carry over of budgets from prior year totalling £245K. Approximately £6K of savings have been realised so far this year with regards to travel and subsistence.

|                                                     | INDICATOR             | STATUS                                                                              | COMMENT                                                            |
|-----------------------------------------------------|-----------------------|-------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| I<br>N<br>C<br>O<br>M<br>E                          | RENTAL INCOME         |    | Slippage due to delays on development                              |
|                                                     | GRANT INCOME          |    |                                                                    |
|                                                     | DEVELOPMENT GRANTS    |    | Grant Drawdown likely to be less than budget due to COVID Lockdown |
|                                                     | DEVELOPMENT SALES     |    | Demand Concerns                                                    |
|                                                     | OTHER INCOME          |    |                                                                    |
| E<br>X<br>P<br>E<br>N<br>D<br>I<br>T<br>U<br>R<br>E | DEVELOPMENT COSTS     |    | Slippage due to delays on development                              |
|                                                     | INVESTMENT            |   | Potential slippage if programme cannot restart in Q2.              |
|                                                     | REPAIRS & MAINTENANCE |  |                                                                    |
|                                                     | MANAGEMENT COSTS      |  |                                                                    |
|                                                     | INTEREST              |  |                                                                    |
| F<br>U<br>N<br>D<br>I<br>N<br>G                     | COVENANT COMPLIANCE   |  |                                                                    |

|                                                                                     |                      |
|-------------------------------------------------------------------------------------|----------------------|
|  | No Issues - On Track |
|  | Requires Monitoring  |
|  | Issues               |

The lockdown which has been put in place since the middle of March will have a significant impact on plans for the year. New build sites have been closed since the middle of March and this will impact on spend and associated grant drawdown. Our investment programme has been similarly impacted and repairs have been operating on an emergency only basis. Forecast out-turns have been amended to reflect the anticipated slippage on development but as key staff at contractors have been placed on furlough, we will need to update the forecast out-turn when revised programs are provided. Such plans will undoubtedly impact on program and cost as social distancing protocols are put in place.

Budgets to be carried over from the previous year have been included in the forecast out-turn with approval being sought from the Board in June.

Due to the uncertainty of timing on development our funders have advised we should operate to the existing covenant approval (Year 2 covenant from the 2019/20 Board approved plan). They are supportive of our development program and have recommended we resubmit a revised plan as contractor re-engagement plans become available. We will therefore track forecast out-turn against the current approved covenants to ensure compliance with this.

On 11 June the First Minister confirmed that construction can move into the “Soft Start” phase. This is welcome news and we are working with our supply chain to maximise the level of works that can be undertaken this financial year whilst ensuring adherence with the guidance from Scottish Government.

## Section 2 Management Accounts

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|                                      | Page |
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| Balance Sheet at 31 May 2020         | 8    |
| Rental Income                        | 9    |
| Supervision & Management Costs       | 10   |
| Repairs & Maintenance                | 12   |
| Estate Works                         | 13   |
| Aids & Adaptations                   | 14   |
| Investment                           | 15   |
| Non-Housing Investment               | 16   |
| Development                          | 17   |

# Income & Expenditure Account

For the period ended 31 May 2020

| Line |                                    | CURRENT YEAR BUDGET |                     | BUDGET to 31-May-20<br>£ | ACTUAL Spend to 31-May-20<br>£ | BUDGET VARIANCE     |                     | BUDGET REMAINING    |                     | FORECAST OUT-TURN   |                   |
|------|------------------------------------|---------------------|---------------------|--------------------------|--------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-------------------|
|      |                                    | Initial Budget<br>£ | Revised Budget<br>£ |                          |                                | Budget to date<br>£ | Budget to date<br>% | Revised Budget<br>£ | Revised Budget<br>% | Over / (under)<br>£ | at 31-Mar-21<br>£ |
| 1    | Dwelling rents (net)               | 9,256,067           | 9,256,067           | 1,542,678                | 1,581,839                      | (39,161)            | -3%                 | 7,674,227           | 83%                 | (56,960)            | 9,199,107         |
| 2    | Non Dwelling rents (net)           | 13,543              | 13,543              | 2,257                    | 6,716                          | (4,459)             | -198%               | 6,827               | 50%                 |                     | 13,543            |
| 3    | Sale of Assets                     | -                   | -                   | -                        | -                              | -                   |                     | -                   |                     |                     | -                 |
| 4    | Grant Funding                      | 269,999             | 269,999             | 45,000                   | 38,282                         | 6,718               | 15%                 | 231,717             | 86%                 | -                   | 269,999           |
| 5    | Other Income                       | 51,390              | 51,390              | 8,565                    | 6,819                          | 1,746               | 20%                 | 44,572              | 87%                 |                     | 51,390            |
| 6    | <b>TOTAL INCOME</b>                | <b>9,591,000</b>    | <b>9,591,000</b>    | <b>1,598,500</b>         | <b>1,633,656</b>               | <b>(35,156)</b>     | <b>-2%</b>          | <b>7,957,344</b>    | <b>82.97%</b>       | <b>(56,960)</b>     | <b>9,534,040</b>  |
| 7    | Supervision & Management           | 2,752,800           | 2,758,245           | 505,354                  | 415,527                        | 89,827              | 18%                 | 2,342,717           | 85%                 | 132,275             | 2,890,520         |
| 8    | Response Repairs                   | 1,453,358           | 1,453,358           | 275,006                  | 132,113                        | 142,893             | 52%                 | 1,321,244           | 91%                 | -                   | 1,453,358         |
| 9    | Estate Works                       | 84,500              | 84,500              | 3,988                    | -                              | 3,988               | 100%                | 84,500              | 100%                | -                   | 84,500            |
| 10   | Planned/Cyclical Maintenance       | 867,173             | 867,173             | 52,390                   | 6,745                          | 45,646              | 87%                 | 860,428             | 99%                 | 107,397             | 974,570           |
| 11   | <b>Total Operating Expenditure</b> | <b>5,157,831</b>    | <b>5,163,276</b>    | <b>836,738</b>           | <b>554,385</b>                 | <b>282,353</b>      | <b>34%</b>          | <b>4,608,890</b>    | <b>89.26%</b>       | <b>239,672</b>      | <b>5,402,948</b>  |
| 12   | Operating Surplus/(Deficit)        | 4,433,169           | 4,427,724           | 761,762                  | 1,079,271                      | (317,509)           | -42%                | 3,348,453           | 75.62%              | (296,632)           | 4,131,092         |
| 13   | Interest received                  | 13,500              | 13,500              | 2,250                    | 1,318                          | 932                 | 41%                 | 12,182              | 90%                 |                     | 13,500            |
| 14   | Interest paid                      | 568,100             | 568,100             | 94,683                   | 44,379                         | 50,305              | 53%                 | 523,722             | 92%                 |                     | 568,100           |
| 15   | Surplus/(Deficit)                  | 3,878,569           | 3,873,124           | 669,328                  | 1,036,210                      | (366,882)           | -55%                | 2,836,914           | 73.25%              | (296,632)           | 3,576,492         |
| 16   | Depreciation                       | 3,160,000           | 3,260,000           | 526,667                  | 526,667                        | (0)                 | 0%                  | 2,733,333           | 84%                 |                     | 3,260,000         |
| 17   | Grant Amortisation                 | (1,380,000)         | (1,400,000)         | (230,000)                | (230,000)                      | -                   | 0%                  | (1,170,000)         | 84%                 |                     | (1,400,000)       |
| 18   | Surplus/(Deficit)                  | 2,098,569           | 2,013,124           | 372,662                  | 739,543                        | (366,881)           | -98%                | 1,273,581           | 63.26%              | (296,632)           | 1,716,492         |

