

BOARD AGENDA – 26 AUGUST 2020

ITEM	AGENDA ITEM	ACTION	PRESENTED BY	PAGE NO	TIME
1	Attendance and Apologies	Noting	Chair	3	
2	Declaration of Interest	Noting	Chair	-	2.30pm
3	Action Sheet	Noting	Company Secretary	5	-
4	Date of Next Meeting 27 August 2020 & 17 November 2020	Approval	Chair	-	2.40pm
5	Health & Safety	Noting	Director of Operations	-	

ITEM	AGENDA ITEM	ACTION	PRESENTED BY	PAGE NO	TIME
6	Items For Decision			-	
6.1	Business Plan Update	Approval	Chief Executive	7	2.40pm
6.2	Annual Assurance Statement	Approval	Head of Executive Office	119	-
6.3	Governance Report	Approval	Head of Executive Office	139	3.20pm
6.4	Scottish Housing Regulator Returns	Approval	Director of F&CS	144	
6.5	Tenant Participation Strategy 2020-24	Approval	Director of Operations	175	

ITEM	AGENDA ITEM	ACTION	PRESENTED BY	PAGE NO	TIME
7	Policies for Approval			-	
7.1	Review of Policies (Comments, Compliments & Complaints Policy, Unacceptable Actions by Complainants Policy and Particular Housing Needs Policy)	Approval	Director of Operations	195	3.20pm
7.2	Retirement Policy	Approval	Chief Executive	223	-
7.3	Alcohol & Drugs Policy	Approval	Chief Executive	246	3.40pm
7.4	Lone Working Policy	Approval	Chief Executive	260	

ITEM	AGENDA ITEM	ACTION	PRESENTED BY	PAGE NO	TIME
8	Monitoring & Update Reports			-	
8.1	Management Report to 30 June 2020	Noting	Director of F&CS	270	3.40pm - 4.00pm
8.2	Quarterly Treasury Report to 30 June 2020	Noting	Director of F&CS	294	
8.3	Investment Programme 2020/21 Monitoring Report	Noting	Director of Operations	300	
8.4	Development Programme Update	Noting	Chief Executive	305	

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	23-Jun-20	03-Jul-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 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

Board Action Sheet

ACTION POINT	MINUTE NUMBER	ACTION TO BE TAKEN	DEADLINE/TIMESCALE	ACTION BY	PROGRESS
1	23 June 2020 (7.1)	Companies House to be updated following appointments and resignation of directors to HHP Community Housing Ltd	31 Aug 2020	Company Secretary	Updates will be made following AGM.
2	23 June 2020 (7.3)	£110,655 to be carried forward to 2020/21. Recommendation to the AGM that £5,000 of the surplus be donated to local charities during 2020/21	27 August 2020	Director of Finance & Corporate Services Company Secretary	Complete Written Resolution included with AGM paperwork sent to all Members.
3	23 June 2020 (7.8)	Flexible Working Policy to be consulted with Staff and the Union	24 June 2020	Head of Executive Office	Complete. Examples added to Policy following discussion with Union. Policy approved.
4	20 May 2020 (8.1)	Alternative AGM options to be explored to comply with social distancing.	27 August 2020	Company Secretary	Item 6.3 Governance Report refers
5	20 May 2020 (8.2)	Report to Board following policy review process.	31 October 2020	Company Secretary	
6	20 May 2020 (8.3)	Arrange for a Board Member to attend staff meeting.	Once Office activities return to normal	Company Secretary	
7	18 Mar 2020 (7.1)	Staff Expenses Policy to be updated with Working from Home expenses allowable as per HMRC guidance.		Director of Finance & Corporate Services	An updated Staff Expenses Policy will be brought to the Board later in the year.
8	28 Aug 2019 (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 Communications Plan to be brought to Board.
9	19 Jun 2019 (6.6)	First time refusals for existing stock to be added to future allocations reports.	June 2020	Area Manager	Completed – Detailed in June Board report.

ACTION POINT	MINUTE NUMBER	ACTION TO BE TAKEN	DEADLINE/ TIMESCALE	ACTION BY	PROGRESS
10	19 Jun 2019 (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.

BUSINESS PLAN 2020 UPDATE

Board 26 August 2020

Report by Chief Executive

Purpose of Report

- 1.1 To review and approve the revised 2020 update of the Five Year Business Plan (2019/20 to 2023/24).

Summary

- 2.1 To address the impact of COVID-19 the Board met on 3 July 2020 to approve a material revision to the funding of our Plan which will support the delivery of our Strategic Goals.
- 2.2 The Plan has subsequently been updated to reflect the Board's decision of 3 July 2020 and is at Appendix 1 to the report. The Finance Working Group met on 19 August 2020 to review the updated 30 year financial projections which included robust scenario testing and a draft minute of the meeting is at Appendix 2.
- 2.3 Initial discussions with our Funders have taken place and following approval of the updated Plan we will enter into the formal process of re-negotiating the Funding Facility. Expert external support is vital for the re-negotiation process and we have obtained a fee quote for this work from our Treasury Advisors, Chatham Financial (previously JC Rathbone).

Competence

- 3.1 The financial, legal or other constraints to the recommendations in this report are contained in paragraphs 5.1 - 8.2.

Recommendations

- 4.1 **It is recommended that the Board:**
- a) **review and approve the revised 2020 update to our Five Year Business Plan (2019/20 to 2023/24) at Appendix 1 which includes increasing our borrowing to a maximum of £25 million;**
 - b) **approve the use of Chatham Financial for the provision of external expertise advice for the re-negotiation of our funding facility; and**
 - c) **note the draft minute of the Finance Working Group of 19 August 2020.**

APPENDIX 1: Revised 2020 Update to Business Plan 2019/20 to 2023/24

APPENDIX 2: Draft Minute of Finance Working Group 19 August 2020 (PRIVATE)

Background Papers

Writer of Report Dena Macleod

Tel: 0300 123 0773

Competence

Financial

- 5.1 The Five Year Business Plan is supported by 30-year financial projections, 5 year projections and the detailed annual budget for 2020/21.
- 5.2 Our current funding facility is for £15m. We can borrow up to 91% of the value of our stock. This means based on 2020 valuation, we could borrow up to £38.6m. Given that the valuation is based on assumptions which could materially change in the next 12 months, in the interests of prudence, it was agreed to set an internal threshold for borrowing at 70% of the valuation, £29.7m.
- 5.3 To deliver the full requirements of the SHIP and the additional costs arising from COVID-19 our existing borrowing facility needs to be increased to a maximum of £25m.
- 5.4 There will be a requirement for legal and treasury consultancy to arrange a new funding facility. An estimate of the fees are being obtained and the carry forward consultancy budgets will cover the cost. An update will be given at the Board meeting.

Legal

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

Regulatory Guidance

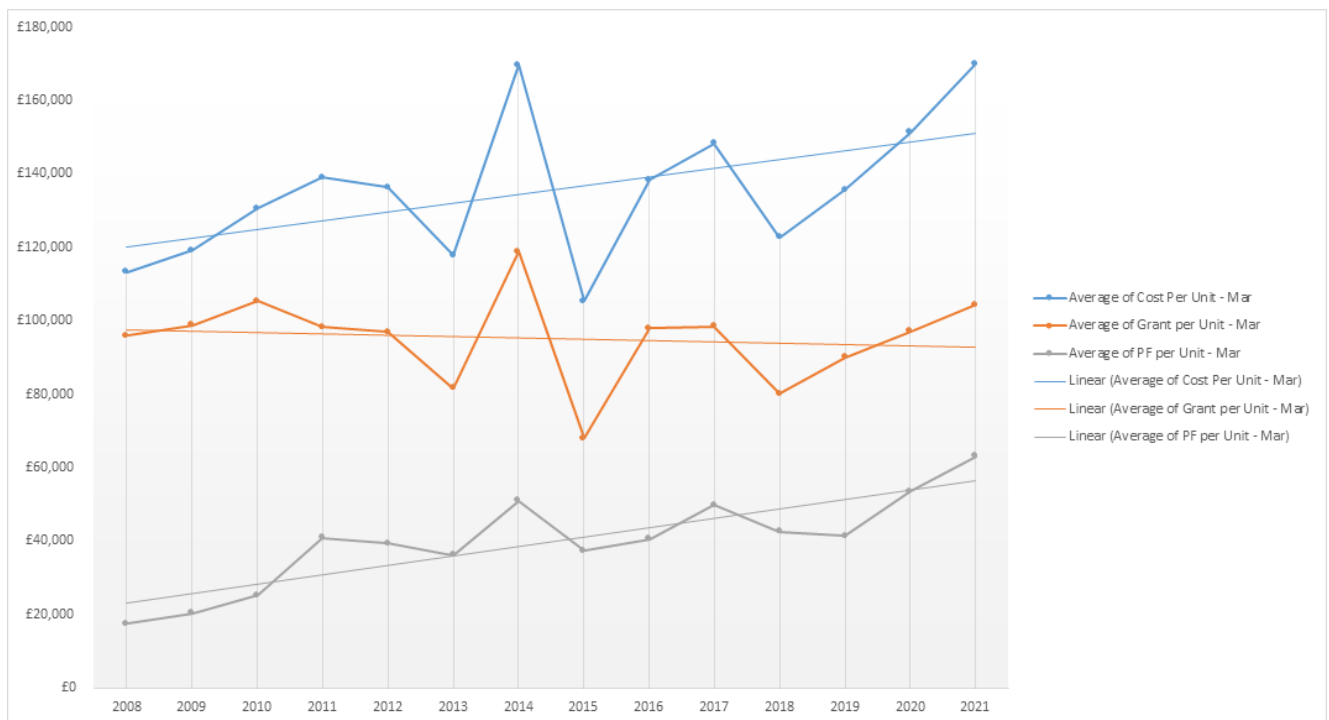
- 7.1 The Regulatory Standards checklist has been completed and there is nothing in the report which will result in a breach of current standards.

Risk

- 8.1 Sensitivity analysis was been carried out by the Board on 3 July 2020 using the BRIXX financial model and this was further tested at the Finance Working Group on 19 August 2020. The overall level of risk has increased for the Partnership for the coming years due to the impact of COVID-19, the uncertainty created by BREXIT, climate change, the material increase in the development programme and the continued decline in the population of the Outer Hebrides. The long-term financial health of the Partnership is very sensitive to increasing levels of voids and bad debts which is why demand for new build houses in areas where the population and services are declining must be demonstrated beyond three to five years.
- 8.2 Extending borrowing always carries a level of risk. The borrowing threshold of 70% along with monthly financial, treasury and performance reports will contribute to mitigating an element of the risk.

Report Details

- 9.1 The Five Year Business Plan has been updated to reflect the decision taken by the Board on the 3 July 2020 and show the need to increase our borrowing over the lifetime of the plan to a maximum of £25million.
- 9.2 The Finance Working Group met on 19 August 2020 and the Director of Finance & Corporate Services demonstrated the impact on our 30 Year Financial Plans of various scenarios. Our external treasury advisor, Michael Leslie was at the meeting and took Board Members through the options available along with the associated risks.
- 9.3 In order to evidence the sustainability of our projected income stream, it is vital that studies on housing needs and rent affordability are carried out as soon as practicable.
- 9.4 New build is funded by grants from the Scottish Government and our rental income, through borrowing. The amount of borrowing required per unit has been increasing considerably over the past number of years. The additional borrowing can only be funded through increasing our rents or reducing our expenditure in other areas. This fine balance means it is vital that we can demonstrate the investment we are making in new build will not be a cost to the overall business and hamper our ability to keep rent increases to a minimum. The table below shows how costs have changed over the past 10 years and demonstrates the need for both studies:



- 9.5 The Plan has been updated to include an action to complete the Housing Needs Assessment and the Affordability Study and the lessons learned during lockdown.
- 9.6 As previously mentioned we will seek assistance from the Government for increased costs in relation to development but given the amount of support the Government has already provided, we are not hopeful they will be in a position to cover all of the additional costs.

- 9.7 Our Treasury Advisors have indicated the process to secure a new funding arrangement will take around six months. Once discussions are under way with the Funder a number of offers will need to be assessed and the Finance Working Group review the offers prior to them being considered by the Board.
- 9.8 An increased funding facility will ensure that we are in the best negotiating position for the completion of our current developments. Going to the market now will secure the Partnership against potential cost increase and rent pressures.



MAKING
OUR HOUSE

Your Home

2020 Update

Our Plans

For your homes and
housing service

2019/20 to 23/24



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

Email: info@hebrideanhousing.co.uk

Web: www.hebrideanhousing.co.uk

Phone: 0300 123 0773

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Foreword

On the 18 March 2020 the Board met to approve the 2020 update of our five-year Business Plan then five days later, on the evening of 23 March 2020, the Government issued an instruction for all citizens to stay at home putting in place a 'Lockdown' for three weeks to try to minimise the impact on the population, of the virus COVID-19. The changes we experienced over these past four months have been 'unprecedented'. Lockdown is slowly being lifted through the Scottish Government's Route Map and we are now in Phase 3. Our Re-Engagement Plan ensures we continue delivering our services in a safe manner throughout the lifting of lockdown. It is unlikely we will be back to full service before the end of 2020.

The impact of lockdown on our plans has been assessed and incorporated within this revised Plan. We will need to increase our funding facility to address the additional cost so we are bringing forward the review of our funding facility from 2021/22 to 2020/21. We have also incorporated into the Plan the lessons learned during lockdown.

Over the past 13 years we have had the opportunity to make a significant difference to the lives of many people in the Outer Hebrides through the provision of affordable homes for rent and shared equity ownership. Our towns and communities throughout the islands are in a better position because in 2006 tenants, the Comhairle and the Scottish Government decided to try something different to secure the future of good quality social housing in the Outer Hebrides. It could have failed, but it didn't because of the solid foundations prepared prior to and since transfer.

What has been achieved to date is just the start.... we still have improvements and changes to make to our service in the coming years to ensure we have a housing service that meets the needs of our current and future tenants. During lockdown we have been learning many lessons on how to improve our services, these lessons focus on benefit of tenant engagement, embracing the benefits of digital transformation, reviewing how we provide services in our more remote locations and exploring the options for increased participation through the use of video conferencing facilities such as Microsoft Teams. The speed of innovation along with the changing standards for houses is challenging the traditional way of planning for the future. When we look at planning for future investment in our homes over the next 30 years, we no longer just look at windows, kitchens and bathrooms; we are looking at emerging technologies designed to provide better efficiency for heating systems, fire safety and electric cars. Today we are using technology that we thought was impossible 20 years ago. There is a cost to retrofitting homes with newer technologies so we will be investing more time developing our Asset Management Strategy to take account, as far as possible, of new technologies. Whatever we do, it will be because it brings a benefit to the tenant or we are required to do so by the law.

Another significant challenge for everyone living in the Outer Hebrides is the changing demographics; those happening now and those forecast for the future. Our population is living longer, creating more demand for homes where extra care can be provided. In the lifetime of this Plan we should see the completion of a new Care Home and 50 Extra Care units in Stornoway.

This Plan covers the five years 2019/20 to 2023/24 and details our Vision, Core Value, Strategic Goals and a Delivery Plan. The Plan came out of discussions with our tenants, customers, partners and Board Members in meetings, away days, surveys and questionnaires as well as in everyday conversations with tenants about what they would like to see us do now, and in the future. This is our Year 2 update, revised for the impact of COVID-19 and bringing forward the review of our current funding facility from 2021 to 2020.

"I wouldn't change anything about where I live. I consider myself very fortunate to live where I do"

Tenant

The past few months have been challenging and turbulent for everyone with COVID-19 and the level of uncertainty around the impact of BREXIT creating a mixture of increased costs and stagnation of plans. Whatever happens, we are committed to working with all our partners so we can keep rents affordable, reduce fuel poverty, maintain and improve the quality of our homes and their surrounding areas and create opportunities to sustain and increase our population.

One of the exciting aspects of housing is building new houses. The Scottish Government's commitment to delivering 35,000 new affordable homes for rent by 31 March 2021 has provided an opportunity and a challenge. This target will not be met by 31 March 2021 due to the delays caused by lockdown and we await an update from the Scottish Government on their revised targets. One of the key strands of the Comhairle's Local Housing Strategy (LHS) is to support the revitalisation of remote rural communities through the provision of affordable housing. We have put significant additional resources in place to play our part in delivering the LHS and we are hopeful that the effort and commitment expended during the past 18 months will come to fruition when we see new homes built and occupied throughout our island communities. Another key aspect of our partnership with the Comhairle is with the Homeless Service and we are currently working with the Homeless Service to see how we can meet their requirements for Rapid Re-housing whilst also delivering on the LHS – It is proving to be a challenge!

It is rewarding seeing discussions, ideas, delay and frustrations eventually come together with a completed house being handed over to a happy tenant. But handing over the keys of a house to a new tenant is just the beginning. We will work together to ensure every tenant, irrespective of whether their home is a new house or not, is happy with the property and the service they receive from us and not just on the day they get their keys but for as long as the house is their home.

Dena Macleod Chief Executive

Section 1

Executive Summary

Kinloch, Isle of Lewis



Section 1 - Executive Summary

- 1.1 Our vision is "Making our House Your Home" and we plan to make this happen by delivering on our four strategic goals over the period covered by this Business Plan 2019/20 to 2023/24. This is our Year 2 update (revised for COVID-19). The Plan is underpinned by 30 year financial projections which are updated annually and submitted to our Funder and the Scottish Housing Regulator.
- 1.2 This Plan highlights our Strategic Goals, Delivery Plan and key performance targets. The resources we require to deliver our goals are identified in Section 6 and our approach to setting our risk appetite and managing our key risks are in Section 7.
- 1.3 We have been operating as a Registered Social Landlord since 12 September 2006 following a whole Stock Transfer of the housing stock from Comhairle Nan Eilean Siar.
- 1.4 Our promise at Transfer was to build 250 houses by 31 March 2016. By March 2020 we built 481 with a further 85 to complete by March 2021. As the key delivery partner of the Comhairle's LHS for affordable housing we have put resources in place to enable the delivery of a further 169 units over the next 2 years.
- 1.5 In preparing this Plan we have consulted with our stakeholders. We held a Business Planning day on 31 October 2018 in Stornoway and a number of consultation events throughout the islands. An opportunity was given to provide feedback using a questionnaire and around 5% of our tenants responded. This is our revised Year 2 update and following a Business Planning day with Board Members and Managers a consultation document was prepared and the responses have been taken into account in this update. Lessons learned during the period of lockdown have been incorporated into the plan.



Who we are

- 1.6 We have four Strategic Goals which provides a clearer delivery focus for our tenants, our properties, our people and our partners:

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

- 1.7 The Board have set the Risk Appetite, updated the Risk Register, reviewed and stress tested the Plan going forward using the BRIXX model and prepared a Delivery Plan.

- 1.8 A new organisational structure has been in place from 1 April 2019, creating further opportunities for trainees and providing more resilience. A staff Satisfaction Survey was completed during the year and showing an overall improvement of 20% from the 2015 survey.
- 1.9 A Succession Plan and a Workforce Strategy were prepared during 2019/20.

Where we are

- 1.10 We reviewed progress on our Delivery Plan targets for 2019/20 and overall we have delivered on our targets. The areas where we are below are number of new builds and response to complaints. There will be delays in achieving some of our targets during 2020/21 due to the time lost during lockdown. Measures are in place to ensure these areas are back on target for 2021/22. During 2019/20 we completed 62 homes with 158 currently on site.
- 1.11 The delivery of this Plan is dependent not only on the work of our Board and staff but also the contribution of our partners. It is more important than ever that partners work together and we remain committed to continuing to develop our relationships with all of our partners for the benefit of our communities as a whole.
- 1.12 Along with COVID-19, the uncertainty of BREXIT, the two biggest challenges we are facing are the declining population with changing demographics and climate change. The Comhairle's LHS focuses on assisting population retention and the regeneration of our rural areas by increasing our housing supply. We will continue to work with the Comhairle, land owners, community land owners and the crofting communities to respond to the challenge of de-population by providing affordable homes in line with the Comhairle's Strategic Housing Investment Plan (SHIP). However in order to protect the long term viability of the whole service sustainable demand must be demonstrated before making significant investment in areas of significantly declining populations. Below is a summary of the challenges we are facing:
- Forecast decline of 13% in the population of the Outer Hebrides
 - Costs arising from COVID-19
 - Delivery of the Comhairle's SHIP by 31 March 2021
 - Delivering on the requirements of Rapid Re-housing
 - Affordability issues exacerbated by fuel poverty
 - Full roll out of Universal Credit
 - Changes in building regulations and safety standards incurred additional costs
 - Ending of HMRC development agreement meaning that VAT will no longer be reclaimable on investment works on properties transferred from the Comhairle
 - Continued pressure on the responsive repairs and cyclical maintenance budgets
 - Changes in legislation
 - Impact of climate change

Where we want to be

- 1.13 As a key organisation in the Outer Hebrides we want to have a positive impact on our communities and we believe the best way to achieve this is to look after our tenants and our properties within the resources available to us and to make sure the service can be delivered over the long term.
- 1.14 We will ensure our rents remain affordable and our homes meet the standards set by the Scottish Government. We will continue to explore the most efficient way of

delivering services and work with the Comhairle as they develop the idea of Community Hubs throughout the islands.

- 1.15 We plan to build on our past achievements, implement the lessons we learned during lockdown, improve our service delivery by listening to and learning from feedback.
- 1.16 Our houses met the Scottish Housing Quality Standard (SHQS) with a number of exceptions and abeyances. We are well on our way to deliver the new Energy Efficiency Standard for Social Housing (EESH) although there will still be exceptions and abeyances which mainly relate to work at flatted properties where we have been unable to obtain consent from all the owners to complete the work necessary.

How we plan to get there

- 1.17 We have a funding facility of £15m in place with RBS which will now need to be increased to deliver our Five Year Development Plan. Negotiations with our funder are taking place to ensure we have the funds in place to deliver the Strategic Goals in this Plan.
- 1.18 We are supporting the local economy by investing over £70.8m in the next four years through our new build and investment programmes.
- 1.19 A review of the activities of our subsidiary HHP Community Housing Ltd will be undertaken to ensure we are not missing opportunities which could benefit our tenants.
- 1.20 The Board remain committed to a strategy of growth but are fully aware of the significant challenges we face as an organisation and a community with population retention/growth.
- 1.21 Good governance is foundational to our short and long-term success. We will encourage increased tenant membership, revisit the make-up of our Board and identify individuals who have complementary skills to those of our current Board Members with a view to them become co-optees.

Risk

- 1.22 The Risk Appetite is reviewed and set on an annual basis by the Board. We are committed to being proactive in efforts to contain and minimise the risks faced in all areas of operation. We recognise that risk management is a matter of balancing our appetite for risk with our ability to manage risk. Overall responsibility for risk management lies with the Board supported by the Executive Team.
- 1.23 The Board also review the Risk Register on an annual basis. New performance measures, KRI's (Key Risk Indicators) and KCI's (Key Control Indicators) will continue to be developed during 2020/21 to improve our ability to manage risk and identify performance gaps.

Section 2

Who We Are



Niseaboist, Isle of Harris

Section 2 - Who We Are

Vision

To provide good quality and affordable homes and to secure consistently excellent housing services throughout the Outer Hebrides

- 2.1 Our structures have been set up to enable us to deliver our vision. We are a Scottish Housing Association registered with the Scottish Housing Regulator as a social landlord. We are registered under the Co-operative and Communities Benefits Societies Act 2014. We are a charity registered with OSCR and we are governed by a voluntary Board.
- 2.2 Our principal activity is the provision of affordable social rented housing throughout the Outer Hebrides. As a Registered Social Landlord (RSL) we are monitored by the Scottish Housing Regulator. As we are the main RSL in the Outer Hebrides the Regulator has categorised us as having systemic importance and we have medium engagement with the Regulator.
- 2.3 Our vision has remained fairly consistent over the years since we were first set up in 2006. Each year the Board review our vision making sure it is still suitable and achievable.
- 2.4 We deliver services throughout the chain of islands that make up the Outer Hebrides. We have 2215 homes on 12 islands, some are connected by causeways and others by ferry. The island chain is over 130 miles long and has 15 inhabited islands.
- 2.5 Our Full Time Equivalent (FTE) staff of 44.75 operate from two different offices, our main office in Stornoway (Lewis) and our area office based in Balivanich (Benbecula).
- 2.6 With an annual turnover of around £9m we are a key employer and economic contributor in the Outer Hebrides.

A Brief History

Hebridean Housing Partnership (HHP) became a Registered Social Landlord in September 2006 when Comhairle Nan Eilean Siar transferred its housing stock of over 1700 houses following a positive ballot of tenants. On 1 April 2007, 5 locally based Housing Associations with a housing stock of 300 units merged with HHP. The stock figure at 31 March 2016 was 2225.

HHP is a charitable not for profit Housing Association governed by a Board of volunteers. The registered Head Office is at Creed Court, Gleann Seileach Business Park, Willowglen Road, Stornoway and there is an area office at Winfield Way, Balivanich.

The principal activity of HHP is the provision of affordable social rented housing throughout the Outer Hebrides. HHP is monitored by the Scottish Housing Regulator and is categorised as medium engagement due to its systemic importance in the Outer Hebrides.



This maps shows where our homes are situated throughout the islands and the table shows the break down by island.



Islands	HHP Homes
Isle of Barra	82
Isle of Benbecula	105
Isle of Bernera	16
Isle of Berneray	18
Isle of Eriskay	9
Isle of Grimsay	2
Isle of Harris	129
Isle of Lewis	1614
Isle of North Uist	89
Isle of Scalpay	13
Isle of South Uist	133
Isle of Vatersay	5
12	2215

Values

- 2.7 Our core value as a business is **Integrity**. Our organisation is made up of individuals who either serve on the Board or are employees. For us to be a business of integrity we must hold each other accountable to this value.

"We honour commitments made to our tenants and build trust. Our decision making processes are open and transparent. We will do the right thing."

- 2.8 Our supporting values are:

- Customer Focus
 - ✓ We will focus on positive outcomes for our customers
 - ✓ Customers views will inform the provision and development of our services
- Equal Opportunities
 - ✓ We will strive to ensure 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

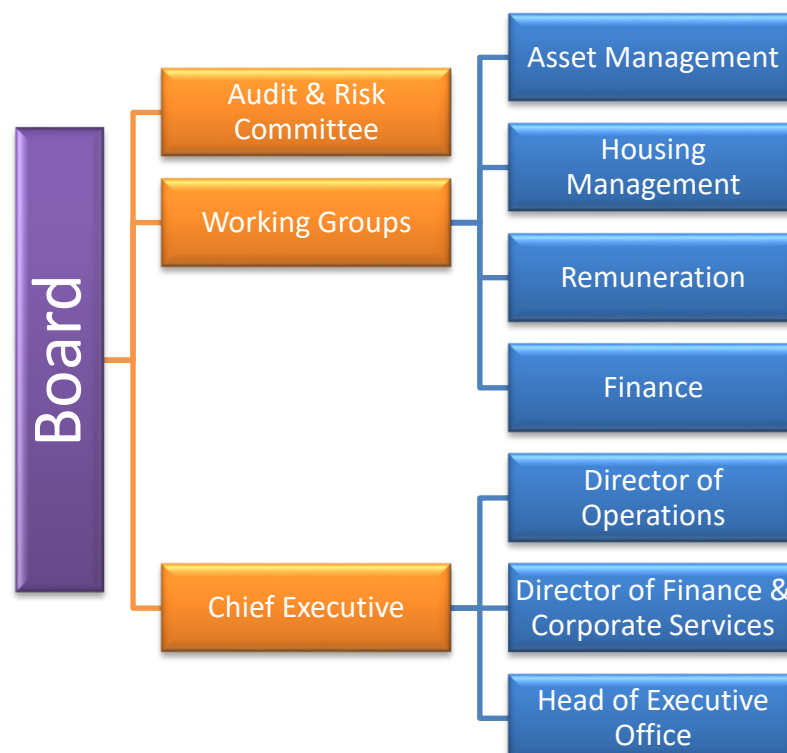
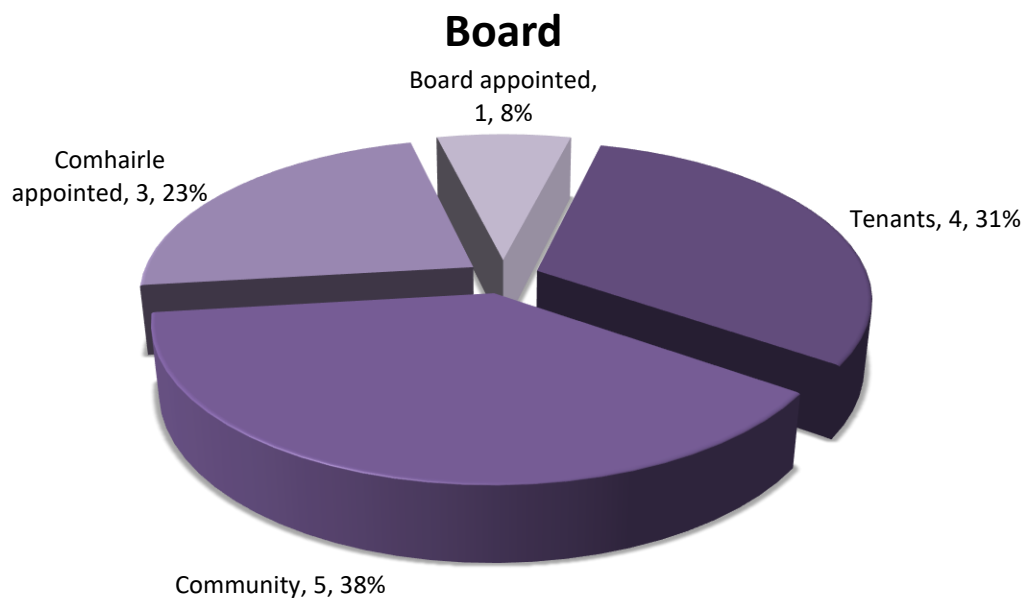
Strategic Goals

- 2.9 We have four strategic goals:

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

Governing Body

- 2.10 Our Governing Body is made up of community representatives. Board Members (other than 3 nominations from the Comhairle) are elected at the Annual General Meeting.
- 2.11 The Board is made up of a maximum of 15 members including a Board appointed Member and two co-optees. The current categories of membership are – Tenant, Community and Comhairle.
- 2.12 To address any skills gaps the Board can also co-opt additional members to the Board, Committees or Working Groups.



- 2.13 The Board is supported by an Audit & Risk Committee, a Joint Consultative Committee and four Workgroups, Finance, Remuneration, Asset Management and Housing Management.
- 2.14 During 2019 we were saddened to hear of the passing of Mairi Bremner a long standing and faithful Board Member for the past ten years. We remain alert to how fragile circumstances can quickly bring changes to our Governance structure and are in the process of identifying suitable co-optees. The minimum number of Board members required to continue operating is seven and our quorum is four. A Succession Plan is being prepared to mitigate this risk for the future. Currently we have two tenant vacancies on the Board.
- 2.15 In May 2017 the Board took the decision to amend the structure to allow more tenants and community representatives on the Board. In the early years, following stock transfer it was essential for the Comhairle to have nomination rights to the Board. The Board were of the view that having fulfilled the vast majority of its stock transfer promises the time was right to change the structure of the Board. The decision was delayed for 2 years and will be put to members during 2020/21.
- 2.16 The current Tenant Participation Strategy identifies getting tenants involved at every level of decision making as critically important. The Board are keen to encourage more tenants to come forward and stand for election and will continue to work with our Tenant Participation Officer to identify potential Tenant Board Members.
- 2.17 During Lockdown board meetings were held very successfully on line through the use of Microsoft Teams and we are hopeful this will facilitate tenant and community members to stand for election as board members.
- 2.18 The Board is responsible for the strategic direction of the Partnership and has placed particular emphasis on delivering the Comhairle's SHIP, rent affordability, our role in the sustainability of the future in the islands, listening to customers and service delivery.
- 2.19 A Board Development Plan is in place and a Succession Plan is being developed.

Working with Key Partners

- 2.20 We believe our work is about much more than bricks and mortar and we will continue to work with partners and stakeholders to improve communities and peoples' quality of life across the Outer Hebrides.
- 2.21 The Outer Hebrides as a whole is at a critical juncture and the Board recognises the part we have to play in contributing to the solutions for the population and demographic problem. We are a member of the Outer Hebrides Community Planning Partnership (OHCPP) and we participate in the Local Outcomes Improvement Plan (LOIP) Priority Groups, Governance Groups and other working groups. We will seek to maximise our contribution to the LOIP and Locality Plans to work creatively and collaboratively with partners for the benefit of our community as a whole.
- 2.22 We recognise the role of the Comhairle as the Strategic Housing Authority and will continue to support the development and implementation of Local Housing Strategies to deliver key housing priorities particularly at a time when the Scottish Government are providing substantially increased resources to deliver new affordable homes for rent.
- 2.23 We will continue to seek other external funding to benefit tenants through supporting community projects and will seek creative ways to support communities and economic regeneration. A policy has been developed which outlines clearly the financial assistance which we can give to community groups.
- 2.24 We will work through our Subsidiary to develop a wider role and explore funding sources which will enable us to deliver more for our tenants and the wider communities.
- 2.25 There are hidden pockets of poverty and deprivation in the Outer Hebrides. Problems include growing isolation of older people, addiction, alcoholism (especially among middle-aged men), lack of literacy skills and unemployment. We will continue to work through a range of partnerships to address problems of vulnerable individuals and families. Partners include the Older Peoples Planning Partnership, the Alcohol and Addiction Forum, the Community Safety Partnership, the Child Protection Committee, the Poverty Action Group and the Domestic Abuse Forum. On 8 October 2019 the Outer Hebrides Anti-Poverty Strategy 2019-2024 was launched by the Comhairle, CPP, NHS Western Isles and an number of other partners including HHP.
- 2.26 The Western Isles Health Board (WIHB) and the Integrated Joint Board (IJB) are key players locally. Our Chief Executive is a member of the Integrated Joint Board. We are committed to making a contribution to enable people to remain in their own homes by ensuring that homes are suitable and that appropriate support is available

Key Partners & Stakeholders

Our key partners are:

- Tenants - current & future
- The Comhairle
- Scottish Government
- Outer Hebrides Community Planning Partnership
- Community Landlords
- Highlands & Islands Enterprise
- Police Scotland
- Scottish Fire and Rescue Service
- Western Isles Health Board
- Integrated Joint Board
- The Western Isles Foyer

Our key stakeholders are:

- Staff
- Lender
- Scottish Housing Regulator
- Scottish Government
- Contractors & Developers

when required. The most significant demographic trends in the islands are the increasing proportion of older people combined with the rapidly decreasing numbers of children and young people. These trends present challenges in terms of estimating the numbers and types of housing required in the future. Effective strategic planning across all partners is necessary. On an operational level we will continue to build on the close working relationship with the Occupational Therapy Service and the Mental Health Team to maximise the impact that the available resources deliver for tenants.

- 2.27 We are members of the Homelessness Task Force which is led by the Comhairle and the Stornoway Vision Group.
- 2.28 There is also active participation in membership forums; including the Scottish Federation of Housing Associations, RIHAF, the Highlands and Islands Liaison Group, Welfare Reform (Highland and Islands) and the Chartered Institute of Housing.

Tenants and Households Wishing To Become Tenants

- 2.29 Our key stakeholders are our tenants and future tenants. The provision of landlord services which are of the highest quality and at affordable levels will ensure our long term future.
- 2.30 We welcome participation from our tenants through tenant's groups and through membership of HHP. Membership is open to all members of the community who are over 16 years of age and meet the criteria for membership. Currently there are 114 members most of whom are community representatives.

Lender

- 2.31 To deliver our Investment Programme and finance the New Build Programme we are reliant on external funding. Our funder is the Royal Bank of Scotland (RBS) and we are currently in discussions with them to put in place a revised lending facility which will fund the delivery of this Business Plan.
- 2.32 Communicating effectively with our Funder and providing them with relevant and timely information is important. RBS has been a supportive partner in providing the borrowing facility to deliver the Board's Strategic Goals.

Staff

- 2.33 The services we deliver will only ever be as good as those who deliver them on our behalf. Appropriate reward, good communication and regular appraisal meetings between staff and those who manage them is essential for the wellbeing of HHP. The current staffing structure is at Appendix 1. We are committed to providing excellent training and development opportunities for staff to prepare individuals for more responsibility and career enhancement.
- 2.34 During 2019 a new Pay and Grading scheme was implemented along with a new organisational structure fit for purpose to deliver the Board's goals for the coming four years. To strengthen our Governance and provide resilience, a new Executive Office has been added to the structure. The team have been in place since August 2019 and are making a significant positive contribution to the organisation.
- 2.35 The Collective Agreement has been signed off with Unison, and we are currently in the process of agreeing how annual cost of living awards will be awarded.

- 2.36 Building on the success of the Modern Apprentice post in 2017 and planning for the future, the new structure includes three trainee posts and we hope to fill them during 2021.
- 2.37 A staff satisfaction survey was carried out during January 2020 and the results show an overall improvement of 20% since the 2015 survey. There is still room for improvement and an Action Plan is being developed with staff on areas where improvement is still required.

The Comhairle

- 2.38 The Comhairle is dependent on us to deliver significant elements of its Local Housing Strategy (LHS). Our relationship with the Comhairle is fundamental in identification of key aims and the delivery of affordable housing services throughout the communities of the Outer Hebrides. The Comhairle have created a new Investment Delivery Board made up of three Comhairle Members and three HHP Members to oversee the delivery of the LHS. We are committed to working with the Comhairle and discussions are underway to strengthen the approach taken to strategic planning and how the LHS and SHIP are delivered.
- 2.39 We are working closely with the Comhairle to deliver care provision to serve the community for the next generation. Construction started in July 2019 on a major joint project to develop a 52 bed Care Home which will be owned by the Comhairle and a 50 bed Housing with Extra Care provision which will be owned by us. The development on the site which we own at Goathill is a key strategic priority and forms a major part of the SHIP for 2019-2021. It is expected that residents will move in during May/June 2021. 74 affordable homes are also being developed on the site and these are expected to complete in Spring 2022.
- 2.40 There are significant challenges in delivering the SHIP and our Development Programme and partnership working is key to this. In particular there are challenges around affordability and cost pressures coupled with demand and difficulty in accessing suitable land. The Development Plan is at Appendix 2.

Scottish Government

- 2.41 Our Executive Team work in a positive and proactive way with Scottish Government officials. The Scottish Government has a vested interest in what we do due to the level of investment made on an annual basis in social rented housing in the Outer Hebrides. The main contact we have is with the Scottish Government's More Homes Division Highland, Islands and Moray, based in Inverness. The tripartite relationship comprising Scottish Government, the Comhairle and HHP has been very positive and will be critical in taking forward our development programme 2019/20 – 2023/24 and delivering the Comhairle's SHIP. We anticipate a reduction in the grant funding available for affordable housing as a result of the cost of COVID-19 and the SHIP will be revised towards the end of 2020.
- 2.42 The Scottish Government have committed to building 50,000 homes by 31 March 2021 of which 35,000 are to be for affordable rent. This substantial increase from the funding available in previous years is unlikely to be repeated in the future. This funding has assisted greatly in enabling our development at Goathill to progress and the Government's More Homes Division have been extremely supportive of the project since inception. Our Development Plan demonstrates how we can contribute to the delivery of the Scottish Government's target.

- 2.43 Scottish Government has committed to end rough sleeping and homelessness. We will be work with the Comhairle to develop and deliver their Rapid Re-housing Transition Plan over the life time of this Plan.
- 2.44 The publication of the consultation paper "Housing Beyond 2021" by the Scottish Government and subsequently Housing to 2040 provided a valuable opportunity to feed back to the Government the aspects of the current programme which have proved challenging in a remote, rural and island context. We look forward to further opportunities to input into the development of this strategy.

Regulator

- 2.45 HHP, because of its 'systemic importance' in the Outer Hebrides, is categorised as 'medium engagement' by the Scottish Housing Regulator (SHR) in the 2019 Regulation Plan. Given the level of public money invested by us on an annual basis it is important that the Regulator has assurance the business is well managed and achieves value for money. We meet with our Regulation Manager annually. The Regulator undertakes a review of the risks and challenges facing the business and progress against the Business Plan. We provide financial and other information as required and in June each year we submit our 30 year and 5 year financial projections. A meeting takes place at quarter two of each financial year to discuss and review the financial projections and matters highlighted in the Regulation Plan for the financial year. Rent affordability, improved performance on six Annual Returns on the Charter (ARC) indicators and new build were the key areas identified by the Regulator in the Regulation Plan for 2019/20. Our Regulation Plan for 2020/21 has been delayed and is expected to be agreed before March 2021.
- 2.46 We submit ARC to the SHR annually in May. As required by Scottish Government we report to tenants on the standards and outcomes set out in the Scottish Social Housing Charter. The Charter has seven sections covering equalities; housing quality and maintenance; neighbourhood and community; access to housing and support; getting good value from rents and service charges; and other customers.
- 2.47 In February 2019 the SHR published a new Regulatory Framework effective from 1 April 2019. The new Framework introduced a requirement for each RSL to produce an "Assurance Statement" by October each year. Our first Assurance Statement was prepared and submitted in June 2019 and we received confirmation from the Regulator they were content with our submission. The framework re-affirms the Regulator's position on statutory and advisory guidance. We will comply with statutory guidance and endeavour to comply with advisory guidance unless there is a practical reason which prevents us from doing so.

Western Isles Foyer

- 2.48 We have entered into a new partnership agreement with the Foyer to support some of our most vulnerable young people. We provide all the landlord services and the Foyer concentrate on their core role of supporting the young people to transition to independent living. The first year of this new partnership has seen the arrangements bedding in well.

Contractors and Developers

- 2.49 Along with improving and maintaining our existing homes, we build new homes. The local construction sector has delivered services to our tenants of high quality. The relationships we have with contractors and developers are very important to ensure the quality of build is maintained at an affordable cost. We seek to ensure that where possible investment is channelled in such a way that the local economy and in particular the local workforce benefits. The new build projects, which have primarily been delivered by local contractors, have been well received by our communities across the Outer Hebrides.
- 2.50 Our contractors are a key point of contact with our tenants both in reactive and in our investment and maintenance works. We are working closely with them to ensure when works are carried out, the customer experience is as good as it can be. Our tenants are also involved in this process and scrutiny work is being carried out by tenants on reactive repairs and re-letting standards and processes. In addition to this we continue to test customer experiences with all work through point of service surveys and through our major satisfaction surveys. These show high levels of satisfaction with our services.

Highlands & Islands Enterprise

- 2.51 As a business which makes a significant impact on the local economy in the Outer Hebrides, particularly in sustaining jobs both directly, in the construction sector and related supply chain, we are supported by Highlands and Islands Enterprise (HIE) Area Team. The involvement of HIE's Area Manager in working with our Executive Team to identify staff training and development opportunities has been a very positive relationship. HIE have provided excellent networking opportunities for businesses and organisations in the community.