|    |                              |            |            |          |          |         |      |            |         |             |            |
|----|------------------------------|------------|------------|----------|----------|---------|------|------------|---------|-------------|------------|
| 19 | <b>CAPITAL INVESTMENT</b>    |            |            |          |          |         |      |            |         |             |            |
| 20 | Housing Investment Programme | 3,916,169  | 3,916,169  | 320,368  | 17,342   | 303,026 | 95%  | 3,898,827  | 100%    | 509,204     | 4,425,373  |
| 21 | Non Housing Investment       | 102,700    | 117,255    | 102,700  | 468      | 102,232 | 100% | 116,787    | 100%    | 44,278      | 161,533    |
| 22 | Development Programme        | 11,719,900 | 11,719,900 | (22,626) | (22,626) | -       | 0%   | 11,742,526 | 100%    | (5,541,129) | 6,178,770  |
|    |                              | 15,738,768 | 15,753,323 | 400,442  | (4,816)  | 405,258 | 101% | 15,758,140 | 100.03% | (4,987,647) | 10,765,676 |

## Commentary on Performance

### Income

#### Rents

£39K ahead of the year to date budget due to phasing of the bad debts budget. Due to the Covid-19 situation developments are not coming online as soon as was expected and as a result a reduction in rental income has been reflected in the forecast out-turn.

### Expenditure

#### Line 7 Supervision & Management

No fees charged to capital due to no investment and development works taking place during lockdown. Underspend in Supplies & Services is due to budget phasing as Covid-19 has impacted on maintenance programmes and various premises costs are below year to date budget due to the fact all employees have been predominantly working from home.

#### Line 14 Interest Paid

Interest paid continues to be lower than year to date budget and is mainly driven by the slippage on development which has delayed our drawdown of the existing loan facilities.

#### Line 22 Capital Investment

The Coronavirus lockdown has meant all non essential works have been halted. The development program out-turn reflects the program slipping by 3 months. Our investment program is typically skewed towards the second half of the year and we will revise this program as contractors advise on when works can be reprogrammed.

Carry forward amounts due to slippage are reflected in the forecast outturn.

*More detailed explanations of variances can be found on pages 8 to 15*

## Balance Sheet at 31 May 2020

|                                                            |       | 31 May 2020        | 31 March 2020      |
|------------------------------------------------------------|-------|--------------------|--------------------|
|                                                            |       | £                  | £                  |
|                                                            | Notes |                    |                    |
| <b>Fixed Assets</b>                                        |       |                    |                    |
| 1 Tangible assets-social housing                           | 1     | 93,021,974         | 93,548,641         |
| 2 Development & Investment Programme                       | 2 -   | 4,816              | -                  |
| 3 Tangible assets - property, plant and equipment          |       | 964,118            | 964,118            |
| 4 Landbank                                                 |       | 879,915            | 879,915            |
| 5 Investments                                              |       | 2                  | 2                  |
|                                                            |       | <u>94,861,193</u>  | <u>95,392,677</u>  |
| <b>Current Assets</b>                                      |       |                    |                    |
| 6 Stock                                                    |       | 1,127,058          | 1,127,058          |
| 7 Trade and other debtors due within one year              | 3     | 406,119            | 1,202,048          |
| 8 Debtors due after more than one year                     |       | 144,972            | 144,972            |
| 9 Short-term deposits                                      |       | 3,113,014          | 3,109,329          |
| 10 Cash at bank and in hand                                | 4     | 2,159,373          | 1,647,257          |
| 11 Loan to subsidiary                                      |       | 17,560             | 16,800             |
|                                                            |       | <u>6,968,095</u>   | <u>7,247,463</u>   |
| 12 Creditors: amounts falling due within one year          | 5     | (667,420)          | (1,988,577)        |
| <b>Net current assets</b>                                  |       | <u>6,300,675</u>   | <u>5,258,886</u>   |
| <b>Total assets less current liabilities</b>               |       | <u>101,161,868</u> | <u>100,651,562</u> |
| 13 Creditors: amounts falling due after more than one year | 6     | (10,876,774)       | (10,876,774)       |
| 14 Deferred capital grants                                 | 7     | (52,713,527)       | (52,943,527)       |
| 15 Pension Liability                                       |       | (1,353,000)        | (2,055,000)        |
| <b>16 Net Assets</b>                                       |       | <u>36,218,567</u>  | <u>34,776,261</u>  |
| <b>Capital and Reserves</b>                                |       |                    |                    |
| 17 Share Capital                                           |       | 209                | 208                |
| 18 Revenue Reserve                                         |       | 36,218,358         | 34,776,053         |
|                                                            |       | <u>36,218,567</u>  | <u>34,776,261</u>  |

## Commentary on Performance

|                                     |                                                                                                                                                              |
|-------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Fixed Assets</b>                 | Fixed Assets are shown at gross cost and are reduced by the depreciation charge for the period.                                                              |
| <b>Development &amp; Investment</b> | The value of work in progress, net of Grant, on current properties and new developments<br>More detailed information is available in the Performance Report. |
| <b>Cash</b>                         | Cash balances are considerably higher than expected due to lower spend on investment and development.                                                        |



## Rental Income

For the period ended 31 May 2020

| Line |                         | CURRENT YEAR BUDGET    |                        | BUDGET<br>to<br>31-May-20<br>£ | ACTUAL<br>Spend to<br>31-May-20<br>£ | BUDGET VARIANCE        |                        | BUDGET REMAINING       |                        | FORECAST OUT-TURN     |                      |
|------|-------------------------|------------------------|------------------------|--------------------------------|--------------------------------------|------------------------|------------------------|------------------------|------------------------|-----------------------|----------------------|
|      |                         | Initial<br>Budget<br>£ | Revised<br>Budget<br>£ |                                |                                      | Budget<br>to date<br>£ | Budget to<br>date<br>% | Revised<br>Budget<br>£ | Revised<br>Budget<br>% | Over/<br>(under)<br>£ | at<br>31-Mar-21<br>£ |
| 1    | Dwelling Rent Gross     | 9,639,395              | 9,639,395              | 1,606,566                      | 1,598,558                            | 8,008                  | 0%                     | 8,040,837              | 83.42%                 | (56,960)              | 9,582,435            |
| 2    | Non Dwelling Rent Gross | 15,915                 | 15,915                 | 2,653                          | 6,716                                | (4,063)                | -153%                  | 9,200                  | 57.80%                 |                       | 15,915               |
| 3    | Voids - Dwelling        | (191,028)              | (191,028)              | (31,838)                       | (16,719)                             | (15,119)               | 47%                    | (174,309)              | 91.25%                 |                       | (191,028)            |
| 4    | Voids - Other           | 12,958                 | 12,958                 | 2,160                          | -                                    | 2,160                  | 100%                   | 12,958                 | 100.00%                |                       | 12,958               |
| 5    | Bad Debts               | (192,300)              | (192,300)              | (32,050)                       | (0)                                  | (32,050)               | 100%                   | (192,300)              | 100.00%                |                       | (192,300)            |
| 6    | TOTAL                   | 9,284,940              | 9,284,940              | 1,547,490                      | 1,588,555                            | (41,065)               | -3%                    | 7,696,385              | 82.89%                 | (56,960)              | 9,227,979            |

## Commentary on Performance

### Line 3 Voids - Dwelling

As a result of the delays to the development program dwelling rents are forecast to be below budget as shown in the forecast out-turn.

Voids on dwelling is £15K below year to date budget. This has been exacerbated by not being able to perform works during lock down and peoples ability to move homes whilst in lockdown.

### Line 5 Bad Debts

No bad debts have been written off this financial year.

## Supervision & Management Costs

For the period ended 31 May 2020

| Line | Heading                          | CURRENT YEAR BUDGET |                     | BUDGET to 31-May-20<br>£ | Actual Spend to 31-May-20<br>£ | BUDGET VARIANCE     |                     | BUDGET REMAINING    |                     | forecast out-turn  |                   |
|------|----------------------------------|---------------------|---------------------|--------------------------|--------------------------------|---------------------|---------------------|---------------------|---------------------|--------------------|-------------------|
|      |                                  | Initial Budget<br>£ | Revised Budget<br>£ |                          |                                | Budget to date<br>£ | Budget to date<br>% | Revised Budget<br>£ | Revised Budget<br>% | Over/ (under)<br>£ | at 31-Mar-21<br>£ |
| 1    | Salaries & Wages                 | 1,587,811           | 1,587,811           | 264,635                  | 246,587                        | 18,048              | 7%                  | 1,341,224           | 84%                 | 7,755              | 1,595,565         |
| 2    | National Insurance               | 155,876             | 155,876             | 25,979                   | 24,192                         | 1,787               | 7%                  | 131,684             | 84%                 | 761                | 156,637           |
| 3    | Pension Costs                    | 303,841             | 303,841             | 50,640                   | 44,686                         | 5,954               | 12%                 | 259,155             | 85%                 | 1,484              | 305,325           |
| 4    | Other Employee Costs             | 54,185              | 54,185              | 18,953                   | 4,389                          | 14,564              | 77%                 | 49,796              | 92%                 |                    | 54,185            |
| 5    | Travel & Subsistence             | 24,670              | 24,670              | 4,112                    | 152                            | 3,960               | 96%                 | 24,518              | 99%                 | (3,960)            | 20,710            |
| 6    | EMPLOYEE COSTS                   | 2,126,382           | 2,126,382           | 364,319                  | 320,006                        | 44,313              | 12%                 | 1,806,377           | 85%                 | 6,040              | 2,132,422         |
| 7    | Premises Costs                   | 74,750              | 74,750              | 13,718                   | 5,797                          | 7,922               | 58%                 | 68,953              | 92%                 |                    | 74,750            |
| 8    | IT & Telecoms                    | 181,200             | 181,200             | 30,826                   | 28,764                         | 2,062               | 7%                  | 152,436             | 84%                 |                    | 181,200           |
| 9    | Area Offices                     | 26,040              | 26,040              | 4,340                    | 4,346                          | (6)                 | 0%                  | 21,694              | 83%                 |                    | 26,040            |
| 10   | Payroll & Cashdesk               | 6,460               | 6,460               | 1,077                    | 1,274                          | (198)               | -18%                | 5,186               | 80%                 |                    | 6,460             |
| 11   | Property Management Fees         | 4,010               | 4,010               | 4,010                    | 1,671                          | 2,339               | 58%                 | 2,339               | 58%                 |                    | 4,010             |
| 12   | Covid-19                         | -                   | 5,445               | 5,445                    | 644                            | 4,801               | 88%                 | 4,801               | 88%                 |                    | 5,445             |
| 13   | SUPPLIES & SERVICES              | 292,460             | 297,905             | 59,416                   | 42,496                         | 16,920              | 28%                 | 255,409             | 86%                 | -                  | 292,460           |
| 14   | Postage, Printing & Stationery   | 41,000              | 41,000              | 9,067                    | 1,637                          | 7,429               | 82%                 | 39,363              | 96%                 |                    | 41,000            |
| 15   | Admin Furniture & Equipment      | 1,000               | 1,000               | 1,000                    | -                              | 1,000               | 100%                | 1,000               | 100%                |                    | 1,000             |
| 16   | Training Courses                 | 64,480              | 64,480              | 10,747                   | 674                            | 10,073              | 94%                 | 63,806              | 99%                 |                    | 64,480            |
| 17   | Community Support                | 30,750              | 30,750              | 5,125                    | 390                            | 4,735               | 92%                 | 30,360              | 99%                 |                    | 30,750            |
| 18   | Health & Safety                  | 8,470               | 8,470               | 5,752                    | 486                            | 5,266               | 92%                 | 7,984               | 94%                 |                    | 8,470             |
| 19   | Recruitment Costs                | 2,500               | 2,500               | 417                      | -                              | 417                 | 100%                | 2,500               | 100%                |                    | 2,500             |
| 20   | ADMINISTRATION COSTS             | 148,200             | 148,200             | 32,107                   | 3,187                          | 28,920              | 90%                 | 145,013             | 98%                 | -                  | 148,200           |
| 21   | Professional Fees                | 352,894             | 352,894             | 58,816                   | 6,685                          | 52,131              | 89%                 | 346,209             | 98%                 | 128,300            | 481,194           |
| 22   | Insurance                        | 270,535             | 270,535             | 45,089                   | 40,790                         | 4,299               | 10%                 | 229,745             | 85%                 |                    | 270,535           |
| 23   | Affiliation Fees                 | 49,350              | 49,350              | 8,225                    | 4,722                          | 3,503               | 43%                 | 44,628              | 90%                 |                    | 49,350            |
| 24   | Charitable Donations             | 5,000               | 5,000               | 833                      | -                              | 833                 | 100%                | 5,000               | 100%                |                    | 5,000             |
| 25   | Governance                       | 27,850              | 27,850              | 4,642                    | 285                            | 4,357               | 94%                 | 27,565              | 99%                 | (2,065)            | 25,785            |
| 26   | Bank Charges                     | 8,000               | 8,000               | 1,333                    | 171                            | 1,162               | 87%                 | 7,829               | 98%                 |                    | 8,000             |
| 27   | Public Relations / Marketing     | 15,080              | 15,080              | 2,513                    | 33                             | 2,480               | 99%                 | 15,047              | 100%                |                    | 15,080            |
| 28   | CORPORATE EXPENSES               | 728,709             | 728,709             | 121,451                  | 52,687                         | 68,765              | 57%                 | 676,022             | 93%                 | 126,235            | 854,944           |
| 29   | Fees Charged to Capital          | (530,451)           | (530,451)           | (69,856)                 | -                              | (69,856)            | 100%                | (530,451)           | 100%                |                    | (530,451)         |
| 30   | VAT Received - Partial Exemption | (12,500)            | (12,500)            | (2,083)                  | (2,848)                        | 765                 | -37%                | (9,652)             | 77%                 |                    | (12,500)          |
| 31   | RECHARGES                        | (542,951)           | (542,951)           | (71,939)                 | (2,848)                        | (69,091)            | 96%                 | (540,103)           | 99%                 | -                  | (542,951)         |
| 32   | MANAGEMENT COST                  | 2,752,800           | 2,758,245           | 505,354                  | 415,527                        | 89,827              | 18%                 | 2,342,717           | 28                  | 132,275            | 2,885,075         |

## Commentary on performance

### Line 1 Salaries & Wages

Salaries are under budget as the annual pay award has yet to be determined. In addition, phasing of the budget assumes new posts being in place for the full year. The Forecast out-turn reflects £10K of carry over budget which is being brought to the Board for approval in June. The year to date underspend on travel and subsistence has been reflected in the forecast out-turn. Further savings are anticipated on travel as a result of the lockdown restrictions imposed.