Outer Hebrides Community Planning Partnership

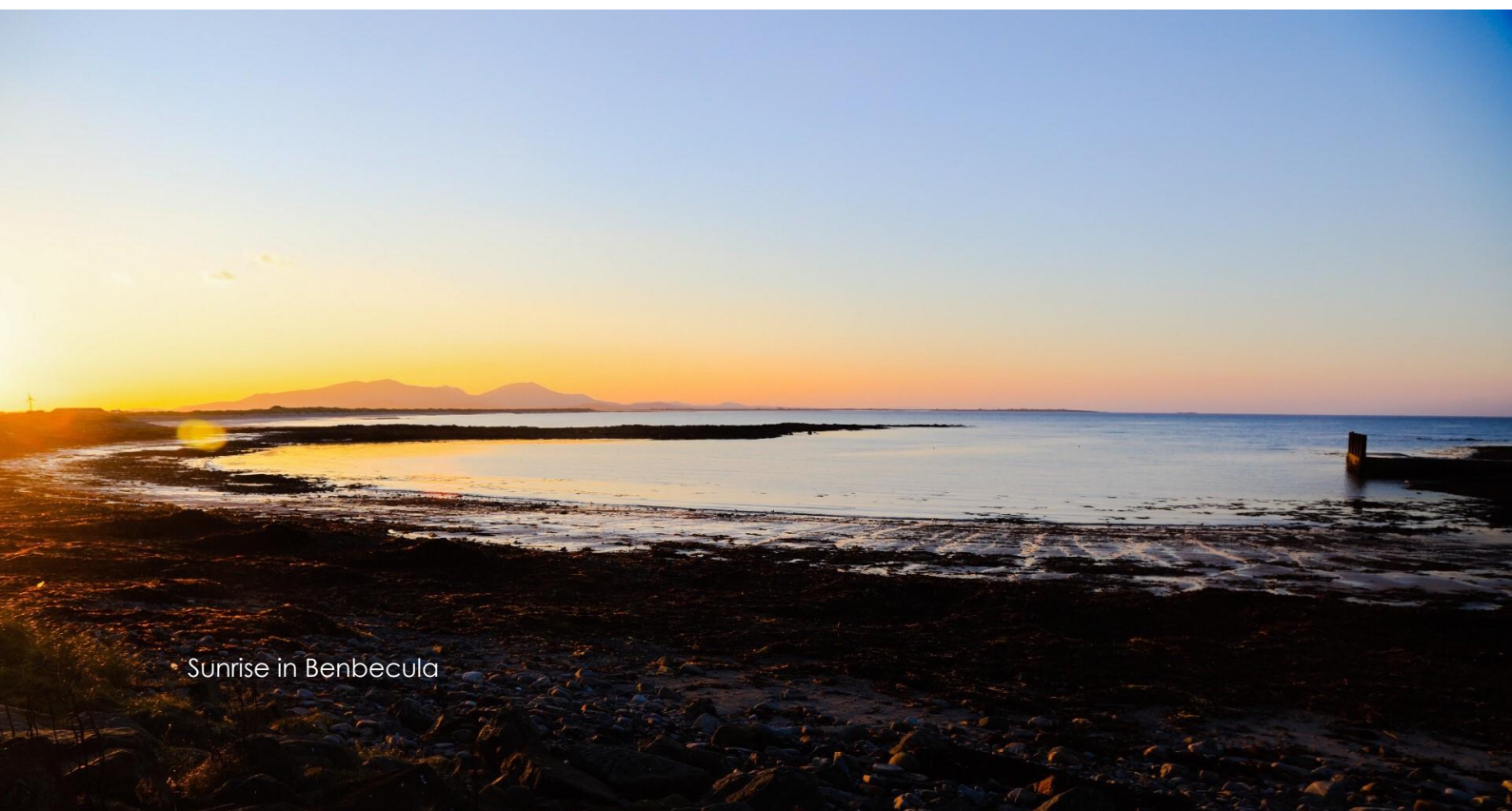
- 2.52 As a Board and Executive Team we recognise the value that interaction with other agencies brings particularly in delivering better value for our communities through the delivery of services which are joined up. Key to engagement with partners is the work of the Outer Hebrides Community Planning Partnership (OHCPP) which has made significant progress in joining up services across the Outer Hebrides.
- 2.53 We are committed to making a significant contribution to the relevant Outcome Groups which form the basis of the structure of the Partnership. Members of our staff participate in the three Priority Groups, Sustainable Population, Sustainable Economy and Improving Quality of Life. Our Chief Executive is a member of the OHCPP and as well as attending the meetings endeavours to participate in the community engagement events which are held round the OHCPP meetings.
- 2.54 In November 2018 the OHCPP approved the OHCPP Partnership Agreement 2018-2027 which takes into consideration the changes to community planning and obligations on partners arising from the Community Empowerment (Scotland) Act 2015.
- 2.55 We also work closely with Police Scotland and the Scottish Fire & Rescue Service to develop preventative measures for the benefit of our tenants. Both services have highlighted their need to have access to housing to attract staff and our latest Allocations Policy has taken this into consideration.

Care for People – Emergency Planning Group

- 2.56 We have worked with partners on this group throughout the COVID-19 crisis to support our tenants and the most vulnerable in our community and particularly those in the shielding category. Our Handymen have delivered many food parcels to households across the island as we supported the foodbanks, Salvation Army and CAB in getting food to those in need. In addition our Housing Officers and wider staff teams have reached out to all our tenants to identify those needing support of various kinds and have continued to support them as required. This has included delivering food, providing advice and reassurance as well as giving some emotional support and this service has been greatly valued by our tenants.

Section 3

Where we are



• Sunrise in Benbecula

Section 3 - Where We Are

Strategic Analysis

Introduction

- 3.1 Until mid March 2020, one of the most used phrases during the past two years is "we are living in uncertain days". The uncertainty over BREXIT was foremost in everyone mind and impacted on our ability to complete our Year 1 Deliver Plan. COVID-19 replaced BREXIT as our greatest risk but how BREXIT itself will impact on our ability to deliver excellent housing services in the Outer Hebrides in the coming years remains to be seen.
- 3.2 At a more local level the biggest challenge facing the Outer Hebrides is turning around the decline and the demographic in the population. Measures are being put in place by the OHCPP but we will have to wait to see how successful they will be. In the meantime the school rolls are declining and the elderly population increasing. The changing demographics are impacting on the skill base available locally.
- 3.3 As we plan ahead we have taken into account these uncertainties as best we can, and we have looked back to see how well we delivered on our commitments for 2019/20. A summary of our performance is shown on the following page at Table 1.
- 3.4 Overall we have delivered on the commitments made however we know there is room for improvement on nearly every area of service with the exception of gas servicing where our aim will be to maintain the current standard of service.

The Outer Hebrides is expected to lose 14% of its population by 2039...the Comhairle's workforce has reduced by 16% since 2009



Current Arrears as a % of Gross Rent down from 8.82% in 2015/16 to 3.15% in 2017/18

Tenant Satisfaction with Investment works

"10 out of 10 - very happy with the service and my heating"

"10 out of 10 - happy with my new windows and doors. I couldn't recommend anything to make improvements. Satisfied overall"

"10 out of 10 - I am happy with my new heating system its 100% better than other heating and I have no complaints. The workers did a fantastic job, were tidy and quick"

Tenants satisfaction with Allocations

"I found staff friendly and welcoming. I was treated with respect and given reassurance"

TABLE 1: HOW WE DELIVERED IN 2019/20

Goal 1: Tenants at the centre

Ref	What we promised	What we delivered
Measures of success		
1.1	% of satisfaction with our overall services >90% by March 2021	✓ 88% of tenants satisfied with our overall services
1.2	Maintain all our homes ensuring they meet or exceed SHQS	✓ 100% (Excluding abeyances & exemptions)
1.3	Respond to complaints 100% within SPSO targets	✓ 94.17% within target
1.4	Level of current arrears at 2% of gross rent debit	✓ 2.45% ✓ 1.97% excluding technical arrears
1.5	Voids at <1% of gross rent debit	✓ 0.57%
Actions		
1.2	Revise our Value for Money Strategy	✓ Postponed to 2020/21
1.4	Profile our customers needs	✓ 25% completed ✓ Collecting data on an ongoing basis
1.5	Support Western Isles Housing Association Communities Forum	✓ Funding awarded to support training and attendance at TPAS conference ✓ Runner up at annual TPAS awards for good practice
1.6	Develop tenants scrutiny	✓ Completed scrutiny on repairs and maintenance; lettable standards and investment ✓ Group currently consulting on new Tenant Participation Strategy ✓ Training for Board members on tenant scrutiny has been scheduled
1.7	Provide dedicated tenant participation support	✓ Provision for part time officer with TPAS contract in place till May 2021
1.8	Ensure tenants maximise their opportunities to access digital services	✓ New tenants section added to our website ✓ Work commenced on digital transformation strategy
1.9	Develop a digital transformation strategy	✓ Strategy underway ✓ Digital champions in place and training provided ✓ Workshops completed to identify priority areas
1.10	Develop an Anti-Poverty Strategy	✓ Signature to Outer Hebrides Anti-Poverty Strategy 2019-2024
1.11	Benchmark our services with other Housing Associations	✓ SHN review showed improvement in performance overall

Goal 2: Investing in an environmentally sustainable way in tenants' homes

Ref	What we promised	What we delivered
Measures of success		
2.1	Deliver 78 new build homes	✓ 62 new homes built
2.10	Reduce % of tenants in fuel poverty to under 25% by 2023	✓ Will be measured in 2022/23 stock condition survey
Actions		
2.13	Update Asset Management Strategy	✓ Strategy to Board in March ✓ New Asset management tool in development
2.14	Annual Investment programmes complete by February	✓ 90% complete at end of February 2020

Goal 3: Being a good employer that attracts and retains high quality staff

Ref	What we promised	What we delivered
Measures of success		
3.13	Flexible working policy in place by 2020	✓ Revision drafted and will be presented to Board in May 2020
3.14	Staff survey showing positive feedback	✓ Overall there was an increase in satisfaction in 95% of the questions asked with the average increase being 20% ○ 30 answers showed positive improvement ○ 6 answers were neutral ○ 1 answer was negative
3.15	5% of staff pursuing and obtaining qualifications	✓ 8%
3.16	95% of vacancies filled on first attempt	✓ 86% (due to one vacancy)
3.17	Sustain a minimum of 55% of HHP staff with a service length of greater than 3 years	✓ 69%
3.18	% of staff turnover at less than 10%	✓ 4%
Actions		
3.16	Team Building events	✓ Held in June and December
3.17	Round table discussions with managers	✓ Monthly meeting in place
3.18	Develop use of on line system in particular appraisals	✓ 1-2-1's recorded on system ✓ Full appraisal training including refresher on systems scheduled for May 2020
3.19	Deliver annual training plan	✓ 47% of 2019/20 Training Plan has been complete or in progress.

Goal 4: Working with our partners

Ref	What we promised	What we delivered
Measures of success		
4.19	New arrangements in place for delivery of accommodation for the Foyer	✓ In place on 25 April 2019 ✓ All Foyer tenants were signed to Short Scottish Secure Tenancies in April 2019
4.21	Increased demand for affordable housing	✓ Waiting list static
4.22	Community benefit measures delivered across our communities and on all our contracts	✓ Community benefit framework incorporated in new Repairs and Maintenance contract ✓ All contractors during 2019/20 have delivered community benefit (details available in our community benefit register)
4.23	92% of tenants satisfied with management of the area they live in	✓ 92% based on 1028 tenant satisfaction surveys
Actions		
4.20	Work with community groups to improve common areas	✓ Community Garden in Casmir Place ✓ Provided community grants to 4 communities ✓ Work in progress with other communities
4.21	Identify opportunities to generate income	✓ Options being explored
4.22	Support OHCPP to deliver its aims	✓ Active member of OHCPP ✓ Meetings attended and partnership agreement signed ✓ Involved in a variety of OHCPP working groups
4.23	Work closely with voluntary sector	✓ Assisted Cearnas Residence Association to obtain funding for active walkways ✓ Working with a range of agencies including Foyer; CAB, Third Sector Hebrides
4.24	Work with CNES to deliver LHS	✓ New Build on Target: Homeless targets presenting challenges
4.25	Key Risk Indicators and Key Control Indicators developed	✓ Initial suite of indicators in development

Operating Environment

Current Trends

3.5 The Comhairle's Local Housing Strategy (LHS) for 2017 to 2022 was approved in November 2017 and has four priorities:

- Housing Quality
- Housing Supply
- Homelessness
- Independent living

3.6 We are committed to playing our part in delivering the LHS and contributing to the pursuit of the priorities. For example, we are investing heavily in our own housing stock to improve quality and in particular to address and alleviate fuel poverty. Many of our tenants have been assisted to remain in their own homes through the provision of aids and adaptations which we have been able to deliver as a result of our success in obtaining very significant Scottish Government grant funding. Over £1.25m has been spent in this way in tenant's homes since 2015/16. We have continued to support the Comhairle in discharging their responsibilities to homeless persons both through the provision of permanent and temporary accommodation.

The specific focus of the LHS is twofold:

- To assist population retention and the regeneration and sustainability of our rural areas by increasing housing supply and introducing new housing options
- To help address the significant potential impact of our population profile on demand for health and social care services to ensure the availability of appropriate housing and related services to maximise care at home and independent living

Future Trends

3.7 The Comhairle are reviewing their Rapid Re-Housing Transition Plan and we will support them in this. We are members of the Outer Hebrides Homelessness Task Force and will work with the Comhairle to deliver within our available resources the Scottish Government's requirements. A robust approach to prevention and the provision of suitable support are key issues of Rapid Re-Housing. The location and supply of vacant properties are obviously major factors and constraints in the speed at which applicants can be housed.

3.8 There are two significant pieces of work being undertaken by the Comhairle in relation to the Islands. The Deal for the Islands and the Islands Bill both of which will bring opportunities to the islands.

3.9 The Islands (Scotland) Bill, which contains four key provisions:

- ✓ National Islands Plan
- ✓ Island Proofing
- ✓ Representation of Island Communities
- ✓ Development in the Scottish Marine Areas

3.10 An announcement on the Deal for the Islands of £100m was made during July 2020.

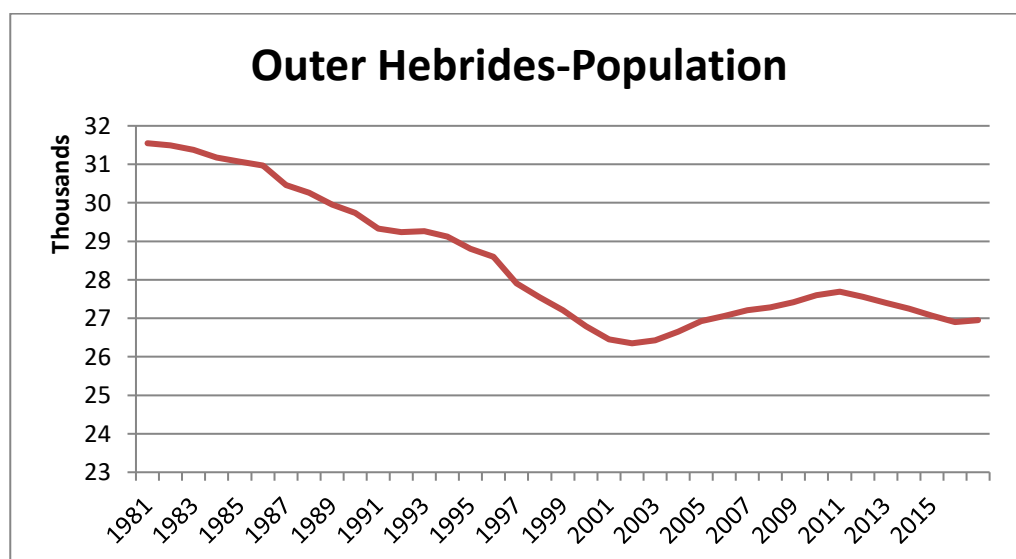
Business Planning

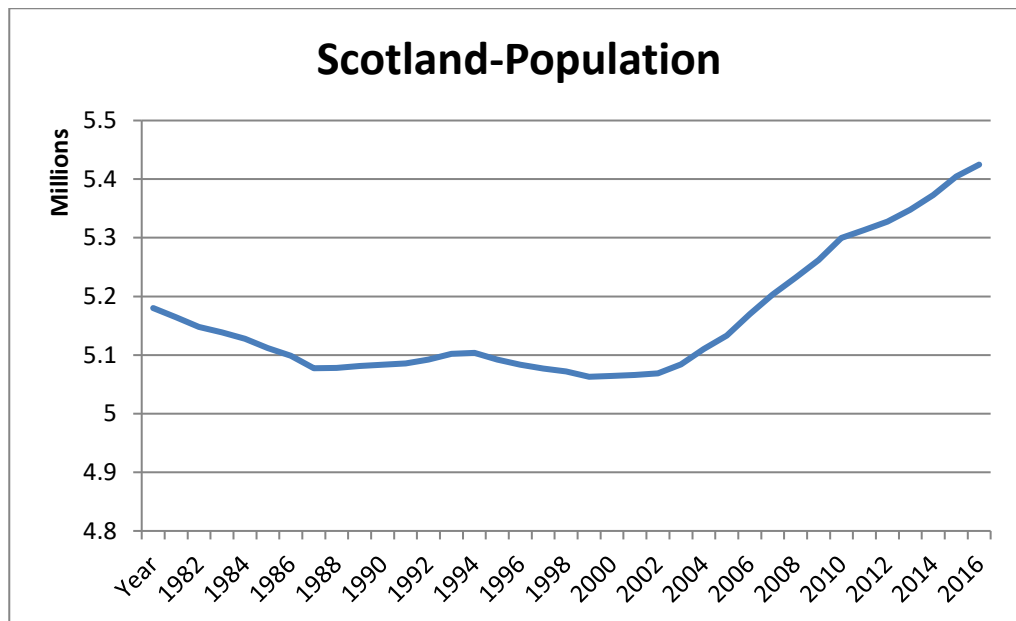
- 3.11 A Business Planning Day with stakeholders and partners was held in Stornoway on 31 October 2018. A number of consultation events were also held throughout the islands with tenants and the feedback resulted in the Board developing four strategic goals
- 3.12 As part of the 2020 update a meeting was held with Board Members and Managers to review Year 1 Delivery Plan progress, assess key changes in the operating environment and identify areas which required to be updated and changed. A consultation document asking for views on
- Climate change-what can we do as a business to reduce our carbon footprint?
 - Investment priorities for our properties
 - Tenant engagement-views on a Tenants Panel and Youth Board and also how can we encourage more tenants to become Board Members
 - Population challenge-what should we be doing to grow our population and prevent further decline in population?
- 3.13 The response was very low with no responses received from our tenants. We will review our approach for the next update.
- 3.14 On 3 July 2020 we held a special Board meeting to assess the impact of COVID-19 on our business plan. To provide resilience and delivery of our goals, it was agreed to bring forward the review of our funding facility from 2021 to 2020.

Key Issues

Population

- 3.15 The issue with population is twofold, we have a declining population and our population is getting older. The needs are changing and the supply chain to meet these needs is reducing.





- 3.16 The trend for the islands is the opposite to what Scotland as a whole is experiencing in relation to numbers however it is estimated that by 2030 there will be over 600,000 people aged 75 or over in Scotland.
- 3.17 In May 2018 a meeting to consider housing and aging issues was held with practitioners from Scotland, England and Wales. Headline recommendations in the publication "*Housing and Ageing: Linking strategy to future delivery for Scotland, Wales and England 2030*" are outlined in Table 2 on the next page.

Table 2: Key Findings

- *We must act now if we are going to meet the housing needs of future generations by 2030*
- *Place housing at the heart of service integration*
- *Invest in early intervention and prevention in home and community*
- *Build new suitable housing such as intergenerational and lifetime homes to be adaptable, flexible, inclusive and affordable for all tenures*
- *The biggest challenge in rural areas is not anticipating future needs but having enough people of working age to provide the necessary services*

Climate Change

- 3.18 We are very aware of the wider challenges presented by climate change and want to play our part in addressing this. Climate change has been identified as the highest risk in our Risk Register. We will continue to invest in renewable technologies and insulation to minimise the heating requirements in tenants' homes. The threats posed by rises in sea level to our housing stock is an issue that we are investigating further and will be an important consideration in any future development planning.
- 3.19 The Community Planning Partnership have established a Climate Emergency Working Group and we are contributing to this. We have also set up a small Climate Change Working Group who are responsible for co-ordinating any actions coming

from the CPP working group and developing indicators so we can measure, manage and report on our carbon footprint and the steps we are taking to reduce it.

- 3.20 In 2019 we invested in an electric car which is being used by officers who are visiting tenants. This should reduce our overall use of petrol in the delivery of our service.

New Build

- 3.21 We wish to provide quality places in our new build developments and have developed a suite of house designs which we believe deliver this. We work closely with the Comhairle and the Planning Department to ensure that developments and their environment are as attractive as possible and will meet the needs and aspirations of tenants and owners. However, we also recognise that there are tensions in this when faced with pressures on costs.
- 3.22 We continue to review innovation in design of houses and places and to learn from this. This is of particular importance in view of the demographic trends both locally and nationally and presents issues which all housing providers need to be aware of and plan for. We are working locally with Health and Care services on opportunities for innovation and to explore where technology can 'future proof' homes.
- 3.23 The local construction sector has shrunk in recent years and the number of apprenticeships has decreased. This presents a concern particularly in the medium to long term and we continue to discuss this with local partners and agencies.

Affordability

- 3.24 The affordability of rents is a high priority for our Board. This is a particular concern in the Outer Hebrides where wages are generally low and where pressures on household budgets are high. This becomes even more pronounced the further you travel from Stornoway. We continue to survey tenants on their views on rent levels and affordability and we benchmark these against other rural landlords. We plan to carry out an Affordability Study during 2020/21 to give us reliable intelligence to inform our Business Planning. We also monitor arrears levels and trends closely along with the impact of Universal Credit on our tenants. Arrangements are in place with local advice agencies to provide support to our tenants. These include Citizens Advice Bureau and the Energy Advice Service at Tighean Innse Gall.

Quality of Houses

- 3.25 The quality of tenants' homes and their environment is a fundamental priority. Our Investment Plan details how homes will be maintained and improved over the next 30 years.
- 3.26 The progress being made is evidenced through our Stock Condition Surveys and through the stock valuation exercise where homes are reported as being in good condition with minimal disrepair identified.
- 3.27 We will continue to comply with the SHQS and will strive to ensure homes achieve the EESSH standard by 2020. We use good quality materials in the work that we do and believe that the initial investment delivers savings in the long term and enhances tenant's experience of their homes. In addition we continue to review new initiatives and innovations and to learn from the experience of others when taking decisions on investment.
- 3.28 The extent of fuel poverty amongst our tenants is a continuing challenge and one we are working to address. We have made substantial progress in reducing this through the installation of renewable heating systems and additional insulation and

through other initiatives such as the provision of LED lighting. Nevertheless fuel poverty is a concern. This also manifests itself for some tenants in difficulties with mould and condensation. Part of the solution is through the provision of controllable and affordable heating systems. We are therefore aspiring to replace all storage heating systems within our housing stock by 2024.

- 3.29 The air tightness now being achieved in new build properties means we will be installed mechanical ventilation in the future to protect the fabric of the building and the comfort level for our tenants.

SWOT Analysis

- 3.30 The results of our SWOT analysis are at Table 3 below. There are actions in our Delivery Plan which will address the areas of weaknesses and threats which are within our control.

TABLE 3

STRENGTHS	WEAKNESSES
❖ Quality of housing stock ❖ Valuation of housing stock ❖ Staff ❖ Reputation for Innovation ❖ Long term planning enabling solid financial strength ❖ Strong performance in operations ❖ Tenant satisfaction levels with service ❖ Work with Fuel Poverty groups (Highlands & Islands) and local	❖ Culture-making sure everyone is on board and inappropriate and unhealthy cultures are not allowed to flourish ❖ Inter-island transport links ❖ Overstretched voluntary sector for Governance
OPPORTUNITIES	THREATS
❖ Funding for new build ❖ New repairs contract commencing 1 April 2020 ❖ Flexible working ❖ IT and broadband -5G ❖ To be part of the solution to the population problem facing the Islands ❖ Islands Deal ❖ To participate in funding for Active Walkways	❖ Population demographic and impact on demand, workforce etc ❖ Budgetary challenges being placed on our public sector bodies, Comhairle and WIHB ❖ Distractions that don't add value to the organisation-wasting time ❖ Impact of Universal credit on tenants and cashflow ❖ Perceptions that we don't deliver the same service throughout the islands ❖ Rising costs ❖ BREXIT ❖ Organisations/communities not working together

Lessons Learned

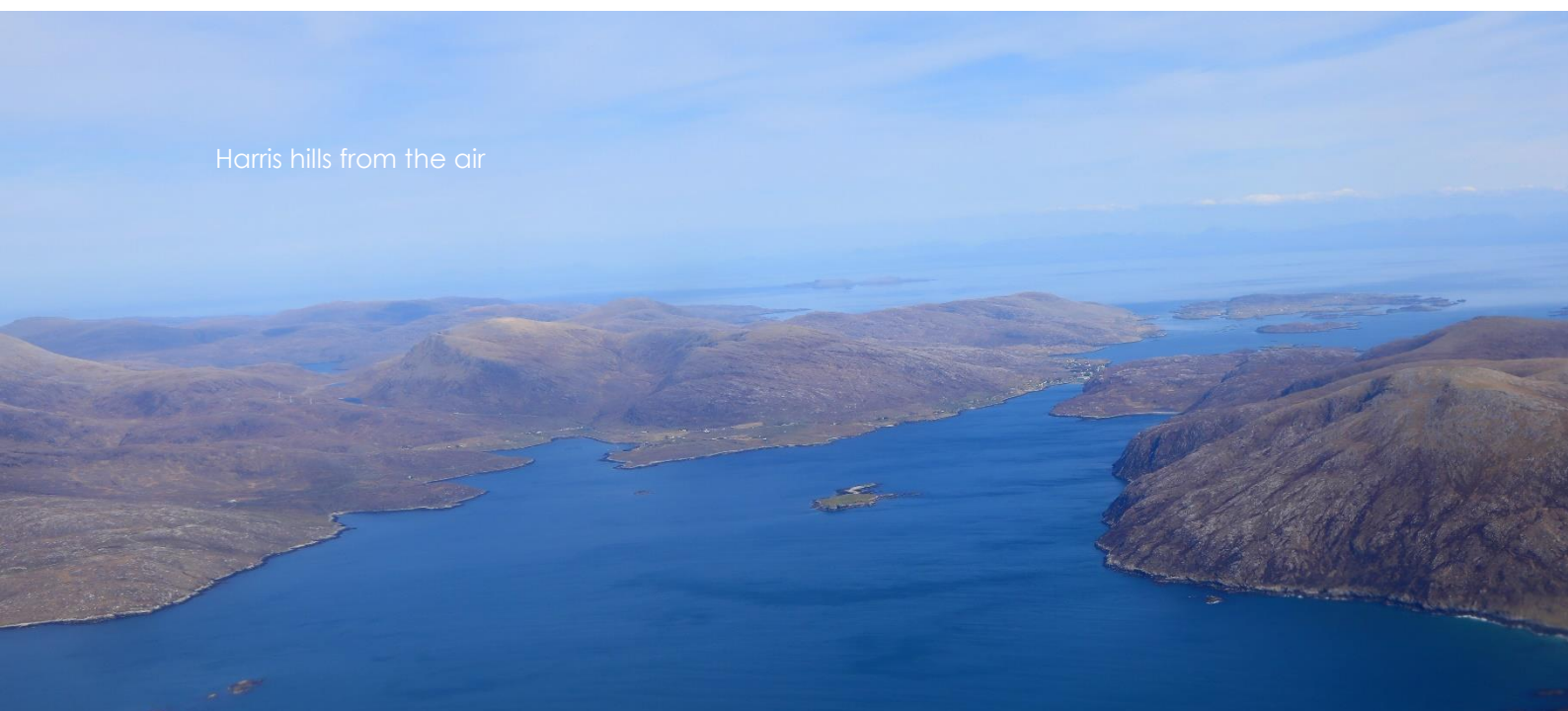
- 3.31 The Government announcement of lockdown resulted in moving our entire service delivery from our offices to our homes. We implemented our Business Continuity plan and the majority of staff were in a position to continue working from their homes. The period of lockdown highlighted opportunities for us to improve how we work and engage with our tenants. Staff were asked to highlight the key lessons learned and the changes required and they are detailed in the following paragraphs.

Ref	Area	Proposed Action	
1	Tenant Engagement	Build on the positive impact of direct reaching out to tenants during lockdown. Ensure engagement is not only when someone has a problem.	
2	Self-Service for tenants	Digital Transformation Strategy	Provision of a portal to enable tenants to access our services.
3	Electronic filing system		Move more files and processes to a digital medium. House files for example need to be digitized as a matter of urgency.
4	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 to rotate machines due to failure whilst they are repaired through warranty
5	Phones & Mobile working		Move to a VOIP system and review our mobile phone contract to include with larger data bundles and perhaps also look at 4G connected devices (Tablets) for roles which are not located in a fixed place.
6	Flexible working	Flexible Working policy updated	
7	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. Pilot project for non-routine repairs in Barra	
8	Board Members	Being able to access Board meetings remotely should broaden the chances of people who live outside of Stornoway being able to participate. Use technology to encourage tenant involvement throughout the islands.	
9	Staff surveys	More regular, shorter maybe make use of pulse surveys.	

Section 4

Where we want to be

Harris hills from the air



Section 4 - Where We Want To Be

Strategic Goals

- 4.1 To deliver our vision over the next four years we have set four Strategic Goals.

1-Placing tenants at the centre of everything we do

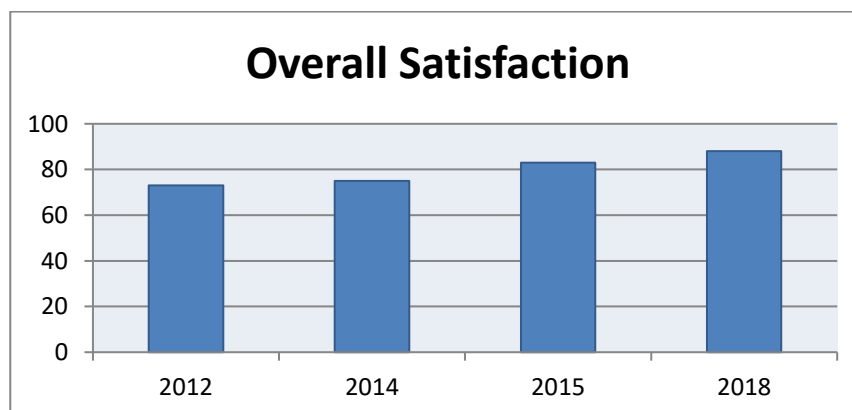
- 4.2 Our vision can only be delivered if we place tenants at the centre of everything we do. We want to ensure tenants, irrespective of where their home is, feel they are getting a first class service from us. It also means we will listen to what tenants are telling us is important to them.



4.3 We will use our website, our tenant's groups, social media accounts and letters to provide feedback on suggestions and proposals from tenants. In December 2018 tenants were asked to complete a short survey which has been used to inform this new plan and adjustments have been made to Investment Plans to take account of the views

being expressed by tenants. We will not always be in a position to take suggestions and implement them right away but we aim to always let tenants know what has happened to their suggestion.

- 4.4 We have been a member of Tenant Participation Advisory Service (TPAS) since 2006. We are contracted with TPAS for the provision of a Tenant Participation Development Services until March 2021. This service seeks to:
- ✓ build tenants ability to participate and create opportunities for them to do so;
 - ✓ encourage engagement with tenants;
 - ✓ build relationships with existing tenants groups; and
 - ✓ develop and deliver a tenant participation strategy
- 4.5 There have been four major tenant satisfaction surveys carried out in accordance with the Scottish Housing Regulator's guidance. The most recent in 2018 with the overall satisfaction improving by 5% to 88%.



- 4.6 We surveyed 824 (39%) tenants mainly on a face-to-face basis. The results showed an improvement in all the measures prescribed by the SHR from the previous survey. This was very pleasing and continues the long term positive trend in tenant satisfaction. We are continuing to work to further improve on these results and will carry out a further survey in 2021.
- 4.7 Ensuring that rents are affordable and are at a level that tenants are able and willing to pay is a key priority for the business. Moving to prevention rather than response in as many areas as we can to reduce cost and provide an overall better experience for customers.

2-Investing in an environmentally sustainable way in tenants' homes

- 4.8 A Stock Condition Survey was completed in 2018 which reported that the housing stock was in good condition with a minimal requirement for 'catch – up repairs'. This gives confidence that our approach to investment is effective and we will continue to develop that approach. We have a 30 year Investment Plan for our housing stock. This seeks to ensure that houses continue to meet the SHQS in the long term and that they comply with the EESSH standard from 2020 and beyond. All major components will be renewed as they reach their end of life.
- 4.9 Meeting energy efficiency targets in off gas areas continues to be a challenge which is partly due to the SAP calculation methodology. Addressing fuel poverty is a key part of our Investment Plan with a heavy emphasis on works such as the installation of renewable heating systems and on the provision of high efficiency gas boilers. The fabric of houses continues to be maintained through investment and planned maintenance programmes and opportunities to improve the thermal efficiency of buildings continue to be pursued. These include replacement of cavity wall insulation and the fitting of external and internal insulation.
- 4.10 We will continue to review the use of materials and other opportunities to reduce life cycle costs and to improve ease of use for tenants where appropriate.
- 4.11 Our Asset Management Strategy which is being developed for 2020-2024 will set out our plans for the housing stock. It is closely linked will the Business Plan and the wider strategic environment. We will continue to review our housing stock and to identify any areas or groups of houses where further assessment is required as to their long term viability. We are developing a model to enable this which will form the basis for considering options for such stock.
- 4.12 As part of the Strategy we will examine whether the New Build Programme provides an opportunity to replace stock which has a limited future life span or where demand is a serious concern.

	2019/20	2020/21	2021/22	2022/23	2023/24	TOTAL
	£4.43m	£3.96m	£3.52m	£3.70m	£3.91m	£19.52m
Bathrooms	83	30	20	53	51	237
Showers	83	30	20	53	51	237
Kitchens	65	26	85	74	45	295
Heating	190	205	129	68	101	693
Roofing	10	-	-	6	27	43
Roughcast	4	-	-	25	26	55
Windows	13	32	48	101	60	254
Fire Doors	158	-	-	-	-	158
Environmentals	28	51	-	70	122	271

3-Being a good employer that attracts and retains high quality staff

- 4.13 According to Barbara Mitchell and Cornelia Gamlem, what is true of great hockey players is also true for great organisations “you have to know where you are headed to be successful, and when it comes to your people it's called workforce planning”. The accomplishment of our vision is dependent on how we invest in our assets and equally in our staff. We want to make sure we have the right people with the right skills, abilities and attitude to achieve our goals.
-
- “Good hockey players skate to where the puck is while great hockey players skate to where the puck is going to be”*
Wayne Gretzky
-
- 4.14 A new organisational structure has been in place since 1 April 2019 which should provide resilience as well as opportunities for staff, to further strengthen our resilience a workforce plan has been prepared and will be implemented during 2020. The plan will look at the immediate needs, how we will manage retirements and new skills which may be required to deliver our service in the next five years.
- 4.15 A Competency Framework has been introduced for all posts. This aims to bring consistency to how jobs are carried out, it is not just about delivering on tasks it is about the way we deliver them.
- 4.16 The structure includes a new team called “The Executive Office” and one of their responsibilities is the training and development of staff and Board Members. The team has a dedicated part time Training Officer, demonstrating our commitment to improving the training and development of our staff.
- 4.17 There are three trainee posts in the structure which will provide an opportunity for new skills and approaches; in turn it will provide our managers the chance to develop their skill set by becoming a mentor and trainer.
- 4.18 Most workforces now are multi-generational with Generation X, Y and Z each with different expectations and approaches to learning. One of the expectations of the younger generation is to have flexible working. We will look to explore what flexible options we can offer to staff. We will ensure our approach to training and workforce planning takes account of their expectations.
- 4.19 In 2019 we introduced an on-line HR system which allows employees to access their own records, record one to one meetings, make suggestions via the community board, manage their leave and link their “deliverables” to our Strategic Goals.
- 4.20 A staff survey was undertaken in 2020 and shows a 20% improvement in overall satisfaction from our previous survey carried out in 2015. An action plan has been developed to address areas where improvement is still required. We will develop new performance measures around retention, training and achievement of goals and implement a consistent way of marking staff achievements.
- 4.21 We will continue with our very successful team building days on an annual basis.
- 4.22 The Staff Social Committee which has been in place for a number of years and been responsible for fundraising for local charities each year, will continue. Since the committee was started they have been responsible every year for £1,000 of donations to local charities. This demonstrates not only the generosity of staff but their commitment to making a positive impact on our communities.
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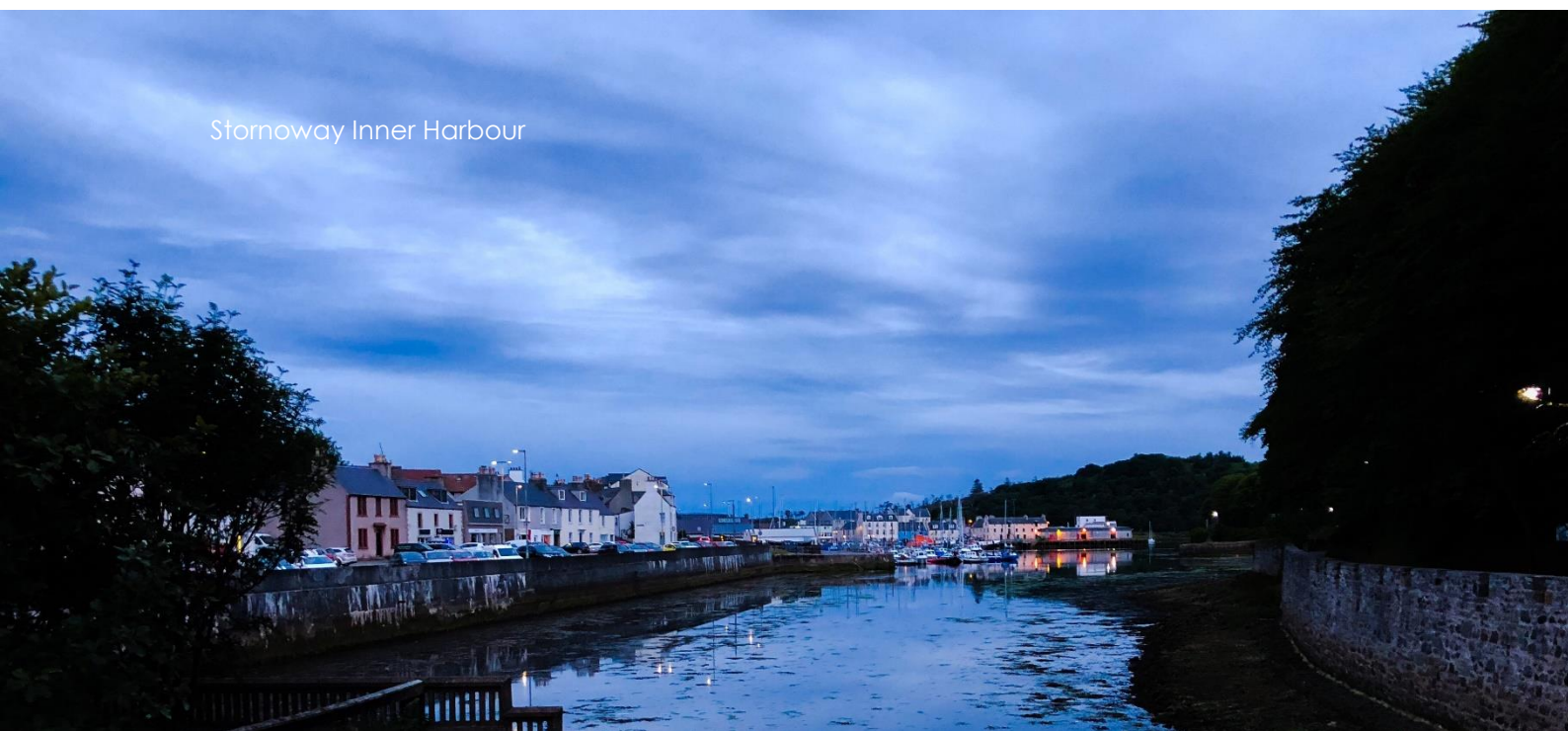
4-Working with partners to contribute to the wellbeing of communities throughout the Outer Hebrides

- 4.23 The amount of grant funding the Scottish Government have made available to the Comhairle for the delivery of new affordable homes for rent is at the highest level since we came into existence. The funding provides an opportunity to build new homes throughout the Islands as well as bring a significant economic benefit through the provision of work for contractors.
- 4.24 Over the next four years through our Repairs, Investment and Development Programmes we will be making a significant contribution to the local economy, supporting jobs, local suppliers and communities.
- 4.25 We anticipate spending a total of £80.1m over the life time of this plan providing a level of certainty for local contractors. We will encourage them in turn to provide apprenticeship opportunities for young people allowing them to live in the Outer Hebrides whilst gaining valuable skills for the future.
- 4.26 The Comhairle have been meeting with communities throughout the islands to discuss the potential of Community Hubs and buildings which provide shared spaces for a variety of public services. As part of the OHCPP we have been involved in discussions and will assess any opportunities which will allow us to deliver services as close to the customer as possible within available resources.
- 4.27 As the demographic continue to change with an older population we will continue to work closely with the IJB to ensure the requirements of the Comhairle and Western Isles Health Board are taken into consideration when we are building new houses and improving our current housing stock.
- 4.28 The reduction in public services which are being delivered locally is of concern as it directly affects our tenants. There remains a tension between building new houses in rural areas where public services are being withdrawn and the financial risk currently sits with us.

Section 5

How We Get There

Stornoway Inner Harbour



Section 5 - How We Plan To Get There

Delivery Plan

- 5.1 The Strategic Goals will be achieved through our Delivery Plan which is at Appendix 3.
- 5.2 The Plan will be monitored by Executive Team on a monthly basis using the new HR system and progress on the measures of success will be reported to Board on a quarterly basis.