### Line 4 Other Employee Costs

Under budget by £14.5K compared to year to date budget. Staff uniforms were planned to be replaced in May. This has slipped due to the Covid-19 situation.

### Line 5 Travel & Subsistence

Underspend of £4K in Travel & Subsistence is due to no mainland travel and very limited inter-island travel since lockdown.

### Line 12 Supplies & Services

As expected Premises costs are down due to the Covid-19 situation and no maintenance work being carried out during lockdown.

**Line 19 Administration Costs**

Most of the underspend is due to training which is either being delivered through video conferencing or has been postponed.

Due to office closure there is a £7K saving in postage, printing & stationery mainly due to a reduction in franking costs (£4K) and office consumables.

**Line 29 Fees Charged to Capital**

Due to the lockdown and our ability to deliver our investment and development programme, no fees have been charged in the year to date. As work restarts we will begin to see fee income albeit there may be a reduction in the full year out-turn as works may slip into next year. This will be assessed as soon as we have better clarity on contractor delivery programmes.

## Repairs & Maintenance

For the period ended 31 May 2020

| Line | Heading                            | CURRENT YEAR<br>Initial<br>Budget<br>£ | Revised<br>Budget<br>£ | BUDGET<br>to<br>31-May-20<br>£ | ACTUAL<br>Spend to<br>31-May-20<br>£ | BUDGET VARIANCE<br>Budget to<br>date<br>£ | Budget to<br>date<br>% | BUDGET REMAINING<br>Revised<br>Budget<br>£ | Revised<br>Budget<br>% | FORECAST OUT-TURN<br>Over/<br>(under)<br>£ | at<br>31-Mar-21<br>£ |
|------|------------------------------------|----------------------------------------|------------------------|--------------------------------|--------------------------------------|-------------------------------------------|------------------------|--------------------------------------------|------------------------|--------------------------------------------|----------------------|
| 1    | Responsive Repairs                 | 935,325                                | 935,325                | 177,712                        | 82,228                               | 95,484                                    | 54%                    | 853,097                                    | 91%                    |                                            | 935,325              |
| 2    | Void Repairs                       | 264,000                                | 264,000                | 44,000                         | 13,084                               | 30,916                                    | 70%                    | 250,916                                    | 95%                    |                                            | 264,000              |
| 3    | Handyperson                        | 83,160                                 | 83,160                 | 14,135                         | 11,387                               | 2,748                                     | 19%                    | 71,773                                     | 86%                    |                                            | 83,160               |
| 4    | GENERAL REPAIRS                    | 1,282,485                              | 1,282,485              | 235,847                        | 106,699                              | 129,148                                   | 55%                    | 1,175,786                                  | 92%                    | -                                          | 1,282,485            |
| 5    | Decoration Allowance               | 46,530                                 | 46,530                 | 7,755                          | 8,940                                | (1,185)                                   | -15%                   | 37,590                                     | 81%                    |                                            | 46,530               |
| 6    | Council Tax empty properties       | 19,800                                 | 19,800                 | 3,300                          | 2,779                                | 521                                       | 16%                    | 17,021                                     | 86%                    |                                            | 19,800               |
| 7    | Minor Aids & Adaptations           | -                                      | -                      | -                              | -                                    | -                                         |                        | -                                          |                        |                                            | -                    |
| 8    | Compensation                       | 11,695                                 | 11,695                 | 1,949                          | 79                                   | 1,870                                     | 96%                    | 11,616                                     | 99%                    |                                            | 11,695               |
| 9    | SPECIFIC ITEMS                     | 78,025                                 | 78,025                 | 13,004                         | 11,798                               | 1,206                                     | 9%                     | 66,227                                     | 85%                    | -                                          | 78,025               |
| 10   | Rechargeable Repairs               | 108,000                                | 108,000                | 18,000                         | 5,104                                | 12,896                                    | 72%                    | 102,896                                    | 95%                    |                                            | 108,000              |
| 11   | Rechargeable Repairs Recoverable   | (59,800)                               | (59,800)               | (9,967)                        | (1,082)                              | (8,885)                                   | 89%                    | (58,718)                                   | 98%                    |                                            | (59,800)             |
| 12   | Insurance Repairs                  | 105,000                                | 105,000                | 17,500                         | 8,954                                | 8,546                                     | 49%                    | 96,046                                     | 91%                    |                                            | 105,000              |
| 13   | Insurance Claims Recoverable       | (72,500)                               | (72,500)               | -                              | 489                                  | (489)                                     |                        | (72,989)                                   | 101%                   |                                            | (72,500)             |
| 14   | RECOVERABLE EXPENDITURE            | 80,700                                 | 80,700                 | 25,533                         | 13,465                               | 12,069                                    | 47%                    | 67,235                                     | 83%                    | -                                          | 80,700               |
| 15   | Commercial Properties              | 1,200                                  | 1,200                  | 200                            | -                                    | 200                                       | 100%                   | 1,200                                      | 100%                   |                                            | 1,200                |
| 16   | Communal Lighting                  | 10,948                                 | 10,948                 | 422                            | 152                                  | 270                                       | 64%                    | 10,796                                     | 99%                    |                                            | 10,948               |
| 17   | NON DWELLING REPAIRS               | 12,148                                 | 12,148                 | 622                            | 152                                  | 470                                       | 76%                    | 11,996                                     | 99%                    | -                                          | 12,148               |
| 18   | Planned maintenance                | -                                      | -                      | -                              | -                                    | -                                         |                        | -                                          |                        |                                            | -                    |
| 19   | Gas Servicing                      | 73,958                                 | 73,958                 | 14,792                         | 4,068                                | 10,724                                    | 72%                    | 69,890                                     | 94%                    |                                            | 73,958               |
| 20   | Estate Management                  | 47,922                                 | 47,922                 | -                              | 778                                  | (778)                                     |                        | 47,144                                     | 98%                    |                                            | 47,922               |
| 21   | Other Servicing (incl. heating)    | 697,528                                | 697,528                | 37,482                         | 1,898                                | 35,584                                    | 95%                    | 695,629                                    | 100%                   | 107,397                                    | 804,925              |
| 22   | Stair Lifts and Door Entry Systems | 4,030                                  | 4,030                  | -                              | -                                    | -                                         |                        | 4,030                                      | 100%                   |                                            | 4,030                |
| 23   | Gutter Cleaning                    | 34,885                                 | 34,885                 | -                              | -                                    | -                                         |                        | 34,885                                     | 100%                   |                                            | 34,885               |
| 24   | Sewage Pumps                       | 700                                    | 700                    | 117                            | -                                    | 117                                       | 100%                   | 700                                        | 100%                   |                                            | 700                  |
| 25   | Dun Berisay Heat                   | 8,150                                  | 8,150                  | -                              | -                                    | -                                         |                        | 8,150                                      | 100%                   |                                            | 8,150                |
| 26   | CYCLICAL MAINTENANCE               | 867,173                                | 867,173                | 52,390                         | 6,745                                | 45,646                                    | 87%                    | 860,428                                    | 99%                    | 107,397                                    | 974,570              |
| 27   | TOTAL REPAIRS & MAINTENANCE        | 2,320,531                              | 2,320,531              | 327,396                        | 138,858                              | 188,538                                   | 58%                    | 2,181,673                                  | 94%                    | 107,397                                    | 2,427,928            |

### Commentary on performance

Most repairs and cyclical maintenance work has been put on hold, with the exception of urgent responsive repairs and some void repair work.

On 11 June the First Minister confirmed that construction can move into the "Soft Start" phase. More repairs and maintenance work should now be carried out where social distancing allows and this will likely result in an increase in the level of repairs being performed.

#### Line 4 General repairs

Although urgent repairs were carried out, responsive repairs and void repairs are considerably under budget.

## Estate Works

For the period ended 31 May 2020

| Line | Heading                  | CURRENT YEAR BUDGET    |                        | BUDGET<br>to<br>31-May-20<br>£ | ACTUAL<br>Spend to<br>31-May-20<br>£ | BUDGET VARIANCE        |                        | BUDGET REMAINING       |                        | FORECAST OUT-TURN     |                      |
|------|--------------------------|------------------------|------------------------|--------------------------------|--------------------------------------|------------------------|------------------------|------------------------|------------------------|-----------------------|----------------------|
|      |                          | Initial<br>Budget<br>£ | Revised<br>Budget<br>£ |                                |                                      | Budget to<br>date<br>£ | Budget to<br>date<br>% | Revised<br>Budget<br>£ | Revised<br>Budget<br>% | Over/<br>(under)<br>£ | at<br>31-Mar-21<br>£ |
| 1    | Garage Repairs           | -                      | -                      | -                              | -                                    | -                      | -                      | -                      | -                      | -                     | -                    |
| 2    | Unadopted Infrastructure | 32,527                 | 32,527                 | -                              | -                                    | -                      | -                      | 32,527                 | 100%                   | -                     | 32,527               |
| 3    | Grounds Maintenance      | 51,974                 | 51,974                 | 3,988                          | -                                    | 3,988                  | 100%                   | 51,974                 | 100%                   | -                     | 51,974               |
| 4    | Paths                    | -                      | -                      | -                              | -                                    | -                      | -                      | -                      | -                      | -                     | -                    |
| 5    | TOTAL ESTATE WORKS       | 84,500                 | 84,500                 | 3,988                          | 0                                    | 3,988                  | 100%                   | 84,500                 | 100%                   | -                     | 84,500               |

## Aids & Adaptations

For the period ended 31 May 2020

| Line | Heading                  | CURRENT YEAR BUDGET    |                        | BUDGET<br>to<br>31-May-20<br>£ | ACTUAL<br>Spend to<br>31-May-20<br>£ | BUDGET VARIANCE        |                        | BUDGET REMAINING       |                        | FORECAST OUT-TURN     |                      |
|------|--------------------------|------------------------|------------------------|--------------------------------|--------------------------------------|------------------------|------------------------|------------------------|------------------------|-----------------------|----------------------|
|      |                          | Initial<br>Budget<br>£ | Revised<br>Budget<br>£ |                                |                                      | Budget to<br>date<br>£ | Budget to<br>date<br>% | Revised<br>Budget<br>£ | Revised<br>Budget<br>% | Over/<br>(under)<br>£ | at<br>31-Mar-21<br>£ |
| 1    | OT Works                 | 120,000                | 120,000                | 18,182                         | 2,011                                | 16,171                 | 89%                    | 117,989                | 98%                    |                       | 120,000              |
| 2    | Grants                   |                        |                        |                                |                                      |                        |                        |                        |                        |                       |                      |
| 3    | Grants Received          | (119,999)              | (119,999)              | (20,000)                       | (2,011)                              | (17,989)               | 90%                    | (117,989)              | 98%                    |                       | (119,999)            |
| 4    | To be claimed            |                        |                        |                                |                                      | -                      |                        | -                      |                        |                       | -                    |
| 5    | TOTAL AIDS & ADAPTATIONS | 1                      | 1                      | (1,818)                        | 0                                    | (1,818)                | 100%                   | 0                      | 1%                     | -                     | 1                    |

# Investment Expenditure

For the period ended 31 May 2020

| Line | Heading                                   | CURRENT YEAR BUDGET    |                        | BUDGET               | ACTUAL                     | BUDGET VARIANCE        |                        | BUDGET REMAINING       |                        | FORECAST OUT-TURN     |                      |
|------|-------------------------------------------|------------------------|------------------------|----------------------|----------------------------|------------------------|------------------------|------------------------|------------------------|-----------------------|----------------------|
|      |                                           | Initial<br>Budget<br>£ | Revised<br>Budget<br>£ | to<br>31-May-20<br>£ | Spend to<br>31-May-20<br>£ | Budget to<br>date<br>£ | Budget to<br>date<br>% | Revised<br>Budget<br>£ | Revised<br>Budget<br>% | Over/<br>(under)<br>£ | at<br>31-Mar-21<br>£ |
| 1    | Roofs                                     | -                      | -                      | -                    | -                          | -                      | -                      | -                      | -                      | 1,540                 | 1,540                |
| 2    | Insulation                                | 135,135                | 135,135                | -                    | -                          | -                      | -                      | 135,135                | 100%                   | 187,367               | 322,502              |
| 3    | Total Roofs                               | 135,135                | 135,135                | -                    | -                          | -                      | -                      | 135,135                | 100%                   | 188,907               | 324,042              |
| 4    | Kitchen                                   | 123,751                | 123,751                | 38,077               | -                          | 38,077                 | 100%                   | 123,751                | 100%                   | 4,015                 | 127,766              |
| 5    | Bathrooms                                 | 99,768                 | 99,768                 | 13,907               | -                          | 13,907                 | 100%                   | 99,768                 | 100%                   | 6,318                 | 106,086              |
| 6    | OT Aids & Adaptations                     | 120,000                | 120,000                | 18,182               | 2,011                      | 16,171                 | 89%                    | 117,989                | 98%                    | -                     | 120,000              |
| 7    | Showers                                   | 72,213                 | 72,213                 | 10,066               | -                          | 10,066                 | 100%                   | 72,213                 | 100%                   | 4,303                 | 76,516               |
| 8    | Heating                                   | 2,571,851              | 2,571,851              | 206,154              | -                          | 206,154                | 100%                   | 2,571,851              | 100%                   | 56,166                | 2,628,017            |
| 9    | Rewiring                                  | 373,797                | 373,797                | 33,982               | 2,353                      | 31,629                 | 93%                    | 371,444                | 99%                    | 142,646               | 516,443              |
| 11   | Total Internals                           | 3,361,379              | 3,361,379              | 320,368              | 4,364                      | 316,004                | 99%                    | 3,357,015              | 100%                   | 213,448               | 3,574,827            |
| 12   | Windows                                   | 221,352                | 221,352                | -                    | 12,978                     | (12,978)               | -                      | 208,374                | 94%                    | 95,748                | 317,100              |
| 13   | Roughcast house & wall                    | -                      | -                      | -                    | -                          | -                      | -                      | -                      | -                      | 1,100                 | 1,100                |
| 15   | Other                                     | 198,304                | 198,304                | -                    | -                          | -                      | -                      | 198,304                | 100%                   | 10,001                | 208,305              |
| 19   | Externals                                 | 198,304                | 198,304                | -                    | -                          | -                      | -                      | 198,304                | 100%                   | 11,101                | 209,405              |
|      | <b>Total Investment excl. Unallocated</b> |                        |                        |                      |                            |                        |                        |                        |                        |                       |                      |
| 20   | Exp/Efficiency Saving                     | 3,916,169              | 3,916,169              | 320,368              | 17,342                     | 303,026                | 95%                    | 3,898,827              | 100%                   | 509,204               | 4,425,374            |
| 21   | Unallocated Expenditure                   | -                      | -                      | -                    | -                          | -                      | -                      | -                      | -                      | -                     | -                    |
| 22   | Efficiency Savings                        | -                      | -                      | -                    | -                          | -                      | -                      | -                      | -                      | -                     | -                    |
| 23   | <b>Total Investment</b>                   | <b>3,916,169</b>       | <b>3,916,169</b>       | <b>320,368</b>       | <b>17,342</b>              | <b>303,027</b>         | <b>95%</b>             | <b>3,898,827</b>       | <b>100%</b>            | <b>509,204</b>        | <b>4,425,373</b>     |