KPI's & Performance

- 5.3 The Key Performance Targets for the plan are:

Indicator	Target
<i>Routine response repairs completed on time</i>	95%
<i>First time fix on repairs</i>	100%
<i>Tenant satisfaction on repairs</i>	95%
<i>Overall tenant satisfaction with service</i>	88% rising to 90% by 2023/24
<i>Total current arrears as % of gross debit</i>	<2%
<i>Rent loss due to voids as % of gross debit</i>	<0.8%

STRATEGIC GOAL 1

Placing tenants at the centre of everything we do



TENANTS

How we will deliver this goal:

We will

- Keep rents affordable by carrying out affordability checks on an annual basis
- Deliver our Value for Money Strategy
- Complete & implement a revised rent structure
- Engage with our customers to ensure we are delivering services that they value
- Profile our customer's needs to ensure we align our services to maximise benefit uptake
- Support the Western Isles Housing Association Communities Forum, RTO's and informal tenant's groups
- Provide feedback to tenants on suggested service improvements
- Further develop Tenants Scrutiny as part of our service improvement agenda
- Continue to provide dedicated Tenant Participation support and resource
- Ensure tenants maximise their opportunities to access digital services
- Develop and implement a digital transformation strategy
- Help and support tenants who may be isolated or vulnerable by going the extra mile to solve problems
- Benchmark our services with other housing associations

How we measure success

1. % of satisfaction with our overall services > 90%
2. Maintain all our homes ensuring they meet or exceed the SHQS
3. Respond to complaints 100% within SPSO targets
4. Level of current arrears at 2% of Gross Rent Debit
5. Voids at <1% of Gross Rent Debit
6. Provide options for a rent guarantee period
7. 88% of tenants satisfied with opportunities to participate in decision making

STRATEGIC GOAL 2

Investing in an environmentally sustainable way in tenants' homes



How we will deliver this goal:

We will

- Develop an Environmental Strategy
- Deliver our Asset Management Strategy including a review of the viability of all housing stock
- Deliver annual investment programmes by February each year
- Ensure our delivery of Energy efficiency in Scottish Social Housing (ESSH) is carried out in a tenant centred way and prioritises for the tenant the fuel poverty they are facing
- In partnership with the Comhairle, deliver new build homes in line with their SHIP and the results of a Demands Needs Assessment
- Deliver 50 extra care units by 2021
- Remain committed to reducing the levels of fuel poverty for tenants wherever possible

How we measure success

8. Deliver 176 new build units by 2021
9. Deliver 50 extra care units in Stornoway by 2022
10. Reduce % of tenants in Fuel Poverty to under 25% by 2023 (subject to fuel prices)
11. 100% properties achieving ESSH by 2020
12. 100% of stock assessed in terms of long term viability

STRATEGIC GOAL 3

Being a good employer that attracts and retains high quality staff



How we will deliver this goal:

We will

- Support and motivate all staff to ensure a healthy atmosphere where there is trust, openness and leadership
- Provide opportunities for staff to gain qualifications relevant to their role
- Offer shadowing, coaching opportunities to all staff
- Ensure team building events are delivered on an annual basis
- Hold 'round table' discussion sessions with managers to encourage learning and development
- Develop the use of appraisals on our on-line HR system
- We will recognise high achievement and excellent performance
- Deliver annual training plan

How we measure success

13. Flexible working policy in place by 2020
14. Staff survey in 2020 showing positive feedback
15. 10% of staff pursuing and obtaining qualifications
16. 100% of Vacancies filled on first attempt
17. Sustain a minimum level of 65% of HHP staff with a service length greater than 3 years
18. % of staff turnover at less than 10%

STRATEGIC GOAL 4

Working with partners to contribute to the wellbeing of communities throughout the Outer Hebrides



How we will deliver this goal:

We will:

- Work with the Comhairle to deliver its Local Housing Strategy 2017-2022 in relation to the delivery of new affordable homes
- Work with the Comhairle and other partners to develop and deliver new approaches to Homelessness
- Make our neighbourhoods greener and cleaner by working with community groups to improve common areas
- We will support local people to become empowered and take responsibility for delivering community initiative and work with others to deliver new initiatives
- Work with local partners to identify and reduce social isolation and develop measures to identify isolation
- Identify opportunities to generate income or social value particularly in relation to supporting fragile communities and the OHCPP's population retention/growth agenda
- Support the Community Planning Partnership to deliver its aims
- Work closely with local voluntary sector to improve the delivery of joined up services
- Carry out a Housing Needs Assessment and will seek to do this collaboratively with the Comhairle and other partners

How we measure success

19. New arrangement in place for the delivery of accommodation for the Foyer by 1 April 2019
20. Population Forecasts decline + demographics
21. Increased demand for housing in rural areas
22. Community Benefit measures delivered across our communities and on all contracts
23. 95% of tenants satisfied with management of the area they live in
24. Complete Housing Needs Assessment

Section 6

Financial Plans

Stornoway



Section 6 - Financial Plans

- 6.1 This section details how the Business Plan objectives will be financed. Good business planning is essential in ensuring we have the means to achieve our goals and continue to provide the expected level of service to our tenants.
- 6.2 We prepare long term 30 year financial plans which are supported by five year and one year plans. The 30 year plans are prepared once our long term strategy has been approved. The main assumptions are in relation to our expenditure plans for Property, Management Costs and Financings costs. Our Plans have been updated since the Board approved the plan in March 2020 to take into consideration the impact of the COVID-19 lockdown and our development aspirations post 2021.
- 6.3 Expenditure plans are summarised below:

	Year 1	Year 2	Year 3	Year 4	Year 5		
Period: 01 April 2020 - 31 March 2050	2020/21	2021/22	2022/23	2023/24	2024/25	5 Year Total	30 year Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Repairs	2,280	2,370	2,570	2,650	2,820	12,690	113,530
Investment	3,840	3,580	3,750	3,970	1,270	16,410	162,270
OT Adapts	120	120	120	120	120	600	3,600
New Build	14,890	24,370	8,040	8,610	8,060	63,970	74,030
Property Costs	21,130	30,440	14,480	15,350	12,270	93,670	353,430
Management Costs	3,560	2,850	2,970	3,070	3,120	15,570	122,010
Interest	430	790	1,180	1,310	1,470	5,180	13,040
Repayment of Loans	-	-	-	-	5,000	5,000	29,690
Finance Costs	430	790	1,180	1,310	6,470	10,180	42,730
Total costs	25,120	34,080	18,630	19,730	21,860	119,420	518,170

- 6.4 The Expenditure Plans are funded by:
- Rental income streams
 - Government Grants for new build and Aids & Adaptations
 - Borrowing from our funder

Period: 01 April 2020 - 31 March 2050	2020/21	2021/22	2022/23	2023/24	2024/25	5 Year Total	30 year Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Rents	9,500	10,050	11,160	11,760	12,380	54,850	500,340
Other Income	890	270	290	270	270	1,990	5,310
New Build Grants	12,790	8,550	5,070	5,400	5,120	36,930	36,930
Borrowing	0	14,400	2,400	2,500	3,180	22,480	23,670
Total Income	23,180	33,270	18,920	19,930	20,950	116,250	566,250

- 6.5 The key drivers in the assumptions are the number of properties managed, inflation, voids and interest rates. It is vital to know the impact on the plans if there are changes to any of key drivers. The Board regularly undertakes sensitivity analysis which is used to inform our Risk Appetite.

Key Assumptions

Properties Managed

- 6.6 The following assumptions have been used and will fluctuate dependent on the level of new build:

Period: 01 April 2020 - 31 March 2050	2020/21	2021/22	2022/23	2023/24	2024/25	5 Year Total	30 year Total
	Units	Units	Units	Units	Units	Units	Units
Opening Stock	2,224	2,250	2,296	2,444	2,488	2,224	2,224
Sales/RTB	(1)	(1)	(12)	-	-	(14)	(14)
New Build	27	47	160	44	50	328	328
Closing Stock	2,250	2,296	2,444	2,488	2,538	2,538	2,538

Inflation

- 6.7 Inflation assumptions are:

Period: 01 April 2020 - 31 March 2050	2020/21	2021/22	2022/23	2023/24	2024/25	Notes
Inflation	2.20%	2.50%	2.50%	2.50%	2.50%	2.5% to Year 30
Rent Increase	2.20%	3.50%	3.50%	3.50%	3.50%	Inflation +1% to Year 6, RPI Only Year 7-30
Management	0.50%	0.50%	0.50%	0.50%	0.50%	0.5% to year 5
Repairs	0.25%	0.25%	0.25%	0.25%	0.25%	0.25% to Year 30
Major repairs	0.50%	0.50%	0.50%	0.50%	0.50%	0.5% to Year 5

Voids & Bad Debts

- 6.8 The Finance Working Group met on 19 August 2020 and assessed how changes in Voids and Bad Debts could affect our 30 Year cash flows. The assumption in the Plan for Voids & Bad Debts is set at 2% of rental income. This has been set higher than our current performance to take account of more tenants moving onto Universal Credit, the impact of COVID-19 on the economy and forecasted trends on depopulation.

Interest Rates

- 6.9 The first two years of the Business Plan has interest (LIBOR) set at 3%. Years three & four are set at 4% and Years five & six at 5%. From Year seven onwards the assumption has been set at 5.85%. The margins used reflect the funding agreement put in place in September 2015.

Management Costs

- 6.10 Management costs have increased in 2020/21 mainly driven by an increase in our housing insurance premiums. We have assumed employee costs of £720 per unit with overhead costs set at 11% of turnover reducing to 10% by 2026.

Value for Money

- 6.11 We are committed to having an affordable rent structure and providing value for money across all services being delivered. The increase on Rents for 2020/21 was RPI (November 2019).

Funding

6.12 The existing funding agreement gives us access to borrowing of £15 million:

	Arranged £000's	Drawn £000's	Notes
Facility A	5,000	3,500	Available to 2041 subject to agreed repayment profile 10 Years for New Build
Facility B	5,000	1,409	
Facility C	5,000	-	
Total	15,000	4,909	
Loans outstanding			
Fixed	3,500	71.3%	
Variable	1,409	28.7%	

6.13 The existing agreement allowed us to deliver our Strategic Goals but following a review which includes the Comhairle's new build aspirations post 2021, additional borrowing will be required. Negotiations have begun with our funder to increase our borrowing to £25M.

Sensitivity Analysis

6.14 The assumptions in the Business Plan have been "stress tested" for a number of factors which are summarized below:

	Peak Debt £000's	Year	Repayment
BASE POSITION	29,787.70	2024	2036
1 Interest Rates			
+1%	29,787.70	2024	2036
+0.5%	29,787.70	2024	2036
-0.5%	29,787.70	2024	2036
2 Inflation			
1%	29,787.70	2024	2036
1.5%	29,787.70	2024	2036
2%	29,787.70	2024	2036
3 Rent Increases			
RPI	29,787.70	2024	2036
RPI+0.5%	29,787.70	2024	2036
Rent Freeze - Year 2	29,787.70	2024	2036
RPI - 0.5%	34,499.10	2050	Doesn't Repay
4 Bad debts			
5% year 3 onwards	30,040.20	2025	2045
10% Year 3 onwards	96,644.00	2050	Doesn't repay

6.15 In addition to the above, the Board reviewed the impact development post 2021 would have on our 30 year Plan. Whilst development in general is a positive contributor to our financial position over a 30 year period it has to be balanced with the impact

increasing contractor costs and the need for additional private finance has on the overall sustainability of our business. The appraisal of all new build developments include an assessment of current and future demand as our long term cash flow is very sensitive to increases in voids and bad debts.

- 6.16 It can be clearly seen that the 30-year Plan is most sensitive to a change in income as demonstrated by changes to the rent increase, voids and bad debts. There is a clear indication that if rent increases of RPI only for the 30 years will result in a significant decrease in forecasted cash balances meaning expenditure would need to be reduced accordingly. The results of the stress testing mean the Board will be able to respond early to any major changes which should reduce the overall risk to the Partnership.
- 6.17 The Board will also ensure that any changes to policies are tested against the 30 year Plans to reduce the long-term risk.

Financial Reports

- 6.18 The 30-year financial plans are prepared using a financial modelling program and the following financial reports are available in the Appendices

Appendix 5 - Debt Outstanding

Appendix 6 - 30-Year Cashflow

Appendix 7 - Stress Testing

Future Challenges

- 6.19 There are a number of key pressure points over the coming years where decisions will need to be taken early
- Changes in Building Standards both on new build and current stock
 - End of HMRC development agreement where VAT will no longer be able to be claimed on investment works
 - Impact on the cash flow of Universal Credit
 - Economic uncertainty following the COVID-19 pandemic
 - Cost of responsive repairs and increasing pressure on cyclical maintenance from Air Source Heat Pumps
 - Changes in technology
 - Affordability
 - Weakening demand in some peripheral areas (e.g South Uist, South Lochs, Bernera) and the general changes in the population demographic
 - Climate Change

Conclusion on Financial Plans

- 6.20 We are in a strong financial position at present due to a combination of good governance by the Board Members matched with Officers pursuing the most cost effective means of delivering promises to tenants without compromising on quality. Arrear levels remain low although we have seen an increase from prior year. It is anticipated that as the full rollout of universal credit takes hold and the job retention scheme ends, arrears are likely to increase further.

- 6.21 The environment in which we operate is likely to become increasingly challenging as construction costs increase above inflation and the implications from BREXIT materialise.
- 6.22 The large development programme in 2021/22 will result in us requiring to draw down £9.9M from our existing borrowing facility next year. An additional £4.5M would be required in 2021/22 to deal with the cost implications from COVID-19 on existing developments and the aspirations of the Development Plan and SHIP.

Section 7

Managing Risks



Achmore, Isle of Lewis

Section 7 - Managing Risks

7.1 We are committed to being proactive in efforts to contain and minimise the risks faced in all areas of operation. We recognise that risk management is a matter of balancing our appetite for risk with our ability to manage risk. Overall responsibility for risk management lies with the Board supported by the Executive Team.

7.2 The FRC Code of Governance 2018 outlines a Board's responsibility for Risk Management

"The Board should establish procedures to manage risk, oversee the internal control framework, and determine the nature and extent of the principal risks the company is willing to take in order to achieve its long-term objectives".

7.3 Key risks to the business are identified and scored with controls put in place. The Risk Register is reviewed on a monthly basis and presented to the Audit & Risk Committee. Each year as part of the Business Plan update the Board carry out a full review of the Risk Register. The Risk Register is at Appendix 8.

7.4 The Risk Appetite was reviewed and aligned to the revised Strategic Goals in March 2019 and updated in March 2020. We will always consider the "value to our customer" when setting the Risk Appetite. Taking into consideration the "value to our customer" we have prepared the Risk Appetite Statement for 2020/21 a summary of which is shown in the table below and the full statement is at Appendix 9.

Strategic Goal		Risk Level				
		No Appetite	Low	Cautious	Open	Hungry
1-Placing tenants at the centre of everything we do	Rent affordability					
	Funding					
	Reputation					
2-Investing in an environmentally sustainable way in tenants' homes	New Build programme					
	Investment Programme					
3-Being a good employer that attracts and retains high quality staff	Succession Planning					
	Flexible working					
4-Working with partners to contribute to the wellbeing of communities throughout the Outer Hebrides	Work with CPP on population retention					
	Care agenda					

7.5 The Board has a clear commitment to embedding risk management into the decision making process. New performance measures, KRI's (Key Risk Indicators) and KCI's (Key Control Indicators) will continue to be developed during 2020/21 to improve our ability to manage risk and identify performance gaps.

7.6 Peter Drucker once said "Culture eats strategy for breakfast". We recognise the value of designing a culture which encourages staff to operate within the risk appetite set by the Board. Our core value of integrity underpins our approach to risk management. The Board and Executive Team will lead by example and we will ensure that behaviour which undermines integrity will not be allowed to flourish.

- 7.7 Board reports requiring a decision; contain a section to demonstrate relevant risks have been taken into consideration. All areas where risk has been identified will be scored in the Risk Register.
- 7.8 Risk management is about making sure opportunities are not missed as much as it is about minimising threats.
- 7.9 The highest scoring gross risks currently are:

a) Climate Change

Climate Change is now considered our number one risk. We are members of the CPP Climate Change Working Group and we have also established an in house Climate Change team who will be preparing a Climate Change Strategy for the Board and also implementing changes within our offices to measure and reduce our carbon footprint. Our updated Asset Management Strategy incorporates our continuing commitment to replace inefficient heating system in our homes.

b) Changing population demographics

The Islands and Rural Scotland are facing an increasing and more pressing problem with the change in population demographics. This has been highlighted in paragraph 1.1 and 3.2 of the Plan. There is very little one organisation can do on its own to transform the current projections from one of reduction to growth, this is something that can only change by all the key players placing it high on their agenda and taking action now. The steps the Board have taken to ensure we can play a part in the solution is to amend the Allocation Policy to allow for Key Worker Status, our new build programme, encouraging contractors to have apprentices and adding three trainee posts to our own structure.

c) Not having a competitive contractor market

The increased new build programme together with a number of large community developments has put pressure on an already fragile contractor market. The reduced competitive market is resulting in an increase in prices and delays in site starts. Risk is being mitigated by exploring alternatives for new builds and revisiting our own house design.

d) BREXIT considerations

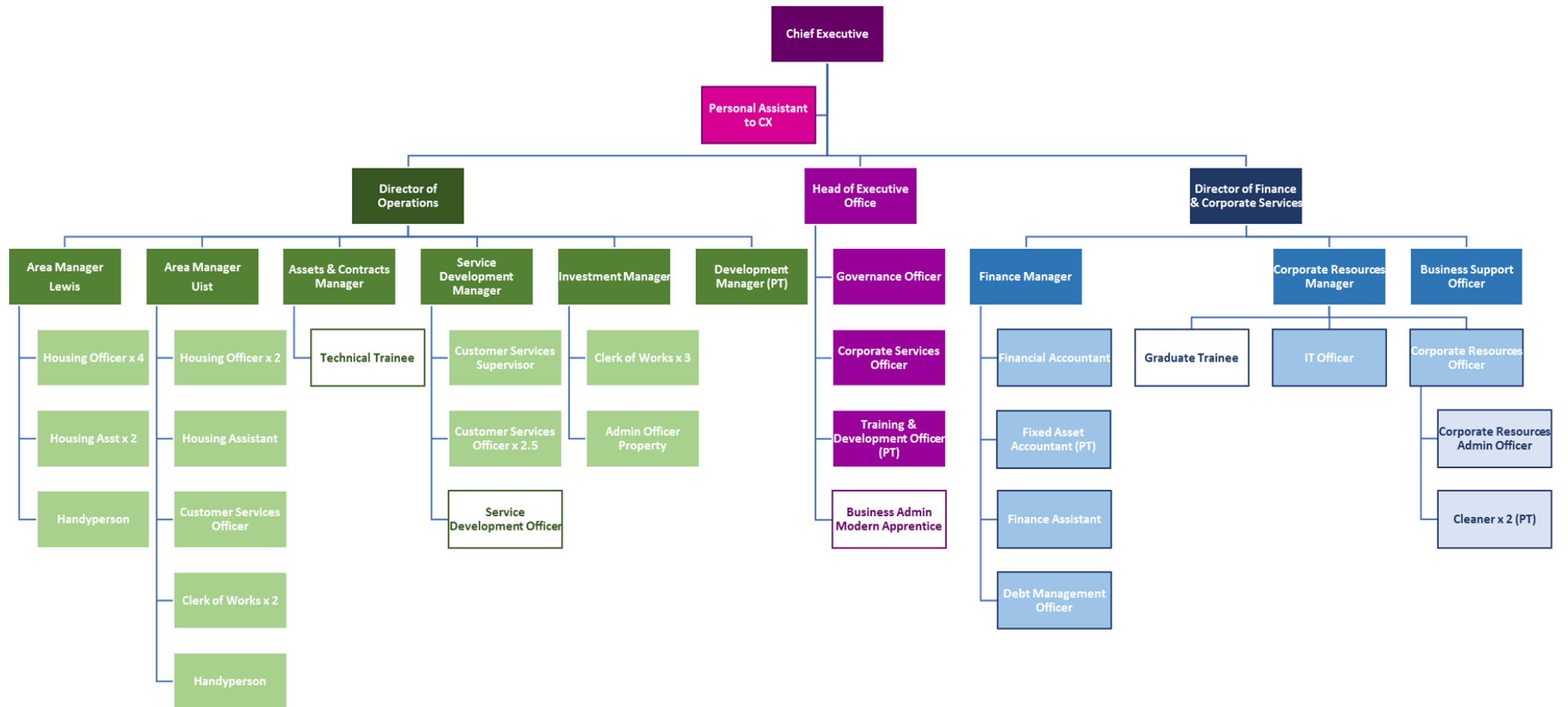
The risks associated with BREXIT have been assessed by using a self-assessment tool developed by Highland and Islands Enterprise. Measures have been put in place to deal with the risks associated with BREXIT, as far as they are known. The most significant known risk is on the supply chain for components.

- 7.10 Other significant risks include the joint project with the Comhairle to deliver a new Care Home and 50 Extra Care housing units, failure of a major contractor, the rising costs of new build particularly in the remoter rural areas, the changes to cost of legislative changes, affordability for tenants, recruitment and retention of governing body members and the impact of social media.
- 7.11 We use a financial modelling tool called BRIXX to facilitate financial modelling and assist with ongoing forecasting to ensure significant changes in financial assumptions are factored in and managed as early as possible. The model is used to assess all major new projects or other significant changes.

- 7.12 30 year Business Planning assumptions are tested every year. They are 'stress tested' to ensure steps can be taken to mitigate risk. The key areas tested annually are:
- Interest rates;
 - Inflation;
 - Management costs;
 - Rent increases-impact on affordability;
 - Impact of VAT increases; and
 - Arrears and voids
- 7.13 Reports to the Board considering new initiatives and/or changes to our policies identify any associated risks and actions to be taken to mitigate these risks, including the impact of not taking any action.

APPENDICES

Appendix 1:	Organisational Structure
Appendix 2:	Development Plan
Appendix 3:	Delivery Plan
Appendix 4:	Key Performance Indicators
Appendix 5	Debt Outstanding
Appendix 6:	30 Year Cashflows
Appendix 7:	Stress Testing
Appendix 8:	Risk Register
Appendix 9:	Risk Appetite





hebridean housing
partnership



► Five Year Development Plan 2020/21 to 2024/25

Version ► 6

Review Date: ► March 2020

Approved by HHP Board: Next meeting

FIVE YEAR DEVELOPMENT PLAN

INTRODUCTION

1.1 The Board prepares a development plan covering a five year period which corresponds with the time frame used by the Comhairle for the Strategic Housing Investment Plan (SHIP). The Development Plan provides a framework for our development activities over a five year period and reflects the requirements of the Local Housing Strategy (LHS) 2017 to 2022 for affordable rented houses.

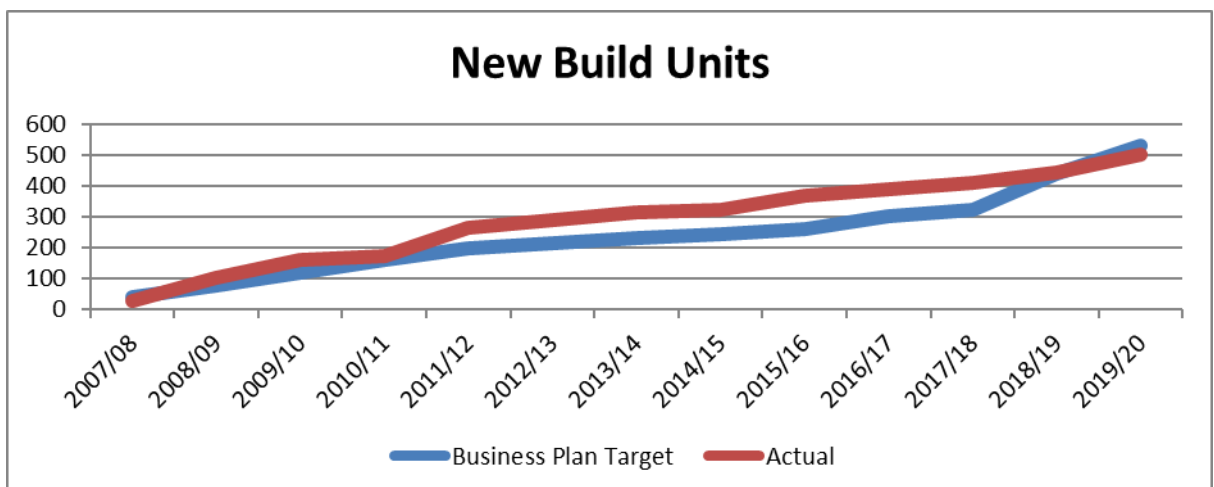
1.2 Our strategic goals are:

- i. *Placing tenants at the centre of everything we do;*
- ii. *Investing in an environmentally sustainable way in tenants' homes;*
- iii. *Being a good employer that attracts and retains high quality staff;*
- iv. *Working with partners to contribute to the wellbeing of communities throughout the Outer Hebrides;*

The Development plan will contribute to our ability to achieve its goals.

1.3 The Comhairle's SHIP was updated for the period 2020/21 to 2024/25 and submitted to Scottish Government in October 2019 and feedback was provided in March 2020. This feedback noted the challenges that the increased resources made available to the islands present.

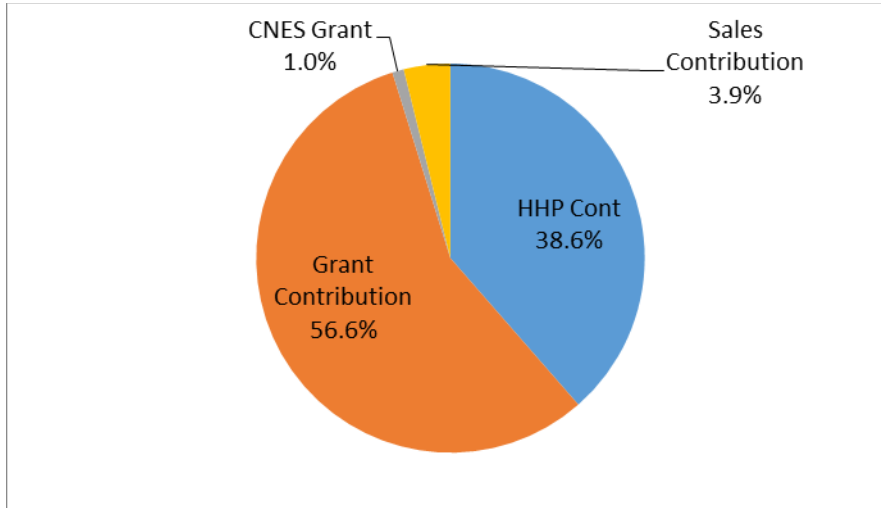
1.4 There has been significant slippage in the 2019/20 programme due to a number of factors. 18 units were due for completion at Tarbert Police Station and Balivanich Low Flyer in 2019/20 and delays to completion at Cnoc a Runaire and Sgeir Ghlas, Tolsta have resulted in their completions moving into 2020/21. Some developer led sites did not progress in 19/20 with one no longer included in our plans. Issues around land supply are compounded by the complications surrounding crofting tenure.



- 1.5 We continue to work with the Comhairle to enable them to be in the best position to utilise grant funds allocated by the Scottish Government. The plan demonstrates how we are continuing to contribute to the delivery of the Government's target for affordable homes.
- 1.6 Population projections in October 2016 state "that the projected population decline in the Western Isles is 'more severe' than previously thought with a 13% decline forecast over the next 20 years". Action is required by all partners to combat this. Development is seen as being vital to stimulating the local economy. We have a significant role to play and must balance security and affordability for current customers with the flexibility required to enable new developments to support the local economy.
- 1.7 We are working in Partnership with the Comhairle and the Integrated Joint Board to progress the re-provisioning of the care homes in Stornoway and to develop additional care capacity. Enabling works for the 52-bed care home and 50 housing with extra care flats are on site. Work has commenced on the 74 general needs rent and New Supply Shared Equity houses on the Partnership site at Goathill Farm.
- 1.8 The changing demographics and the continued pressure on the services for the elderly bring urgency to finding a solution. This 'once in a generation project' presents a great opportunity to provide an innovative solution that provides a high quality housing and care provision for our elderly and vulnerable people.
- 1.9 The future provision of care in rural Lewis is being discussed through the residential care partnership. We are working with partners to examine options and costs. This development plan recognises the aspiration to deliver a housing with care model in a rural area and will be refined as this work progresses.
- 1.10 Significant engagement has taken place with the Community Land Trusts and other community organisations. The majority of the Trusts have indicated that they would like to see affordable housing developed in their areas. We are committed to working with communities and partners to provide housing in rural areas in support of the Comhairle's aspiration to see 55% of new housing delivered outwith the Stornoway Housing Market Area.
- 1.11 Work is ongoing to identify and progress sites and a large number of sites have been examined through desktop feasibility studies. These have then been progressed to full feasibility where appropriate.
- 1.12 Integrated Strategic plans between the partners are vital to provide a coherent strategy for addressing issues and co-ordinating activity. We continue to work closely with the Comhairle who through the LHS are responsible for setting clear priorities and direction. In particular we are seeking to engage the Comhairle in discussions around the implications of increasing housing supply as currently planned, while demographic trends are negative and housing demand is reducing.
- 1.13 We believe it is essential that the next LHS for 2022 onwards addresses these issues, and the approach to development from 2022/23 is coherent and is consistent with and supported by other strategies.

SUMMARY

- 2.1 The Plan provides for the delivery of 393 units at a cost of £65M funded by Government grants, Shared Equity Sales and HHP finance. The grant funding and the potential number of sites in the Plan is higher than the RPA to allow for slippage.



- 2.2 Included within the 393 units are 76 housing with extra care units and 20 for shared equity.
- 2.3 Our ability to deliver the SHIP is dependent on a number of factors
- Finance – both cost and availability of funding
 - Demand for new homes both rented and for shared equity purchase
 - Availability of land
- 2.4 The Plan is flexible to allow for us to respond to a variety of external pressures, including the requirement to meet obligations to meet new standards for current housing stock and the ability to participate in projects which are contributing to the wider strategic role, sustainability of the communities etc.
- 2.5 Goathill is now underway with McLaughlin and Harvey on site completing enabling works and the housing contractor OMac Construction now on site with the houses. This project remains the major part of the SHIP and our Development Plan.
- 2.6 Together with the Comhairle we are working with community land trusts and others to pursue options for delivering affordable homes within their locality. The Comhairle have set out priority sites for development in the Stornoway and rural areas and we are now taking the acquisitions forward where possible.
- 2.7 We are also to encourage local contractors to bring forward proposals for new developments.
- 2.8 The provision of supported accommodation to assist the delivery of the objectives in the Strategic Health Plan in relation to Alcohol & Drug Addiction and Mental health is also being examined along with the relevant agencies.

- 2.9 The Development Plan is more than a summary of project names and the number of units. Clarity on who we are building for, and where we are building is critical for enabling priorities to be agreed. The establishment of a clear strategic direction and priorities within the LHS and the Comhairle's wider strategy is essential to addressing these issues. The next LHS is due in 2022 and we will try to influence this as noted previously, in the context of increasing housing supply while demand is reducing. We will also examine the need for a re-provisioning programme for areas where we have long term empty properties and where demand is weak.

DETAIL

- 3.1 The Resource Planning Assumptions (RPA's) issued by the Scottish Government are as follows:

Year	RPA £m
2020/21	£9.709
2021/22	£5.000
2022/23	£5.000
2023/24	£5.000
2024/25	£5.000
Total	£29.709

- 3.2 As noted project slippage has been a problem due to a number of factors and the following measures have been taken to reduce the impact of slippage:
- a) The Plan has more units shown than there is currently funding for;
 - b) Provision has been made for land banking.
 - c) A review is being finalised of the overall process to improve the administration and timescales;
 - d) Feasibility work has been procured until 2021.
 - e) Long term plans have been updated and discussions are underway with our Funder to create a level of flexibility on the timing of developments to have a more responsive plan.
- 3.3 Our waiting list information and demand continues to be monitored. This will inform any requirement for re-provisioning of housing stock to deliver the Comhairle's overall housing strategy.

WHAT IS DRIVING THE CHANGE?

- 4.1 The updated SHIP shows an increased requirement for affordable housing up to 2024/25 with a total 139 units included.
- 4.2 The funding requirements to deliver this programme will be kept under review. There will be a requirement for additional borrowing and appropriate facilities will be put in place as and when funding is required.
- 4.3 Appendix 1 shows the proposed Development Plan to deliver the SHIP. The number of units planned is significantly ahead of demand based on the Scottish Government needs assessment tool. This is an important factor to be kept under review throughout the period of the Plan but reflects the significantly increased RPA awarded to the Outer Hebrides. The SHIP also takes account of the Comhairle's Care Home re-provisioning initiative which accounts for 76 of the new units in the Plan.
- 4.4 Our own assessment of the number of new units required over period of the Development Plan is around 150 units but this needs to be updated. We will carry out a Housing Needs Assessment and will seek to do this collaboratively with the Comhairle and other partners. It is essential that development planning is informed and supported by robust data on needs and future projections. Our current assessment is based on the decrease in current waiting lists and forecasts for demographic change over the next 20 years. However, there is continuing discussion by the Community Planning Partnership regarding measures to address the decline of the population and hopefully change the demographic trends. The current resources available for housing development provide an opportunity to support change. In preparing the Development Plan we have considered:
 - 1) Number of units as per SHIP
 - 2) Number of units based on HHP's waiting list

ASSUMPTIONS

- 5.1 The key planning assumptions used in the Development Plan are unit costs, grant contribution, timing and location of projects.

Unit Costs

- 5.2 Unit costs are estimated based on costs for current project and reflect the higher costs for development in the rural areas. The costs are updated each year for RPI. There is pressure on the prices due in part to the significantly increased new build programme.
- 5.3 The unit costs include all costs e.g. land, construction, consultants fees, planning.

Grant contribution

- 5.4 The Partnership will fund a maximum of 40% of the project cost, subject to the private finance funding which has been provided for in the 30 year Financial Plans. The remainder of the project will be funded by Grant. The Comhairle

and Scottish Government will determine the proportion of the grant to be funded by Government and the remainder will come from Comhairle Grant. The level of grant which the Comhairle will be in a position to contribute is likely to be very limited due to the cost pressures and savings local authorities are required to achieve.

- 5.5 The Scottish Government Grant assumptions for projects are £105,000 per unit for social rent and £120,000 per unit for housing with extra care. Projects in Barra have been assumed at £130,000 per unit and £140,000 for housing with extra care.
- 5.6 The only exception to our contribution level will be when the Board, having examined the project in detail, are of the view that the project is necessary and that there is no detrimental impact on our long term financial health.
- 5.7 The funding for Shared Equity properties comes from Government Grant, sale proceeds from buyers and in rare instances a top up grant from the Comhairle. The Partnership do not put any funding towards Shared Equity developments other than to front fund the work until the houses have been sold.
- 5.8 The estimates for the sales proceeds on Shared Equity developments are based on current valuations prepared by external valuers.

Timing and location of Projects

- 5.9 Timing of projects is dependent on acquiring land, capacity of construction industry, obtaining planning permission and waiting list in various areas. The SHIP provides details of the financial year in which the Comhairle wish to see each development or area progressed.
- 5.10 Priorities and the locations of all developments are agreed by the Comhairle before they are included in the Development Plan. The Comhairle have identified 2 large Stornoway sites as priorities. These are Melbost West and Blackwater. The Blackwater site has an active planning application and once planning is approved it is hoped the land resumption will be concluded allowing the site to be acquired. Melbost West is now in our ownership and subject to an ongoing masterplan exercise. If acquisition is successful on Blackwater, the sites will provide long-term housing supply in the Stornoway area.
- 5.11 Once a project is on site it will take around 10 months to complete a 12 unit development this is dependent on there being no issues with the provision of utility services.

OPTION APPRAISAL

- 6.1 Our long term financial plans are extremely sensitive to changes in rent increases and voids. Each new development will be assessed in terms of long term viability and whether it produces a positive value to the business. Sustainability of demand and rent affordability will be taken into account. The risks of increasing stock while demand is weak will also be kept under close review.

PREPARING FOR THE FUTURE

Land

- 7.1 Land is vital to the delivery of the Development Plan and it is essential land is purchased well ahead of when the development is required. Our previous large land holding was at Goathill Farm. This is now being progressed and includes the Care Home and Extra Care Housing Project. A masterplan exercise on our other large land holding at Melbost West is currently underway. There is an approximate capacity of 170 units.
- 7.2 We are actively looking for land which can be acquired for development and which will be informed by the local Development Plan. This land search is based on strategic direction from the Comhairle on where land should be acquired and development pursued.
- 7.3 Provision has been made to land bank for future years and the assumption is this will be 100% funded by Government Grant.

Feasibility Studies

- 7.4 We have made resources available to carry out strategic feasibility studies in partnership with the Comhairle. If a project goes ahead the feasibility costs will be included in the overall cost of the development.

Infrastructure & Master planning

- 7.5 The Scottish Government have recognised the critical nature of infrastructure to developments and they have made a fund available for Registered Social Landlords (RSL's) to support infrastructure works.

Delivery

- 7.6 There are joint working arrangements in place with the Comhairle to establish and agree priorities and to engage with community landowners and other community bodies.
- 7.7 An Investment Delivery Board (IDB) was formed by the Comhairle of which we are a member. The IDB remit includes overseeing the delivery of the Goathill project and the Comhairle's Strategic Housing Investment Plan.
- 7.8 Our Asset Management Working Group meets regularly with the remit to focus on assets as a whole rather than development in isolation. They have authority until 31 March 2021 to approve private finance up to 40% of the cost of a project, subject to approval from the Director of Finance & Corporate Services and funding being available through savings.
- 7.9 A monthly Strategic Local Programme Meeting is held between Scottish Government, HHP and the Comhairle to discuss progress with the current development programme, grant funding, the SHIP and future plans.

APPENDICES

Appendix		
1	Proposed Development Plan	
2	Current Projects	
3	Proposed Projects	
4	Land bank	

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>RPA</i>	Resources Planning Assumptions
<i>SHIP</i>	Strategic Housing Investment Plan
<i>LHS</i>	Local Housing Strategy
All references to the masculine gender in this plan shall read as equally applicable to the feminine gender	



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

Email: info@hebrideanhousing.co.uk

Web: www.hebrideanhousing.co.uk

Phone: 0300 123 0773

Appendix 1-Proposed Development Plan

Fiscal Year	Rent/Shared Equity	Units	Stornoway	Stornoway HWEC	Rural Lewis	Rural Lewis HWEC	Harris	Uist	Barra	Barra HWEC
2020/21	RENT	81	53	-	14	-	-	14	-	-
	Shared Equity	4	-	-	4	-	-	-	-	-
2021/22	RENT	153	27	50	38	-	8	24	6	-
	Shared Equity	16	16	-	-	-	-	-	-	-
2022/23	RENT	44	20	-	4	-	-	10	-	10
	Shared Equity	0	-	-	-	-	-	-	-	-
2023/24	RENT	50	-	-	16	-	22	6	6	-
	Shared Equity	0	-	-	-	-	-	-	-	-
2024/25	RENT	45	15	-	-	16	-	14	-	-
	Shared Equity	0	-	-	-	-	-	-	-	-
TOTAL		393	131	50	76	16	30	68	12	10

This table shows the planned number of completions in each year. It should be noted that not all of the sites identified above will progress following a more detailed technical and financial feasibility.

Sinclair Avenue & Bremner Court, Stornoway, Isle of Lewis

Sinclair Avenue, Stornoway is a mix of tenure, Rent (58 of which 10 are adapted) and New Supply Shared Equity (16). There is a range of house types and sizes from 1 bedroom to 4 bedroom properties.

The Housing with Extra Care development is 50 flats within one building to allow additional care to be provided where needed.

Also within the site is the Comhairle's 52 bed Care Home.



Sgeir Ghlas, Breasclete

10 units at Sgeir Ghlas, Breasclete are due for completion at the end of October 2020. Four of the properties are for sale through New Supply Shared Equity model.

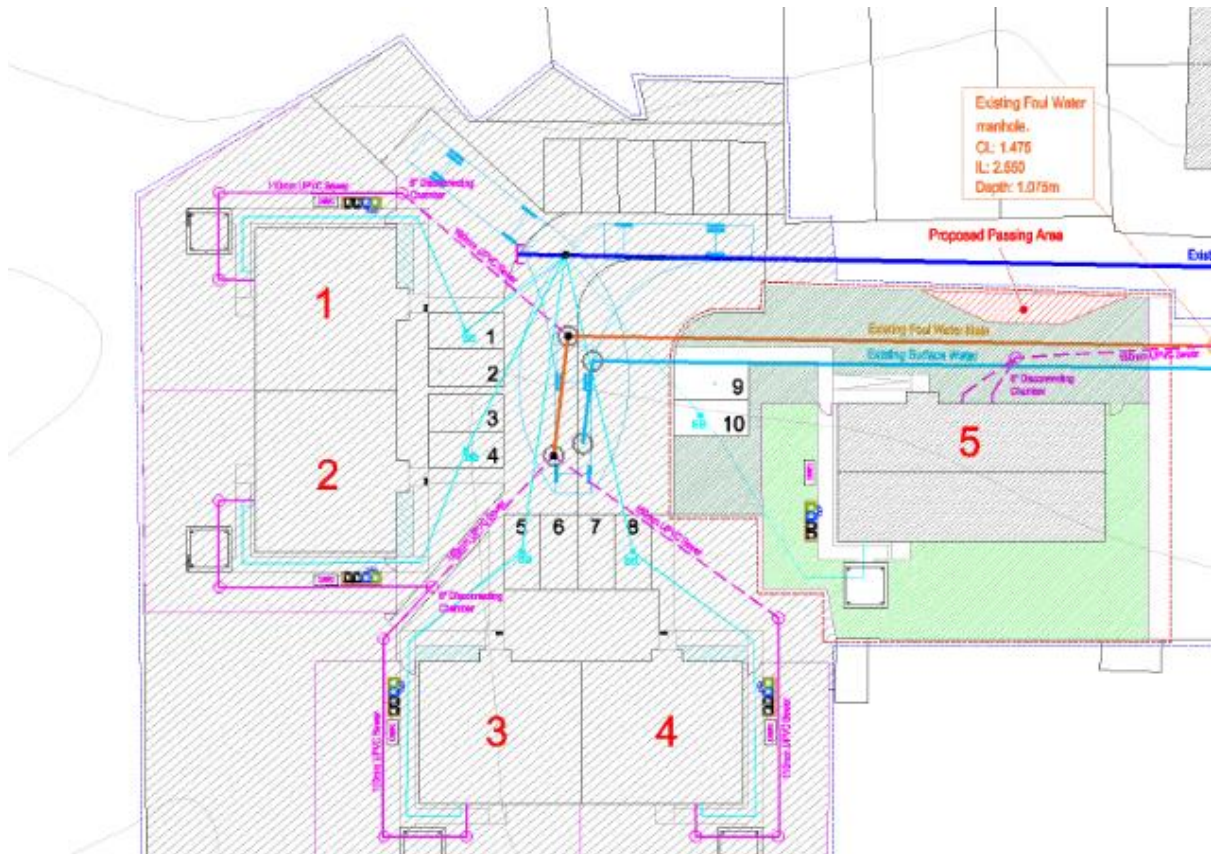


Cnoc a Runaire, Tolsta

Cnoc a Runaire, Tolsta has four properties. All are 3 bedroom houses with underfloor heating. Completion is due in October 2020.



Trosaraidh, Garrynamonie is a 5 unit development for social rent including a 6 bedroom adapted property.



Appendix 3 – Awaiting Site Start & Potential Projects

Tarbert Police Station

8 x 2 bed flats on the site of the former Police Station Tarbert due for completion in 2020/21. The development has been re-tendered.



Development Name	Number of Units
Low Flyer, Balivanich	2 x 1 bed 4 x 2 bed 4 x 3 bed
Lochmaddy	2 x 1 bed 4 x 2 bed 2 x 3 bed
Barra	2 x 2 bed 4 x 3 bed
Shawbost	4 x 2 bed
Garrabost Care Unit	1 x 2 bed 1 x 1 bed
Howmore	2 x 2 bed 2 x 3 bed
South Dell	2 x 1 bed 2 x 2 bed 2 x 3 bed
Barvas	2 x 1 bed 4 x 2 bed 2 x 3 bed

Appendix 4 - Land Bank

Owned

Melbost West

Potential-being investigated/progressed to acquisition

Scott Road

Blackwater

Cleit Road, Barra

Howmore

DELIVERY PLAN

Appendix 3

	Measure of Success	Link to Strategic Goal	2020/21	2021/22	2022/23	2023/24	Baseline	Lead Officer
1	% of satisfaction with our overall services >90%	1	90%	✓			88%	Service Development Manager
2	Maintain all our homes ensuring they meet or exceed the SHQS	1	✓	✓	✓	✓		Investment Manager
3	Respond to complaints 100% within SPSO targets	1	100%	100%	100%	100%		Director of Operations
4	Level of current arrears at 2% of gross rent debit	1	2%	2%	2%	2%	1.7%	Director of Operations
5	Voids at <1% of gross rent debit	1	1%	1%	1%	1%	1.7%	Director of Operations
6	Provide options for a rent guarantee period alongside revised rent structure	1	✓	✓	✓	✓	Current Rent Structure	Director of Finance & Corporate Services
7	88% of tenants satisfied with opportunities to participate in decision making	1	88%	✓	✓	✓		Service Development Manager
8	Deliver 214 new build homes by 2022 (214 includes HWEC)	2	36	100 (Includes HWEC)			Development Plan	Development Manager
9	Deliver 50 extra care units in Stornoway by 2021/22	2		50				Director of Operations

	Measure of Success	Link to Strategic Goal	2020/21	2021/22	2022/23	2023/24	Baseline	Lead Officer
10	Reduce % of tenants in fuel poverty to under 25% by 2023	2	✓	✓	Less than 25%			Investment Manager
11	100% of properties achieving EESSH by 2020	2	✓					Investment Manager
12	100% of stock assessed in term of long term viability	2	80%	100%	✓	✓		Investment Manager
13	Flexible working policy in place by 2020	3	✓					Chief Executive
14	Staff survey in 2020 showing positive feedback	3	✓				Information from previous survey	Chief Executive
15	10% of staff pursuing and obtaining qualifications	3	6%	7%	8%	✓		Training & Development Officer
16	100% of vacancies filled on first attempt	3	100%	✓	✓	✓	100% in 2018/19	Head of Executive Office
17	Sustain a minimum of 65% of HHP staff with a service length greater than 3 years	3	60%	✓	✓	✓	68%	Chief Executive
18	% of staff turnover at less than 10%	3	✓	✓	✓	✓	4% for 2018/19 (excluding temporary staff)	Chief Executive
19	Population forecast and demographics	4	✓	✓	✓	✓	Population at 2007 – 26,950	Chief Executive
20	Increased demand for affordable housing	4	✓	✓	✓	✓	590 at 31 March 2018	Director of Operations

	Measure of Success	Link to Strategic Goal	2020/21	2021/22	2022/23	2023/24	Baseline	Lead Officer
21	Community benefit measures delivered across our communities and on all our contracts	4	✓	✓	✓	✓	All contractors currently provide	Director of Operations
22	95% of tenants satisfied with management of the area they live in	4	95%	✓	✓	✓	92%	Service Development Manager
23	Carry out a Housing Needs Assessment	4	✓	✓			Current waiting list	Director of Operations

	Actions	Link to Strategic Goal	2020/21	2021/22	2022/23	2023/24	Baseline	Lead Officer
1	Carry out affordability checks	1			Stock Condition Survey	✓	Carried out as part of stock condition survey %	Director of Operations
2	Value for Money Strategy	1	Deliver	✓	✓	✓	Review and update of current strategy	Director of Finance & Corporate Services
3	New Rent Structure	1		✓			Current rent structure	Director of Operations
4	Profile our customers' needs	1	✓	✓	✓	✓	20% complete	Service Development Manager
5	Support Western Isles Housing Association Communities Forum	1	✓	✓	✓	✓	£3K provided by grant plus staff time	Service Development Manager
6	Develop tenants scrutiny	1	✓	✓	✓	✓	Two groups in place	Area Managers
7	Provide dedicated tenant participation support	1	✓	✓	✓	✓	Half time post in place since	Director of Operations
8	Ensure tenants maximise their opportunities to access digital services	1	✓				Information from Tenants Survey	Area Managers
9	Develop and implement a digital transformation strategy	1	Develop	✓			New Strategy	Director of Operations
10	Develop an Anti-Poverty Strategy	1	✓				None in place	Director of Operations

	Actions	Link to Strategic Goal	2020/21	2021/22	2022/23	2023/24	Baseline	Lead Officer
11	Benchmark our services with other Housing Associations	1	✓	✓	✓		High level desk top	Head of Executive Office
12	Develop an Environmental Strategy	2	✓				None in place	Investment Manager
13	Update Asset Management Strategy	2	✓	✓	✓	✓	N/A	Assets & Contract Manager
14	Annual Investment Programmes by February each year	2	March	✓			Delivered by March	Investment Manager
15	Offer shadowing and coaching opportunities to all staff	3	✓				Informal arrangements in place	Training & Development Officer
16	Team building events	3	✓	✓	✓	✓	2 held	Chief Executive
17	Round table discussion with Managers	3	✓	✓	✓	✓	New not in place before	Chief Executive
18	Develop use of on line system in particular appraisals	3	✓	✓	✓	✓	New system introduced in January 2019	Head of Executive Office
19	Deliver annual Training Plan	3	✓	✓	✓	✓	% of training plan completed each year	Training & Development Officer
20	Work with community groups to improve common areas	4	✓	✓	✓	✓		Area Managers

	Actions	Link to Strategic Goal	2020/21	2021/22	2022/23	2023/24	Baseline	Lead Officer
21	Identify opportunities to generate income	4	✓	✓	✓	✓	Not previously measured	Finance Manager
22	Support OHCPP to deliver its aims	4	✓	✓	✓	✓	Attendance at all OHCPP meetings + membership of Priority groups	Chief Executive
23	Work closely with voluntary sector	4	✓	✓	✓	✓		Chief Executive
24	Work with CNES to deliver LHS	4	✓	✓	✓	✓	IDB	Chief Executive
25	Key Risk Indicators and Key Control Indicators will be developed during 2019	1	✓	✓	✓	✓		Head of Executive Office

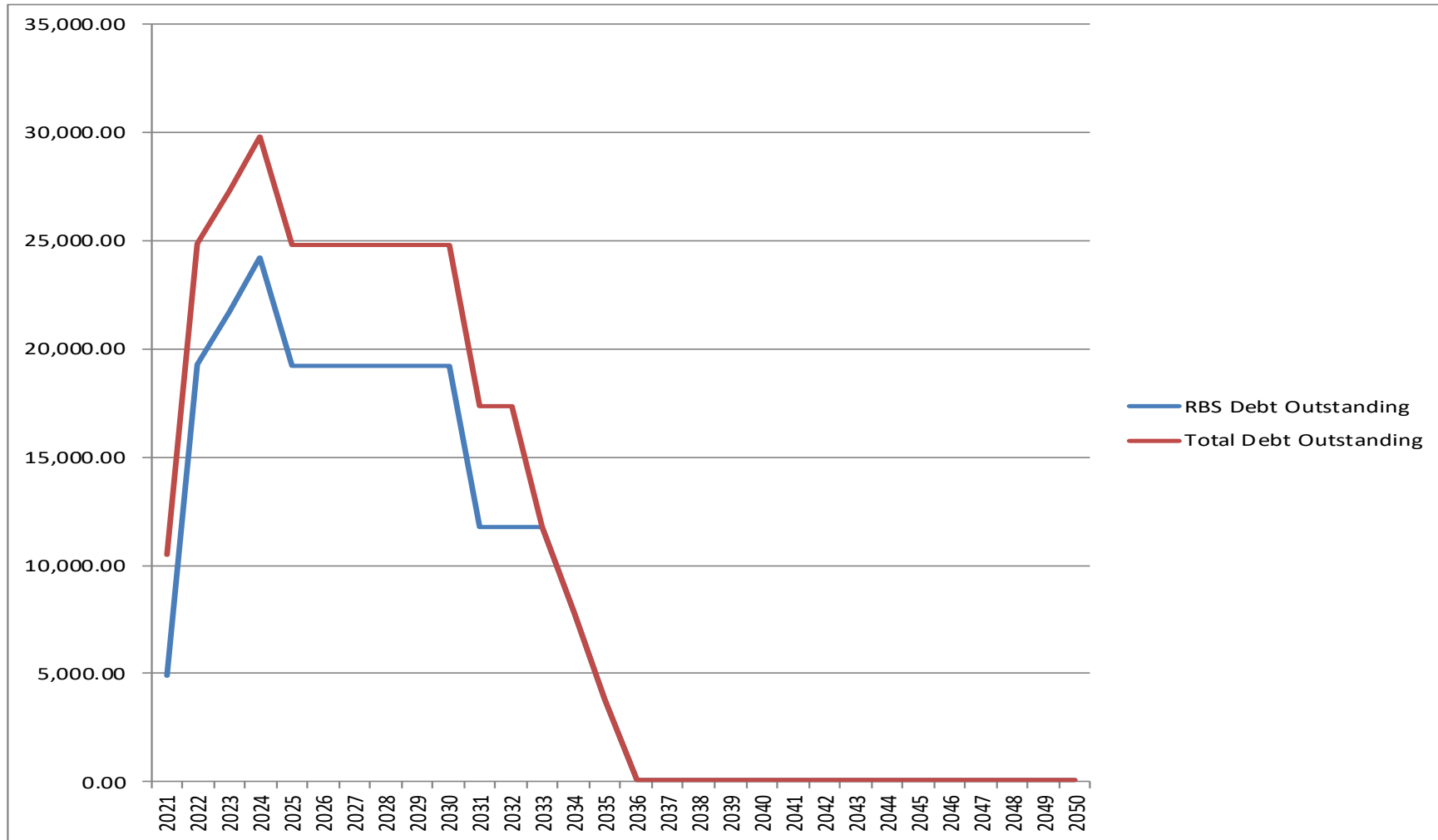
KEY PERFORMANCE INDICATORS TARGETS

APPENDIX 4

KEY PERFORMANCE INDICATOR	2016/17 (Outcomes)	2017/18 (Outcomes)	2018/19 (Outcomes)	2019/20 (Outcomes)	2020/21 (Target)	2021/22 (Target)	2022/23 Target)	2023/24 (Target)
Emergency (4 hour) response repairs completed on target (FES)	88.4%	88.6%	90.84%	96%	95%	95%	95%	95%
Average length of time taken to complete emergency repairs (hours) (ARC)	10.09	8.96	3.43	2.86	4	4	4	4
Routine response repairs completed on target (FES)	97%	97.8%	98.06%	99%	95%	95%	95%	95%
Average length of time taken to completed non-emergency repairs (days) (ARC)	3.86	3.61	2.69	2.57	6	6	6	6
% of jobs offered an appointment (internal non-emergency jobs)	88%	100%	100%	99%	100%	100%	100%	100%
% of jobs appointment kept (ARC)	99.8%	98.4%	99.35%	99%	100%	100%	100%	100%
Right First Time (ARC)	87.1%	90.3%	89.48%	89.49%	95%	95%	95%	95%
Tenant satisfaction with repairs service (regular surveys) (ARC)	83.59%	97.45%	98.38%	99.42%	95%	95%	95%	95%

KEY PERFORMANCE INDICATOR	2016/17 (Outcomes)	2017/18 (Outcomes)	2018/19 (Outcomes)	2019/20 (Outcomes)	2020/21 (Target)	2021/22 (Target)	2022/23 Target)	2023/24 (Target)
Overall satisfaction with HHP's services (T.S.S)	83%	88%	88%	88%	90%	90%	90%	90%
Number of properties completed as % of planned investment programme on time	100%	100%	100%	100%	100%	100%	100%	100%
Scottish Housing Quality Standard Compliance (excluding exemptions and abeyances)	100%	100%	100%	100%	100%	100%	100%	100%
Annual Gas Service Inspection % compliant (ARC)	100%	99.8%	100%	100%	100%	100%	100%	100%
Total current arrears as % of gross debit (ARC/SHBVN)	1.83%	1.7%	1.96%	1.92%	<2.0%	<2.0%	<2.0%	<2.0%
Total current and former tenant arrears as a % of gross debit (ARC)	3.32%	3.15%	3.46%	3.33%	<4%	<4%	<4%	<4%
Rent loss due to voids as % of gross debit (funders valuation/ ARC)	0.85%	1.17%	0.66%	0.63%	<0.8%	<0.8%	<0.8%	<0.8%
% of anti-social behaviour cases resolved in the year	71%	69.4%	82.50%	100%	90%	90%	90%	90%

Appendix 5 - Debt Outstanding



Appendix 6 – 30 YEAR CASHFLOW

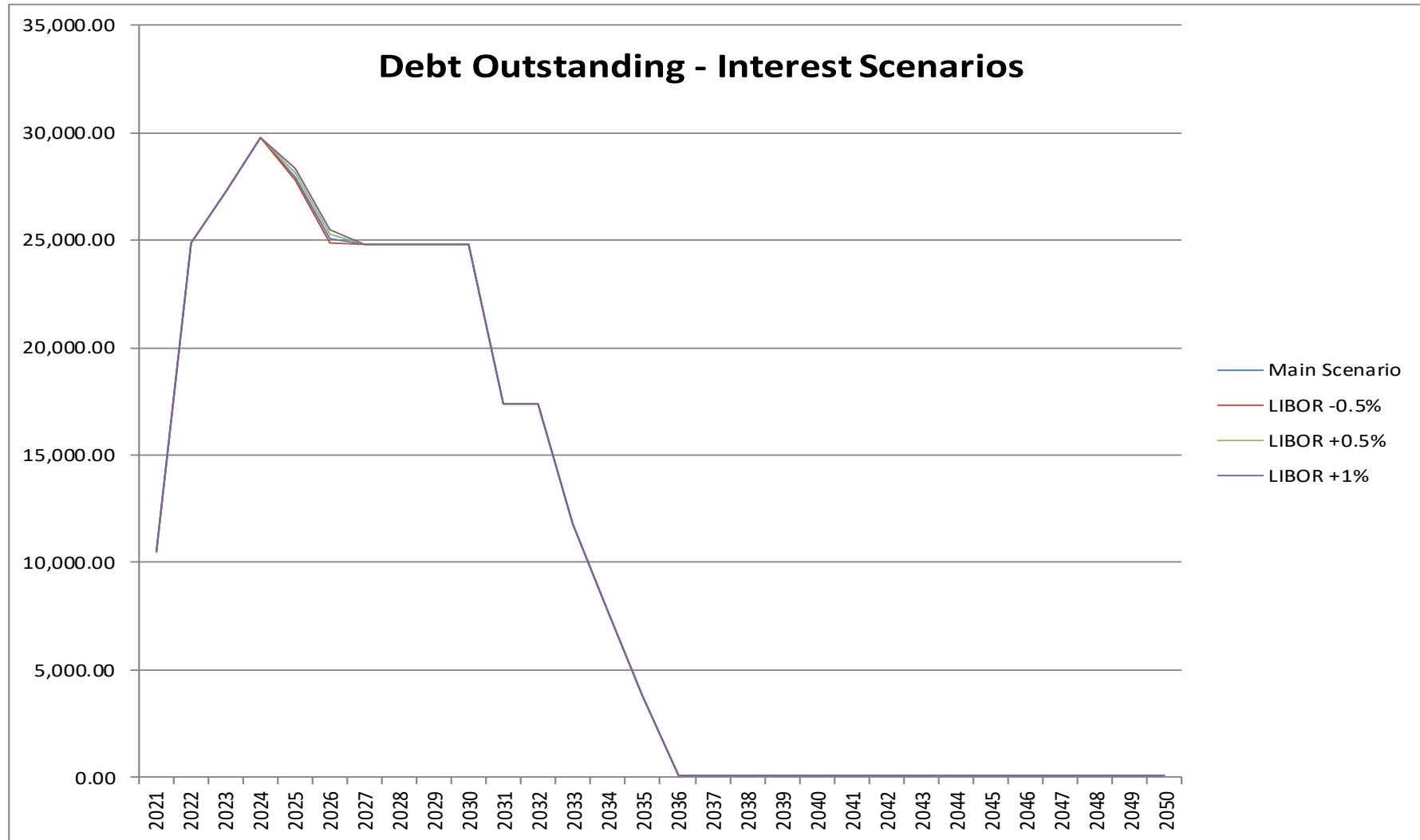
Period: 01 April 2020 - 31 March 2050	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Total Receipts	13,213.80	11,705.00	11,216.40	11,805.40	12,408.40	13,053.00	13,372.60	13,586.80	13,885.90	14,230.10	14,582.80
Total Payments	-9,480.70	-6,737.80	-5,673.80	-5,828.00	-6,096.50	-6,697.70	-6,896.70	-7,118.50	-7,266.10	-7,448.30	-7,635.20
Cash Paid To Employees											
Cash flow from Operating Activities	3,733.10	4,967.20	5,542.60	5,977.30	6,311.80	6,355.40	6,476.00	6,468.30	6,619.80	6,781.80	6,947.70
Provisions for tax											
Surplus for the year	3,733.10	4,967.20	5,542.60	5,977.30	6,311.80	6,355.40	6,476.00	6,468.30	6,619.80	6,781.80	6,947.70
Adjustment for investing or financing activities											
Proceeds from sale of tangible assets											
Government grants utilised in the year											
Interest payable (investments)											
Interest received (investments)											
Corporation Tax											
Total Adjustments for invest or financing activities											
Net cash generated from operating activities	3,733.10	4,967.20	5,542.60	5,977.30	6,311.80	6,355.40	6,476.00	6,468.30	6,619.80	6,781.80	6,947.70
Cash flow from investing activities											
Purchase of tangible fixed assets	-18,688.50	-27,897.30	-11,737.80	-12,527.60	-9,273.40	-2,242.80	-2,293.40	-3,345.30	-2,932.60	-3,444.70	-3,011.00
Proceeds from sale of tangible fixed assets	5	5	60	10	10						
Grants received	12,786.20	8,549.80	5,070.10	5,399.60	5,124.90						
Interest Received (cash)	13.3	12.1	6	6.7	8.7	1	7.2	19.8	31	43	38.7
Total Cash flow from investing activities	-5,884.00	-19,330.40	-6,601.70	-7,111.20	-4,129.80	-2,241.80	-2,286.10	-3,325.50	-2,901.50	-3,401.70	-2,972.30
Cash flow from financing activities											
Interest paid	-562.8	-866.5	-1,149.00	-1,285.20	-1,447.70	-1,212.40	-1,168.50	-1,167.20	-1,167.20	-1,167.20	-978.9
Interest element of finance lease rental payment											
New secured loans		14,395.70	2,400.00	2,500.00							
Capital Repayments					-5,000.00						-7,400.00
Loan Working Capital Movements											
Loan Working Capital Drawdowns					3,175.10	1,203.60					
Loan Working Capital Repayments						-4,104.80	-274				
Capital element of finance lease rental payments											
Withdrawal from deposits											
Total Cash flow from financing activities	-562.8	13,529.10	1,251.00	1,214.80	-3,272.60	-4,113.60	-1,442.50	-1,167.20	-1,167.20	-1,167.20	-8,378.90
Cash & cash equivalents at the beginning of year	4,565.40	1,851.70	1,017.70	1,209.60	1,290.60	200	200	2,947.40	4,923.00	7,474.10	9,687.00
Net Change in Cash & cash equivalents	-2,713.70	-834	192	80.9	-1,090.60	0	2,747.40	1,975.60	2,551.10	2,212.90	-4,403.50
Cash & cash equivalents at the end of year	1,851.70	1,017.70	1,209.60	1,290.60	200	200	2,947.40	4,923.00	7,474.10	9,687.00	5,283.50

Period: 01 April 2020 - 31 March 2050	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Total Receipts	14,984.80	15,315.00	15,694.90	16,084.30	16,527.90	16,892.50	17,311.80	17,741.60	18,231.30	18,633.70
Total Payments	-7,830.30	-8,064.40	-8,224.80	-8,431.50	-8,647.40	-8,860.90	-8,804.50	-8,613.40	-8,819.50	-9,037.40
Cash Paid To Employees										
Cash flow from Operating Activities	7,154.50	7,250.60	7,470.10	7,652.70	7,880.60	8,031.60	8,507.30	9,128.20	9,411.80	9,596.30
Provisions for tax										
Surplus for the year	7,154.50	7,250.60	7,470.10	7,652.70	7,880.60	8,031.60	8,507.30	9,128.20	9,411.80	9,596.30
Adjustment for investing or financing activities										
Proceeds from sale of tangible assets										
Government grants utilised in the year										
Interest payable (investments)										
Interest received (investments)										
Corporation Tax										
Total Adjustments for invest or financing activities										
Net cash generated from operating activities	7,154.50	7,250.60	7,470.10	7,652.70	7,880.60	8,031.60	8,507.30	9,128.20	9,411.80	9,596.30
Cash flow from investing activities										
Purchase of tangible fixed assets	-3,579.40	-5,959.50	-3,887.90	-3,307.90	-4,208.60	-4,041.10	-6,378.40	-6,686.00	-5,982.10	-7,016.20
Proceeds from sale of tangible fixed assets										
Grants received										
Interest Received (cash)	32.7	42.2	13.4	10.3	8.9	17	34	45.6	60.2	75.8
Total Cash flow from investing activities	-3,546.80	-5,917.20	-3,874.50	-3,297.60	-4,199.70	-4,024.10	-6,344.40	-6,640.50	-5,921.90	-6,940.30
Cash flow from financing activities										
Interest paid	-755.2	-755.2	-644.7	-405.2	-144.9	6.7				
Interest element of finance lease rental payment										
New secured loans										
Capital Repayments		-5,583.00	-4,000.00	-4,000.00	-3,708.30					
Loan Working Capital Movements										
Loan Working Capital Drawdowns										
Loan Working Capital Repayments										
Capital element of finance lease rental payments										
Withdrawal from deposits										
Total Cash flow from financing activities	-755.2	-6,338.20	-4,644.70	-4,405.20	-3,853.20	6.7				
Cash & cash equivalents at the beginning of year	5,283.50	8,136.00	3,131.10	2,081.90	2,031.80	1,859.50	5,873.70	8,036.60	10,524.30	14,014.20
Net Change in Cash & cash equivalents	2,852.50	-5,004.90	-1,049.20	-50.1	-172.3	4,014.20	2,162.90	2,487.70	3,489.90	2,656.00
Cash & cash equivalents at the end of year	8,136.00	3,131.10	2,081.90	2,031.80	1,859.50	5,873.70	8,036.60	10,524.30	14,014.20	16,670.20

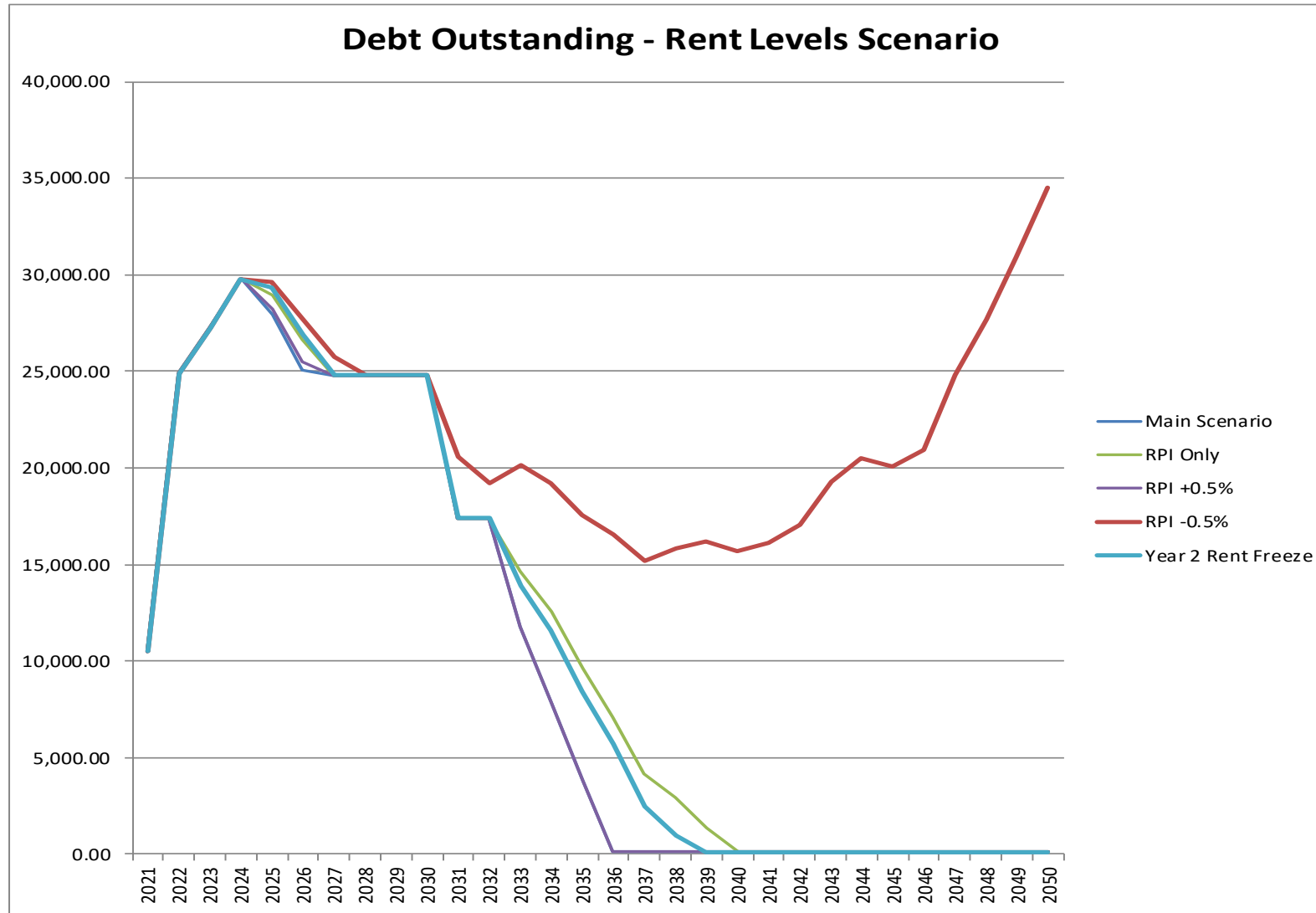
Appendix 6 – 30 YEAR CASHFLOW

Period: 01 April 2020 - 31 March 2050	2042	2043	2044	2045	2046	2047	2048	2049	2050	Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Total Receipts	19,096.50	19,570.90	20,111.50	20,555.60	21,066.50	21,590.20	22,186.90	22,677.10	23,241.00	500,574.00
Total Payments	-9,265.30	-9,551.70	-9,743.40	-9,984.50	-10,293.40	-10,413.40	-10,462.40	-10,581.40	-10,786.20	-253,295.00
Cash Paid To Employees										
Cash flow from Operating Activities	9,831.20	10,019.20	10,368.10	10,571.10	10,773.10	11,176.80	11,724.40	12,095.70	12,454.80	247,279.00
Provisions for tax										
Surplus for the year	9,831.20	10,019.20	10,368.10	10,571.10	10,773.10	11,176.80	11,724.40	12,095.70	12,454.80	247,279.00
Adjustment for investing or financing activities										
Proceeds from sale of tangible assets										
Government grants utilised in the year										
Interest payable (investments)										
Interest received (investments)										
Corporation Tax										
Total Adjustments for invest or financing activities										
Net cash generated from operating activities	9,831.20	10,019.20	10,368.10	10,571.10	10,773.10	11,176.80	11,724.40	12,095.70	12,454.80	247,279.00
Cash flow from investing activities										
Purchase of tangible fixed assets	-7,517.00	-8,867.00	-8,034.70	-6,400.60	-7,841.80	-10,188.90	-9,434.10	-9,771.40	-9,992.70	-226,489.40
Proceeds from sale of tangible fixed assets										90
Grants received										36,930.60
Interest Received (cash)	85.7	96.6	106.2	122.7	141.4	147.3	160.5	173	185.6	1,746.70
Total Cash flow from investing activities	-7,431.30	-8,770.40	-7,928.50	-6,278.00	-7,700.40	-10,041.60	-9,273.60	-9,598.40	-9,807.10	-187,722.20
Cash flow from financing activities										
Interest paid										-14,871.10
Interest element of finance lease rental payment										
New secured loans										19,295.70
Capital Repayments										-29,691.30
Loan Working Capital Movements										
Loan Working Capital Drawdowns										4,378.80
Loan Working Capital Repayments										-4,378.80
Capital element of finance lease rental payments										
Withdrawal from deposits										
Total Cash flow from financing activities										-25,266.80
Cash & cash equivalents at the beginning of year	16,670.20	19,070.10	20,319.00	22,758.60	27,051.70	30,124.40	31,259.60	33,710.50	36,207.70	4,565.40
Net Change in Cash & cash equivalents	2,400.00	1,248.90	2,439.60	4,293.10	3,072.70	1,135.20	2,450.90	2,497.20	2,647.70	34,290.00
Cash & cash equivalents at the end of year	19,070.10	20,319.00	22,758.60	27,051.70	30,124.40	31,259.60	33,710.50	36,207.70	38,855.40	38,855.40

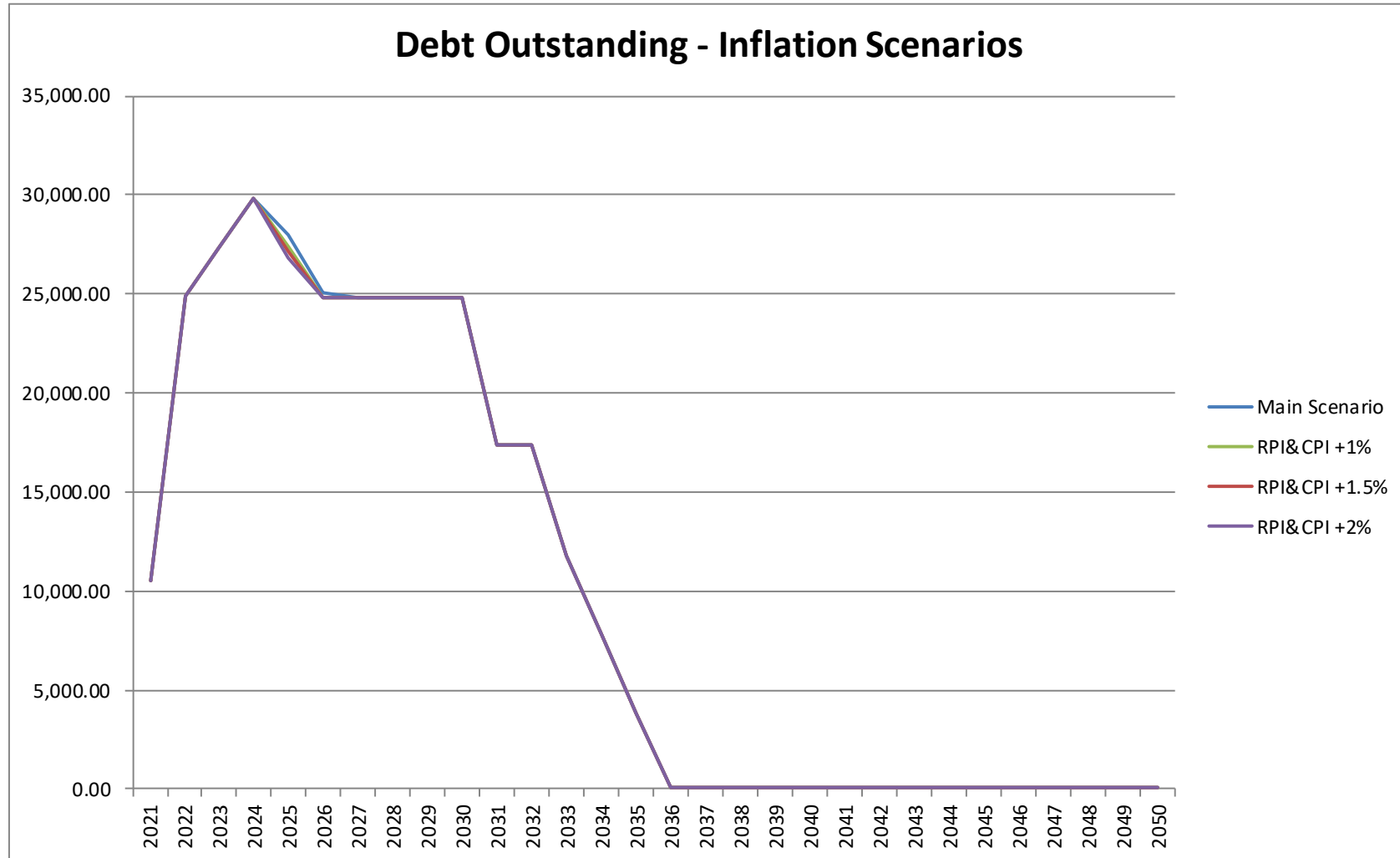
Appendix 7 – Stress Testing



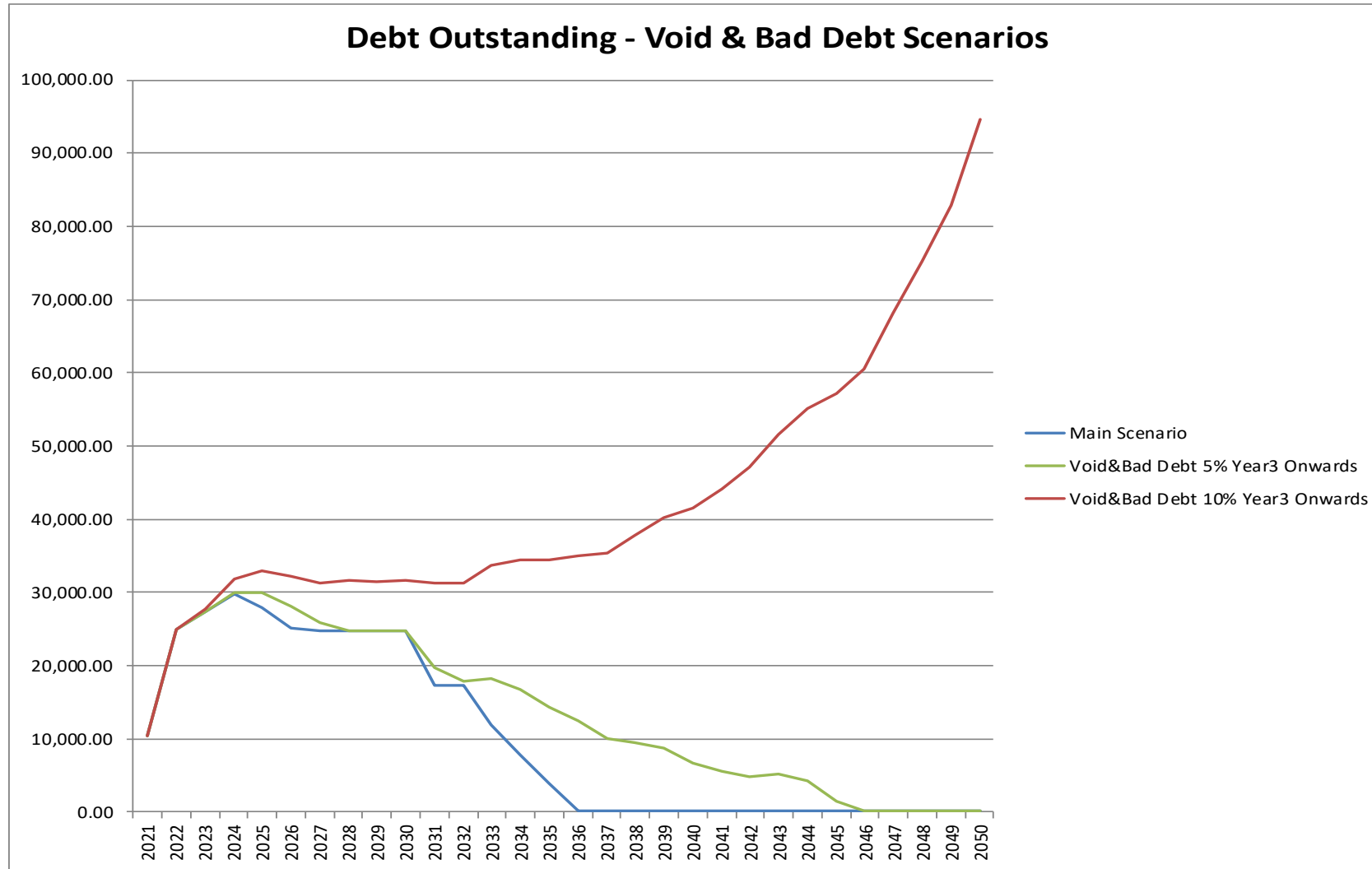
Appendix 7 – Stress Testing



Appendix 7 – Stress Testing



Appendix 7 – Stress Testing



RISK REGISTER

APPENDIX 8

No	Priority	Risk	Grs L'hd (1-5)	Grs Imp (1-5)	Grs Risk Toft	Managed by (key systems / processes):	Net L'hd (1-5)	Net Imp (1-5)	Net Risk Toft	Summary/Action Required	Type	Link to Strategic	Lead Officer
1	1	Coronavirus	5	5	25	Following Government advice as it is issued	5	4	20	Executive Team monitoring and implementing advice as issued by Government & EVH. Weekly monitoring of cashflow and Business Plan targets. Engagement with tenants in terms of protecting income and identifying and assisting vulnerable tenants including delivery of food parcels and fuel vouchers. Anti virus being updated to Sentinel One to provide real time system monitors/updates. Arrangements in place with contractors to enable works to be carried out subject to appropriate COVID-19 safeguards being in place.	Operational	1,2,3,4	Chief Executive
2	1	Climate Change	5	5	25	Asset management Strategy. Environmental Policy to be developed. Climate Change Policy. CPP working Group.	5	4	20	Replacement of inefficient heating systems. Maximise insulation in homes. Signing up to the proposed new Climate Change Working Group from CPP. Asset Management Strategy location of stock against rising sea levels.	Strategic	2	Chief Executive
3	1	Changing demographics and reducing population	5	4	20	Contribution to Local Housing Strategy. Contribution at CPP / Asset Management Strategy	5	4	20	Housing to be included on agenda at CPP. Note: it is estimated that the population of Scotland will rise to 5.69 million by 2041 and the number of people aged 65 and over will increase by 59%. Housing Strategy co-ordinated with others via CPP. Prioritising key workers. Discussions to take place with the Social Care Team about vulnerable tenants.	Strategic	4, 2 & 1	Chief Executive
4	1	Not having a competitive contractor market	5	4	20	Consider using contractor designs for builds / Utilise Procurement Frameworks	5	4	20	Explore alternative options for new builds.	Strategic	1, 2 & 4	Director of Operations
5	2	BREXIT Considerations	5	4	20	Brexit action plan - HIE	5	3	15		Strategic	1, 2, 3 & 4	Chief Executive

RISK REGISTER

No	Priority	Risk	Grs L'hd (1-5)	Grs Imp (1-5)	Grs Risk Totl	Managed by (key systems / processes):	Net L'hd (1-5)	Net Imp (1-5)	Net Risk Totl	Summary/Action Required	Type	Link to Strategic	Lead Officer
6	3	Failure of a major contractor	5	4	20	Health Checks, monitoring of contractor's behaviour.	4	3	12	It is policy not to forward pay, and we pay within our payment terms. Ensure Contractors Indemnity insurance is sufficient and valid. There is a risk of building contractors downsizing which could result in there not being enough staff to fulfil contracts. Mainland contractors would need to be used which may result in increased costs. We monitor the ongoing situation with COVID19 and the impact this has on our supply chain. It is anticipated this will be mitigated through Government assistance	Operational	1 & 2	Director of Operations
7	3	Governance - recruitment and retention of Board Members	5	4	20	Change rules in place for recruiting Board Members.	3	4	12	Standing Orders approved June 2020. Recruitment of new Members/Board Members remains a priority. Adoption of updated Model Rules will also be considered later in the year.	Strategic	1,2,3 & 4	Head of Executive Office
8	3	Impact of poor Inter Island Transport link on service delivery	4	3	12	Repairs Framework Review for providing service to Southern Isles	4	3	12	Repairs and Maintenance Contract.	Operational/Strategic	1 & 4	Director of Operations
9	4	Income - loss of cash to HHP a) Rental Income b) Voids	4	3	12	Interaction with Housing Officers and tenants. Partnership with DWP. Re-provisioning of stock on long term voids. Annual review of supply\demand and trends.	4	3	12	Regular liaison meetings with DWP and other agencies to ensure continued support for tenants on UC and other benefits. Collecting data to ascertain tenants circumstances they are facing, which will in turn inform action and responses that HHP need to take.	Financial	1	Area Manager (Lewis) & Area Manager (Uist)
10	4	I.T systems not being fit for purpose. Ability to keep up to date with changes in technology whilst ensuring data security & integrity	4	3	12	I.T Strategy Survey of tenants to assess access & needs.	3	3	9	I.T Strategy. See separate IT Risk Register.	Operational	1	Corporate Resources Manager

RISK REGISTER

No	Priority	Risk	Grs L'hd (1-5)	Grs Imp (1-5)	Grs Risk Totl	Managed by (key systems / processes):	Net L'hd (1-5)	Net Imp (1-5)	Net Risk Totl	Summary/Action Required	Type	Link to Strategic	Lead Officer
11	4	Business Continuity Plan not sufficiently robust	3	5	15	Testing of key aspects of the plan on an annual basis	3	3	9	Processes and procedures to be updated following implementation of IT and Finance system upgrades. Development of alternative emergency power supply solution being investigated. Development of new mobile and remote working protocols to allow work to be performed from an alternative location.	Operational	3	Corporate Resources Manager
12	4	Loss of key staff	3	5	15	Staff retention strategy. Staff training/job sharing. Succession planning.	3	3	9	List top 5 processes for each department carried out by one individual & put back up process support in place. Operation team processes have been mapped and not specifically dependant on one individual.	Operational	3	Chief Executive
13	4	Fraud	3	4	12	Fraud and Whistle Blowing Policy	3	3	9	Segregate duties so no one individual has too much control. Internal Audit being commissioned onsite.	Operational	1, 2 & 3	Director of Finance & Corporate Services
14	5	Cost of borrowing increases or valuation reduces	3	3	9	Continual cash flow forecasting. Current facility 1/3 fixed rate.	3	2	6	Borrowing facility in place with spread of fixed and variable loans in place to diversity risk. Potential re-financial required in 2020/21.	Financial	1 & 4	Financial & Business Services Manager
15	5	Affordability for Tenants a) Local Economy b) Rent c) Fuel Poverty	4	2	6	Survey on affordability. Benchmark rent levels. Removing storage heating systems from properties. Participating in the HEEHAW Group. Monitor arrears levels and trends.	4	2	6	Track arrears levels. Survey tenants views on affordability at SCS in 2022 and Tenant survey 2021. Continue to improve heating and insulation. Collecting data to ascertain tenants circumstances they are facing, which will in turn inform action and responses that HHP need to take.	Operational	1 & 2	Director of Operations

RISK REGISTER

No	Priority	Risk	Grs L'hd (1-5)	Grs Imp (1-5)	Grs Risk Totl	Managed by (key systems / processes):	Net L'hd (1-5)	Net Imp (1-5)	Net Risk Totl	Summary/Action Required	Type	Link to Strategical	Lead Officer
16	6	Cost of Legislative Changes and impact of service delivery	5	3	15	Asset Management Strategy. Stock Condition Database	5	1	5	Accommodated within the 5 year Investment Programme.	Operational	1, 2 & 3	Asset and Contract Manager
17	6	Financial Rating of Funder doesn't comply with Treasury Management Policy	2	5	10	Regular review and advice from Treasury Consultant	1	5	5	Reviewed as part of the Annual Financial Strategy and review of Treasury Management Policy	Strategic	1, 2 & 3	Director of Finance & Corporate Services
18	7	Impact of Social Media a) reputation b) resources Negative Stakeholder Relations	3	3	9	Area Managers	2	2	4	Report on key measures to be developed.	Operational	1,3 & 4	Head of Executive Office
19	7	Serious Breach of Health and Safety	3	5	15	Health and Safety group in place. Annual audit in place. Agenda item for every Board meeting. Comprehensive risk assessment and staff awareness system in place	2	2	4	Regular Training and audit of Health and Safety. ACS now provide an advisory role to HHP, along with their Landlord Safety Manual to ensure compliance. Staff training has taken place. New policies for Legionella, Asbestos, Fire Safety and Electrical Safety were approved at May 2019 Board. Re-engagement Plan has been issued to all staff and tested to protect staff and tenants as we come out of lockdown.	Operational	1, 2 & 3	Chief Executive
20	8	Development - Increased programme putting pressure on our staff, resources and finance	1	5	5	Contractor engagement, staff resources, procurement methods, joint working with the Comhairle and Scottish Government	1	3	3	Meeting with the Comhairle regularly and with contractors and funders. Deploying additional consultants and reviewing our Procurement methods. Appointment of Development Manager and Fixed Asset Accountant. See Appendix 2 for information on Goathill Project Risk Register.	Operational	2 & 3	Director of Operations

RISK REGISTER

No	Priority	Risk	Grs L'hd (1-5)	Grs Imp (1-5)	Grs Risk Tofl	Managed by (key systems / processes):	Net L'hd (1-5)	Net Imp (1-5)	Net Risk Tofl	Summary/Action Required	Type	Link to Strategical	Lead Officer
21		Extra Care Housing (Goathill)				Goathill Project Risk Register				As outlined in Goathill Project Risk Register	Strategic	1, 2 & 4	Director of Operations



hebridean housing
partnership



► 2020/21 Risk Appetite Statement

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Risk Appetite Statement

Risk Appetite

- 1.1 Risk Appetite can be defined as “*the amount and type of risk that an organisation is willing to take in order to meet their strategic objectives*”. The Risk Appetite sets a clear strategic direction and sets tolerances around controls.
- 1.2 Each year the Board agrees the level of risk appetite. Good practice states that once the Risk Appetite has been agreed the Board should prepare a Risk Appetite statement which is communicated to all employees.
- 1.3 On 13 February 2019 the Board agreed four strategic goals to be achieved over the next five years. At the meeting it was agreed the Risk Appetite for 2019 would be aligned to the new strategic goals.

Strategic Goals

- 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 well being of communities throughout the Outer Hebrides

- 1.4 The Board adopted the Risk Appetite on 20 March 2019. In setting the Risk Appetite the Board took account the revised risk register, the impact on services delivery of BREXIT, digital age and changing population demographics. On 11 March 2020 the Board met to review and update the Risk Appetite and it will be adopted by the Board on 18 March 2020.
- 1.5 The Board agreed to use the definitions below for setting the Risk Appetite:

RISK LEVEL		DEFINITION
1	No appetite	Avoid all risk in this area at all
2	Low	Activities will only be taken where they have a low degree of inherent risk
3	Cautious	Willing to accept/tolerate where we have identified scope to achieve significant reward
4	Open	Willing to consider all potential options and choose the one most likely to result in successful delivery, while also providing an acceptable degree of reward and value for money
5	Hungry	Eager to be innovative and choose activities that focus on maximizing opportunities (additional benefits and goals) and offering potentially very high reward, even if these activities carry a greater inherent risk

- 1.6 A summary of the risk appetite for each are is shown in the Table below with more detail provided on the following pages

Strategic Goal		Risk Level				
		No Appetite	Low	Cautious	Open	Hungry
1-Placing tenants at the centre of everything we do	Rent affordability					
	Funding					
	Reputation					
2-Investing in an environmentally sustainable way in tenants' homes	New Build programme					
	Investment Programme					
3-Being a good employer that attracts and retains high quality staff	Succession Planning					
	Flexible working					
4-Working with partners to contribute to the wellbeing of communities throughout the Outer Hebrides	Work with CPP on population retention					
	Care agenda					

Strategic Goal 1-Placing Tenants at the Centre

RENT AFFORDABILITY

The risk that rent levels assumed in the long term business plan are not affordable for tenants jeopardizing the organisation's ability to deliver planned investment and new build programme.