## Commentary on Performance

All investment work has been put on hold, with the exception of some OT work. The forecast out-turn above includes £509K of carry over from 2019/20. Investment works are typically back end skewed towards the latter half of the year. As such, it is hoped the remainder of this years programme can be delivered subject to a potential increase in refusals.

We have developed a phased reintroduction of works. Phase 1 will include external works and surveys for other works. Phase 2 includes Health & Safety related works. The remainder of the works is dependant on government advice into Phase 3 & 4.

## Non Housing Investment

For the period ended 31 May 2020

| Line | Heading              | CURRENT YEAR BUDGET    |                        | BUDGET<br>to<br>31-May-20<br>£ | ACTUAL<br>Spend to<br>31-May-20<br>£ | BUDGET VARIANCE        |                        | BUDGET REMAINING       |                        | FORECAST OUT-TURN     |                      |
|------|----------------------|------------------------|------------------------|--------------------------------|--------------------------------------|------------------------|------------------------|------------------------|------------------------|-----------------------|----------------------|
|      |                      | Initial<br>Budget<br>£ | Revised<br>Budget<br>£ |                                |                                      | Budget to<br>date<br>£ | Budget to<br>date<br>% | Revised<br>Budget<br>£ | Revised<br>Budget<br>% | Over/<br>(under)<br>£ | at<br>31-Mar-21<br>£ |
| 1    | Heating Systems      | -                      | -                      | -                              | -                                    | -                      | -                      | -                      | -                      | 17,000                | 17,000               |
| 2    | Furniture & Fittings | 51,350                 | 51,350                 | 51,350                         | -                                    | 51,350                 | 100%                   | 51,350                 | 100%                   |                       | 51,350               |
| 3    | IT equipment         | 51,350                 | 51,350                 | 51,350                         | 240                                  | 51,110                 | 100%                   | 51,110                 | 100%                   | 20,000                | 71,350               |
| 4    | Total Office         | 102,700                | 102,700                | 102,700                        | 240                                  | 102,460                | 100%                   | 102,460                | 100%                   | 37,000                | 122,700              |
| 5    | Motor Vehicles       | -                      | 14,555                 | -                              | 228                                  | (228)                  |                        | 14,327                 | 98%                    | 7,278                 | 21,833               |
| 6    | Total                | 102,700                | 117,255                | 102,700                        | 468                                  | 102,232                | 100%                   | 116,787                | 100%                   | 44,278                | 144,533              |



## Development Expenditure

For the period ended 31 May 2020

| Line |                                          | CURRENT YEAR BUDGET    |                        | BUDGET<br>Budget to<br>31-May-20<br>£ | ACTUAL<br>Spend to<br>31-May-20<br>£ | BUDGET VARIANCE        |                        | BUDGET REMAINING       |                        | FORECAST OUT-TURN     |                      |
|------|------------------------------------------|------------------------|------------------------|---------------------------------------|--------------------------------------|------------------------|------------------------|------------------------|------------------------|-----------------------|----------------------|
|      |                                          | Initial<br>Budget<br>£ | Revised<br>Budget<br>£ |                                       |                                      | Budget to<br>date<br>£ | Budget to<br>date<br>% | Revised<br>Budget<br>£ | Revised<br>Budget<br>% | Over/<br>(under)<br>£ | at<br>31-Mar-21<br>£ |
| 1    | New Build                                | 27,046,604             | 27,046,604             | 66,687                                | 66,687                               | -                      | 0%                     | 26,979,917             | 100%                   | (5,136,916)           | 21,909,687           |
| 2    | LIFT                                     | 785,454                | 785,454                | 10,340                                | 10,340                               | -                      | 0%                     | 775,114                | 99%                    | 47,015                | 832,469              |
| 3    | Land                                     | 500,979                | 500,979                | -                                     | -                                    | -                      | -                      | 500,979                | 100%                   | -                     | 500,979              |
| 4    | <b>Total Development Costs</b>           | <b>28,333,037</b>      | <b>28,333,037</b>      | <b>77,027</b>                         | <b>77,027</b>                        | <b>-</b>               | <b>0%</b>              | <b>28,256,010</b>      | <b>100%</b>            | <b>(5,089,901)</b>    | <b>23,243,135</b>    |
| 5    | <b>Housing Association Grant</b>         |                        |                        |                                       |                                      |                        |                        |                        |                        |                       |                      |
| 6    | HAG - New Build                          | (15,246,720)           | (15,246,720)           | (92,157)                              | (92,157)                             | -                      | 0%                     | (15,154,563)           | 99%                    | (401,098)             | (15,647,818)         |
| 7    | HAG - Lift                               | (686,938)              | (686,938)              | (7,796)                               | (7,796)                              | -                      | 0%                     | (679,142)              | 99%                    | (50,130)              | (737,068)            |
| 8    | <b>Other Grants &amp; Sales proceeds</b> |                        |                        |                                       |                                      |                        |                        |                        |                        |                       |                      |
| 9    | Other Grants - LIFT Sales                | (306,000)              | (306,000)              | -                                     | -                                    | -                      | -                      | (306,000)              | 100%                   | (752,106)             | (1,058,106)          |
| 10   | Other Grants - Unallocated               | (383,479)              | (383,479)              | -                                     | -                                    | -                      | -                      | (383,479)              | 100%                   | -                     | (383,479)            |
| 11   | <b>Total Grants</b>                      | <b>(16,623,137)</b>    | <b>(16,623,137)</b>    | <b>(99,953)</b>                       | <b>(99,953)</b>                      | <b>-</b>               | <b>0%</b>              | <b>(16,523,184)</b>    | <b>99%</b>             | <b>(1,203,334)</b>    | <b>(17,826,471)</b>  |
| 12   | <b>Private Finance required</b>          |                        |                        |                                       |                                      |                        |                        |                        |                        |                       |                      |
| 13   | New Build                                | 11,799,884             | 11,799,884             | (25,470)                              | (25,470)                             | -                      | 0%                     | 11,825,354             | 100%                   | (5,538,014)           | 6,261,869            |
| 12   | Retentions                               | -                      | -                      | -                                     | -                                    | -                      | -                      | -                      | -                      | -                     | -                    |
| 14   | LIFT                                     | (207,484)              | (207,484)              | 2,544                                 | 2,544                                | -                      | 0%                     | (210,028)              | 101%                   | (3,115)               | (210,599)            |
| 15   | Land                                     | 500,979                | 500,979                | -                                     | -                                    | -                      | -                      | 500,979                | 100%                   | -                     | 500,979              |
| 16   | Feasibility                              | 10,000                 | 10,000                 | 300                                   | 300                                  | -                      | 0%                     | 9,700                  | 97%                    | -                     | 10,000               |
| 17   | Unallocated                              | (383,479)              | (383,479)              | -                                     | -                                    | -                      | -                      | (383,479)              | 100%                   | -                     | (383,479)            |
| 18   | <b>Private Finance required</b>          | <b>11,719,900</b>      | <b>11,719,900</b>      | <b>(22,626)</b>                       | <b>(22,626)</b>                      | <b>-</b>               | <b>0%</b>              | <b>11,742,526</b>      | <b>100%</b>            | <b>(5,541,129)</b>    | <b>6,178,770</b>     |