Our appetite for Rent Affordability is LOW

We will exercise prudent stewardship over its financial resources in fulfilment of its vision. The Partnership will maintain strong internal controls and ensure compliance with applicable regulatory and accounting standards. We will assume rent increases of no more than RPI +1% over the life of the 30 Year Business Plan, with scope to increase the assumptions in the Plan where investment opportunities deliver savings to tenants. We will develop measures for affordability for use in the 30 Year Business Plan. We aim to maintain its long term financial viability and its overall financial strength.

FUNDING

We aim to deliver our Strategic Objectives by maintaining our long term financial viability and our overall financial strength and will put funding arrangements in place to minimize the risk of damaging our financial viability.

Our appetite for Funding is CAUTIOUS

We adopt a cautious approach to funding. We will ensure any borrowing is affordable, sustainable and that prudent consideration will be given to the management of interest rate risk and refinancing risk. The Partnership will have an open approach towards the source and type of finance required to deliver its Strategic Objectives whilst meeting its financial covenants.

We will be open to a modest degree of risk. It will ensure that priority is given to security and liquidity when investing funds before seeking to optimise yield. The use of different investment instruments and diversification of high quality credit providers as set out in the Treasury Management Policy, enables us to control the nature and extent of the different risks. The Board are happy to borrow in accordance with our existing funding agreement ensuring we continue to have 115% cover on borrowings and that borrowing is sustainable over the 30 Year Business Plan.

REPUTATION

We aim to deliver our Strategic Objectives by maintaining a reputation as an organisation that delivers on its promises and demonstrates its core value in every area of service delivery.

Our appetite for Reputation is LOW

We adopt a low risk approach to our reputation and will ensure the way we conduct ourselves whilst delivering our service throughout the islands does not damage our reputation.

Where there is negative reports in the media we will take immediate action to correct

- a) mis-informaiton
- b) a failure of service delivery

We will actively promote positive news stories about the organisation.

Strategic Goal 2-Investing in properties

NEW BUILD

We aim to provide affordable and warm homes in places where people want to live.

The Partnership's appetite for New Build is CAUTIOUS

As the only delivery agent for the Comhairle's social housing programme the risk of getting the programme wrong is significant. We will aim to manage its risk in relation to development of new build by:

- 1) Identifying areas to build new homes that provide opportunities to live and work;
- 2) Working in partnership with HIE to maximise these opportunities;
- 3) Exploring alternative ways to build new homes with smaller local contractors in the rural areas;
- 4) Exploring alternative construction methods;
- 5) Future proofing our house designs e.g. Broad band, electric cars, smart homes (Always on); and
- 6) Collate housing demand surveys.

INVESTMENT

We aim to invest in our housing stock to ensure all homes meet the SHSQ and EESSH. We will encourage innovation and are prepared to accept a cautious approach to risk in the delivery of the Investment Plan.

The Partnership's appetite for Investment is CAUTIOUS

We are prepared to take risks on innovation and new technologies where these help to reduce fuel poverty and quality of life for tenants. Particular emphasis will be placed on the use of technologies which offer significant improvements in the life cycle costs and long term sustainability of homes.

There is a willingness to replace investment which contributes to the wider sustainability agenda e.g. e-car provision.

There is a willingness to examine new materials and to look at alternatives to plastic in particular.

We will involve customers in exploring new ideas and technologies.

Strategic Goal 3- Being a good employer

To deliver our Strategic Goals it is essential we are a good employer that not only attracts but retains high quality staff, a robust succession plan will mitigate the risk of having long periods where there are skill gaps.

The Partnership's appetite for succession planning is LOW but our appetite for flexible working is OPEN

We will limit our exposure to operating with skills gaps which may impact on governance, financial viability or performance through our Succession Plan. The Succession Plan will be directly linked to our Training Plan.

The trend in work environments is to move away from the traditional 9 to 5, Monday to Friday contracts to flexible contracts which bring benefits to staff without impacting on the quality of service delivery. To ensure we do not lose good quality staff who may be looking for flexible working, we will develop and implement a revised Flexible Working Policy which includes the option to work from home.

Strategic Goal 4- Working with partners

We aim to work with our partners to contribute to the wellbeing of our communities throughout the Outer Hebrides.

Our appetite for working with CPP on population retention is HIGH and on the Care Agenda is OPEN

The Outer Hebrides is at a critical juncture where it has never been more important for all organisations, public and private to work together to ensure the long term future of key services on the islands. Changing demographics and reducing population impact every organisation in the Outer Hebrides including HHP. We are committed to working with our partners on initiatives to stem population decline and changing demographics as far as we are able to within our Rules and Regulatory requirements

ANNUAL ASSURANCE STATEMENT

Board 26 August 2020

Report by Head of Executive Office

Purpose of Report

- 1.1 The purpose of this report is to present our Annual Assurance Statement to the Board for consideration and approval prior to submission to the Scottish Housing Regulator, subject to any further guidance from the Regulator following their current consultation on the Regulatory Framework.

Summary

- 2.1 We are obliged to comply with the regulatory requirements of the Scottish Housing Regulator (SHR). The Board must be satisfied that the Partnership is compliant with all requirements detailed in section 9.1 of this report, and prepare an Annual Assurance Statement confirming this, which is submitted to SHR.
- 2.2 The completed Annual Assurance Statement for 2020 is at Appendix 1 with an evidence checklist at Appendix 2; this confirms that we do comply with all our regulatory requirements.
- 2.3 The Annual Assurance Statement must be signed off by the Board prior to submission no later than 31 October each year.
- 2.4 To date, there has been no amendment to this process or timescale from the SHR to take account of COVID-19, although this is the subject of a live consultation on the Regulatory Framework being undertaken by SHR, on which we await feedback.

Competence

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

Recommendations

- 4.1 **It is recommended that the Board consider and approve the:**
 - a) **Annual Assurance Statement at Appendix 1, subject to any significant update from the Scottish Housing Regulator; and**
 - b) **Annual Assurance Statement – Evidence Checklist at Appendix 2.**

Competence

Financial

- 5.1 There are no financial constraints to the recommendation in this report being implemented.

Legal

- 6.1 There is a legal and regulatory requirement to ensure that the Annual Assurance Statement is prepared and submitted by 31 October each year.

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 submitting the Annual Assurance Statement will lead to the Partnership being in breach of regulatory requirements and have a negative effect on its risk rating and regulatory engagement.

APPENDIX1:	Annual Assurance Statement
APPENDIX 2:	Annual Assurance Statement – Evidence Checklist
Background Papers:	Scottish Housing Regulator's "Regulatory Framework" (February 2019) SFHA Social Landlord Self-Assurance Toolkit (July 2019)
Writer of Report:	Jonathan Fairgrieve Tel: 0300 123 0773

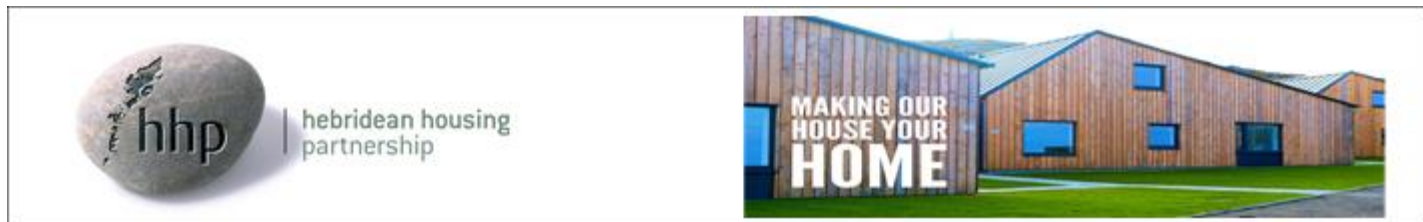
Report Details

Background

- 9.1 In February 2019, the Scottish Housing Regulator (SHR) published an updated Regulatory Framework. One of the requirements of the Regulatory Framework is that we must produce an Annual Assurance Statement stating we either comply with:
- all relevant regulatory requirements set out in Chapter 3 of the Regulatory framework;
 - all relevant standards and outcomes in the Scottish Social Housing Charter (ARC);
 - all relevant legislative duties; and
 - the Standards of Governance and Financial Management;
- or, highlight any areas of non-compliance and how we will address these.
- 9.2 SFHA published a Social Landlord Self-Assurance Toolkit in July 2019 giving guidance to landlords on how to produce their Annual Assurance Statement.
- 9.3 2019 was the first year that we had to submit an Annual Assurance Statement. As part of this process, a meeting was convened to take the Board through each piece of evidence and allow any questions to be asked of Officers prior to the statement being completed and approved.
- 9.4 The SHR are currently consulting on proposed changes to the Regulatory Framework, including the submission of the Annual Assurance Statements, and the publication of advisory guidance to assist RSLs to adapt their approach to the submission of the Annual Assurance Statement, specifically in respect of issues related to COVID-19.

Process

- 10.1 Using the SHR's existing Statutory Guidance and the SFHA Self-Assurance Toolkit, a checklist has been produced to ensure all regulatory requirements are being complied with and outlining the evidence to confirm this. The checklist is at Appendix 2.
- 10.2 If, as a result of the SHR consultation, there are any significant amendments required to the Annual Assurance Statement or checklist, we will present these to the Board with the relevant updates prior to submission.



Our Annual Assurance Statement

We, Hebridean Housing Partnership, comply with the regulatory requirements set out at Chapter 3 of the Scottish Housing Regulator's Regulatory Framework. This includes that we comply with:

- ✓ all the standards and outcomes in the Scottish Social Housing Charter for tenants, people who are homeless and others who use our services;
- ✓ our legal obligations relating to housing and homelessness, equality and human rights, and tenant and resident safety; and
- ✓ the Standards of Governance and Financial Management for RSLs.

We confirm that we have seen and considered sufficient evidence to give us this assurance.

We will continue to monitor the effect COVID-19 will have on our level assurance. If our level of assurance changes, we shall notify the Scottish Housing Regulator immediately.

We approved our Annual Assurance Statement at the meeting of our Board on 26 August 2020.

I sign this statement on behalf of the Board.

Chair's signature:

Date:



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

Email: info@hebrideanhousing.co.uk

Web: www.hebrideanhousing.co.uk

Phone: 0300 123 0773

ANNUAL ASSURANCE STATEMENT - CHECKLIST		
Assurance & Notification (AN)		
Reference	Item	Evidence
AN1	Prepare an Annual Assurance Statement in accordance with SHR published guidance, submit it to SHR between April and the end of October each year, and make it available to tenants and other service users.	Annual Assurance Statement 2020 is being considered on 26 August 2020.
AN2	Notify us (SHR) during the year of any material changes to the assurance in its Annual Assurance Statement.	Regulatory Standards compliance forms are completed for all Board Reports.
AN3	Each landlord must have assurance and evidence that it is meeting all of its legal obligations associated with housing and homelessness services, equality and human rights, and tenant and resident safety.	Allocations Policy is reviewed regularly and approved by the Board before implementation. Allocation Policy consultation with tenants and Housing Management Working Group taking views of current and future tenants into account. Estate Management Policy covers Anti-Social Behaviour. Recovery of Sundry Debts Policy. Debt Management Report is a standing item on the Board agenda. Tenancy Agreement is in line with the Housing Scotland Act 2001 and 2014 and outlines organisational policy on abandonment. Homelessness Performance is reported to Board in Annual Allocations Report with allocation quotas being reviewed annually. Applicants, Board Members and staff complete equal opportunities forms annually. Equality & Diversity Impact Assessments completed for all new policies. Equal Opportuntites Policy. Landlord Health and Safety Policies have been approved by the Board and are reviewed regularly. Landlord Health and Safety Audit carried out in 2018, Gas Audits carried out annually. Internal Audits are carried out regularly and reported to the Audit & Risk Committee. An Internal Audit Progress Report is a standing item on the Audit & Risk Agenda showing progress on action points from internal audits.
AN4	Notify SHR of any tenant and resident safety matters which have been reported to, or are being investigated by the Health and Safety Executive, or reports from regulatory or statutory authorities, or insurance providers, relating to safety concerns.	Notifiable Events Register is a standing item on Board Agenda and removed if there is nothing to report. Landlords Health & Safety Audit and Office Health & Safety Audit. Stock Condition Survey carried out in January 2018.
AN5	Each landlord must make its Engagement Plan easily available and accessible to its tenants and service users, including online.	2019/20 Engagement Plan on our website and available in our offices. Engagement Plans for 2020/21 are the subject of a current consultation and SHR are proposing not updating these until March 2021.

ANNUAL ASSURANCE STATEMENT - CHECKLIST		
Scottish Social Housing Charter Performance (CH)		
Reference	Item	Evidence
CH1	Submit an Annual Return on the Charter (ARC) to SHR each year in accordance with our published guidance.	ARC submission on 25 May 2020. ARC submitted in accordance with existing timescales notwithstanding an extension was provided for all RSLs ARC reported to Board for approval on annual basis prior to submission. Response to ARC queries by regulator recorded. External Validation in 2015/16 and 2016/17. Data Dictionaries produced to sense check data. Business Plan goals in line with KPI's and Engagement Plan.
CH2	Each landlord must involve tenants, and where relevant, other service users, in the preparation and scrutiny of performance information. It must: • agree its approach with tenants • ensure that it is effective and meaningful – that the chosen approach gives tenants a real and demonstrable say in the assessment of performance • publicise the approach to tenants • ensure that it can be verified and be able to show the agreed approach to involving tenants has happened • involve other service users in an appropriate way, having asked and had regard to their needs and wishes.	Consultation with tenants and forum members prior to the Tenant Report being completed. TPAS Officer promotes the Tenant Report and a copy is distributed to all tenants and placed onto our website. Repairs Scrutiny Panels Tenant Participation Strategy consulted with Tenants when reviewing.
CH3	Each landlord must report its performance in achieving or progressing towards the Charter outcomes and standards to its tenants and other service users (no later than October each year). It must agree the format of performance reporting with tenants, ensuring that it is accessible for tenants and other service users, with plain and jargon-free language.	Tenant Report on performance sent out by 31 October each year giving the opportunity for tenants to feedback on performance. Report is available on our website and at the Partnership's offices and sent to all tenants. The report is produce in plain and jargon-free language.
CH4	When reporting its performance to tenants and other service users each landlord must: • provide them with an assessment of performance in delivering each of the Charter outcomes and standards which are relevant to the landlord • include relevant comparisons – these should include comparisons with previous years, with other landlords and with national performance • set out how and when the landlord intends to address areas for improvement • give tenants and other service users a way to feed back their views on the style and form of the reporting.	Tenant Report on performance sent out by 31 October each year giving the opportunity for tenants to feedback on performance. Report is also placed onto our website as well as at the Partnership's offices and sent out to all tenants. Benchmarking comparisons with other landlords and Scottish averages are included along with a comparison to our previous years performance.
CH5	Each landlord must make the SHR report on its performance easily available to its tenants, including online.	Available on our website.

ANNUAL ASSURANCE STATEMENT - CHECKLIST		
Tenant and Service User Redress (TS)		
Reference	Item	Evidence
TS1	Each landlord must make information on reporting significant performance failures, including SHR leaflet, available to its tenants.	Leaflet and form for reporting significant performance failures available in the office and on our website.
TS2	Provide tenants and other service users with the information they need to exercise their right to complain and seek redress, and respond to tenants within the timescales outlined in its service standards, in accordance with guidance from the Scottish Public Services Ombudsman (SPSO).	Comments, Compliments and Complaints Policy available on our website and to view at our Partnership offices. Performance on complaints reported in ARC and quarterly performance report. Each complaints response has details on how to escalate complaints to SPSO.
TS3	Each landlord must ensure it has effective arrangements to learn from complaints and from other tenant and service user feedback, in accordance with SPSO guidance.	Complaints Process in place as well as Comments, Compliments and Complaints Policy created and reviewed in line with SPSO guidance. Performance on complaints is reported in quarterly Performance Report Complaints Report to Board on a bi-annual basis

ANNUAL ASSURANCE STATEMENT - CHECKLIST		
Whistleblowing (WB)		
Reference	Item	Evidence
WB1	Each landlord must have effective arrangements and a policy for whistleblowing by staff and governing body/committee members which it makes easily available and which it promotes.	Whistleblowing Policy in place which is reviewed regularly. This policy is on our intranet, internet and available through a shared folder. The policy is reviewed on a regular basis in line with our policy review schedule.

ANNUAL ASSURANCE STATEMENT - CHECKLIST		
Equality and Human Rights (EH)		
Reference	Item	Evidence
EH1	Each landlord must have assurance and evidence that it considers equality and human rights issues properly when making all of its decisions, in the design and review of internal and external policies, and in its day-to-day service delivery.	Equal Opportunities Policy in place. Section in Asset Management Strategy on Adaptations. Recruitment Policy in place and reviewed on a regular basis to ensure equal opportunities are complied with. Equal Opportunities forms completed annually. Estate Management Policy includes Section on Anti Social Behaviour. Equality and Diversity Impact Assessment Forms are completed for every policy when reviewed. Interpreting Service available, (Language line). Policies available in alternative formats/language, if required Training Plan for Staff and Board Members Speak Out Training held for all staff.
EH2	To comply with these duties, landlords must collect data relating to each of the protected characteristics for their existing tenants, new tenants, people on waiting lists, governing body members and staff. Local authorities must also collect data on protected characteristics for people who apply to them as homeless. Landlords who provide gypsy/traveller sites must collect data on protected characteristics for these service users.	Pending further guidance being issued, compliance with this requirement will not be measured by the SHR until April 2021. In the meantime, it is recommended that landlords continue to collect the equalities data that was previously submitted in the Annual Return on the Charter (ARC) – i.e. Ethnic origins and disability details of service users, staff and governing body/committee members.

ANNUAL ASSURANCE STATEMENT - CHECKLIST		
Statutory Guidance (SG)		
Reference	Item	Evidence
SG1	Comply with, and submit information to SHR in accordance with, our guidance on notifiable events (NE)	Notifiable Events Register kept up to date with reported events. Notifiable Events report is a standing item on the Board agenda and removed if there is nothing to report. Standing Orders Scheme of Delegation specifies responsibilities. Processes and procedures ensure all notifications have been made. Notifiable Events Training.
SG2	Comply with, and submit information to SHR in accordance with our guidance on group structures This only applies to RSLs which are members of a group structure	We have a dormant subsidiary, HHP Community Housing Ltd, with the annual accounts filed on the SHR portal. These are reviewed by an External Auditor annually.
SG3	Comply with, and submit information to SHR in accordance with, our guidance on consulting tenants where tenant consent is required. This applies only where a RSL is intending to either: dispose of tenanted properties by sale or transfer; or become a subsidiary of another organisation; or is intending to convert from being a company to become a registered society; or is likely to be restructured as a result of the actions of creditors; or intends to be dissolved or wound up voluntarily	N/A
SG4	Comply with, and submit information to SHR in accordance with, our guidance on financial viability of RSLs: information requirements.	Five Year Financial Plans submitted to SHR once reported to Board, audited accounts also submitted once signed by Chair, Vice Chair and Company Secretary and verified by external auditor. External Auditor's Management Letter is signed by chair and submitted to SHR. 30 Year Cash flow and Business Plan
SG5	Comply with, and submit information to SHR in accordance with, our guidance on determination of accounting requirements	Financial Statements, produced in line with SHR requirements are reported to Board and signed by Chair, Vice Chair and Company Secretary and prior to submission to SHR. Monthly COVID-19 returns being submitted to SHR, including all required financial data. Management Letter is also submitted to SHR once reported to Board and signed off. We have processes in place to ensure we have updated guidance and that it is distributed to the relevant staff.
SG6	Comply with, and submit information to SHR in accordance with, our guidance on preparation of financial statements.	All required information uploaded onto SHR portal once Board approve. External Auditor reports. AGM Minute. We have processes in place to ensure we have updated guidance and that it is distributed to the relevant staff.

ANNUAL ASSURANCE STATEMENT - CHECKLIST		
Organisation Details and Constitution (OC)		
Reference	Item	Evidence
OC1	Make publicly available, including online, up-to-date details of: - who is on its governing body - the date when they first became a member/office holder - how to become a member of the RSL and of the governing body, and - minutes of governing body meetings.	Governing Body details available on website and SHR portal and updated timeously. Approved minutes of governing body meetings published on website in public papers. How to become a member leaflet available on website. How to become a member of governing body available on website. Membership register available to view at Partnership's offices (this included dates of commencement).
OC2	Keep up-to-date organisational details in the Register of Social Landlords, by maintaining the information provided through the Landlord Portal.	Updated by Governance Officer/Executive Office within 5 days of change
OC3	The constitution of the RSL must comply with all legislative requirements under the 2010 Act and the SHR Constitutional Standards	Rules - consultation with members prior to rule change Legal advice sought prior to any Rule change Governing body (SGM) Minutes of approval of amendments to Rules and Standing Orders Based on SFHA model rules

ANNUAL ASSURANCE STATEMENT - CHECKLIST		
Governance and Financial Management (GF)		
Reference	Item	Evidence
GF1	Comply with the Standards of Governance and Financial Management and associated guidance	Annual Assurance Statement Checklist confirms compliance of this. Internal Audit on Regulatory Standards in 2017/18 with recommendations all actioned.

ANNUAL ASSURANCE STATEMENT - CHECKLIST		
REGULATORY STANDARDS		
Number	Item	Evidence
1	The governing body leads and directs the RSL to achieve good outcomes for its tenants and other service users.	
1.1	The governing body sets the RSL's strategic direction. It agrees and oversees the organisation's business plan to achieve its purpose and intended outcomes for its tenants and other service users.	Annual Business Planning Days held with Board and other stakeholders. Business Plan Monitoring Report goes to Board meetings quarterly. Risk Register is a standing item on Audit & Risk Agenda. Risk Appetite set by Board in Business Planning Process. Tenant Satisfaction Surveys. BRIXX financial planning model, 30 year Financial Plans and sensitivity analysis. Finance Working Group Minutes. Action taken in response to COVID-19 including: revision of the Business Plan, the Re-engagement plan and the move to remote meetings to maintain governance.
1.2	The RSL's governance policies and arrangements set out the respective roles, responsibilities and accountabilities of governing body members and senior officers, and the governing body exercises overall responsibility and control of the strategic leadership of the RSL.	Rules. Review of Standing Orders, Scheme of Delegation in Standing Orders and reviewed on an annual basis by the Board. Financial Regulations. Code of Conduct for Board Members and Staff signed. Internal Audits. Annual Board Skills Assessment. CEO Appraisal Feedback Form. Board Plan reviewed regularly and policy review schedule. Job Descriptions reviewed to ensure they remain in line with regulatory requirements. Staff Appraisals.
1.3	The governing body ensures the RSL complies with its constitution and its legal obligations. Its constitution adheres to these Standards and the constitutional requirements set out below.	Rules updated in line with SFHA guidance. Job Description of Company Secretary role currently carried out by Head of Executive Office. Annually report statutory and regulatory requirements. Training Records and plans for staff and Board Members. Board Report template ensure compliance.
1.4	All governing body members accept collective responsibility for their decisions.	Code of Conduct for Board Members sets out collective responsibility Board Minutes Training needs analysis for Board Members.
1.5	All governing body members and senior officers understand their respective roles, and working relationships are constructive, professional and effective.	Appraisal for Senior Officer carried out by Board Members. Board Member role descriptions. Recruitment and selection. Board Members involved in the recruitment of senior officers . Board Training Plan.
1.6	Each governing body member always acts in the best interests of the RSL and its tenants and service users, and does not place any personal or other interest ahead of their primary duty to the RSL.	Disclosure of Interest Policy and forms filled in by all Board Members. Code of Conduct for Board Members. Declaration of Interest Register/Minute. Standing Orders. Board Member nomination forms. Board Report on decisions involving staff and Board Members standing item on Board Agenda.

ANNUAL ASSURANCE STATEMENT - CHECKLIST		
REGULATORY STANDARDS		
Number	Item	Evidence
1.7	The RSL maintains its independence by conducting its affairs without control, undue reference to or influence by any other body (unless it is constituted as the subsidiary of another body).	Disclosure of Interest Policy and forms filled in by all Board Members. Rules. Code of Conduct. Recruitment Policy. Board Member Skills Assessment .
2	The RSL is open about and accountable for what it does. It understands and takes account of the needs and priorities of its tenants, service users and stakeholders. And its primary focus is the sustainable achievement of these priorities.	
2.1	The RSL gives tenants, service users and other stakeholders information that meets their needs about the RSL, its services, its performance and its future plans.	HHP will communicate through web, social media and letters the following information: Tenant Report produced annually; Summary of Financial Statements; Business Plan on website; Communications Policy; Newsletter sent out to all tenants (3 per year); Tenant Participation Strategy; Openness & Confidentiality Policy; Publications Framework; and Tenant Information Leaflets. During, and in response to the COVID-19 pandemic, we also increased web and social media updates for Tenants, insuring clear and up to date information was available on the web and through letters and video communications. There was increased interaction between Tenants and Housing Officers as well.
2.2	The governing body recognises it is accountable to its tenants, and has a wider public accountability to the taxpayer as a recipient of public funds, and actively manages its accountabilities.	HHP Board allows for 4 tenant Board Members. Code of Conduct. Disclosure of Interest Policy. Tenant Report. Procurement Strategy. Value for Money Strategy. Annual Accounts. Complaints in Quarterly Performance Report . Membership of Outer Hebrides Community Planning Partnership. Working Relationship with Comhairle nan Eilean Siar.
2.3	The governing body is open and transparent about what it does, publishes information about its activities and, wherever possible, agrees to requests for information about the work of the governing body and the RSL.	Social Media presence. Openness & Confidentiality Policy. Public Minutes of Board Meetings available online . Training for FOI compliance completed by Board Members and staff. Data Protection Officer appointed ensuring compliance with GDPR and Subject Access Requests.
2.4	The RSL seeks out the needs, priorities, views and aspirations of tenants, service users and stakeholders. The governing body takes account of this information in its strategies, plans and decisions.	TPAS Officer employed by HHP. Tenant Consultation held on any key tenant issues e.g. rent, repairs and allocations. Strategic Goal 1 in Business Plan. Tenant Participation Strategy. Tenant Scrutiny Panel.

ANNUAL ASSURANCE STATEMENT - CHECKLIST		
REGULATORY STANDARDS		
Number	Item	Evidence
2.5	The RSL is open, co-operative, and engages effectively with all its regulators and funders, notifying them of anything that may affect its ability to fulfil its obligations. It informs the Scottish Housing Regulator about any significant events such as a major issue, event or change as set out and required in notifiable events guidance.	Notifiable Events reported to Board and Regulator Internal Audit Reports Scheme of Delegation in Standing Orders Minute of Board Meeting Risk Register Business Plans to funder with annual review held Quarterly Treasury Report and Management Report reviews held with funder Attendance at SHR Systemic Importance meetings
3	The RSL manages its resources to ensure its financial well-being, while maintaining rents at a level that tenants can afford to pay.	
3.1	The RSL has effective financial and treasury management controls and procedures, to achieve the right balance between costs and outcomes, and control costs effectively. The RSL ensures security of assets, the proper use of public and private funds, and access to sufficient liquidity at all times.	RSL has a robust forecasting process with 30 year financial plans being updated regularly and reviewed by Board and Finance Working Group. Treasury Management Policy, Annual Finance Strategy in place. Robust controls in place with appropriate segregation of duties with appropriate record retention to support all legal requirements. Value for Money benchmarking has been undertaken in 2018/19 with a view to developing a formal strategy in 2020/21. Asset cover ratio well within approved limits set by our funder.
3.2	The governing body fully understands the implications of the treasury management strategy it adopts, ensures this is in the best interests of the RSL and that it understands the associated risks.	Strategy is reviewed in line with policy review schedule with the Annual Financing Strategy being updated with support from independent adviser to ensure it continues to be relevant and up to date in terms of any changes in the market. Treasury Management Policy. Scheme of Delegation in Standing Orders.
3.3	The RSL has a robust business planning and control framework and effective systems to monitor and accurately report delivery of its plans. Risks to the delivery of financial plans are identified and managed effectively. The RSL considers sufficiently the financial implications of risks to the delivery of plans.	Minute of Business Planning Days Risk Register is a standing item on Audit & Risk Committee Benchmarking to set targets. Notifiable Events Register 30 year financial plans approved annually following review by Finance Working Group (FWG) who stress test plans. COVID-19 has resulted in a requirement to restate our financial plans and the FWG have stress tested the plans prior to them being presented to the Board in August 2020. Management Report, Quarterly Treasury Report and Debt Management Report are standing items on Board Agenda. Quarterly Progress Report to Board.
3.4	The governing body ensures financial forecasts are based on appropriate and reasonable assumptions and information, including information about what tenants can afford to pay and feedback from consultation with tenants on rent increases.	Board Report for Approval on 5 year financial projections BRIXX Financial Model reports Finance Working Group Minutes Stock Condition Survey Rent Consultations Fuel poverty survey during stock condition surveys Tenant satisfaction survey including affordability questions Tracking of rent arrears and tenants ability to pay Use of SFHA affordability model

ANNUAL ASSURANCE STATEMENT - CHECKLIST		
REGULATORY STANDARDS		
Number	Item	Evidence
3.5	The RSL monitors, reports on and complies with any covenants it has agreed with funders. The governing body assesses the risks of these not being complied with and takes appropriate action to mitigate and manage them.	Management Report with covenant compliance check within this. External Auditors annual covenant compliance supplied to funders.
3.6	The governing body ensures that employee salaries, benefits and its pension offerings are at a level that is sufficient to ensure the appropriate quality of staff to run the organisation successfully, but which is affordable and not more than is necessary for this purpose.	Pay & Grading Review Benchmarking Data EVH Support Remuneration Working Group Joint Consultative Committee remit Corporate Payroll Policy
3.7	The governing body ensures the RSL provides accurate and timely statutory and regulatory financial returns to the Scottish Housing Regulator. The governing body assures itself that it has evidence the data is accurate before signing it off.	Returns Register kept up-to-date Job Description & Scheme of Delegation in Standing Orders show responsible officers Board approve returns through Board Reports being submitted for approval
4	The governing body bases its decisions on good quality information and advice and identifies and mitigates risks to the organisation's purpose.	
4.1	The governing body ensures it receives good quality information and advice from staff and, where necessary, expert independent advisers, that is timely and appropriate to its strategic role and decisions. The governing body is able to evidence any of its decisions.	Board Minute as stand alone agenda item Board Papers Remit of Board and Committees and Work Groups in Standing Orders Training Records Scheme of Delegation in Standing Orders Internal & External Audit Reports Treasury Management Policy Annual Report on the appointment of consultants used and their Value for Money. Advice provided to Board at Directorate level with support from Managers and External Advisers/Consultants as required.
4.2	The governing body challenges and holds the senior officer to account for their performance in achieving the RSL's purpose and objectives.	Appraisal of Senior Officer and quarterly meeting with Chair Board Reports Business Plan KPI's Performance Reports Tenant Report with Benchmarking Scheme of Delegation in Standing Orders Internal Audit Succession Plan presented to Board following Workforce Plan Board Report
4.3	The governing body identifies risks that might prevent it from achieving the RSL's purpose and has effective strategies and systems for risk management and mitigation, internal control and audit.	Risk Register Risk Appetite in Business Plan Business Continuity Planning Board Report Template has specific reference to risk Audit & Risk Committee Business Continuity Planning

ANNUAL ASSURANCE STATEMENT - CHECKLIST		
REGULATORY STANDARDS		
Number	Item	Evidence
4.4	Where the RSL is the parent within a group structure it fulfils its responsibilities as required in our group structures guidance to: a) control the activities of, and manage risks arising from, its subsidiaries; b) ensure appropriate use of funds within the group; c) manage and mitigate risk to the core business; and d) uphold strong standards of governance and protect the reputation of the group for investment and other purposes.	Minutes Membership Register Accounts reviewed for audit.
4.5	The RSL has an internal audit function. The governing body ensures the effective oversight of the internal audit programme by an audit committee or otherwise. It has arrangements in place to monitor and review the quality and effectiveness of internal audit activity, to ensure that it meets its assurance needs in relation to regulatory requirements and the Standards of Governance and Financial Management. Where the RSL does not have an audit committee, it has alternative arrangements in place to ensure that the functions normally provided by a committee are discharged.	Audit Contract outsourced and competitively tendered Internal Audit Progress Report standing item on Audit & Risk agenda Internal Audit Reports Remit of Audit & Risk in Standing Orders Audit & Risk Minutes Chair not a member of Audit & Risk Committee
4.6	The governing body has formal and transparent arrangements for maintaining an appropriate relationship with the RSL's external auditor and its internal auditor.	Procurement Policy Tendering Records Audit Plans (Internal & External) Management Letter Remit of Board and Committees in Standing Orders Scheme of Delegation in Standing Orders External & Internal Auditors must not be the same company
5	The RSL conducts its affairs with honesty and integrity.	
5.1	The RSL conducts its affairs with honesty and integrity and, through the actions of the governing body and staff, upholds the good reputation of the RSL and the sector.	Core Value is Integrity to which we hold each other accountable Code of Conduct Staff & Board Disclosure of Interest Policy Entitlements, Payments and Benefit Policy Openness & Confidentiality Policy
5.2	The RSL upholds and promotes the standards of behaviour and conduct it expects of governing body members and staff through an appropriate code of conduct. It manages governing body members' performance, ensures compliance and has a robust system to deal with any breach of the code.	Code of Conduct and process for dealing with breaches Governance Report Training Records for Board and Staff Board Skills Assessment and Training Plan developed from a Training Needs Analysis is implemented Scheme of Delegation in Standing Orders
5.3	The RSL pays due regard to the need to eliminate discrimination, advance equality and human rights, and foster good relations across the range of protected characteristics in all areas of its work, including its governance arrangements.	Equal Opportunities Policy Equal Opportunities forms for Board staff and applicants Equality & Diversity Impact Assessment forms for all policies when being reviewed Succession Plans
5.4	Governing body members and staff declare and manage openly and appropriately any conflicts of interest and ensure they do not benefit improperly from their position.	Entitlements, Payments & Benefits Policy Disclosure of Interest Policy and Disclosure of Interest Forms Training Records Conflicts of Interest Forms and segregation of duties in place for staff

ANNUAL ASSURANCE STATEMENT - CHECKLIST		
REGULATORY STANDARDS		
Number	Item	Evidence
5.5	The governing body is responsible for the management, support, remuneration and appraisal of the RSL's senior officer and obtains independent, professional advice on matters where it would be inappropriate for the senior officer to provide advice.	Appraisal for Senior Officer carried out by Board Members Annual Report following Senior Officer appraisal Advice available from external agency (EVH)
5.6	There are clear procedures for employees and governing body members to raise concerns or whistle blow if they believe there has been fraud, corruption or other wrongdoing within the RSL.	Fraud Policy Fraud Checklist Fraud Register Internal Audit Reports Whistleblowing Policy
5.7	Severance payments are only made in accordance with a clear policy which is approved by the governing body, is consistently applied and is in accordance with contractual obligations. Such payments are monitored by the governing body to ensure the payment represents value for money. The RSL has considered alternatives to severance, including redeployment.	Employment Contracts Entitlements, Payments & Benefits Policy Staff Handbook Retirement Policy No payment would be made without Board approval
5.8	Where a severance payment is accompanied by a settlement agreement the RSL does not use this to limit public accountability or whistleblowing. The RSL has taken professional legal advice before entering into a settlement agreement.	Board Reports EVH appointed for HR support Subscribed to employment law technical guidance from Craner
6	The governing body and senior officers have the skills and knowledge they need to be effective.	
6.1	The RSL has a formal, rigorous and transparent process for the election, appointment and recruitment of governing body members. The RSL formally and actively plans to ensure orderly succession to governing body places to maintain an appropriate and effective composition of governing body members and to ensure sustainability of the governing body.	Board Appointed and Co-opted Board Members Adoption of updated Model Rules and rules regarding Membership planned for 2020 Membership Policy Nomination Pack for Board Member Candidates
6.2	The governing body annually assesses the skills, knowledge, diversity and objectivity it needs to provide capable leadership, control and constructive challenge to achieve the RSL's purpose, deliver good tenant outcomes, and manage its affairs. It assesses the contribution of continuing governing body members, and what gaps there are that need to be filled.	Board Skills Assessment Report Board Appointed Member Board Skills Assessment Board Development Session Compliance with Rules regarding Board Member continued effectiveness and provision of effectiveness statements Attendance & Apologies at Board Meetings
6.3	The RSL ensures that all governing body members are subject to annual performance reviews to assess their contribution and effectiveness. The governing body takes account of these annual performance reviews and its skills needs in its succession planning and learning and development plans. The governing body ensures that any non-executive member seeking re-election after nine years' continuous service demonstrates continued effectiveness.	Board Skills Assessment Board Development Plan Succession Planning Report to Board Compliance with Rules regarding Board Member continued effectiveness and provision of effectiveness statements AGM Minute
6.4	The RSL encourages as diverse a membership as is compatible with its constitution and actively engages its membership in the process for filling vacancies on the governing body.	Membership Policy AGM Notices Newsletters Head of Executive Office and Governance Officer attends events promoting membership and networking Consideration given to meeting timings and continuing to make remote meetings available to attract and retain a wider body of Members and Board Members.

ANNUAL ASSURANCE STATEMENT - CHECKLIST		
REGULATORY STANDARDS		
Number	Item	Evidence
6.5	The RSL ensures all new governing body members receive an effective induction programme to enable them to fully understand and exercise their governance responsibilities. Existing governing body members are given ongoing support and training to gain, or refresh, skills and expertise and sustain their continued effectiveness.	Induction Programme Training Plan Training Records Board Skills Assessment Approved Conferences
6.6	If the governing body decides to pay any of its non-executive members then it has a policy framework to demonstrate clearly how paying its members will enhance decision-making, strengthen accountability and ownership of decisions, improve overall the quality of good governance and financial management and deliver value for money.	Board Members are non-remunerated posts with the exception of out-of-pocket expenses which are paid in accordance with our Member Expenses Policy
6.7	The governing body is satisfied that the senior officer has the necessary skills and knowledge to do his/her job. The governing body sets the senior officer's objectives, oversees performance, ensures annual performance appraisal, and requires continuous professional development.	Chief Executive Job Description Chief Executive Appraisal Training Records
7	The RSL ensures that any organisational changes or disposals it makes safeguard the interests of, and benefit, current and future tenants. Where an RSL is considering organisational or constitutional change, or acquisition or disposal of land or assets:	
7.1	The governing body discusses and scrutinises any proposal for organisational change and ensures that the proposal will benefit current and future tenants.	Business Plan annual update with new Business Plan subject to Tenant Consultation Business Planning Day Minute Working Group Minutes Board Report and external advisors appointed as required.
7.2	The RSL ensures that its governance structures are as simple as possible, clear and allow it to meet the Standards of Governance and Financial Management, Constitutional Requirements, and Group Structures guidance.	Business Plan with Strategic Goals and plans in achieving these. Policies are simple and available through our intranet and updated in line with our Policy Review Schedule Working Groups and Standing Committees have clearly defined roles and remits to allow for a simple governance structure Organisational Structure
7.3	The RSL ensures adequate consultation with, and support from, key stakeholders including tenants, members, funders (who may need to give specific approval) and local authorities as well as other regulators.	Board Minute Record of Tenant Consultation, Surveys, Questionnaires Training Feedback Forms Joint Consultative Committee Remit Loan Agreement and Financial Covenants Approval from OSCR and FCA on accounts
7.4	The governing body is satisfied that the new (or changed) organisation will be financially viable, efficient and will provide good outcomes for tenants.	30 year Financial Projections reviewed with Finance Working Group and stress tested appropriately Value for Money Benchmarking Business Plan Budgets Minutes of Board, A&R and Working Groups
7.5	The RSL establishes robust monitoring systems to ensure that delivery of the objective of the change and of commitments made to tenants are achieved (for example in relation to service standards, operating costs and investment levels).	Business Plan Delivery Plan Strategic Goals Newsletter and Tenant Communications Monthly Performance Report Board Plan reviewed annually
7.6	Charitable RSLs seek consent/notify OSCR of changes to their constitution and other changes as appropriate.	Records of OSCR and CNES engagement on rule change Application to OSCR OSCR consents Consultation with stakeholders and documented

ANNUAL ASSURANCE STATEMENT - CHECKLIST		
REGULATORY STANDARDS		
Number	Item	Evidence
7.7	The governing body ensures that disposals, acquisitions and investments fit with the RSL's objectives and business plan, and that its strategy is sustainable. It considers these taking account of appropriate professional advice and value for money - whether as part of a broader strategy or on a case by case basis.	Business Plan Board Reports and Minutes Asset Management Strategy being reviewed for stock provision Asset Cover Ratio much greater than required from funder All disposals, other than 'de minimis', require Board approval
7.8	The RSL complies with regulatory guidance on tenant consultation, ballots and authorisation.	Consultations with Tenants Notices to Tenants Notifiable Events Register
7.9	The RSL notifies the Regulator of disposals in accordance with regulatory guidance.	Board Reports Minutes of Board Meetings Notifiable Events Register Notifications to SHR Approval to dispose of security from funder
7.10	The RSL only agrees fixed or floating charges where the assets are used to support core activities. This should exclude providing security in relation to staff pensions.	Board Report Business Plan Loan Agreements & Register Fixed Asset Register

GOVERNANCE REPORT

Board 26 August 2020

Report by Head of Executive Office

Purpose of Report

- 1.1 The purpose of this report is to present information and seek approval from the Board in respect of AGM charitable donations, to confirm compliance with our Rules and provide information in respect of Remote AGM arrangements for 2020.

Summary

- 2.1 At the Board Meeting on 23 June 2020 it was agreed that a Resolution be laid before Members at the AGM that £5,000 of the surplus at 31 March 2020 would be donated between 5 local charities during 2020/21. The charities would be drawn from a rolling list initially agreed in June 2016, and updated periodically when approved charities are added. This list is provided at section 11.1 of this report.
- 2.2 Our rules require the Company Secretary to confirm in writing at the last Board Meeting before the Annual General Meeting that Rules 62 to 67 have been complied with. Details of each Rule is at Appendix 1.
- 2.3 Due to the COVID-19 pandemic, and social distancing requirements, the Board agreed at the meeting on 23 June 2020 that subject to any significant change in the position that the AGM 2020 would be held remotely. Further details regarding the AGM arrangements are provided at section 11.

Competence

- 3.1 The financial, legal, and other constraints to the recommendations in this report being implemented are at 5.1 – 8.1.

Recommendations

- 4.1 **It is recommended that the Board:**
- a) **approve the 5 charities listed at section 9.1 to be proposed at the AGM on 27 August 2020;**
 - b) **note the Partnership has complied with Rules 62 to 67 for the year ended 31 March 2020 as detailed at Appendix 1; and**
 - c) **note the remote AGM arrangements for 2020.**

APPENDIX 1: Rule Compliance
Background Papers: HHP Rules
Writer of Report: Jonathan Fairgrieve

Tel: 0300 123 0773

Competence

Financial

- 5.1 There will be a financial cost to the Partnership should the recommendation to approve the charitable donations be approved. This has been provided for in our 2019/20 surplus.
- 5.2 Donations will only be made to registered charities and only in financial years where we make a surplus.

Legal

- 6.1 The arrangements made for our AGM 2020 are in compliance with the Corporate Insolvency and Governance Act 2020, which is emergency legislation passed as a result of COVID-19, for the purposes of running remote AGMs where this is not otherwise permitted by an organisation's Rules.
- 6.2 This report confirms to the Board that we comply with the requirements as set out at Rule 62 - 67.
- 6.3 In respect of charitable donations made all details of donations and recipients will be properly recorded in the appropriate register.