## Commentary on Performance

### Overall Spend to Date:

Our development program is on hold at present with contractors having to cease work on sites and observe COVID lockdown rules. On the 11<sup>th</sup> of June the First Minister advised that construction works could move to the "Soft Start" phase of their remobilisation plan. The implications of this are currently not fully quantifiable as discussions with contractors proves difficult due to key staff being furloughed. As contractor staff return to work, programmes are being re-assessed and this will likely have an impact on the timing of delivery of our development program but also on cost. The above reflects a 3 month slippage on our development programme and as we are able to quantify the impact lockdown has had on our programme we will revise our plans and forecasts accordingly.

# Section 3: Key Financial Performance Measures

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## Financial Covenants

### For the period ended 31 May 2020

The revised facility agreement with our Funders has one Financial Covenant, Interest Cover. Where a deficit is projected in any financial year, the covenant is based on an absolute sum rather than a percentage, so the covenant for 2020/21 is a maximum cash flow deficit of £8,858,200. As outlined earlier, the bank are unable to bring the Business Plan approved by the Board in March 2020 to their Credit team for approval given the large uncertainty on the development program. The financial covenant for 2020/21 therefore becomes the year 2 covenant as per the Board approved plan from last year.

Given the large amount of slippage on our development programme, the covenant is forecast to be met in May 2020.

As the situation surrounding the easing of lockdown becomes clearer we will update our Business Plan for Board review and approval prior to submission with our funders and the Scottish Housing Regulator.

|                                                       | Interest Cover |
|-------------------------------------------------------|----------------|
| Covenants for 2020/21 Deficit                         | (£8,858,200)   |
| At 31 May 2020                                        | (£6,230,658)   |
| Tolerance available                                   | £2,627,642     |
| Reduction in expenditure required to achieve covenant | £0             |

## Annual Cash flow Deficit

| Line | Detail                                   | Current Position | Forecast           |
|------|------------------------------------------|------------------|--------------------|
|      | <b>Income</b>                            | <b>£</b>         | <b>£</b>           |
| 1    | Dwelling rents (net)                     | 1,581,839        | 9,199,107          |
| 2    | Non Dwelling rents (net)                 | 6,716            | 13,543             |
| 3    | Grant Funding                            | 38,282           | 269,999            |
| 4    | Other Income                             | 6,819            | 51,390             |
| 5    | Grant received for New Build             | 92,157           | 15,647,818         |
| 6    | Sale of LIFT received                    | -                | 1,058,106          |
| 7    | Grant on LIFT received                   | 7,796            | 737,068            |
| 8    | Insurance Receipts                       | - 489            | 72,500             |
| 9    | <b>Total Income</b>                      | <b>1,733,121</b> | <b>27,049,531</b>  |
|      | <b>Expenditure</b>                       |                  |                    |
| 10   | Supervision & Management                 | 415,527          | 3,415,526          |
| 11   | Response Repairs                         | 132,113          | 1,453,358          |
| 12   | Estate Works                             | -                | 84,500             |
| 13   | Planned/Cyclical Maintenance             | 6,745            | 974,570            |
| 14   | Investment Programme                     | 17,342           | 3,894,922          |
| 15   | Office Alterations and IT                | 468              | 144,533            |
| 16   | LIFT Costs                               | 10,340           | 832,469            |
| 17   | Opening Balances                         |                  |                    |
| 18   | Development Costs                        | 66,687           | 21,919,687         |
| 19   | <b>Total Expenditure</b>                 | <b>649,222</b>   | <b>32,719,565</b>  |
| 20   | <b>Net Operating Cashflow</b>            | <b>1,083,898</b> | <b>(5,670,033)</b> |
| 21   | Interest Paid                            | 44,379           | 568,100            |
| 22   | Interest Collected                       | (1,318)          | (13,500)           |
| 23   | <b>Total Interest</b>                    | <b>43,060</b>    | <b>554,600</b>     |
| 24   | <b>Annual Cashflow Surplus/(Deficit)</b> | <b>1,040,838</b> | <b>(6,224,633)</b> |
|      | Interest Ratio                           | 4%               | -10%               |
|      | Covenant Requirement                     |                  |                    |
|      | Maximum Annual Cashflow deficit          | (8,858,300)      | (8,858,300)        |
|      | Tolerance                                | 9,899,138        | 2,633,667          |
|      |                                          | -301%            | -80%               |

## Financial Ratios

For the period ended 31 May 2020

| Key Ratios                                                            |           |           |           |
|-----------------------------------------------------------------------|-----------|-----------|-----------|
|                                                                       | Current   | Forecast  | 2019/20   |
| <b>Current Ratio</b><br>(Current Assets/Current Liabilities)          | 10.22     | 4.71      | 3.57      |
| <b>Net Debt Per Unit</b><br>Borrowing/ stock units                    | £2,240.53 | £4,455.48 | £2,240.53 |
| <b>Voids%</b><br>Voids as % of Rental Income Due                      | 1.04%     | 1.86%     | 0.65%     |
| <b>Bad Debts %</b><br>Bad Debts written off as % of Rental Income Due | 0.00%     | 2.00%     | 1.57%     |
| <b>Staff Cost/Turnover %</b>                                          | 19.59%    | 22.37%    | 19.62%    |
| <b>Gross Surplus</b><br>Operating Surplus/Turnover                    | 66.06%    | 43.33%    | 53.77%    |
| <b>Net Surplus</b><br>Net Surplus/Turnover                            | 45.27%    | 18.00%    | 30.75%    |

## Cash Flow Forecast 2020/21

The below cash flow shows the actual income received and the payments made for the period to May 2020.

### Monthly Cash Flow Forecast

| Year Ended<br>31-Mar-21              | 31-May-20<br>Month 2 | 30-Jun-20<br>Month 3 | 31-Jul-20<br>Month 4 | 31-Aug-20<br>Month 5 | 30-Sep-20<br>Month 6 | 31-Oct-20<br>Month 7 | 30-Nov-20<br>Month 8 | 31-Dec-20<br>Month 9 | 31-Jan-21<br>Month 10 | 28-Feb-21<br>Month 11 | 31-Mar-21<br>Month 12 | Total             |
|--------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|-----------------------|-----------------------|-------------------|
| Cash on Hand at beginning of month   | 1,844,111            | 2,192,831            | 1,639,429            | 850,368              | 1,149,028            | 1,072,094            | 1,346,693            | 1,192,858            | 1,303,308             | 1,595,855             | 1,562,071             | 1,901,597         |
| <b>Cash Receipts</b>                 |                      |                      |                      |                      |                      |                      |                      |                      |                       |                       |                       |                   |
| Rent                                 | 660,990              | 608,920              | 734,920              | 948,650              | 608,920              | 948,650              | 734,920              | 608,920              | 948,650               | 734,920               | 762,650               | 9,269,668         |
| Sale of Assets                       | -                    | -                    | -                    | 153,000              | 153,000              | -                    | 250,702              | 250,702              | 250,702               | -                     | -                     | 1,058,106         |
| Grant Income                         | 56,016               | 11,321               | 1,708,703            | 2,310,052            | 2,783,314            | 2,663,522            | 2,438,233            | 2,220,287            | 1,052,010             | 1,164,211             | 691,241               | 17,802,811        |
| Other income                         | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                     | -                     | -                     | 70,431            |
| Transfer from Deposit                | -                    | -                    | -                    | 500,000              | 750,000              | 250,000              | -                    | 450,000              | 1,661,293             | -                     | -                     | 3,611,293         |
| Loan/Other cash injection            | -                    | -                    | -                    | -                    | -                    | 250,000              | -                    | -                    | -                     | 1,000,000             | 2,000,000             | 3,250,000         |
| <b>Total</b>                         | <b>717,007</b>       | <b>620,241</b>       | <b>2,443,623</b>     | <b>3,911,702</b>     | <b>4,295,234</b>     | <b>4,112,172</b>     | <b>3,423,855</b>     | <b>3,529,909</b>     | <b>3,912,655</b>      | <b>2,899,131</b>      | <b>3,453,891</b>      | <b>35,062,309</b> |
| <b>Total Cash Available</b>          | <b>2,561,117</b>     | <b>2,813,071</b>     | <b>4,083,052</b>     | <b>4,762,070</b>     | <b>5,444,262</b>     | <b>5,184,267</b>     | <b>4,770,548</b>     | <b>4,722,767</b>     | <b>5,215,964</b>      | <b>4,494,986</b>      | <b>5,015,962</b>      |                   |
| <b>Cash Paid Out</b>                 |                      |                      |                      |                      |                      |                      |                      |                      |                       |                       |                       |                   |
| Payroll                              | 165,616              | 169,500              | 169,500              | 169,500              | 169,500              | 169,500              | 169,500              | 169,500              | 169,500               | 169,500               | 169,500               | 2,026,203         |
| Management Costs                     | 23,384               | 36,400               | 36,400               | 89,778               | 286,400              | 91,600               | 82,500               | 82,500               | 45,500                | 36,400                | 46,500                | 960,880           |
| Repairs                              | 50,301               | 179,790              | 179,790              | 189,720              | 179,790              | 189,720              | 287,187              | 179,790              | 239,720               | 229,790               | 239,690               | 2,377,597         |
| Investment                           | -                    | 644,127              | 699,589              | 680,006              | 656,376              | 465,584              | 412,528              | 368,264              | 60,021                | 56,958                | 61,553                | 4,605,993         |
| Development                          | 128,867              | -                    | 2,145,605            | 2,481,789            | 3,078,302            | 2,776,895            | 2,624,175            | 2,617,604            | 2,576,092             | 2,438,467             | 2,512,748             | 24,223,934        |
| <b>Total</b>                         | <b>368,168</b>       | <b>1,029,817</b>     | <b>3,230,884</b>     | <b>3,610,792</b>     | <b>4,370,367</b>     | <b>3,693,299</b>     | <b>3,575,889</b>     | <b>3,417,658</b>     | <b>3,090,834</b>      | <b>2,931,115</b>      | <b>3,029,991</b>      | <b>34,194,607</b> |
| <b>Cash Paid Out (Non P &amp; L)</b> |                      |                      |                      |                      |                      |                      |                      |                      |                       |                       |                       |                   |
| Loan Interest                        | -                    | 142,025              | -                    | -                    | -                    | 142,025              | -                    | -                    | 142,025               | -                     | 81,974                | 568,100           |
| HAG Repayment                        | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | 385,000               | -                     | -                     | 385,000           |
| Refunds                              | 119                  | 1,800                | 1,800                | 2,250                | 1,800                | 2,250                | 1,800                | 1,800                | 2,250                 | 1,800                 | 2,400                 | 20,710            |
| Transfer to Deposit Account          | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                     | -                     | -                     | -                 |
| <b>Total</b>                         | <b>119</b>           | <b>143,825</b>       | <b>1,800</b>         | <b>2,250</b>         | <b>1,800</b>         | <b>144,275</b>       | <b>1,800</b>         | <b>1,800</b>         | <b>529,275</b>        | <b>1,800</b>          | <b>84,374</b>         | <b>973,811</b>    |
| <b>Total Cash Paid out</b>           | <b>368,287</b>       | <b>1,173,642</b>     | <b>3,232,684</b>     | <b>3,613,042</b>     | <b>4,372,167</b>     | <b>3,837,574</b>     | <b>3,577,689</b>     | <b>3,419,458</b>     | <b>3,620,109</b>      | <b>2,932,915</b>      | <b>3,114,365</b>      |                   |
| <b>Cash Position at End of Month</b> | <b>2,192,831</b>     | <b>1,639,429</b>     | <b>850,368</b>       | <b>1,149,028</b>     | <b>1,072,094</b>     | <b>1,346,693</b>     | <b>1,192,858</b>     | <b>1,303,308</b>     | <b>1,595,855</b>      | <b>1,562,071</b>      | <b>1,901,597</b>      | -                 |
| <b>Deposit Acct At end of Month</b>  | <b>3,111,293</b>     | <b>3,111,293</b>     | <b>3,111,293</b>     | <b>3,111,293</b>     | <b>2,361,293</b>     | <b>2,111,293</b>     | <b>2,111,293</b>     | <b>1,661,293</b>     | <b>0</b>              | <b>0</b>              | <b>0</b>              |                   |
| <b>Total Funds Available</b>         | <b>5,304,124</b>     | <b>4,750,722</b>     | <b>3,961,661</b>     | <b>4,260,321</b>     | <b>3,433,387</b>     | <b>3,457,986</b>     | <b>3,304,151</b>     | <b>2,964,601</b>     | <b>1,595,855</b>      | <b>1,562,071</b>      | <b>1,901,597</b>      |                   |