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 There are no risks associated with the implementation of the recommendations in this report.

Report Details

Charitable Donations

- 9.1 It was agreed at the Board Meeting on 23 June 2020 that £5,000 of the surplus at 31 March 2020 would be recommended to the AGM to be distributed between 5 local charities. The charities proposed for 2020 are:

CHARITY	CHARITY NUMBER
Western Isles Association for Mental Health (WIAMH)	SC0254039
Western Isles Hospital League of Friends	SC405791
Volunteer Centre Western Isles	SC027472
Western Isles Cancer Care Initiative (WICCI)	SC047153
Hebridean Mountain Rescue Team	SC047799

- 9.2 A rotational system is in place to ensure monies are distributed fairly and no single charity benefits too frequently.

Compliance

- 10.1 Assurance is hereby given to the Board that the requirements of Rules 62 – 67 have been complied with.

Remote AGM

- 11.1 COVID-19 and Social distancing measures have meant it is not possible to conduct our AGM in the normal manner. The Corporate Governance and Insolvency Act 2020 (the Act) has been passed to allow organisations to conduct their AGM business remotely even if their Rules do not permit this. The Act will apply until 30 September 2020.
- 11.2 We have notified all Members of the remote AGM, and issued all required paperwork in the normal timescales. All Board nominations have been reviewed by the Executive Office and there is no requirement for a vote at this year's AGM.
- 11.3 Following testing of various platforms on which to host the AGM, we are progressing with Microsoft Teams, as this is widely utilised by all Officers, and has been well tested with Board Members and will incur no additional cost.
- 11.4 Members and Invitees who have confirmed attendance have been asked to provide an email address. An email link to the AGM meeting will be sent along with detailed joining instructions to those that have confirmed attendance. A record of attendance will be taken to ensure we are quorate, and the meeting log will also confirm this.
- 11.5 Advance questions have been invited by Thursday 20 August 2020.
- 11.6 The written Resolutions (copies of which were provided in the Member AGM paperwork) will be moved and seconded during this meeting, and the chat function will be enabled for this purpose as well.
- 11.7 The Executive Office and IT Team are available to support any Members to ensure as far as is reasonably possible there are no issues with accessibility or connectivity.
- 11.8 A test meeting will be conducted on Tuesday 25 August to ensure people are content with connection requirements, and any identified issues can be resolved ahead of the main meeting.
- 11.9 A copy of the meeting will be available to be publically viewed after the event.

RULE COMPLIANCE**Rule 62 Minutes**

Minutes of every general meeting, Board Meeting and sub-committee meeting must be kept. Those minutes must be presented at the next appropriate meeting and if accepted as a true record, signed by the Chairperson of the meeting at which they are presented. All minutes signed by the Chairperson of the meeting shall be conclusive evidence that the minutes are a true record of the proceedings at the relevant meeting.

Rule 63 Seal

The Partnership shall execute deeds and documents in accordance with the provisions of the Requirements of Writing (Scotland) Act 1995 and record the execution in the register. The use of a common seal is not required. The Partnership may have a seal which the Secretary must keep in a secure place unless the Board decides that someone else should look after it. The seal must only be used if the Board decides this. When the seal is used, the deed or document must be signed by the Secretary or a Member of the Board or another person duly authorised to subscribe the deed or document on the Partnership's behalf and recorded in the register.

Rule 64 Registers

The Partnership must keep at its registered office a Register containing:

64.1	the names and addresses of the Members and where provided for the purposes of electronic communication, fax numbers and e-mail addresses;
64.2	a statement of the share held by each Member and the amount each Member paid for it;
64.3	the date each person was entered in the Register as a Member and the date at which any person ceased to be a Member of the Partnership;
64.4	a statement of other property in the Partnership, whether in loans or loan stock held by each Member; and
64.5	the names and addresses of the Office Bearers of the Partnership, their positions and the dates they took and left office.

Rule 65.1 Registered Office

The Partnership must also keep at its registered office

65.1.1	a second copy of the Register showing the same details as above but not the statements of shares and property. This second register must be used to confirm the information recorded in the main Register.
65.1.2	a register of loans and to whom they are made.
65.1.3	a register showing details of all loans and charges on the Partnership's land.

Rule 66 Registered Name

The registered name of the Partnership must be clearly shown on the outside of every office or place where the Partnership's business is carried out. The name must also be engraved clearly on the Partnership's seal and printed on all its business letters, notices, adverts, official publications, website and legal and financial documents.

Rule 67 Documentation

The Partnership's books of account, registers, securities and other documents must be kept at the registered office or any other place the Board decides is secure.

SHR RETURNS 2019/20

Board 26 August 2020

Report by Director of Finance & Corporate Services

Purpose of Report

- 1.1 To present the Loan Portfolio return (2019/20), Audited Financial Statements (2019/20) and five year plans (2020-2025) required by the Scottish Housing Regulator (SHR) for consideration and approval.

Summary

- 2.1 The SHR require RSLs to submit three returns on an annual basis. The Loan Portfolio Return, the Audited Financial Statements and five year financial plans can be found at Appendices 1-3 respectively.
- 2.2 The SHR has amended the submission dates as a result of the COVID-19 pandemic.
- 2.3 The Loan Portfolio return deadline was not extended and as such has been submitted as per Appendix 1. Any required changes can be processed via an "In-year return".

Competence

- 3.1 Submission of the returns at Appendix 1-3 will ensure the Partnership's regulatory requirements are met.

Recommendations

- 4.1 **It is recommended that the Board approve for submission to the Scottish Housing Regulator, the:**
- a) **Loan Portfolio Return for 2019/20 as at Appendix 1;**
 - b) **five year plan Return for 2020-2025 as at Appendix 2;**
 - c) **submission of the Audited Financial Statements as at Appendix 3.**

APPENDIX 1: Loan Portfolio Return 2019/20

APPENDIX 2: Five Year Plans 2020 – 2025 (To Follow)

APPENDIX 3: Audited Financial Statements 2019/20

Background Papers: None

Writer of Report: Donald Macleod Tel: 0300 123 0773

Competence

Financial

- 5.1 The five year plan considers the resources the Partnership requires for 2020-25 in line with the assumptions in the 30 Year Business Plan which was approved at the Board meeting in March 2020. The plan approved by the Board in March 2020 was updated in July to reflect the estimated impact of COVID-19 and has since been updated to reflect programme and cashflow updates from our contractors. The updated plan is being presented to the Finance Working Group on 19 August 2020 for stress testing prior it being recommended for approval by the Board.
- 5.2 The five year plan has been set in accordance with current accounting standards.

Legal

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

Regulatory Guidance

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

Risk

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

RSL: 359 - Hebridean Housing Partnership Ltd (HHP)

Return	Annual Return 2020	31/03/2020

Approval
Submission Comments

Date Approved	30/07/2020
Approver	Donald Macleod
Approver Job Title	Director of Finance & Corporate Services

Unencumbered housing units increase driven by the timing of transferring security to our funder as new build developments completed in stages.

Further Return Details

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

Social Housing Units

Owned by RSL	Used for Security	Unencumbered	% of Unencumbered with positive value
2212	2163	49	100
Comment			

Total for Live Facilities

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

1 Facility Detail 1

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

Facility Comments

Chargeholder	
Security Trustee	No

Facility Fees

		Details	Additional Lenders
Arrangement Fees	Y		
Non-Utilisation Fees	Y		

Other Fees	N	

1.1.1 Loan Details 1

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

1.1.2 Additional Loan and Security Detail

Loan Ref No	First Capital Repayment	Final Capital Payment	Int is being	First Interest Payment	Deal Expires	Forward Fixes	Security from Social Housing %	Social Housing Security Value £'000s	Basis	Date of Valuation	Covenants
RBSFIXED002	01/04/2027	31/03/2035	Paid	19/10/2015	17/04/2027	No	100.00	42,423.0	EUV-SH without sales	31/03/2020	Yes

Loan Comments

Loan Fees

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

1.1.2.1.1 Covenant Detail 1

Loan Ref No	Seq. No.	Type of Covenant	Required Level	Reporting frequency	Date of last report	Level Achieved
RBSFIXED002	1	Interest Cover	Cashflow deficit of £5.43m for 2019/20	Annually	31/03/2020	Cashflow deficit of £1.55m for 2019/20
How is it calculated?		Annual Cashflow Deficit Covenant In respect of each Financial Year specified in Part A where the ratio in column 2 (total interest paid divided by net operating cashflow except in years where there is a deficit) is less than zero, the Annual Cashflow Deficit for that Financial Year shall not be a greater negative figure than that set out in Part A of Schedule 5, as amended each year by the Lender in line with the agreed Business Plan. Net Operating Cashflow Covenant In respect of each Financial Year specified in Part B where the ratio in column 2 is equal to or greater than zero, the ratio of Net Operating Cashflow to Total Interest for that period shall not be less than the ratio set out in Part B of Schedule 5, as amended each year by the Lender in line with the agreed Business Plan. Part A 31March2019 3,450,000 31March2020 5,434,000 31March2021 8,053,000 31March2022 2,551,000				

	31March2033 402,000
	Part B
	31March2023 1.27
	31March2024 1.51
	31March2025 1.81
	31March2026 4.49
	31March2027 4.28
	31March2028 2.92
	31March2029 3.41
	31March2030 2.52
	31March2031 3.89
	31March2032 3.98
	31March2034 3.90
	31March2035 5.93
	31March2036 18.99
	31March2037 0.00
	31March2038 0.00
	31March2039 0.00
	31March2040 0.00
	31March2041 0.00
	31March2042 0.00

2 Facility Detail 2

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

Facility Comments

Chargeholder	
Security Trustee	No

Facility Fees

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

Additional Lenders

3 Facility Detail 3

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

Facility Comments

Chargeholder	
Security Trustee	No

Facility Fees

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

3.1.1 Loan Details 1

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

3.1.2 Additional Loan and Security Detail

Loan Ref No	First Capital Repayment	Final Capital Payment	Int is being	First Interest Payment	Deal Expires	Forward Fixes	Security from Social Housing %	Social Housing Security Value £'000s	Basis	Date of Valuation	Covenants
RBSVAR1043	29/09/2017	10/09/2041	Paid	28/10/2015			100	42,423.0	EUV-SH without sales	31/03/2020	Yes

Loan Comments

Loan Fees

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

3.1.2.1.1 Covenant Detail 1

Loan Ref No	Seq. No.	Type of Covenant	Required Level	Reporting frequency	Date of last report	Level Achieved
RBSVAR1043	4210	Interest Cover	Cashflow deficit £5.43m for 2019/20	Annually	31/03/2020	Cashflow deficit of £1.55m for 2019/20
How is it calculated?		Annual Cashflow Deficit Covenant In respect of each Financial Year specified in Part A where the ratio in column 2 (total interest paid divided by net operating cashflow except in years where there is a deficit) is less than zero, the Annual Cashflow Deficit for that Financial Year shall not be a greater negative figure than that set out in Part A of Schedule 5, as amended each year by the Lender in line with the agreed Business Plan. Net Operating Cashflow Covenant In respect of each Financial Year specified in Part B where the ratio in column 2 is equal to or greater than zero, the ratio of Net Operating Cashflow to Total Interest for that period shall not be less than the ratio set out in Part B of Schedule 5, as amended each year by the Lender in line with the agreed Business Plan. Part A 31March2019 3,450,000 31March2020 5,434,000 31March2021 8,053,000 31March2022 2,551,000 31March2033 402,000 Part B 31March2023 1.27 31March2024 1.51 31March2025 1.81 31March2026 4.49 31March2027 4.28 31March2028 2.92				

	31March2029 3.41
	31March2030 2.52
	31March2031 3.89
	31March2032 3.98
	31March2034 3.90
	31March2035 5.93
	31March2036 18.99
	31March2037 0.00
	31March2038 0.00
	31March2039 0.00
	31March2040 0.00
	31March2041 0.00
	31March2042 0.00

4 Intra Group Finance 1

4.1 Intragroup Lending

Seq. No.	Status	Borrower	Relationship	Amount Provide	Balance O/stand	Type	Purpose of Loan	Loan Purpose	Duration (months)	First Repayme	Part of Funds Borrowed	Loan Ref No	Lender Aware

				d	ing			Details		nt Date			
1	Live	HHP Community Housing Ltd	Subsidiary	17.6	17.6	Bridging Finance	Working Capital		48	28/02/20 22	Yes	RBSFIXED 002	Yes
Security	Type of Security	Security Details	Security Value	Loan Agreement	Repayment Period (mo)	Repayment Terms	Ref Rate	Margin / All-in rate	Start Date	End Date			
No				Yes	48	Payment start date deferred- bullet repayment of interest and capital at maturity	Base	1.0000	01/03/2018	28/02/2022			

Intra Group comments

Financial Projections & Assumptions						2020	 Scottish Housing Regulator	
Hebridean Housing Partnership Ltd						359		
		2019/20 Year 0	2020/21 Year 1	2021/22 Year 2	2022/23 Year 3	2023/24 Year 4	2024/25 Year 5	
PLEASE USE "0" FOR NIL VALUES THROUGHOUT THIS RETURN		£'000	£'000	£'000	£'000	£'000	£'000	
STATEMENT OF COMPREHENSIVE INCOME								
Gross rents	10 :	9,316.2	9,640.8	10,206.7	11,338.9	11,947.4	12,569.6	
Service charges	11 :	53.7	50.0	51.5	53.0	54.6	56.3	
Gross rents & service charges	12 :	9,369.8	9,690.8	10,258.2	11,391.9	12,002.0	12,625.9	10+11
Rent loss from voids	13 :	60.3	194.5	205.9	228.6	238.9	248.8	
Net rent & service charges	14 :	9,309.5	9,496.3	10,052.3	11,163.3	11,763.1	12,377.1	12-13
Developments for sale income	15 :	1,279.2	1,190.1	1,581.3	0.0	0.0	0.0	
Grants released from deferred income	16 :	1,356.2	1,477.2	1,583.1	1,958.6	2,032.8	2,122.8	
Grants from Scottish Ministers	17 :	0.0	0.0	0.0	0.0	0.0	0.0	
Other grants	18 :	600.2	889.6	270.0	270.0	270.0	270.0	
Other income	19 :	95.1	5.0	5.1	5.3	5.5	5.6	
TURNOVER	20 :	12,640.2	13,058.2	13,491.8	13,397.2	14,071.4	14,775.5	SUM(14:19)
Less:								
Housing depreciation	22 :	3,242.3	3,005.2	3,350.8	4,162.1	4,432.6	4,697.9	
Impairment written off / (back)	23 :	0.0	0.0	0.0	0.0	0.0	0.0	
Management costs	25 :	2,450.5	3,507.5	2,802.2	2,917.9	3,013.2	3,063.1	
Planned maintenance - direct costs	26 :	1,275.4	980.5	1,014.6	1,123.1	1,157.9	1,196.9	
Re-active & voids maintenance - direct costs	27 :	1,537.7	1,470.8	1,524.5	1,613.6	1,668.1	1,796.5	
Maintenance overhead costs	28 :	0.0	0.0	0.0	0.0	0.0	0.0	
Bad debts written off / (back)	29 :	146.2	193.6	203.8	222.4	233.3	244.3	
Developments for sale costs	30 :	1,333.7	1,190.1	1,581.3	0.0	0.0	0.0	
Other activity costs	31 :	10.1	0.0	0.0	0.0	0.0	0.0	
Other costs	32 :	0.0	150.0	154.5	84.9	54.6	56.3	
	33 :	6,753.5	7,492.5	7,280.9	5,961.9	6,127.1	6,357.1	SUM (25:32)
Operating Costs	35 :	9,995.8	10,497.7	10,631.7	10,124.0	10,559.7	11,055.0	22+23+33
Gain/(Loss) on disposal of PPE	36 :	(416.8)	2.0	2.0	24.0	4.0	4.0	
Exceptional Items - (Income) / Expense	37 :	0.0	0.0	0.0	0.0	0.0	0.0	
OPERATING SURPLUS/(DEFICIT)	38 :	2,227.6	2,562.5	2,862.1	3,297.2	3,515.7	3,724.5	20-35+36-37
Interest receivable and other income	40 :	23.5	13.3	12.1	6.0	6.7	8.7	
Interest payable and similar charges	41 :	344.9	446.8	805.4	1,181.9	1,318.1	1,480.6	
Increase / (Decrease) in Negative Goodwill	42 :	0.0	0.0	0.0	0.0	0.0	0.0	
Other Gains / (Losses)	43 :	0.0	0.0	0.0	0.0	0.0	0.0	
SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAX	45 :	1,906.2	2,129.0	2,068.8	2,121.3	2,204.3	2,252.6	38+40-41+42+43
Tax on surplus on ordinary activities	47 :	0.0	0.0	0.0	0.0	0.0	0.0	
SURPLUS/(DEFICIT) FOR THE YEAR AFTER TAX	49 :	1,906.2	2,129.0	2,068.8	2,121.3	2,204.3	2,252.6	45-47

		£'000	£'000	£'000	£'000	£'000	£'000	
Actuarial (loss) / gain in respect of pension schemes	51 :	1,216.0	0.0	0.0	0.0	0.0	0.0	
Change in Fair Value of hedged financial instruments.	52 :	0.0	0.0	0.0	0.0	0.0	0.0	
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	54 :	3,122.2	2,129.0	2,068.8	2,121.3	2,204.3	2,252.6	49+51+52
STATEMENT OF FINANCIAL POSITION								
Non-Current Assets								
Intangible Assets & Goodwill	59 :	0.0	0.0	0.0	0.0	0.0	0.0	
Housing properties - Gross cost or valuation	62 :	97,670.8	113,114.0	141,008.3	152,710.2	165,231.6	174,499.1	
Less								
Housing Depreciation	64 :	3,242.3	3,005.2	6,356.0	10,518.1	14,950.7	19,648.6	
Negative Goodwill	65 :	0.0	0.0	0.0	0.0	0.0	0.0	
NET HOUSING ASSETS	66 :	94,428.6	110,108.8	134,652.3	142,192.1	150,280.9	154,850.5	62-64-65
Non-Current Investments	68 :	0.0	0.0	0.0	0.0	0.0	0.0	
Other Non Current Assets	69 :	964.1	898.3	832.5	766.7	700.9	684.7	
TOTAL NON-CURRENT ASSETS	70 :	95,392.7	111,007.1	135,484.8	142,958.8	150,981.8	155,535.2	59+66+68+69
Current Assets								
Net rental receivables	73 :	61.3	0.0	0.0	0.0	0.0	0.0	
Other receivables, stock & WIP	74 :	2,430.4	730.7	457.1	457.1	457.1	457.1	
Investments (non-cash)	75 :	0.0	0.0	0.0	0.0	0.0	0.0	
Cash at bank and in hand	76 :	4,756.6	1,851.7	1,017.7	1,209.6	1,290.6	200.0	
TOTAL CURRENT ASSETS	77 :	7,248.2	2,582.4	1,474.8	1,666.7	1,747.7	657.1	SUM(73:76)
Payables : Amounts falling due within One Year								
Loans due within one year	80 :	0.0	0.0	0.0	0.0	0.0	0.0	
Overdrafts due within one year	81 :	0.0	0.0	0.0	0.0	0.0	0.0	
Other short-term payables	82 :	2,373.6	0.0	0.0	0.0	0.0	0.0	
TOTAL CURRENT LIABILITIES	83 :	2,373.6	0.0	0.0	0.0	0.0	0.0	80+81+82
NET CURRENT ASSETS/(LIABILITIES)	85 :	4,874.6	2,582.4	1,474.8	1,666.7	1,747.7	657.1	77-83
TOTAL ASSETS LESS CURRENT LIABILITIES	87 :	100,267.3	113,589.5	136,959.6	144,625.5	152,729.5	156,192.3	70+85
Payables : Amounts falling due After One Year								
Loans due after one year	90 :	10,492.0	10,376.0	24,710.6	27,143.5	29,676.4	27,884.5	
Other long-term payables	91 :	0.0	0.0	0.0	0.0	0.0	0.0	
Grants to be released	92 :	52,943.5	64,252.5	71,219.1	74,330.6	77,697.4	80,699.5	
	93 :	63,435.5	74,628.5	95,929.7	101,474.1	107,373.8	108,584.0	90+91+92
Provisions for liabilities & charges	94 :	1,353.0	1,353.2	1,353.2	1,353.2	1,353.2	1,353.2	
NET ASSETS	95 :	35,478.8	37,607.8	39,676.7	41,798.2	44,002.5	46,255.1	87-93-94
Capital & Reserves								
Share capital	98 :	0.0	0.0	0.0	0.0	0.0	0.0	
Revaluation reserve	99 :	0.0	0.0	0.0	0.0	0.0	0.0	
Restricted reserves	100 :	0.0	0.0	0.0	0.0	0.0	0.0	
Revenue reserves	101 :	35,478.8	37,607.8	39,676.7	41,798.2	44,002.5	46,255.1	
TOTAL CAPITAL & RESERVES	102 :	35,478.8	37,607.8	39,676.7	41,798.2	44,002.5	46,255.1	SUM(98:101)
Pension Liability - as included above	104 :	1,353.0	1,353.0	1,353.0	1,353.0	1,353.0	1,353.0	
Intra Group Receivables - as included above	105 :	0.0	0.0	0.0	0.0	0.0	0.0	
Intra Group Payables - as included above	106 :	0.0	0.0	0.0	0.0	0.0	0.0	

		£'000	£'000	£'000	£'000	£'000	£'000	
Balance check	107 :	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	
STATEMENT OF CASHFLOWS								
Net Cash from Operating Activities								
Operating Surplus/(Deficit)	111 :	2,227.6	2,562.5	2,862.1	3,297.2	3,515.7	3,724.5	38
Depreciation & Amortisation	112 :	3,242.3	2,571.0	2,916.6	3,727.9	3,998.4	4,214.1	
Impairments / (Revaluation Enhancements)	113 :	0.0	0.0	0.0	0.0	0.0	0.0	
Increase / (Decrease) in Payables	114 :	(1,135.3)	(2,373.4)	0.0	0.0	0.0	0.0	
(Increase) / Decrease in Receivables	115 :	834.0	1,062.3	0.0	0.0	0.0	0.0	
(Increase) / Decrease in Stock & WIP	116 :	(454.4)	815.0	273.6	0.0	0.0	0.0	
Gain / (Loss) on sale of non-current assets	117 :	0.0	0.0	0.0	0.0	0.0	0.0	
Other non-cash adjustments	118 :	(1,470.4)	(979.2)	(1,085.1)	(1,482.6)	(1,536.8)	(1,626.8)	
NET CASH FROM OPERATING ACTIVITIES	119 :	3,243.7	3,658.2	4,967.2	5,542.5	5,977.3	6,311.8	SUM(111:118)
Tax (Paid) / Refunded	121 :	0.0	0.0	0.0	0.0	0.0	0.0	
Return on Investment and Servicing of Finance								
Interest Received	124 :	23.5	13.3	12.1	6.0	6.7	8.7	
Interest (Paid)	125 :	(240.8)	(562.8)	(866.5)	(1,149.0)	(1,285.2)	(1,447.7)	
RETURNS ON INVESTMENT AND SERVICING OF FINANCE	126 :	(217.3)	(549.5)	(854.4)	(1,143.0)	(1,278.5)	(1,439.0)	124+125
Capital Expenditure & Financial Investment								
Construction or acquisition of Housing properties	129 :	(8,856.3)	(15,008.6)	(24,368.9)	(8,036.6)	(8,607.8)	(8,059.0)	
Improvement of Housing	130 :	(4,235.1)	(3,796.2)	(3,528.4)	(3,701.1)	(3,919.6)	(1,214.4)	
Construction or acquisition of other Land & Buildings	131 :	(27.9)	0.0	0.0	0.0	0.0	0.0	
Construction or acquisition of other Non-Current Assets	132 :	0.0	0.0	0.0	0.0	0.0	0.0	
Sale of Social Housing Properties	133 :	970.3	5.0	5.0	60.0	10.0	10.0	
Sale of Other Land & Buildings	134 :	-	0.0	0.0	0.0	0.0	0.0	
Sale of Other Non-Current Assets	135 :	-	0.0	0.0	0.0	0.0	0.0	
Grants (Repaid) / Received	136 :	7,576.9	12,786.2	8,549.8	5,070.1	5,399.6	5,124.9	
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	137 :	(4,572.1)	(6,013.6)	(19,342.5)	(6,607.6)	(7,117.8)	(4,138.5)	SUM(129:136)
NET CASH BEFORE FINANCING	139 :	(1,545.7)	(2,904.9)	(15,229.7)	(2,208.1)	(2,419.0)	734.3	119+121+126+137
Financing								
Equity drawdown	142 :	-	0.0	0.0	0.0	0.0	0.0	
Debt drawdown	143 :	-	0.0	14,395.7	2,400.0	2,500.0	0.0	
Debt repayment	144 :	0.0	0.0	0.0	0.0	0.0	(5,000.0)	
Working Capital (Cash) - Drawn / (Repaid)	145 :	-	0.0	0.0	0.0	0.0	3,175.1	
NET CASH FROM FINANCING	146 :	0.0	0.0	14,395.7	2,400.0	2,500.0	(1,824.9)	SUM(142:145)
INCREASE / (DECREASE) IN NET CASH	148 :	(1,545.7)	(2,904.9)	(834.0)	191.9	81.0	(1,090.6)	139+146
Cash Balance								
Balance Brought Forward	151 :	6,302.3	4,756.6	1,851.7	1,017.7	1,209.6	1,290.6	153 (Prior Year)
Increase / (Decrease) in Net Cash	152 :	(1,545.7)	(2,904.9)	(834.0)	191.9	81.0	(1,090.6)	148
CLOSING BALANCE	153 :	4,756.6	1,851.7	1,017.7	1,209.6	1,290.6	200.0	151+152
Difference between Closing Balance and Cash at bank and in hand	154 :	0.0	0.0	0.0	0.0	0.0	0.0	153-76
ADDITIONAL INFORMATION								
Units owned:								
Social Rent Properties	159 :	2,224.0	2,250.0	2,296.0	2,444.0	2,486.0	2,534.0	
MMR Properties	160 :	0.0	0.0	0.0	0.0	0.0	0.0	

		£'000	£'000	£'000	£'000	£'000	£'000	
Low Costs Home Ownership Properties	161 :	0.0	0.0	0.0	0.0	0.0	0.0	
Properties - Other Tenures	162 :	0.0	0.0	0.0	0.0	0.0	0.0	
Number of units owned at end of period	163 :	2224	2250	2296	2444	2486	2534	SUM(159:162)
Number of units managed at end of period (exclude factored units)	165 :	0.0	0.0	0.0	0.0	0.0	0.0	
New Social Rent Properties added	167 :	30.0	27.0	47.0	160.0	44.0	50.0	
New MMR Properties added	168 :	0.0	0.0	0.0	0.0	0.0	0.0	
New Low Costs Home Ownership Properties added	169 :	0.0	0.0	0.0	0.0	0.0	0.0	
New Properties - Other Tenures added	170 :	0.0	0.0	0.0	0.0	0.0	0.0	
Total number of new affordable housing units added during year	171 :	30	27	47	160	44	50	SUM (167:170)
Financed by:								
Scottish Housing Grants	174 :	2,974.8	4,527.0	6,085.5	20,266.4	5,070.1	5,399.6	
Other public subsidy	175 :	100.0	0.0	0.0	0.0	0.0	0.0	
Private finance	176 :	1,570.6	13,290.1	12,770.6	8,036.7	8,608.0	8,059.0	
Sales	177 :	0.0	0.0	0.0	0.0	0.0	0.0	
Cash reserves	178 :	0.0	0.0	0.0	0.0	0.0	0.0	
Other	179 :	0.0	0.0	0.0	0.0	0.0	0.0	
Total cost of new units	180 :	4,645.4	17,817.1	18,856.1	28,303.1	13,678.1	13,458.6	SUM (174:179)
	181 :							
Number of units lost during year from:								
Sales including right to buy	183 :	16.0	1.0	1.0	12.0	2.0	2.0	
Demolition	184 :	0.0	0.0	0.0	0.0	0.0	0.0	
Other	185 :	0.0	0.0	0.0	0.0	0.0	0.0	
Assumptions:								
General Inflation (%)	188 :	0.0	0.0	2.5	2.5	2.5	2.5	
Rent increase - Margin above General Inflation (%)	189 :	0.0	0.0	1.0	1.0	1.0	1.0	
Operating cost increase - Margin above General Inflation (%)	190 :	0.0	0.0	0.5	0.5	0.5	0.5	
Direct maintenance cost increase - Margin above General Inflation (%)	191 :	0.0	0.0	0.4	0.4	0.4	0.4	
Actual / Assumed average salary increase (%)	192 :	0.0	2.5	2.5	2.5	2.5	2.5	
Average cost of borrowing (%)	193 :	5.0	4.3	7.7	4.8	4.8	5.0	
Employers Contributions for pensions (%)	194 :	19.0	19.0	19.0	19.0	19.0	19.0	
Employers Contributions for pensions (£'000)	195 :	460.0	250.0	256.3	262.7	269.2	276.0	
SHAPS Pensions deficit contributions (£'000)	196 :	0.0	0.0	0.0	0.0	0.0	0.0	
Total staff costs (including NI & pension costs)	198 :	1,874.5	1,957.8	2,041.1	2,092.2	2,144.5	2,198.1	
Full time equivalent staff	199 :	45.0	47.0	49.0	49.0	49.0	49.0	
EESSE Capital Expenditure included above	201 :	589.6	528.5	491.2	515.3	545.7	169.1	
Total capital and revenue expenditure on maintenance of pre-1919 properties	202 :	0.0	0.0	0.0	0.0	0.0	0.0	
Total capital and revenue expenditure on maintenance of all other properties	203 :	589.6	589.6	589.6	589.6	589.6	589.6	
EESSE Revenue Expenditure included above	204 :	0.0	0.0	0.0	0.0	0.0	0.0	
Version 8.42								

Audited Financial Statements (AFS) 2019-2020

Landlord Name:	Hebridean Housing Partnership Ltd
RSL Reg No.:	359
Report generated date:	17/08/2020 14:33:07

Approval

A1.1	Date approved	
A1.2	Approver	
A1.3	Approver job title	

Audited Financial Statements (AFS) 2019-2020

STATEMENT OF COMPREHENSIVE INCOME



Scottish Housing
Regulator

	Current Year	Prior Year
	£'000	£'000
Turnover	12,640.2	11,270.0
Operating costs	(9,995.8)	(8,355.8)
Gain/(loss) on disposal of property, plant and equipment	(416.8)	(242.5)
Exceptional items	0.0	0.0
Operating surplus/(deficit)	2,227.6	2,671.7
Share of operating surplus/(deficit) in joint ventures and associates	0.0	0.0
Interest receivable	23.5	23.3
Interest payable	(344.9)	(335.6)
Other financing (costs)/income	0.0	0.0
Release of negative goodwill	0.0	0.0
Movement in fair value of financial instruments	0.0	0.0
Decrease in valuation of housing properties	0.0	0.0
Reversal of previous decrease in valuation of housing properties	0.0	0.0
Total	(321.4)	(312.3)
Surplus/(deficit) before tax	1,906.2	2,359.4
Tax (payable)/recoverable	0.0	0.0
Surplus/(deficit) for the year	1,906.2	2,359.4
Actuarial (loss)/gain in respect of pension schemes	1,216.0	(633.0)
Change in fair value of hedged financial instruments	0.0	0.0
Total comprehensive income for the year	3,122.2	1,726.4

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STATEMENT OF CHANGES IN EQUITY

	Share capital	Revenue reserve Restricted fund	Revenue reserve Unrestricted fund	Restricted reserve	Revaluation reserve
	£'000	£'000	£'000	£'000	£'000
Balance at beginning of the year	0.2	0.0	32,356.6	0.0	0.0
Issue of shares	0.0	0.0	0.0	0.0	0.0
Cancellation of shares	0.0	0.0	0.0	0.0	0.0
Surplus/(deficit) from statement of comprehensive income	0.0	0.0	3,122.2	0.0	0.0
Transfer from revaluation reserve to revenue reserve	0.0	0.0	0.0	0.0	0.0
Transfer of restricted expenditure from unrestricted reserve	0.0	0.0	0.0	0.0	0.0
Balance at end of the year	0.2	0.0	35,478.8	0.0	0.0

	Total excluding non-controlling interest	Non-controlling interest	Total including non-controlling interest
	£'000	£'000	£'000
Balance at beginning of the year	32,356.8	0.0	32,356.8
Issue of shares	0.0	0.0	0.0
Cancellation of shares	0.0	0.0	0.0
Surplus/(deficit) from statement of comprehensive income	3,122.2	0.0	3,122.2
Transfer from revaluation reserve to revenue reserve	0.0	0.0	0.0
Transfer of restricted expenditure from unrestricted reserve	0.0	0.0	0.0
Balance at end of the year	35,479.0	0.0	35,479.0

Audited Financial Statements (AFS) 2019-2020

STATEMENT OF FINANCIAL POSITION



Scottish Housing
Regulator

	Current Year	Prior Year
	£'000	£'000
<u>Non-current assets</u>		
Intangible assets and goodwill	0.0	0.0
Housing properties - NBV	93,548.6	83,824.9
Negative goodwill	0.0	0.0
Net housing assets	93,548.6	83,824.9
Non-current investments	0.0	0.0
Other plant, property and equipment	1,844.0	2,285.3
Investments in joint ventures and associates	0.0	0.0
Total non-current assets	95,392.6	86,110.2
Receivables due after more than one year	0.0	0.0
<u>Current assets</u>		
Investments	0.0	0.0
Stock and work in progress	1,127.0	672.6
Trade and other receivables due within one year	1,364.6	2,198.6
Cash and cash equivalents	4,756.6	6,302.3
Total current assets	7,248.2	9,173.5
Payables: amounts falling due within one year	(2,373.3)	(2,663.4)
<u>Deferred income: amounts falling due within one year</u>		
Scottish housing grants (SHG)	0.0	0.0
Other grants	0.0	0.0
Total deferred income: amounts falling due within one year	0.0	0.0
Net current assets/(liabilities)	4,874.9	6,510.1
Total assets less current liabilities	100,267.5	92,620.3
Payables: amounts falling due after more than one year	(10,492.0)	(10,877.3)
Provisions	0.0	0.0
Pension asset/(liability)	(1,353.0)	(2,055.0)
<u>Deferred income: amounts falling due after more than one year</u>		
Scottish housing grants (SHG)	(52,943.5)	(47,331.2)
Other grants	0.0	0.0
Total deferred income: amounts falling due after more than one year	(52,943.5)	(47,331.2)
Total long term liabilities	(64,788.5)	(60,263.5)
Net assets	35,479.0	32,356.8
<u>Capital and reserves</u>		
Share capital	0.2	0.2
Revaluation reserves	0.0	0.0
Restricted reserves	0.0	0.0
Revenue reserves	35,478.8	32,356.6
Total reserves	35,479.0	32,356.8

Audited Financial Statements (AFS) 2019-2020

STATEMENT OF CASH FLOWS



Scottish Housing
Regulator

	Current Year	Prior Year
	£'000	£'000
Net cash inflow/(outflow) from operating activities	3,243.7	1,699.2
Tax (paid)/refunded	0.0	0.0
<u>Cash flow from investing activities</u>		
Acquisition and construction of properties	(13,119.3)	(10,189.0)
Purchase of other non-current assets	0.0	0.0
Sales of properties	970.3	273.0
Sales of other non-current assets	0.0	0.0
Capital grants received	7,576.9	4,585.0
Capital grants repaid	0.0	0.0
Interest received	23.5	23.3
Net cash inflow/(outflow) from investing activities	(4,548.6)	(5,307.7)
<u>Cash flow from financing activities</u>		
Interest paid	(240.8)	(261.2)
Interest element of finance lease rental payment	0.0	0.0
Share capital received/(repaid)	0.0	0.0
Funding drawn down	0.0	0.0
Funding repaid	0.0	(37.2)
Early repayment and associated charges	0.0	0.0
Capital element of finance lease rental payments	0.0	0.0
Withdrawal from deposits	0.0	0.0
Net cash inflow/(outflow) from financing activities	(240.8)	(298.4)
Net change in cash and cash equivalents	(1,545.7)	(3,906.9)
Cash and cash equivalents at beginning of the year	6,302.3	10,209.2
Cash and cash equivalents at end of the year	4,756.6	6,302.3



Particulars of turnover, operating costs and operating surplus or deficit – Current Year

	Turnover	Operating Costs	Operating Surplus/(Deficit)
	£'000	£'000	£'000
Affordable letting activities	11,265.8	(8,652.0)	2,613.8
Other activities	1,374.4	(1,343.8)	30.6
Total	12,640.2	(9,995.8)	2,644.4

Particulars of turnover, operating costs and operating surplus or deficit – Prior Year

	Turnover	Operating Costs	Operating Surplus/(Deficit)
	£'000	£'000	£'000
Affordable letting activities			
Other activities			
Total			

Audited Financial Statements (AFS) 2019-2020

Particulars of turnover, operating costs and operating surplus or deficit from affordable letting activities

	General Needs Social Housing	Supported Social Housing Accommodation	Shared Ownership Housing	Other	Current Year Total	Prior Year Total
	£'000	£'000	£'000	£'000	£'000	£'000
Rent receivable	9,237.5	74.8	3.8	0.0	9,316.1	8,862.7
Service charges	50.8	0.0	2.8	0.0	53.6	48.0
Gross income	9,288.3	74.8	6.6	0.0	9,369.7	8,910.7
Voids	(60.3)	0.0	0.0	0.0	(60.3)	(55.9)
Net income	9,228.0	74.8	6.6	0.0	9,309.4	8,854.8
Grants released from deferred income	1,356.2	0.0	0.0	0.0	1,356.2	1,288.8
Revenue grants from Scottish Ministers	0.0	0.0	0.0	0.0	0.0	0.0
Other revenue grants	600.2	0.0	0.0	0.0	600.2	624.0
Total turnover: letting	11,184.4	74.8	6.6	0.0	11,265.8	10,767.6
Management and maintenance administration costs	(2,423.8)	(23.4)	(3.3)	0.0	(2,450.5)	(2,155.0)
Service costs	0.0	0.0	0.0	0.0	0.0	0.0
Planned maintenance	(1,267.6)	(7.8)	0.0	0.0	(1,275.4)	(1,172.9)
Reactive maintenance	(1,531.4)	(6.3)	0.0	0.0	(1,537.7)	(1,532.4)
Bad debts written (off)/back	(146.2)	0.0	0.0	0.0	(146.2)	(66.8)
Depreciation: housing	(3,209.0)	(31.1)	(2.1)	0.0	(3,242.2)	(2,921.9)
Impairment	0.0	0.0	0.0	0.0	0.0	0.0
Operating costs	(8,578.0)	(68.6)	(5.4)	0.0	(8,652.0)	(7,849.0)
Operating surplus/(deficit)	2,606.4	6.2	1.2	0.0	2,613.8	2,918.6

Prior Year

Total turnover: letting	10,687.2	74.3	6.1	0.0
Operating costs	(7,787.2)	(56.8)	(5.0)	0.0
Operating surplus/(deficit)	2,900.0	17.5	1.1	0.0

Audited Financial Statements (AFS) 2019-2020

Particulars of turnover, operating costs and operating surplus or deficit from other activities

	Grants from Scottish Ministers	Other revenue grants	Supporting people income	Other income	Total turnover	Other operating costs	Current Year Operating surplus/(deficit)	Prior Year Operating surplus/(deficit)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Wider role	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Care and repair	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Investment property activities	0.0	0.0	0.0	84.8	84.8	(54.5)	30.3	0.0
Factoring	0.0	0.0	0.0	4.2	4.2	(3.3)	0.9	0.2
Support activities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Care activities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contracted out services undertaken for RSLs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contracted out services undertaken for others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Developments for sale to RSLs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Developments for sale to non-RSLs	570.5	0.0	0.0	708.7	1,279.2	(1,279.2)	0.0	0.0
Uncapitalised development administration costs	0.0	0.0	0.0	6.2	6.2	(6.8)	(0.6)	(3.1)
Other activities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(1.5)
Current Year Total	570.5	0.0	0.0	803.9	1,374.4	(1,343.8)	30.6	
Prior Year Total	198.5	0.0	0.0	303.9	502.4	(506.8)	(4.4)	

Audited Financial Statements (AFS) 2019-2020

ANALYSIS - UNITS

	General Needs Social Housing	Supported Social Housing Accommodation	Shared Ownership Housing	Other	Current Year Total	Prior Year Total
Units owned and managed at year end	2201	20	3	0	2224	2244
Units managed, not owned at year end	0	0	0	0	0	0
Units owned, not managed at year end	0	0	0	0	0	0
Units held for demolition at year end	0	0		0	0	0
Total units owned / managed	2201	20	3	0	2224	2244

COST PER UNIT - Current Year

	General Needs Social Housing	Supported Social Housing Accommodation	Shared Ownership Housing	Other	Total
Management & maintenance administration	£1,101	£1,170	£1,100	-	£1,102
Planned maintenance	£576	£390	£0	-	£573
Reactive maintenance	£696	£315	£0	-	£691
Total direct maintenance	£1,272	£705	£0	-	£1,265
Total management & maintenance	£2,373	£1,875	£1,100	-	£2,367

COST PER UNIT - Prior Year

	General Needs Social Housing	Supported Social Housing Accommodation	Shared Ownership Housing	Other	Total
Management & maintenance administration					
Planned maintenance					
Reactive maintenance					
Total direct maintenance					
Total management & maintenance					

Audited Financial Statements (AFS) 2019-2020

SUPPLEMENTARY ITEMS



Scottish Housing
Regulator

	Current Year	Prior Year
	£'000	£'000
Chief Executive emoluments excluding pension contributions	87.1	83.4
Total key management personnel emoluments	212.0	221.1
Total staff costs	2,334.5	1,875.7
External auditors' fees – audit	11.3	13.5
External auditors' fees – other	0.0	0.0
Capitalised maintenance costs	4,412.0	3,681.0
Capitalised development administration costs	219.0	146.5
Capitalised interest costs	0.0	0.0
Accumulated depreciation	3,242.3	22,876.5
Receivables - net rental	61.3	66.9
Total Pension deficit recovery payments due	0.0	0.0
Housing loans due within one year	0.0	0.0
Housing loans due after more than one year	4,909.0	4,909.0
Other loans due within one year	0.0	0.0
Other loans due after more than one year	0.0	0.0
Overdraft / bridging finance	0.0	0.0
Intra-group loans due within one year	0.0	0.0
Intra-group loans due after more than one year	0.0	0.0
Intra-group lending	0.0	0.0
Intra-group receivables (trading)	17.6	16.6
Other intra-group payables (trading)	0.0	0.0

Audited Financial Statements (AFS) 2019-2020

CONTEXTUAL INFORMATION



Scottish Housing
Regulator

Accounting year end	March												
Date financial statements authorised	23/06/2020												
Are the financial statements qualified?	No												
Were there any emphasis of matter points raised in the audit report?	No												
External auditors' name	CIB Audit												
Number of years since a full procurement exercise was undertaken for the external auditor	1												
Internal auditors' name	Wylie & Bisset												
Number of years since a full procurement exercise was undertaken for the internal auditor	1												
Do you have an Audit Committee?	Yes												
Do you have a Treasury Management Strategy?	Yes												
How do you account for capital grant income?	Performance method												
Calendar year of last housing asset revaluation	2019												
Contingent liabilities	<table border="1"> <tr> <td>Legal action</td><td></td></tr> <tr> <td>LSVT contract compliance</td><td></td></tr> <tr> <td>Pension</td><td>X</td></tr> <tr> <td>Repayment of SHG</td><td>X</td></tr> <tr> <td>Other</td><td></td></tr> <tr> <td>None</td><td></td></tr> </table>	Legal action		LSVT contract compliance		Pension	X	Repayment of SHG	X	Other		None	
Legal action													
LSVT contract compliance													
Pension	X												
Repayment of SHG	X												
Other													
None													
SHAPS financial assessment risk rating	N/A												
Are you appealing this risk rating?	N/A												
How many staff members not currently contributing to any scheme?	0												

Staff Pension Schemes

Which scheme(s) are you members of?	How many participating members in each scheme?
Highland Pension Fund	51

Audited Financial Statements (AFS) 2019-2020

RATIOS

	Current Year	Prior Year	Prior Year Sector Median
Financial capacity			
Interest cover	1356.8%		404.8%
Gearing	0.4%		57.1%
Efficiency			
Voids	0.6%		0.6%
Arrears	0.7%		2.2%
Bad debts	1.6%		0.7%
Staff costs / turnover	13.9%		20.2%
Key management personnel / staff costs	12.1%		15.9%
Turnover per unit	£5,684		£5,121
Responsive repairs to planned maintenance ratio	3.7		1.8
Liquidity			
Current ratio	3.1		1.8
Profitability			
Gross surplus / (deficit)	17.6%		19.9%
Net surplus / (deficit)	15.1%		12.6%
EBITDA / revenue	8.4%		30.0%
Financing			
Debt burden ratio	0.4		2.1
Net debt per unit	£69		£6,784
Debt per unit	£2,207		£10,311
Diversification			
Income from non-rental activities	18.1%		18.0%

Comments

Page	Field	Comment
SOCI	Operating costs	Operating costs are dependent on operational requirements and fluctuates year on year.
SOCI	Actuarial (loss)/gain in respect of pension schemes	Improvement in the pension liability driven by changes in the actuarial financial assumptions.
SOFP	Total deferred income: amounts falling due after more than one year comment	52,943.50 total deferred income of which 17,992 is short term (due within 1 year).
SOCF	Acquisition and construction of properties	Increase driven by significant increase in development programme.
SOCF	Sales of properties	8 shared equity properties sold in 2019 versus 3 in 2018
Analysis - Affordable Lettings	Bad debts written (off)/back	Increase of £130K in bad debt provision in 2019 (2018 £109K) combined with decrease in write offs (£15.7K).
Analysis - Other Activities	Factoring	improved surplus due to reduction in cost year on year
Analysis - Other Activities	Uncapitalised development administration costs	improved surplus due to reduction in cost year on year
Supplementary Items	Total staff costs	Increase is mainly driven by FRS102 pension adjustment of £208K
Supplementary Items	External auditors' fees - audit	slight over-accrual 31/03/2019 of £1100
Supplementary Items	Capitalised maintenance costs	mainly due to increase in Heating system replacements of £674K
Supplementary Items	Capitalised development administration costs	increase in line with increase development programme and capitalised units completed this year.
Supplementary Items	Accumulated depreciation	increase in depreciation in line with increase in Fixed Assets as a result of continued investment and development of new homes.
Supplementary Items	Intra-group receivables (trading)	HHP Community Housing Ltd is a wholly owned subsidiary of Hebridean Housing Partnership, a company incorporated in Scotland. All of the

Page	Field	Comment
		directors are Board Members of HHP. At the year end HHP Community Housing owed Hebridean Housing Partnership £17,560 (2019: £16,552)

DRAFT TENANT PARTICIPATION STRATEGY 2020-2024

Board 26 August 2020

Report by Director of Operations

Purpose of Report

- 1.1 The purpose of this report is to seek approval of the Draft Tenant Participation Strategy 2020-24 to consult with tenants and key partners.

Summary

- 2.1 Landlords are required to have a Tenant Participation Strategy and Action Plan in place. In meeting the statutory tenant participation duties, we must take account of the views and priorities of tenants in how services are designed and delivered.
- 2.2 The Draft Tenant Participation Strategy 2020-2024 is at Appendix 1 and has been developed to reflect progress with tenant participation and feedback from tenants and staff. This four-year strategy includes an Action Plan so we can continue to build effective tenant participation. The Action Plan will be updated and reported to the Board annually to reflect progress. It is proposed that the strategy should be approved for a formal consultation process.
- 2.3 A consultation response form is at Appendix 2 and will be made available to tenants and key partners.
- 2.3 The Tenant Participation Advisory Service (TPAS) Scotland are contracted until May 2021 to provide services to develop tenant participation. They have recently appointed Dolina Morrison to the role of Tenant Participation Support Officer.
- 2.4 A request has been received from the Western Isles Housing Association Community Forum to fund 6 places at the TPAS annual conferences as in previous years. This is billed as the only housing conference which is aimed primarily at tenants.

Competence

- 3.1 The legal, financial or other constraints to the recommendations in this report are contained in paragraph 5.1 – 8.2.

Competence

Financial

- 5.1 Resources to support tenant participation and the implementation of the Strategy will be agreed annually through the budget setting process.
- 5.2 The costs of the TPAS (Scotland) Annual Conference would be borne from existing budgets. The cost per place is £820 but TPAS have agreed to provide 6 places for the price of 5. The total price would therefore be £4100 for the 6 places.

Legal

- 6.1 Engaging effectively with tenants and involving them in decision making is a legal requirement and is a clear expectation from the Regulator.

Regulatory Guidance

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

Risk

- 8.1 Tenant Participation is a statutory responsibility. There is an expectation from the Regulator that Registered Social Landlords engage effectively with tenants.
- 8.2 The Risk Register includes actions to encourage Board participation and membership through tenant and resident engagement.

Recommendations

- 4.1 It is recommended that the Board approve:
- a) the draft Tenant Participation Strategy 2020 – 2024 at Appendix 1 for consultation with tenants and key partners;
 - b) if there are no material changes to the strategy arising from the consultation, that the strategy is approved, otherwise a revised strategy be presented to the next meeting of the Board; and
 - c) funding 6 places at the TPAS (Scotland) Annual Conference in January 2021 for the Western Isles Housing Association Communities Forum.

APPENDIX 1: Tenant Participation Strategy 2020-24

APPENDIX 2: Consultation Response Form

Background Papers: None

Writer of Report: Gary Macleod

Tel: 0300 123 0773

Report Details

Background

- 9.1 Tenant Participation is about tenants taking part in decision making processes and influencing decisions about housing policies, housing conditions and related services. It is a two way process that involves the sharing of information, ideas and power.
- 9.2 There is now a strong base on which to develop and sustain Tenant Participation and to enable tenants to influence the quality and delivery of service and performance. Effective Tenant Participation does take time and requires a team approach across the organisation. Since the development of the first Tenant Participation strategy in 2014 there has been considerable progress with our Tenant Participation agenda.
- 9.3 Over the past four years of the strategy, the focus has been to develop and maintain relationships with tenants and communities and to develop approaches that support and enhance Tenant Participation.
- 9.4 During development of the new strategy some consultation has been carried out and existing tenant groups have been involved. Communication and culture have been highlighted as key areas tenants wish us to focus on for the next four years.
- 9.5 The 2020-2024 Strategy and action plan has been designed to address these areas and help to achieve our strategic goal of placing tenants at the centre of everything we do.

TPAS Conference

- 10.1 The TPAS (Scotland) Annual Conference is to be held in January 2021. This is billed as the only housing conference which is aimed primarily at tenants.
- 10.2 Since 2006 we have funded several places at the conference for members of Registered Tenant Organisations.
- 10.3 A request has again been received from the Western Isles Housing Association Communities Forum for funding to enable 6 representatives to attend the Conference.
- 10.4 Given the uncertainty caused by the ongoing Covid-19 pandemic, TPAS are advising that free cancellation for all bookings is available until 24 December 2020.

Tenant Participation Support Officer

- 11.1 After 5 years of working with us, Jane Ballantyne decided to leave her role as Tenant Participation Support Officer in March 2020. Over those 5 years, Jane delivered a strong foundation from which we can develop our tenant participation even further.
- 11.2 Jane's work in developing relationships and contacts across the length and breadth of the Outer Hebrides has been invaluable in advancing our Tenant Participation agenda. We wish her all the best for the future and she will be sorely missed by staff and tenants.
- 11.2 Dolina Morrison was appointed to the role in July 2020. Dolina is a current tenant and has a strong background of engaging with tenants and the wider community. She will be working closely with the Operations Management Team and wider staff groups to help deliver the action plan for the new strategy.



hebridean housing
partnership



► DRAFT TENANT PARTICIPATION STRATEGY 2020-2024

Effective Date: ►

Review Date: ►

Approved by HHP Board:

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TENANT PARTICIPATION STRATEGY 2020-2024

INTRODUCTION

- 1.1 We seek to put tenants at the heart of everything we do. This is one of our strategic goals. We know that the role of tenants is central to us delivering a service that tenants want and need. Service Improvement and change is most effective when driven by the influence of tenants and customers.
- 1.2 We believe engagement is essential to designing and delivering services that meet tenants needs and aspirations. We do this by making sure that working with tenants is a core part of our business.
- 1.3 This draft strategy has been developed with the involvement of tenants groups. We now wish to engage more widely with all tenants and key stakeholders.
- 1.4 This strategy sets out how we will involve tenants in all aspects of services, and how we will provide resources, support and funding to enable them to do so.
- 1.5 This is our third strategy. We have made good progress; however, we know that there is still much to do to ensure tenants feel involved, listened to and that their involvement improves our services. In this strategy, we want to focus on two key areas: communication and culture.
- 1.6 Our Progress to date:
We have
 - Improved overall satisfaction with services up by 5% up to 88%.
 - Improved communications including creating a suite of tenant facing information leaflets,
 - Improved our newsletter, website, tenant welcome packs, and developed a social media presence with TPAS.
 - Achieved the runner up in TPAS National good practice award
 - Developed tenant scrutiny and completed scrutiny exercises on voids and the repairs and maintenance service
 - Involved tenants in major procurement exercises on our investment programme and repair and maintenance service.
 - Developed a community fund initiative to support tenants in improving their local areas.
 - Encouraged and supported local groups in local initiatives for example a Community Garden development.
 - Supported the Forum with the development of a newsletter

AIMS

- 2.1 Our overall aim is to enable tenants to have real and meaningful opportunities to become involved in the decision-making process of the organisation.
- 2.2 We want this strategy to bring about real change. We listened to what you told us about what it means for you to be at the heart of services and have summarised this below:
 - We will share information and ideas and work on imaginative and innovative ways of developing services.
 - We will regularly collect and use feedback and let people know how their views have been acted upon and listened to

- We will be responsive to turn things around, be solution focused, and give feedback.
- We will agree priorities for participation and work plans with tenants.
- We will make sure participants have the information needed to consider issues properly.
- We will provide information that is clear and easy to understand and is available in a variety of formats.
- We will make decisions in a way that is open, clear and accountable and we will provide feedback following all consultations.
- We will continue to build good working relationships with individual tenants, and tenants and residents groups. These relationships require us to be flexible to meet local needs and circumstances.
- We will provide resources, support and training to assist tenants and residents groups to operate effectively, such as support to attend meetings and with digital access.
- We will adhere to equal opportunities legislation and good practice.
- We will promote inclusive approaches and work in ways that are appropriate to different people and differing needs within our communities.

WHAT WE WILL DO

- 3.1 Our most recent tenant satisfaction survey (carried out in accordance with the Scottish Housing Regulator's guidance) showed an improvement in all our service areas. This demonstrates we are going in the right direction, but we know we need to do more.
- 3.2. Our words will be backed up by action. Over the period of this strategy we will work with our service users to:
 - Listen to what people are telling us is important to them.
 - Use our website, our tenant's groups, social media accounts and letters to provide feedback on suggestions and proposals from tenants.
 - Support the Western Isles Housing Association Communities Forum, RTO's and informal tenants groups.
 - Provide feedback to tenants on suggested service improvements
 - Further develop Tenants Scrutiny as part of our service improvement plans
 - Continue to provide dedicated Tenant Participation support and resource
 - Assist tenants maximise their opportunities to access digital services
 - Deliver a digital transformation strategy which will enable tenants and applicants to access services and information online
 - Help and support tenants who may be isolated or vulnerable by going the extra mile to solve problems
 - Benchmark our services with other housing associations
- 3.3. We want to expand on the work we have already done and focus on three key areas:
 - Enabling and Empowering tenants;
 - Sharing information and getting to know each other; and
 - Being heard and making a difference.

Enable and Empower

3.4 We know that providing opportunities to work with us and have a space around the table is essential to effective tenant participation. We recognise that this takes time and requires ongoing support to develop confidence to question, and share information, knowledge and power.

3.5 We will do this by:

- Supporting you and your community to develop confidence, abilities and skills to support and encourage each other to take part.
- Ensuring all of our information is accessible and inclusive
- Provide opportunities for tenants to have an active and meaningful role in how we perform
- Delivering our digital transformation strategy

3.6 What we do already

We have funded four local projects that benefit tenants and the wider community. These projects are managed and developed by the local community, with our support, if needed. For example, we have funded a community garden development and a polycrup initiative. We have supported local people to develop these community spaces for people to grow produce, fruit and vegetables and a space to meet, sit and chat.

We have also sourced funding to deliver a cycling project and to encourage people to be more active.

3.7 We plan to do more

We would like to further develop the above. We want to work with tenants and other partners to look at ways we can support social enterprise, business initiatives and opportunities for local income creation projects.

Sharing information and getting to know each other better

3.8 Being open, building trust and mutual respect is essential to building relationships with each other and good communication is vital to getting to know you, better.

3.9 We will do this by:

- Communicating clearly and regularly
- Getting to know and understand tenants' needs
- Giving tenants time to absorb information and form views
- Giving people access to their information online and enabling them to access all services digitally

3.10 **What we do already**

Our tenant event working group is a good example of a 'team approach' that resulted in an event in 2019 which was much more tenant focused. Tenant scrutiny is another important way in which we seek to share information openly and to enable challenge on how and what things are done. We want to build on this approach and recognise that together we learn from each other about what you want and what is important for you. In 2019 we published our Guide to Information where we set out all the information we currently make available.

3.11 **We want to do more**

We want to build on this approach and recognise that we can learn together, find out what you want and what is important for you.

We need to do more of this and work on other areas of our service with you including mystery shopping, estate walk about, and local development groups. We will use all the technology available to us reach out to you and enable you to have direct contact with us.

Being heard and making a difference

3.12 We believe that being heard is about our ability and willingness to listen in a non-judgmental way and demonstrate we have heard by acknowledging your communication, comments and feedback.

3.13 We will do this by:

- Making the best use of all technology
- Regularly collect and use feedback from tenants who have participated
- Ensure our services are responsive and accessible
- Learning from the feedback provided

3.14 **What we do already**

Tenants worked with us to review two major areas of our service during the period of the last strategy. These were significant pieces of work which produced detailed and comprehensive reports including recommendations which were implemented to improve services. Tenants also worked closely on repairs and maintenance and investment works procurement exercises and influenced the requirements in these contracts.

3.15 **We want to do more**

We will ensure these approaches are bedded into the way we do things. We want to develop this into a natural two way flow of communication providing feedback on a regular basis demonstrating we are in touch with you, we hear you and understand you so we can continuously improve our services.

LEGAL FRAMEWORK FOR TENANT PARTICIPATION IN SCOTLAND

Housing (Scotland) Act 2001

- 4.1 The Housing (Scotland) Act 2001 ('the Act') introduced a legal framework for tenant participation. By virtue of having a Scottish Secure Tenancy (SST) and a Short SST, tenants have rights to information and consultation. The aim of the legislation is to develop successful and meaningful tenant participation. The Act introduced new rights for tenants and placed new duties on landlords.
- 4.2 This act also stipulated a duty to consult with tenant organisations and individual tenants on a range of services that may affect them. These include:
- Our tenant participation strategy
 - Changes to rent and service charges
 - Changes to policy that have an impact on tenants
 - Our standards of service, repairs and maintenance

Scottish Social Housing Charter

- 4.3 The Scottish Social Housing Charter, introduced by the Housing (Scotland) Act 2010, came into force on 1 April 2012.
- 4.4 The Charter sets performance and outcomes standards for social landlords. Its purpose is to:
- state what tenants and other customers can expect from social landlords and help them to hold landlords to account
 - focus social landlords on achieving outcomes that matter to their customers
 - enable the SHR to assess and report on landlord performance and enable tenants, other customers and landlords identify performance strengths and weaknesses
- 4.5 The charter has two main areas for tenant participation, which state that Social landlords manage their businesses so that:
- Tenants and other customers find it easy to communicate with their landlord and get the information they need about their landlord, how and why it makes decisions and the services it provides. (Charter outcome 2. Communication)
 - Tenants and other customers find it easy to participate in and influence their landlord's decisions at a level they feel comfortable with (Charter outcome 4. Participation)
- 4.6 We are required to provide an annual return to the Scottish Housing Regulator on achieving the Scottish Housing Charter outcomes and standards. We also report to tenants annually in the form of the annual tenants report. More information on the Scottish Housing Regulator and the Charter is available at www.housingregulator.gov.scot

DEVELOPING THE STRATEGY

- 5.1 In developing this draft strategy we have gathered ideas from tenants, residents and staff. We have looked back at all your comments and ideas over the past few years and have held discussions with tenants groups and other groups to develop this strategy.
- 5.2 We set up a small group of tenants and staff who:
- Reviewed the current tenant participation strategy;
 - Looked at other organisations and good practice;
 - Reviewed the legislation and guidance available from the Scottish Government; and
 - Consulted with a number of stakeholders, including some tenants and residents, partner organisations and Elected Members.
- 5.3 Working with TPAS Scotland, the key themes of communication and culture were identified as being of central importance to our tenants and the strategy and action plan were created around addressing those themes.
- 5.4 We now wish to give all tenants and service users the opportunity to give their views on our plans and the strategy before it is finalised.

TENANT PRIORITIES AND ACTION PLAN

- 6.1 Tenants have identified a number of opportunities and priorities via surveys to improve services and partnership working. These are included in the action plan for the first year of the strategy at Appendix 1. This action plan will be reviewed and updated annually along with tenants and progress reports will be presented to the Board.
- 6.2 As noted previously the main areas of improvement identified by tenants are:
- Enabling and empowering tenants
 - Building confidence to get involved
 - Making your contribution feel valued
 - Sharing information and getting to know each other
 - Regular communication
 - Developing a mutual understanding
 - Being heard and making a difference
 - Regularly collect and use feedback
 - Provide updates on where feedback has made a difference

EQUAL OPPORTUNITIES

- 7.1 We will encourage equal opportunities and diversity, responding to the different needs and service requirements of people regardless of sex, race, colour, disability, age, nationality, marriage and civil partnership, ethnic origin, religion and belief, pregnancy and maternity, sexual orientation or gender re-assignment. We embrace the spirit of equalities legislation and regulatory frameworks, including the Equalities Act 2010 and the Housing (Scotland) Act 2014.

- 7.2 We embrace equal opportunities practice and are committed to:
- Removing barriers to participation such as language, accessibility, timing, tenants' costs and childcare have been considered.
 - Proactively involving traditionally excluded groups.
 - Ensuring registered tenant organisations (RTOs) promote equal opportunities and are open and accessible to all tenants through our criteria for registration.
 - Ensuring through support and encouragement that equal opportunities are at the centre of all our activities.
- 7.3 We will examine whether a more targeted approach is required to involve 'hard to reach' groups. We will collect information directly and seek feedback from tenant and community and representative groups on the need to establish specific mechanisms for these groups.

RESOURCES AND SUPPORT

- 8.1 Tenant Participation has to be properly resourced and supported if it is to be successful. We will seek to provide resources including financial, physical and staff assistance.
- 8.2 The budget for tenant participation will be reviewed annually in consultation with the Western Isles Housing Association Communities Forum. A budget will be allocated for Tenant Participation to fund agreed activities such as:
- Annual grants to tenant organisations
 - Homeward newsletter
 - Tenant Satisfaction Survey
 - Funding tenant-led inspections and mystery shopping
 - Consultation with tenant organisations and individual tenants
- 8.3 To support and encourage the development of tenant participation, tenants have access to the following resources:
- 4 tenant seats on our board
 - Tenants and residents group grants
 - Opportunities to attend joint development events and local and national conferences
 - Training events and information including joint training with staff and the Board where appropriate
 - Support of HHP staff including attendance at meetings, where appropriate
 - Access to independent advice and assistance where appropriate
 - Guidance and support to all groups to enable them to become RTOs if they wish to pursue this option.

TENANT AND RESIDENT GROUPS

- 9.1 Registered Tenants' Organisations, Tenants and Residents Associations are groups of people representing tenants and residents living in an area or street. Their aim is to put forward views and concerns about their housing, community and local areas to us, so they can take part in the decision-making processes.
- 9.2 Registered Tenant Organisations (RTOs) were introduced by the Housing (Scotland) Act 2001 and give important rights to groups who register with their landlord. RTOs are independent organisations set up primarily to represent

tenants' housing and related interests. Registration gives groups a recognised role in the decision making process. Landlords should help guide groups through the registration process.

- 9.3 We currently support two Registered Tenants' Organisations.

Western Isles Housing Association Communities Forum- an umbrella group for tenant and resident groups in the Western Isles. We consult with them on an annual and ongoing basis on tenant participation issues. We financially support the Forum, which allows them to be independent, proactive and creative in the development of tenant participation and Tenant Groups.

Cearns Community Association – works explicitly within Stornoway West. They are a long standing, established association that have a number of community based projects. They have developed a local improvement plan and are responsible for delivering a number of projects to support social, health, welfare and economic improvements for the local community.

- 9.4 Tenants and residents can also get involved, as an individual or a group, in other ways that do not require registration:

Village Voice is a tenant who volunteers to become a link between the tenants in a specific area, where there is no tenant/residents group, and HHP. They will be able to raise any relevant concerns with HHP and/or the Forum. We will provide Village Voices with up to date information, which may affect their community and receive feedback.

Groups who do not wish to register -Not all tenant groups will wish to register. If this is the case, individuals still have a right to be consulted. We will support and encourage groups to register by providing training, information and support.

MEMBERSHIP

- 10.1 We encourage tenants and residents to become members of the Partnership. This entitles members to attend the Annual General Meeting, and any other meetings of a general interest, which could during the course of the year.
- 10.2 Our members have the opportunity to join the Board; and have the responsibility of appointing (or re-appointing) the Board of Management, a third of which retire annually as provided for by the Rules of the Partnership.
- 10.3 The Board is responsible for determining the strategies and policies of the Partnership and for monitoring their implementation and carrying out reviews. Day to Day responsibility for implementing the policies and operating the Partnership will be delegated to the staff employed by the Board.
- 10.4 Board Members represent the best interests of the Hebridean Housing Partnership and its tenants. The Board comprises twelve Members, 4 tenants, 5 community representatives and 3 Council Members.

OPPORTUNITIES TO GET INVOLVED

- 11.1 We recognise that not all tenants want to get involved through formal means. We will work to develop a menu of traditional and digitally inclusive options to enable tenants to get involved in ways that suit them.
- 11.2 These opportunities can include, but are not limited to:
- Tenants panel
 - Scrutiny group
 - Working groups
 - Tenant Surveys
 - Tenant Led inspections
 - Community projects
 - Tenant event working groups
 - Board representation
 - Tenant conferences

TRAINING

- 12.1 We will support tenants to access information, training and development support. This will include the following:
- training and the opportunity to meet with other tenants and learn from their experiences;
 - funds to cover administration costs;
 - access to suitable premises;
 - support to gradually develop their group;
 - access to wider tenant opinion;
 - attendance at seminars and conferences
- 12.2 Training needs will be agreed with individual groups and tenants. Joint training sessions for staff and tenants and Board members and tenants will be held where appropriate to reinforce the message that tenants are equal partners. This will also help to strengthen relations between tenant representatives and staff.
- 12.3 Training can be delivered in different ways as appropriate. This may be 'in-house' or may involve external trainers as appropriate.

CONSULTATION AND FEEDBACK

- 13.1 In carrying out consultation we will adhere to the good practice outlined in paras 13.2 to 13.7.
- 13.2 The consultation and participation process will include Tenants and tenant organisations from the start.
- 13.3 We will use a variety of consultation approaches, for example, Homeward, leaflets/posters, public meetings, conferences, seminars, open days, home visits, focus groups, questionnaires/survey, text messaging and our website.

- 13.4 The method of consultation will depend on the scale and significance of the project, we will take into account the views of tenant organisation on the consultation methods used.
- 13.5 Detailed information will be provided to tenants and tenants groups on any proposals we are consulting on, including:
- How and when the final decision will be taken
 - How the proposal will affect tenants
 - How and within what timescales tenants can make their views known to us
 - the contact staff member dealing with the consultation and
 - information on how and where to complain
- 13.6 Where possible, individual tenants and tenant organisations will be given a minimum of 6 weeks to respond to housing consultation proposals. If required we will explain why the consultation must be carried out within a shorter timescale.
- 13.7 To ensure participation is maximised, we have developed a range of options which are supported by an annual calendar of consultation events. We will consult on a number of topics, some of which we have a statutory duty to do so.
- 13.8 We carry out large scale surveys to gain views on the services we provide e.g our tenant satisfaction survey.
- 13.9 We use Customer Comments, Compliments and Complaints. If tenants have a complaint about any part of the service, they can report it easily. We value complaints and use information from them to help us improve our services.

MONITORING AND REVIEW OF STRATEGY

- 14.1 The Tenant Participation Strategy and annual action plan is a working document subject to ongoing monitoring and review to ensure objectives and targets are met. Progress reports on the implementation of the strategy will be monitored by at our Managers meeting prior to being reported to our Board. Progress will also be reported to tenants and groups at their meetings, the Homeward newsletter and on the website.
- 14.2 We will also ensure that when we are providing feedback on our progress we will do so in Plain English that is easy to understand and free of jargon. Where possible we will present information using graphs, charts and other visual signposting techniques where it makes it more easily understood. We will provide feedback in other formats on request.

HAVE YOUR SAY ON THE STRATEGY

- 15.1 You can write with your comments to:

Service Development Manager
Hebridean Housing Partnership
Creed Court
Gleann Seileach Business Park
Willowglen Road
Stornoway
HS1 2QP

Or email us at info@hebrideanhousing.co.uk

- 15.2 Comments should be returned by 26 October 2020

OTHER FORMATS

- 16.1 We will make the strategy available in other formats/languages on request. Please contact us on 0300 123 0773 for further information or copies.

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>SST</i>	Scottish Secure Tenancy
<i>RTO</i>	Registered Tenant Organisations
<i>TPAS</i>	Tenant Participation Advisory Service
<i>The Act</i>	The Housing (Scotland) Act 2001, 2010 & 2014
<i>The Charter</i>	The Scottish Social Housing Charter
<i>The Forum</i>	Western Isles Housing Association Communities Forum
All references to the masculine gender in this policy shall read as equally applicable to the feminine gender	



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

Email: info@hebrideanhousing.co.uk
 Web: www.hebrideanhousing.co.uk
 Phone: 0300 123 0773

CONSULTATION RESPONSE FORM

Tenant Participation Strategy 2020-24 Consultation

August 2020

No.	QUESTION	RESPONSE
1	Are the three areas of focus identified in the strategy a fair reflection of tenants' priorities?	YES/NO (please comment if No)
2	Do you feel the resources and support provided can effectively deliver the strategy?	YES/NO (please comment if No)
3	Please give us your thought on the strategy and action plan. Include any changes you would like to see.	

4	What would be your preferred way of engaging with us during consultations, tenant events etc.? (Please rank most to least preferred 1 being most preferred, 5 being least)	Large Group Events	
		Small Community Based Events	
		Digitally (including social media)	
		By phone	
		Printed media (including our newsletter)	

Please return your response by 23 October 2020 to Gary Macleod

REVIEW OF OPERATIONS POLICIES

Board 26 August 2020

Report by Director of Operations

Purpose of Report

- 1.1 The purpose of this report is to present the following policies for consideration and approval:
- a) Comments, Compliments & Complaints Handling Policy at Appendix 1;
 - b) Unacceptable Actions by Complainants Policy at Appendix 2; and
 - c) Particular Housing Needs Policy at Appendix 3.

Summary

Comments, Compliments & Complaints Handling Policy

- 2.1 The Comments, Compliments & Complaints Handling Policy was approved in September 2015 and has been reviewed as part of the cyclical review process.
- 2.2 The policy has been updated in line with Scottish Public Service Ombudsman (SPSO) guidance and contact details have been updated for both the SPSO and factoring complaints.

Unacceptable Actions by Complainants Policy

- 2.3 The Unacceptable Actions by Complainants Policy was approved in September 2017 and has been reviewed as part of the cyclical review process.
- 2.4 The policy has been updated in line with Scottish Public Service Ombudsman (SPSO) guidance. An additional section has also been incorporated at section six of the policy to give guidance on complainants who unreasonably refuse to cooperate.

Particular Housing Needs Policy

- 2.5 The Particular Housing Needs Policy was approved in September 2017 and has been reviewed as part of the cyclical review process.
- 2.6 There has only been minor wording changes made to the policy.

Competence

- 3.1 The financial, legal and other constraints to the recommendation in this report being implemented are at paragraph 5.1 - 8.1

Recommendations

- 4.1 **It is recommended that the Board approve the:**
- a) Comments, Compliments & Complaints Handling Policy at Appendix 1;**
 - b) Unacceptable Actions by Complainants Policy at Appendix 2; and**
 - c) Particular Housing Needs Policy at Appendix 3.**

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 for 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.

APPENDIX 1:	Comments, Compliments and Complaints Handling Policy
APPENDIX 2:	Unacceptable Actions by Complainants Policy
APPENDIX 3:	Particular Housing Needs Policy
Background Papers:	<i>Regulatory Standards of Governance & Financial Management</i>
Writer of Report:	Jonathan Fairgrieve Tel: 0300 123 0773



hebridean housing
partnership



► Comments, Compliments & Complaints Handling Policy

Effective Date: ► August 2020

Review Date: ► August 2025

Approved by HHP Board: 26 August 2020

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COMPLAINTS HANDLING POLICY

INTRODUCTION

- 1.1 Our Complaints Handling Policy is to ensure our procedures are based on the SPSO's model. It seeks to resolve customer dissatisfaction as close as possible to the point of service delivery and to conduct thorough, impartial and fair investigations of customer complaints so that, where appropriate, we can make evidence-based decisions on the facts of the case.
- 1.2 The procedure has been adapted from the model developed by the Scottish Public Services Ombudsman. The SPSO have tried to produce a standard approach to handling complaints across the housing sector.

AIMS & OBJECTIVES

- 2.1 This procedure aims to help us to 'get it right first time'. We want quicker, simpler and more streamlined complaints handling with local, early resolution by capable, well-trained staff.
- 2.2 Complaints give us valuable information we can use to improve customer satisfaction. Our complaints handling procedure will enable us to address a customer's dissatisfaction and may also prevent the same problems that led to the complaint from happening again. For our staff, complaints provide a first-hand account of the service user's views and experience, and can highlight problems we may otherwise miss. Handled well, complaints can give our customers a form of redress when things go wrong, and can also help us continuously improve our services.
- 2.3 Resolving complaints early saves money and creates better customer relations. Sorting them out as close to the point of service delivery as possible means we can deal with them locally and quickly, so they are less likely to escalate to the next stage of the procedure. Complaints that we do not resolve swiftly can greatly add to our workload.
- 2.4 The complaints handling procedure will help us do our job better, improve relationships with our service users and enhance our public perception. It will help us keep the customer at the heart of the process, while enabling us to better understand how to improve our services by learning from complaints.

HEBRIDEAN HOUSING PARTNERSHIP COMPLAINTS PROCEDURE

- 3.1 We are committed to providing high-quality customer services.
We value complaints and use information from them to help us improve our services.

WHAT IS A COMPLAINT?

- 4.1 We regard a complaint as any expression of dissatisfaction about our action or lack of action, or about the standard of service provided by us or on our behalf.

WHAT CAN I COMPLAIN ABOUT?

5.1 Complaints can be made about things like:

- failure or refusal to provide a service;
- inadequate quality or standard of service, or an unreasonable delay in providing a service;
- delays in responding to enquiries or requests;
- unfairness, bias or prejudice in service delivery;
- lack of provision, or the provision of misleading, unsuitable or incorrect advice or information;
- a repair that has not been carried out properly or in an agreed timeframe;
- dissatisfaction with one of our policies or its impact on the individual;
- failure to properly apply law, procedure or guidance when delivering services;
- failure to follow the appropriate administrative process;
- conduct, treatment by or attitude of a member of staff or contractor (except where there are arrangements in place for the contractor to handle the complaint themselves); or
- disagreement with a decision, (except where there is a statutory procedure for challenging that decision, or an established appeals process followed throughout the sector).

5.2 Complaints may involve more than one of our services or be about someone working on our behalf.

WHAT CAN'T BE COMPLAINED ABOUT?

6.1 There are some things that can't be dealt with by the complaints procedure. These include:

- a routine first-time request for a service, for example reporting a problem that needs to be repaired or initial action on anti-social behaviour;
- requests for compensation;
- Our policies and procedures that have a separate right of appeal, for example, if a service user is dissatisfied with the level of priority they have been given when applying for a house, they may have the right to appeal against the decision;
- issues that are in court or have already been heard by a court or a tribunal;
- disagreement with a decision where there is a statutory procedure for challenging that decision (such as for freedom of information and subject access requests), or an established appeals process followed throughout the sector;

- a request for information under the Data Protection or Freedom of Information (Scotland) Acts;
 - a grievance by a staff member or a grievance relating to employment or staff recruitment;
 - a concern raised internally by a member of staff (which was not about a service they received, such as a whistleblowing concern);
 - a concern about a child or an adult's safety;
 - an attempt to reopen a previously concluded complaint or to have a complaint reconsidered where we have already given our final decision;
 - abuse or unsubstantiated allegations about our organisation or staff where such actions would be covered by our Unacceptable Actions By Complaints Policy; or
 - a concern about the actions or service of a different organisation, where we have no involvement in the issue (except where the other organisation is delivering services on our behalf).
- 6.2 If other procedures or rights of appeal can help the service user resolve their concerns we will give information and advice to help them.

WHO CAN COMPLAIN?

- 7.1 Anyone who receives, requests or is directly affected by our services can make a complaint to us. This includes the representative of someone who is dissatisfied with our service (for example, a relative, friend, advocate or adviser). If you are making a complaint on someone else's behalf, you will normally need their written consent. Please also read the section on Getting help to a complaint below

HOW TO COMPLAIN?

- 8.1 Service users can complain in person at any of our offices, by phone, in writing, by email or by using our [complaints form](#).
- 8.2 It is easier for us to resolve complaints if they are made quickly and directly to the service concerned. Service users should talk to a member of our staff from the service they are complaining about. We should try to resolve any problems on the spot.
- 8.3 To receive a complaint we require:
- full name and address;
 - as much detail as possible about the complaint;
 - what has gone wrong; and
 - how the service user wants us to resolve the matter.

HOW LONG DOES A SERVICE USER HAVE TO MAKE A COMPLAINT?

- 9.1 Normally, the complaint must be made within six months of:
- the event being complained about; or

- the service user finding out that they have a reason to complain, but no longer than 12 months after the event itself.

9.2 In exceptional circumstances, we may be able to accept a complaint after the time limit. If the service user feels that the time limit should not apply to their complaint, they should tell us why.

CONTACT DETAILS

*Hebridean Housing Partnership
Creed Court
Gleann Seileach Business Park
Willowglen Road
Stornoway
Isle of Lewis
HS1 2QP*

*Hebridean Housing Partnership
17 Winfield Way
Balivanich
Benbecula
HS7 5LH*

Telephone:
0300 123 0773

Email:
customerservices@hebrideanhousing.co.uk

Website:
www.hebrideanhousing.co.uk

WHAT HAPPENS ON RECEIPT OF A COMPLAINT?

- 10.1 We will always inform the service user who is dealing with their complaint. Our complaints procedure has two stages:

Stage One – Frontline Resolution

- 11.1 We aim to resolve complaints quickly and close to where we provided the service. This could mean an on-the-spot apology and explanation if something has clearly gone wrong and immediate action to resolve the problem.
- 11.2 We will give our decision at stage 1 in five working days or less, unless there are exceptional circumstances.
- 11.3 If you are not satisfied with the response we give at this stage, we will tell you what you can do next. If you choose to, you can take your complaint to stage 2. You must normally ask us to consider your complaint at stage 2 either:
- within six months of the event you want to complain about or finding out that you have a reason to complain; or
 - within two months of receiving your stage 1 response (if this is later).
- 11.4 In exceptional circumstances, we may be able to accept a stage 2 complaint after the time limit. If you feel that the time limit should not apply to your complaint, please tell us why

Stage Two – Investigation

- 12.1 Stage 2 deals with two types of complaint: where the customer remains dissatisfied after stage 1 and those that clearly require investigation, and so are handled directly at this stage. If you do not wish your complaint to be handled at stage 1, you can ask us to handle it at stage 2 instead.
- 12.2 When using stage 2 we will:
- acknowledge receipt of the complaint within three working days;
 - we will confirm our understanding of the complaint we will investigate and what outcome they are looking for
 - try to resolve the complaint where we can (in some cases we may suggest using an alternative complaint resolution approach, such as mediation); and where we cannot resolve the complaint, we will give a full response as soon as possible, normally within 20 working days
- 12.3 If our investigation will take longer than 20 working days, we will tell them. We will agree revised time limits and keep them updated on progress.

WHAT IF THE SERVICE USER IS STILL DISSATISFIED

- 13.1 After we have given them our final decision, if they are still dissatisfied with our decision or the way we dealt with their complaint, the service user can ask the Scottish Public Services Ombudsman (SPSO) to look at it.
- 13.2 There are some complaints about housing that have an alternative route for independent review. We will tell you how to seek independent review when we give you our final response on your complaint. a matter that has been or is being considered in court.

To contact the SPSO:

In Person:

SPSO

Bridgeside House

99 Macdonald Road

Edinburgh

EH7 4NS

By Post

Freepost SPSO

Freephone: 0800 377 7330

Online contact www.spsso.org.uk/contact-us

Website: www.spsso.org.uk

Mobile site: <http://m.spsso.org.uk>

COMPLAINTS ABOUT FACTORING

- 14.1 The SPSO does not normally look at complaints about our factoring service. From December 2017 the Housing and Property Chamber First-tier Tribunal for Scotland will try to resolve complaints and disputes between home owners and property factors. So if the complaint is about a factoring service, and the service user is still dissatisfied after our investigation stage the service user will be able to go to the Housing and Property Chamber First-tier Tribunal for Scotland.

To contact the Housing and Property Chamber First-tier Tribunal for Scotland:

Housing and Property Chamber First-tier Tribunal for Scotland

Glasgow Tribunals Centre

20 York Street

Glasgow

G2 8GT

Telephone: 0141 302 5900

Fax: 0141 302 5901

Email: HPCAdmin@scotcourtribunals.gov.uk

REPORTING A SIGNIFICANT PERFORMANCE FAILURE TO THE SCOTTISH HOUSING REGULATOR

- 15.1 The Scottish Housing Regulator (SHR) can consider issues raised with them about 'significant performance failures'. A significant performance failure is defined by the SHR as something that a landlord does or fails to do that puts the interests of its tenants at risk, and which the landlord has not resolved. This is something that is a systematic problem that does, or could, affect all of a landlord's tenants. If the service user is affected by a problem like this, they should first report it to us. If they have told us about it but we have not resolved it, they can report it directly to the SHR.
- 15.2 A complaint between an individual tenant and a landlord is not a significant performance failure. Significant performance failures are now, therefore, dealt with through this complaints handling procedure. Service users can ask us for more information about significant performance failures. The SHR also has more information on their website:

<http://www.scottishhousingregulator.gov.uk/>
Phone: 0141 242 5642

GETTING HELP TO MAKE A COMPLAINT

- 16.1 We understand that service users may be unable, or reluctant, to make a complaint themselves. We accept complaints from the representative of a person who is dissatisfied with our service. We can take complaints from a friend, relative, or an advocate, if the service user has given them consent to complain for them.
- 16.2 The Scottish Independent Advocacy Alliance or Citizens Advice Bureau will provide advice on advocates in the area.

Scottish Independent Advocacy Alliance
Tel: 0131 510 9410 Website: www.siaa.org.uk

Citizens Advice Scotland
Website: www.cas.org.uk

- 16.3 We are committed to making our service easy to use for all members of the community. In line with our statutory equalities duties, we will always ensure that reasonable adjustments are made to help customers access and use our services.
- 16.4 If you have trouble putting your complaint in writing, or want this information in another language or format, such as large font, or Braille, please tell us in person, contact us on 0300 123 0773 email us at customerservices@hebrideanhousing.co.uk.

COMMENTS AND COMPLIMENTS

- 17.1 Comments and compliments may also be made using the same contact methods as complaints. All compliments will be recorded and reviewed.

MONITORING AND REVIEW OF POLICY

- 18.1 The Complaints Policy will be reviewed no less than every 5 years or earlier if change is required by the SPSO.

POLICY CHANGE HISTORY

Version	Change Applied	Date	By
3.0	Updated in line with SPSO guidance	August 2011	Katrina Palmer
4.0	Model CHP for RSLs adopted	September 2012	Katrina Palmer
5.0	Amend review cycle Added sentence on compliments.	September 2015	Katrina Palmer
6.0	Updated in line with SPSO guidance Updated Contact details for SPSO and factoring complaints	August 2020	Gary 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
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<i>SPSO</i>	Scottish Public Services Ombudsman
All references to the masculine gender in this policy shall read as equally applicable to the feminine gender	



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Email: info@hebrideanhousing.co.uk

Web: www.hebrideanhousing.co.uk

Phone: 0300 123 0773



hebridean housing
partnership



► Unacceptable Actions By Complainants Policy

Effective Date: ► August 2020

Review Date: ► August 2023

Approved by HHP Board: 26 August 2020

UNACCEPTABLE ACTIONS BY COMPLAINANTS POLICY

INTRODUCTION

- 1.1 The Comments, Compliments and Complaints Policy aims to make it clear to all complainants, both at initial contact and throughout their dealings with us, what we can and cannot do in relation to their complaint. In doing so, we aim to be open and not raise hopes or expectations that cannot be met.
- 1.2 We believe that complainants have the right to be heard, understood and respected.
- 1.3 We aim to provide the best possible service to promote and maintain the good health of the people we serve. Our tenants, housing applicants and visitors can expect to be treated with respect whilst employees working for or with us are entitled to work without fear of abuse or violence.
- 1.4 The Unacceptable Actions by Complainants Policy should be read in conjunction with the Comments, Compliments and Complaints Policy and the Managing Violence and Aggression at Work Policy.

AIMS

- 2.1 To ensure that other complainants and our staff do not suffer any disadvantage from complainants who act in an unacceptable manner.
- 2.2 This Policy sets out what is considered unacceptable and how we will deal with the behaviour or actions of individuals which is deemed unacceptable.

AGGRESSIVE OR ABUSIVE BEHAVIOUR

- 3.1 We understand that complainants may be angry about the issues that they have raised in their complaint. If that anger escalates into aggression towards our staff, we consider this to be unacceptable.
- 3.2 Violence is not restricted to acts of aggression that may result in physical harm. It also includes behaviour or language (whether oral or written, including postings on social media sites) that may cause staff to feel afraid, threatened or abused.
- 3.3 We also consider that inflammatory statements and unsubstantiated allegations can be abusive behaviour. These may include oral, written or posted on social networking.

UNREASONABLE DEMAND

- 4.1 Complainants may make what we consider unreasonable demands on staff through the amount of information they seek, the nature and scale of service they expect or the number of approaches they make. What amounts to unreasonable demands will always depend on the circumstances surrounding the behaviour and the seriousness of the issues raised by the complainant.
- 4.2 A demand becomes unreasonable when it starts to (or complying with the demand would) impact substantially on the work of the Partnership. An

example of such an impact would be that the demand takes up an excessive amount of staff time and in so doing disadvantages other complainants or functions. Examples of actions grouped under this heading include:

- Repeatedly demanding responses within an unreasonable timescale;
- Insisting on seeking or speaking to a particular member of staff when it is not appropriate; and
- Repeatedly changing the substance of a complaint or raising unrelated concerns.

UNREASONABLE PERSISTENCE

- 5.1 We recognise that some complainants will not or cannot accept that we are unable to assist them further or provide a level of service other than that provided already. Complainants may persist in disagreeing with the action or decision taken in relation to their complaint or contact the Partnership persistently about the same issue.
- 5.2 Examples under this heading include:
- Persistent refusal to accept a decision made in relation to a complaint;
 - Persistent refusal to accept explanations relating to what we can or cannot do and continuing to pursue a complaint without presenting new information.
- 5.3 The way in which these complainants approach our office may be entirely reasonable, but it is their persistent behaviour in continuing to do so that is not.
- 5.4 We consider the actions of persistent complainants to be unacceptable when they take up that we regard as being a disproportionate amount of time and resources.

UNREASONABLE REFUSAL TO COOPERATE

- 6.1 When we are looking at a complaint, we will need to ask the individual who has complained to work with us. This can include agreeing with us the complaint we will look at; providing us with further information, evidence or comments on request; or helping us by summarising their concerns or completing a form for us.
- 6.2 Sometimes, an individual repeatedly refuses to cooperate and this makes it difficult for us to proceed. We will always seek to assist someone if they have a specific, genuine difficulty complying with a request. However, we consider it is unreasonable to bring a complaint to us and then not respond to reasonable requests.

MANAGING AGGRESSIVE OR ABUSIVE BEHAVIOUR

- 7.1 Our staff that directly experience aggressive or abusive behavior from a complainant have the authority to deal immediately with that behavior in a manner they consider appropriate to the situation and in line with this Policy.
- 7.2 The threat or use of physical violence, verbal abuse or harassment towards our staff is likely to result in the ending of all direct contact with the complainant. Incidents may be reported to the Police. This will always be the case if physical violence is used or threatened.

- 7.3 We do not deal with communication that is judged to be abusive to staff or contains allegations that lack substantive evidence. When this happens we will tell the complainant that we consider their language to be offensive, unnecessary and unhelpful. We ask them to stop using such language and state that we will not respond to their communication if they do not stop. We may require future contact to be through a third party.
- 7.4 Our staff will end telephone calls if the caller is considered aggressive, abusive or offensive. The staff member taking the call has the right to make the decision, tell the caller that the behavior is unacceptable and end the call if the behavior does not stop.

MANAGING UNREASONABLE DEMAND AND PERSISTENCE

- 8.1 When a complainant repeatedly phones, visits our offices, sends irrelevant documents or repeatedly raises the same issues, which have already been responded to, we may decide to:
- a) Only take telephone calls from the complainant at set times on set days or put an arrangement in place for only one member of staff to deal with calls or correspondence from the complainant in the future.
 - b) Require the complainant to make an appointment to see a named member of staff before visiting our offices or that the complainant contacts us in writing only.
 - c) Return the documents to the complainant or, in extreme cases advise the complainant that further irrelevant documents will be destroyed.
 - d) Take other action that we consider appropriate. We will however, always tell the complainant what action we are taking and why.
- 8.2 Where a complainant continues to correspond on a wide range of issues, and this action is considered excessive, then the complainant will be told only a certain number of issues will be considered in a given period and asked to limit or focus their requests accordingly.
- 8.3 Complainant action may be considered unreasonably persistent if all internal review mechanisms have been exhausted and the complainant continues to dispute our decision relating to the complaint. The complainant will be given details of the Scottish Public Services Ombudsman (SPSO). A complaint will not be considered further by us once it has been referred to the SPSO unless they provide significant new information relating to the complaint.

DECIDING TO RESTRICT COMPLAINANT CONTACT

- 9.1 With the exception of immediate decisions taken at the time of an incident, decisions to restrict contact with us will only be taken after careful consideration of the situation by the Director of Operations.
- 9.2 Wherever possible the complainant will be given the opportunity to modify their behaviour or action before a decision is taken.
- 9.3 Complainants will be told in writing why a decision has been made to restrict future contact, the restricted contact arrangements and, if relevant, the length of time that these restrictions will be in place.

APPEALING A DECISION TO RESTRICT CONTACT

- 10.1 A complainant may appeal a decision to restrict contact. the Chief Executive will consider such an appeal. The Chief Executive will advise the complainant in writing that, either the restricted contact arrangements still apply or agree an alternative course of action.

RECODING AND REVIEWING A DECISION TO RESTRICT CONTACT

- 11.1 All incidents of unacceptable actions by complainants will be logged. Where it is decided to restrict complainant contact an entry noting this is made on the relevant file and on appropriate computer records.
- 11.2 A decision to restrict complainant contact may be reconsidered if the complainant demonstrates a more acceptable approach. The status of complainants with restricted contact arrangements will be reviewed on a regular basis.

POLICY REVIEW

- 12.1 This Policy will be reviewed on a 3 yearly basis.

POLICY CHANGE HISTORY

Version	Change Applied	Date	By
2.1	Wording change at 7.3 – correspondence to communication; new corporate standard applied; and SPSO added to interpretations and abbreviations.	6 September 2017	Katie Walker
3	Added section 6 - UNREASONABLE REFUSAL TO COOPERATE	17 July 2020	Gary 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>SPSO</i>	Scottish Public Services Ombudsman
All references to the masculine gender in this policy shall read as equally applicable to the feminine gender	



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

Email: info@hebrideanhousing.co.uk

Web: www.hebrideanhousing.co.uk

Phone: 0300 123 0773



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► Particular Housing Needs Policy

Effective Date: ► August 2020

Review Date: ► September 2023

Approved by HHP Board: 26 August 2020

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PARTICULAR HOUSING NEEDS POLICY

INTRODUCTION

- 1.1 We will endeavour to improve the profile of Housing in Health & Social Care and be as fully involved in its planning as possible.
- 1.2 We will include within its objectives the provision of good quality housing for Health & Social Care and Particular Housing Needs.
- 1.3 We will work in partnership with other agencies involved in Health & Social Care, especially Comhairle nan Eilean Siar and the Western Isles Health Board. We will at all times aim to work in co-operation with these agencies.
- 1.4 Our objectives include the provision of affordable housing for anyone over the age of 16.

AIMS

- 2.1 We will work in partnership with the Health Board, Comhairle nan Eilean Siar, the Integrated Joint Board and with Voluntary Agencies, and other relevant agencies, in assessing particular housing needs of applicants.
- 2.2 We will work with the above agencies to meet housing need by providing a range of housing, thus increasing choices for people with particular needs in relation to housing.
- 2.3 Where it is not possible or appropriate for us to directly manage particular needs housing, we will either lease properties to appropriate managing agents or devolve management responsibility to such an agent (e.g. voluntary organisations or CNES or Health Services). A Lease or Management Agreement will be signed by both organisations.
- 2.4 We will seek to create opportunities for prospective tenants (where tenants have been identified prior to development) and client groups to express their needs and desires in relation to area, type and make up of their possible future housing.
- 2.5 When planning future development, we will be sensitive to the needs of the prospective tenants in terms of area, recognising that it is appropriate for elderly, and people with mobility problems to be close to amenities and public transport, etc.
- 2.6 We will make provision for particular needs housing wherever possible, within housing developments. This should apply to all particular needs housing including that which requires physical adaption.

BACKGROUND

- 3.1 We recognise that, when people's circumstances/physical needs change, they very often do not want to move from their own homes.
- 3.2 We will enable tenants to remain in their homes (wherever possible) by working together with the tenants, the Occupational Therapy service and Health and Social care and others, to provide any practicable adaptations to enable them to do so.

DESIGN AND DEVELOPMENT

- 4.1 Wherever specially designed or adapted housing or housing projects are necessary, we will develop these to a type and scale, which fits in with the surrounding environment and is compatible with the rest of the housing development.
- 4.2 All new build ground floor developments will be built to 'varying needs' standards which are intended to enable the house to meet the needs of householders as they move through the stages of life.

ALLOCATIONS

- 5.1 We recognise that, in some cases, it is appropriate to identify the future tenants prior to or during the development of housing. Where this is necessary, the allocation policy will still be applied to assess those in most housing need.
- 5.2 Everybody aged 16 or over has the right to fill in an application form and be assessed for housing. Allocations will be made fairly and will not discriminate on grounds of sex, religion, creed, race, sexual orientation, disability or marital status.
- 5.3 We will seek, through the Housing Allocations Policy, to ensure that the best use is made of existing housing stock. Where vacancies arise which have adaptations these will be targeted to applicants who require such adaptations.
- 5.4 Where an adapted property is no longer required by the household and would assist other households on the waiting list, we will engage with the tenants to seek agreement to rehouse them elsewhere as set out in our allocation policy.

MANAGEMENT

- 6.1 We will, wherever legally possible, offer tenants security of tenure by signing with them, a legal binding Scottish Secure Tenancy agreement; and
- 6.2 Where this is not legally possible (e.g. if the Partnership's property is leased to a managing agent), we will ensure that the leasing agreement provides each resident to have an appropriate tenancy agreement.

MONITORING AND REVIEW OF POLICY

- 7.1 Where we have devolved management responsibilities to another agency by entering into a lease or a management agreement, they will ensure that good management practices are adhered to. This will be done by a system of written procedures, monitoring and liaison with that agency.
- 7.2 The Policy will be reviewed by the Board at least every three years.

POLICY CHANGE HISTORY

Version	Change Applied	Date	By
3.0	Minor changes to wording. Inclusion of partnership working with the Integrated Joint Board.	7 September 2017	Donalda Mackinnon
3.1	Minor wording changes	08 August 2020	Donalda Mackinnon

INTERPRETATIONS & ABBREVIATIONS

The following interpretation and abbreviations are used in this policy:

Word	Interpretation
We or Our	Hebridean Housing Partnership
Board	Means the Board of the Hebridean Housing Partnership
Board Members	All Members of the Board including co-opted Members
IJB	The Integrated Joint Board is the formal Health and Social Care Partnership between the Western Isles Health Board and Comhairle Nan Eilean Siar.
CNES	Comhairle Nan Eilean Siar
WIHB	Western Isles Health Board
Adapted Housing	Referring to houses that have been specially designed or adapted to a tenant's physical needs, eg. A wheelchair accessible flat
Supported Accommodation	Housing, whether specifically designed or not, that provides an element of care or support either through paid members of staff or by other statutory or voluntary agencies by way of an agreed care plan
Particular Housing Needs	A term for Housing for groups including, but not restricted to: • Older people; • People with physical disabilities; • People with learning disabilities; • People with poor mental health or ARBD and people who misuse drugs & alcohol; • People subject to domestic violence; and • Vulnerable young people
All references to the masculine gender in this policy shall read as equally applicable to the feminine gender	



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RETIREMENT POLICY

Board 26 August 2020

Report by Chief Executive

Purpose of Report

- 1.1 To present a draft Retirement Policy for consideration and approval.

Summary

- 2.1 A new Retirement Policy has been prepared which incorporates our current Early Retirement Policy. As we are part of the Highland Council Pension Fund our Early Retirement statement must comply with the rules of the Pension Fund. We were expecting some updates from Highland Council for the Early Retirement statement but they are still to be agreed. The review period for the Policy was changed to annually until the updates are received from Highland Council.
- 2.2 The Policy provides clarity for staff regarding our position on retirement i.e. we do not operate any compulsory or contractual retirement age. Section 3 of the Policy outlines the steps to be followed by a member of staff when they are considering retirement.
- 2.3 No changes have been made to the Early Retirement conditions.
- 2.4 There is no requirement to consult on the Policy as no changes have been made to the Early Retirement statement and the section relating to Retirement is the statutory position.

Competence

- 3.1 The financial, legal or other constraints to any recommendations in this report are contained in paragraph 5.1 – 8.2.

Recommendations

- 4.1 **It is recommended that the Board review and approve the Retirement Policy at Appendix 1.**

APPENDIX1: Retirement Policy

Background Papers: None

Writer of Report: Dena Macleod

Tel: 0300 123 0773

Competence

Financial

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

Legal

- 6.1 From 6 April 2011 it is no longer permissible for employers to give employees notification of compulsory retirement under the default retirement provisions. A policy of retiring employees compulsorily at a specified age can only be maintained if the employer can show that there is a legitimate business aim underpinning the policy and that applying that policy is appropriate and necessary with a view to achieving the stated aim.

Regulatory Guidance

- 7.1 The Regulatory Standards Checklist has been completed and there is nothing in this report which would breach these standards.

Risk

- 8.1 The Retirement Policy will ensure our compliance with the legal requirements on retirement whilst providing clarity to staff on the process to be followed.
- 8.2 An Equalities Impact Assessment has been completed. The Policy will have no impact on people from any of the equality groups.



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► Retirement Policy

Effective Date: ► 27 August 2020
Review Date: ► July 2021
Approved by HHP Board: 26 August 2020

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RETIREMENT POLICY

INTRODUCTION

- 1.1 Hebridean Housing Partnership does not operate any compulsory or contractual retirement age. Instead, we operate a policy under which employees may elect to retire at a time of their choosing. Entitlement to an occupational pension will, however, only be available in line with the criteria of our pension scheme.
- 1.2 Hebridean Housing Partnership (HHP) as a scheduled body in the Local Government Pension Scheme is required to have a statement of its Early Retirement Policy, under the provisions of the Local Government (Discretionary Payments and Injury Benefits) Regulations 1998. The requirements for Early Retirement, Flexible Retirement and/or Voluntary Severance which enable employees to retire early from the employment of the Partnership, should it be in the Partnership's best interests are included in this policy.
- 1.3 References to these Regulations to employment with a Local Government Pension Scheme employer do not include employment by virtue of which a person is entitled to participate in benefits provided under regulations made under Section 9 of the 1972 Act (Teachers Superannuation).

EQUALITIES STATEMENT

- 2.1 In applying this policy, we will have due regard for the need to eliminate unlawful discrimination, promote equality of opportunity, and provide for good relations between people of diverse groups, in particular on the grounds of the following characteristics protected by the Equality Act (2010); age, disability, gender, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, and sexual orientation, in addition to offending background, trade union membership, or any other personal characteristic. An Equality Impact Assessment is used for all policies and procedures.

RETIREMENT

- 3.1 An employee who decides to retire should provide written notice to their line manager in accordance with the terms of their contract of employment. Upon receipt of this notice the HR department will arrange to meet with the employee to discuss preparation for retirement and, where relevant, occupational pension provision.
- 3.2 Employees may, however, notify us up to three years before the time they intend to retire of their intentions, and are encouraged to do so. This early notification will allow the employer to offer the employee certain pre-retirement options and benefits (see below). Employees who indicate an intention to retire in the future will not be held to any such statement of intention until such time as they have given formal notice (as required by their contracts) to terminate their employment.
- 3.3 We will normally offer an employee within two years of retirement the option to reduce their hours of work, so as to enable the employee to adjust gradually to full retirement. What is offered will depend on the extent to which it is feasible

for us to offer reduced hours, which in turn will depend on the nature of the employee's job and operational requirements at the time.

- 3.4 Our occupational pension scheme allows employees to draw a pension at any time after age 60, but if the benefit is drawn before age 60, there will be a proportionate reduction in the amount payable. Details are available on request from the Director of Finance & Corporate Services.
- 3.5 An employee can retire at any time after they reach the age of 60 by giving appropriate notice. The employee does not need permission. Retirement between the age of 55 and 60 is possible with the permission of the Partnership.
- 3.6 When considering retirement options employees should seek advice from an independent advisor to ensure they fully understand their pension entitlement and the potential impact some options in this policy may have on their pension.

EARLY RETIREMENT STATEMENT

- 4.1 We recognise that in some circumstances it may be in the interests of the organisation for employees to be allowed to retire earlier than the normal retirement age if they so wish.
- 4.2 We have an obligation to treat employees with care and respect. This is important when an employee's circumstances are difficult through no fault of their own or as a result of our actions as an employer.
- 4.3 We have a duty to avoid damaging current or future ability to deliver efficient services. The loss of skills and experience as well as short and long term financial liabilities must be assessed. A balanced and effective workforce is a priority.
- 4.4 This scheme may allow early retirement, or flexible retirement, in cases which meet the following criteria:
 - a) ensure the most efficient use of human resources;
 - b) assist in the regulation of the numbers employed;
 - c) assist in the retention of employees and the maintenance of a balanced workforce;
 - d) assist in the provision of improved services;
 - e) exceptionally on compassionate grounds; or
 - f) where an employee wants to retire, or flexibly retire, and there is no disadvantage to the Partnership in allowing it.
- 4.5 Where the Partnership have agreed to meet all the costs of each early retirement. There are potentially two costs to be considered:
 - a) cost to the Pension Fund to reimburse the strain on the Funds; and
 - b) cost to the Partnership of added years, augmentation or lump sum compensation payment. The cost of added years will be met over the lifetime of the employee and any pension of a dependent.

- 4.6 Our policy is that it will not normally exercise its discretion to award added years to employees seeking early retirement on the grounds of redundancy/business efficiency. Only in cases where there are exceptional circumstances as determined by the Chief Executive on the recommendation of the relevant Director and approved by the Board will any added years be considered.

ADMINISTRATION

- 5.1 The Chief Executive will consider cases submitted by the relevant Director for early retirement on the grounds of redundancy and interests of the efficiency of the service for all employees of the Partnership.
- 5.2 There is a right of appeal to the Board against the Chief Executive's decision to refuse support to a request for early retirement on the grounds of redundancy and interests of the efficiency of the services.
- 5.3 The Board will determine all requests recommended by the Chief Executive for early retirement on the grounds of redundancy and interest of the efficiency of the organisation.

CATEGORIES FOR EARLY RETIREMENT AND DISCRETIONARY PAYMENTS

- 6.1 The following categories for early retirement and discretionary payments apply:
- a) Redundancy
 - b) Interests of the Efficiency of the Service
 - c) Additional pension or added years
 - d) Flexible Retirement
 - e) Permanent Ill Health
- Redundancy
- 6.2 Redundancy is defined in Section 139 of the Employment Rights Act 1996. This provides that an employee is taken to be dismissed by reasons of redundancy if:
- “the dismissal is wholly or mainly attributable to:
- a) The fact that his employer has ceased or intends to cease
 - i) to carry on the business for the purposes of which the employee was employed by him; or
 - ii) to carry on that business in the place where the employee was so employed, or
 - b) That the requirement of the business:
 - i) for employees to carry out work of a particular kind, or
 - ii) for employees to carry out work of a particular kind in the place where the employee was employed by the employerhas ceased or diminished or are expected to cease or diminish.”
- 6.3 Any employee made redundant after 31 March 1997 will be granted maximum compensation in terms of the relevant regulations with his redundancy payments being based on actual pay.

Interests of the Efficiency of the Service

- 6.4 If the employee wished to be considered for retirement in the interests of the efficiency of the service, one of the following criteria listed below must be satisfied:
- a) an alternative to redundancy of the individual
 - b) to avoid redundancy of another employee
 - c) to assist in service restructuring
 - d) to effect financial savings
 - e) other justifiable circumstances that would be in the interests of the service.
- 6.5 Where an employee ceases employment in the interests of the efficiency of the service, compensation is at the discretion of the Board who can award full, partial or no enhancement.
- 6.6 The earliest age that early retirement can be granted is 55 years with the following exceptions:
- a) Retirement through ill health
 - b) If the employee was in the scheme at 6 April 2016, the earliest retirement age is 50.
- 6.7 Where exceptional compassionate grounds exist, the Partnership may further determine under Regulation 30 that the actuarial reduction should not be applied. The Partnership will have to meet the cost of waiving actuarial reduction.

Additional Pension or Added Years

- 6.8 The Partnership has discretion to award additional pension or added years.
- 6.9 The Partnership may award extra years of scheme membership, up to a maximum of 10 years. In addition to this, the Partnership may grant up to £5,000 to any active member.
- 6.10 If granted, the Partnership will meet the full costs of the additional membership by payment of a lump sum into the pension fund.
- 6.11 Granting of augmentation of benefits through lump sum or added years is subject to the satisfaction of four tests:
- a) a financial saving, to be demonstrated through a "True Cost" calculation, including capitalised value to the pension fund compared against capitalised value of savings
 - b) no appropriate redeployment opportunities
 - c) no appropriate retraining opportunities, as demonstrated through the individuals Training Plan; and
 - d) evidence of support through the Appraisal Process.
- 6.12 The determination of benefits is delegated to the Chief Executive in consultation with the Director of Finance & Corporate Services.

- 6.13 We will not normally award additional years. However in exceptional circumstances the number of years additional membership added can be considered on the individual merits of the case.
- 6.14 The cost to the Partnership of someone retiring early will be critically evaluated against the financial savings and/or other benefits accruing to the Partnership from retirement. The decision to award any added years will be recorded and will demonstrate that this analysis had been undertaken.

Flexible Retirement

- 6.15 Flexible Retirement means choosing to reduce hours in a current post or choosing to apply for a lower graded post while at the same time accessing pension early.
- 6.16 Flexible Retirement is at the discretion of the Partnership and will be informed by the needs of the organisation. Flexible retirement decisions should be justifiable as beneficial to service delivery. This could mean retaining expertise, facilitation succession planning, reducing staffing costs, or in efficiency gains. Each application will be decided on its own merits and will only be agreed if it is in our economic and/or, operational interest to do so.
- 6.17 Flexible retirement means that the employee is requesting immediate payment of pension and lump sum while continuing in employment with reduced hours or grade. There is increased flexibility through being able to draw all or part of occupational pension benefits without having to retire completely after attaining the age of 55. Employers consent is required to reduce hours or lower grades
- 6.18 However, reduction must be at least 50% of original salary. This may be achieved by reduced hours or grade or a combination of both.
- 6.19 Having been granted flexible retirement the employee may not subsequently apply for promotion or other change in role that would result in salary of more than 80% of original salary (taking into account cost of living increases). However, the employee may rejoin the Local Government Pension Scheme.
- 6.20 The pension benefits of employees may be subject to reduction as they are drawing their pension benefits prior to normal retirement date. The Partnership has the discretion to waive this reduction, at a cost to the Partnership. It is delegated to the Chief Executive in consultation with the Director of Finance & Corporate Services to determine whether the Partnership waive any reduction in benefits to a member when granted flexible retirement.
- 6.21 Employees aged 65 will also be able to apply for flexible retirement. If the person chooses to access pension and continue to work then he or she must reduce salary by at least 20% in the ways noted above. If the person chooses to delay accessing pension there will be no restriction placed on the salary until the pension is accessed.
- 6.22 It is delegated to the Chief Executive in consultation with the Director of Finance & Corporate Services to determine each case on its merits, taking into account the operational requirements and delivery of services as well as any cost to the Partnership.
- 6.23 Retiral on ill health can only proceed after a recommendation from our Independent Medical Adviser and approved by an appointed Independent

Medical Adviser with a relevant Occupational Health qualification. The procedure is outlined at Appendix B. Pensionable service is made up to the maximum number of applicable years for pension purposes when there is permanent ill health.

Actuarial Reduction and Rule of 85

- 6.24 An actuarial reduction may be applied for early payment of pension. Formerly a member whose age and membership in years combined was 85 or more was said to meet the "Rule of 85". Under the Rule of 85 members who decided to retire early and who met the requirements of the Rule could receive pension without actuarial reduction.
- 6.25 The Rule of 85 was removed from the scheme on 1 December 2006. However, if employees were in the Scheme before the change and would have met the Rule of 85 at retirement, the following protection is applicable;
- a) if born before 31 March 1960, protection on service up to 31 March 2020;
 - b) if born after 31 March 1960, protection on service up to 31 March 2008.

FINANCIAL IMPLICATIONS

- 7.1 A Form must be completed by the Director proposing Redundancy/Retirement in the Interests of the Efficiency of the Service detailing the Total Cost/Saving to the Partnership. A copy of this Form is at Appendix A.
- 7.2 The details which must be provided are shown at Appendix A with the Total Cost or Saving of the proposal clearly identified. The Director must also indicate where the total cost will be covered from and where the saving will be allocated.

APPLICATION FOR EARLY RETIREMENT (OTHER THAN RETIREMENT ON THE GROUNDS OF ILL HEALTH)

- 8.1 In order to process a request for Early Retirement the Service Director must submit a report to the Chief Executive. The report will contain three parts.

Part 1

- 8.2 This will detail the name of the applicant, post, date of birth, length of service, prospective date of retirement and reason for retirement (e.g. Redundancy, Efficiency Retiral).

Part 2

- 8.3 This will contain the justification for the proposal including all relevant background information particularly the salary costs of the applicant's post alongside the costs of any replacement. In redundancy cases confirmation of the redundant post or significant change in hours must be clear. Details of any savings and forecasts to the Partnership must be clearly demonstrated.
- 8.4 The applicable criteria for early retirement must be identified e.g.
- a) as an alternative to redundancy of the individual
 - b) to avoid redundancy of another employee
 - c) to assist in service restructuring

- d) to effect financial savings
 - e) other justifiable circumstances which would be in the interests of the Partnership
- 8.5 The Director must state that he has considered all alternatives to early retirement (e.g. redeployment, retraining, change in hours) and have determined that there is no suitable alternative.
- 8.6 Whatever the proposal is being made for compensation (i.e. full added years or partial added years) must form part of the financial implications and be clearly summarised in the recommendations.

Part 3

- 8.7 This will be the recommendation of the Director for consideration by the Chief Executive. If approved by the Chief Executive the recommendation will be submitted to the Board for approval.

RE-EMPLOYMENT

- 9.1 Employees granted early retirement by the Board on voluntary severance, redundancy or efficiency grounds will not be re-employed by HHP in any capacity without the specific approval of the Chief Executive. Where an employee is re-employed any compensation payment may be reduced or suspended.
- 9.2 Employees who are retired on the grounds of ill health by HHP will not be re-employed by the Partnership without being medically examined and assessed as being fit to be re-employed by the Partnership's Independent Medical Adviser.

ELECTION TO JOIN PENSION SCHEME

- 10.1 Where a member has opted out of the Scheme on more than one occasion in order to receive Scheme funds, HHP will not consent to the employee rejoining the Scheme if this is within a period of continuous employment.

MONITORING AND REVIEW OF POLICY

- 11.1 The Board will review this policy every year, in line with the Policy Review Schedule.

POLICY CHANGE HISTORY

Version	Change Applied	Date	By
1.0	Initial Draft	16 April 2007	Dena Macleod
1.1	To take account of corrections identified at the Board meeting of 26 April 2007	27 April 2007	Dena Macleod
2.0	To take account of the requirements of Local Government Pension Scheme (Scotland) Amendment (No2) Regulations 2006 & Local Government (Discretionary Payment and Injury Benefits)(Scotland) Regulations 1998	10 Sept 2009	Dena Macleod
3.0	Updated with changes in the Regulations	9 Nov 2010	Angus Lamont
4.0	Updated to amend position on added years	9 Oct 2014	Angus Lamont
5.0	Updated for organisation review.	28 Aug 2019	Dena Macleod
6.0	Policy name changed to Retirement Policy. New paragraphs on retirement included	27 August 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>Employees</i>	All members of staff who are employed by the Partnership
<i>Officers</i>	Staff Members of the Hebridean Housing Partnership
<i>Directors</i>	Director of Operations, Director of Finance & Corporate Services and Head of Executive Office
<i>Executive Office</i>	A member of the Executive Office including the Chief Executive's Personal Assistant
All references to the masculine gender in this policy shall read as equally applicable to the feminine gender	



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

Email: info@hebrideanhousing.co.uk
 Web: www.hebrideanhousing.co.uk
 Phone: 0300 123 0773

APPENDIX A – EARLY RETIREMENT APPLICATION FORM

NAME OF EMPLOYEE		POST	
BENEFITS TO EMPLOYEE			
FROM PENSION SCHEME			
Accrued Scheme Membership	Years	Days	
Annual Pension		£	
Lump Sum Retirement Grant		£	
PLUS			
FROM SERVICE			
Recommended compensation	Years	Days	
Annual compensation		£	
Lump Sum Compensation		£	
Redundancy Payment		£	
FINANCIAL IMPLICATIONS TO PARTNERSHIP			
COSTS			
One Lump Sum Payment		£	
PLUS			
Annual Payment due for Years		£	
PLUS			
Annual payment for life with possible ongoing spouse's element (see note 3)		£	
SAVINGS			
Annual Salary Saving (includes 20% on cost factor)		£	
"TRUE COST" CALCULATIONS			
Capitalised value to pension fund of early payment of accrued pension rights		£	
PLUS			
Capitalised value to service account of compensation		£	
PLUS			
Redundancy payment		£	
LESS			
Capitalised value of saving to service account		£	
Therefore Total Cost/Saving to Partnership		£	
(delete as appropriate)			

APPENDIX B – PROCEDURE FOR EARLY RETIREMENT: GROUNDS OF PERMANENT ILL HEALTH

INTRODUCTION

Introduction

- 1.1 This procedure applies to all employees.

Retirement Stages

- 2.1 Retiral on the grounds of ill health can only proceed after a recommendation from one of the Partnership's Independent Medical Advisers and approval by the Partnership's appointed Independent Medical Adviser with a relevant Occupational Health qualification (by completion of form Pen 490). In most cases there are a number of initial stages or appointments which take place prior to a recommendation for retiral on health grounds through a Management Referral to Occupational Health or contact with Head of Department. This procedure concentrates on the stages when a retirement is recommended. Where the medical adviser recommends redeployment, this must be pursued in the first instance.
- 2.2 When the Executive Office receives confirmation from the Medical Adviser that an employee is "permanently unfit" for his post the steps detailed from paragraph 2.3 to 2.9 will be applied.
- 2.3 The Head of Executive Office will notify the employee's line manager who will arrange to meet with the employee (and, if appropriate, an Executive Officer and Trade Union Representative) to ensure that he agrees with the Medical Adviser's recommendation.
- 2.4 If an employee disputes the Medical Adviser's recommendations, a further meeting will be arranged with the employee (and his representative if this is requested), his line manager and an Executive Officer to discuss other options which could include referral for a second medical opinion.
- 2.5 The Head of Executive Office will ensure that re-deployment to a comparable post has been investigated and determined to be not suitable/available.
- 2.6 The Director of Finance & Corporate Services will write to the Pension Manager, Highland Council to ensure that estimates are sent to the employee.
- 2.7 The Head of Executive Office will check to see if the employee has a claim against the Partnership and if so the Director of Finance & Corporate Services will contact the Partnership's insurers to notify them of early retiral.
- 2.8 If the employee agrees with the Medical Adviser's decision agreeing to proceed with retirement and has no queries about the pension benefits, the employee will sign a declaration and a suitable date will be given. The employee will receive pay in Lieu of notice (this will be based on statutory or contractual notice, whichever is greater).
- 2.9 The Personal Assistant will write to the employee to terminate formally his/her employment by means of a standard ill health retiral letter, which incorporates the employee's right of appeal against this termination of employment. A copy of this letter is sent to the Payroll Service and to the Director of the employing department for information.

STANDARD BLANK DECLARATION – RETIREMENT ON THE GROUNDS OF ILL HEALTH

DECLARATION

This is to certify:

1. That I have consulted with my employer concerning retirement on the grounds of permanent ill health.
2. That I have seen and accept the estimate of benefits payable to me under retirement on these grounds detailed below.
3. That I accept the medical evidence contained in the certificate of Doctor (insert name) dated (insert date) as submitted to me by my employer.
4. Subject to the above I agree to my retirement on the grounds of permanent ill health.

SIGNED		DATE	
NAME (Block Capitals)			
ADDRESS			
JOB TITLE			
DEPARTMENT			

To be returned to the Executive Office, Hebridean Housing Partnership, Creed Court, Gleann Seileach Business Park, Isle of Lewis only if you wish to proceed with retirement on ill health grounds.

ESTIMATE OF BENEFITS		
LUMP SUM		
ANNUAL PENSION		
PAY IN LIEU OF NOTICE		
APPLICATION APPROVED		
SIGNED		Director of Finance & Corporate Services
DATE		

APPENDIX C - PROCEDURE FOR APPLICATION FOR RETIREMENT ON THE GROUNDS OF EFFICIENCY OF SERVICE AND REDUNDANCY (INCLUDING VOLUNTARY SEVERANCE)

Introduction

- 1.1 Employees wishing to pursue an option of early retirement on the grounds of efficiency or redundancy should follow this procedure. It should also be noted that advice and guidance is available to employees and managers throughout this process from Executive Office.

Redundancy/Efficiency

- 2.1 In cases of compulsory redundancy the Partnership's statutory obligations in relation to Redundancy and Re-deployment Regulations must be complied with, including examining all alternatives to redundancy. If redeployment is not possible the steps 2.2 to 2.7 below should be followed to gain the necessary approval.
- 2.2 Following initial discussions between the employee, his Director/Line Manager and the Personal Assistant, the employee will write to his Director expressing an interest in early retirement. If the Director wishes to consider the matter further the Personal Assistant will arrange for estimates to be prepared for the pension costs. The Director, if in agreement, will prepare an initial report providing full details of the justification (including details of savings and any restructuring implications) and recommendation regarding any compensation considered appropriate.
- 2.3 If the Director does not support the request he should confirm this in writing to the employee.
- 2.4 The estimate for the employee will be provided in a sealed envelope with a letter containing a reference that this does not commit either he or the Partnership to proceeding with early retirement, and a return slip. This will be sent by the Personal Assistant.
- 2.5 Having received and considered the estimates, the employee will return the slip indicating whether or not he wished to proceed with early retirement. If the employee wishes to proceed with early retirement and the Director, having considered the financial implications and the possible alternatives to early retirement wishes to proceed, he will prepare a report for the Chief Executive.
- 2.6 The Chief Executive, if satisfied with the report, will arrange for the report to be considered by the Board.
- 2.7 The Head of Executive Office will write to the employee confirming the decision, including confirmation of the termination date and requesting the

employee to confirm in writing that he is leaving the Partnership's employment on a voluntary basis (this request would obviously not be made in a compulsory redundancy situation). Copies of this letter will be sent to the Personal Assistant for action.

Criteria

3.1 Early retirement on the grounds of efficiency may be acceptable to the Partnership under the following criteria, providing it also meets the wishes of the employee.

- i) As an alternative to redundancy of the individual
- ii) To avoid redundancy of another employee
- iii) To assist in service restructuring
- iv) To effect financial savings
- v) Other justifiable circumstances which would be in the interests of the Partnership

The Board has the discretion to award full, partial or no enhancement to any pension benefits applicable, with each application being considered on an individual basis.

3.2 Early retirement on the grounds of redundancy may be acceptable to the Partnership under the following criteria, providing it also meets the wishes of the employee.

- i) The employee's post can be deleted from the establishment
- ii) In the case of a "bumped redundancy" another identified vacancy is created which is then not filled
- iii) There is a significant reduction in hours
- iv) There is a significant change in duties

There must normally be substantial savings to offset the costs of redundancy. All employees retiring on the grounds of redundancy are granted enhancement to any pension applicable at the discretion of the Board.

3.3 In the cases of retirement on the grounds of redundancy, the Director and employee must agree a termination date that will enable the employee to work his contractual notice. If the employee wishes an earlier termination date he must write to the Director agreeing to waive his entitlement to any pay in lieu of notice. Pay in lieu of notice will only be authorised by the Director of Finance & Corporate Services in exceptional circumstances.

- 3.4 In cases of retirement on efficiency grounds, the Director and employee should agree a termination date. Pay in lieu of notice is not normally applicable as the retirement is by mutual agreement.
- 3.5 The costs of early retirement on redundancy or efficiency grounds (including the early payment of pension benefits) are borne entirely by the relevant Service's revenue budget and are ongoing costs.
- 3.6 There is no right of appeal against a decision by the Board or against a decision by the Chief Executive to refuse to support a request for early retirement.
- 3.7 The contents of this paragraph, as detailed below, will form the basis of the consent form signed by employees who wish to apply for early retirement.

REQUEST FOR EARLY RETIREMENT

THE LOCAL GOVERNMENT PENSION SCHEME (SCOTLAND) AMENDMENT (NO2)
REGULATIONS 2006

THE LOCAL GOVERNMENT PENSION SCHEME (DISCRETIONARY PAYMENTS AND INJURY
BENEFITS) (SCOTLAND) REGULATIONS 1998

I *wish/*do not wish to apply for early retirement based on the estimate I have
received. I understand that the figures are estimated and may vary slightly,
particularly if the proposed date of retirement changes.

*please delete the option that does not apply

Signed Date

Name

.....

Address.....

.....

.....

Payroll Number Post.....

Once completed, this form should be returned to your Director.

APPENDIX D - PROCEDURE FOR APPLICATION FOR FLEXIBLE RETIREMENT

Introduction

- 1.2 Employees wishing to pursue an option of Flexible Retirement should follow this procedure. It should also be noted that advice and guidance is available to employees and managers throughout this process from the Executive Office.

Flexible Retirement

- 2.1 As a general principle whenever a vacancy occurs, an assessment will be made by the Chief Executive on whether the post is suitable to offer as a Flexible Retirement post and if appropriate a note will be circulated within HHP asking if any member of staff is interested in applying for the post as part of a Flexible Retirement application.
- 2.2 The next step in the process is for the employee to have an initial discussion with his Director/Line manager.
- 2.3 Following initial discussions between the employee, his Director/Line Manager and Executive Officer, the employee will write to his Director expressing an interest in early retirement. If the Director wishes to consider the matter further the Personal Assistant will arrange for estimates to be prepared for the pension costs. The Director, if in agreement, will prepare an initial report providing full details of the justification (including details of savings and any restructuring implications) and recommendation regarding any compensation considered appropriate.
- 2.4 If the Director does not support the request he should confirm this in writing to the employee.
- 2.5 The estimate for the employee will be provided in a sealed envelope with a letter containing a reference that this does not commit either he or the Partnership to proceeding with Flexible retirement, and a return slip. This will be sent by Director of Finance & Corporate Services
- 2.6 Having received and considered the estimates, the employee will return the slip indicating whether or not he wished to proceed with Flexible retirement. If the employee wishes to proceed with Flexible retirement and the Director, having considered the financial implications and the possible alternatives to Flexible retirement wishes to proceed, he will prepare a report for the Board. This report should be sent to the Director of Finance & Corporate Services.
- 2.7 The Director of Finance & Corporate Services, if satisfied with the report, will arrange for the report to be considered by the Chief Executive. A recommendation by the Chief Executive will be determined by the Board.
- 2.8 The Director of Finance & Corporate Services will write to the employee confirming the decision, including confirmation of the date Flexible retirement will commence. Copies of this letter will be sent to the Personal Assistant for action.

Criteria

- 3.8 The criteria for Flexible retirement is as laid out in the Policy paragraph 1.7.
- 3.9 The Board has the discretion to award full, partial or no enhancement to any pension benefits applicable, with each application being considered on an individual basis.
- 3.10 There must normally be substantial savings to offset the costs of redundancy. All employees retiring on the grounds of redundancy are granted enhancement to any pension applicable at the discretion of the Board.
- 3.9 The costs of flexible retirement (including the early payment of pension benefits) are borne entirely by the relevant Service's revenue budget and are ongoing costs.
- 3.10 There is no right of appeal against a decision by the Board or against a decision by the Chief Executive to refuse to support a request for flexible retirement.
- 3.11 The contents of this paragraph, as detailed below, will form the basis of the consent form signed by employees who wish to apply for flexible retirement.

REQUEST FOR FLEXIBLE RETIREMENT

THE LOCAL GOVERNMENT PENSION SCHEME (SCOTLAND) AMENDMENT (NO2)
REGULATIONS 2006

THE LOCAL GOVERNMENT PENSION SCHEME (DISCRETIONARY PAYMENTS AND INJURY
BENEFITS) (SCOTLAND) REGULATIONS 1998

I *wish/*do not wish to apply for Flexible retirement based on the estimate I have
received. I understand that the figures are estimated and may vary slightly,
particularly if the proposed date of retirement changes.

*please delete the option that does not apply

Signed Date

Name

Address.....

.....

.....

Payroll Number Post

Once completed, this form should be returned to your Director.

ALCOHOL & DRUGS POLICY

Board 26 August 2020

Report by Chief Executive

Purpose of Report

- 1.1 The report seeks approval to consult with staff on the revised Alcohol & Drugs Policy.

Summary

- 2.1 The Alcohol & Drugs Policy has been reviewed and amended to incorporate the latest EVH model policy. The Policy was last reviewed in 2017.
- 2.2 The key changes made to the Policy are clarifying and expanding the Policy to include sections on:
- Dependency;
 - Alcohol and the Workplace;
 - Driving at Work;
 - Managing Alcohol Misuse; and
 - Managing Substance Misuse.
- 2.3 As there has been a material change to the Policy staff will be consulted prior to a final Policy being presented to the Board for approval.

Competence

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

Recommendations

- 4.1 **It is recommended that:**
- a) the Board review and approve the Alcohol & Drugs Policy at Appendix 1 for consultation with staff; 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: Alcohol & Drugs Policy
APPENDIX 2: Consultation Response Form
Background Papers: None
Writer of Report: Dena Macleod

Tel: 0300 123 0773

Competence

Financial

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

Legal

- 6.1 The Health & Safety at Work etc Act 1974 imposes statutory duties for Health & Safety on employers and employees.
- 6.2 The Corporate Manslaughter and Corporate Homicide Act 2007 allows companies and corporations to be prosecuted for Corporate Homicide (in Scotland).

Regulatory Guidance

- 7.1 The Regulatory Standards Checklist has been completed and there is nothing in this report which would breach these standards.

Risk

- 8.1 Alcohol & Drugs misuse within an organisation carries a number of risks that can impact in all areas of its internal and external operations. It is important that we have the robust and clear Policies, Procedures and Staff Guidance in place to prevent and manage problems and to provide the appropriate support and information.



hebridean housing
partnership



► Alcohol & Drugs Policy

Effective Date: ► September 2020
Review Date: ► September 2023
Approved by HHP Board: 26 August 2020

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ALCOHOL & DRUGS POLICY

INTRODUCTION

- 1.1 Our employees are our most valuable resource and their Health and Safety (H&S) is of the utmost importance. Alcohol and drug misuse has the potential to damage the health and well-being of our employees and Board Members and threaten the success of our business.
- 1.2 The aim of this Policy is to protect the H&S of our employees and to help anyone who may be suffering from an alcohol or drug-related problem. The Policy sets out the principles we will follow but it is accepted that since no two cases are the same, this Policy should be regarded as laying down guidelines only and not as being of contractual effect.
- 1.3 We recognise our duty under the Health & Safety at Work Act 1974 to ensure as far as is reasonably practical the physical and psychological health, safety and wellbeing of all employees. If it is felt that an individual poses a risk to the health, safety or wellbeing of themselves or anyone else as a result of alcohol or substances, immediate action will be taken to remove the individual from the environment, most likely by sending the individual home, or seeking emergency medical assistance. If it is not safe for the individual to make their own way home alternative travel arrangements must be made.
- 1.4 All employees have a responsibility to ensure the health, safety and wellbeing of others is not put at risk. If an employee has reason to believe that a colleague is misusing alcohol or substances, they must inform their Line Manager immediately.

OBJECTIVES

- 2.1 The primary objectives of this Policy are:
 - a) the prevention of the adverse effects of alcohol and drugs in the workplace; and
 - b) the early diagnosis, treatment and rehabilitation of employees who have alcohol or drug-related problems.
- 2.3 Consumption of alcohol or drugs may affect an employee's ability to properly perform his job and may endanger the H&S of others. Employees are therefore required to advise their Line Manager if they are taking prescribed drugs that may impact their work.
- 2.4 We respect an individual's right to a private life, however HHP works within the community with a purpose of improving the lives of those who live there. As a result, we will not tolerate any instances of illegal activity concerning or associated with substances. Any employee found to be involved in or connected to illegal activity will be managed under our disciplinary procedures which will likely result in dismissal.

DEPENDENCY

- 3.1 In circumstances where an employee is suspected of having an alcohol or legal substance dependency, we will provide reasonable support. In the first instance, the Line Manager will have a meeting with the employee and make a referral to a counselling service. The Manager will then have follow-up meetings on an appropriate and regular timescale to determine the progress the individual is making.
- 3.2 Where there are performance issues relating to the dependence, appropriate performance plans will be put in place in accordance with our performance procedures. Where the improvement is not adequate or support via a counselling service is not adhered to, normal disciplinary procedures will be instigated which may result in dismissal.
- 3.4 Employees with alcohol or substance misuse problems who are referred for support, whether voluntarily or mandatory will be dealt with in the strictest confidence.
- 3.5 This information will be handled in line with our obligations under the current Data Protection Regulations and our own Openness and Confidentiality Policy. Information regarding how your data will be stored can be obtained by contacting the Governance Officer or the Head of Executive Office.

ALCOHOL AND THE WORKPLACE

- 4.1 The consumption of alcohol at work is not normally permitted. However, at special events (for example conferences), where the employee is not driving, the employee may exercise their discretion and consume alcohol as long as their behavior remains in line with that expected in the Code of Conduct.

DRIVING AT WORK

- 5.1 Drinking alcohol or taking substances can affect people in different ways. Should an employee drink alcohol or take a substance (legal or illegal) which impairs their ability to drive and then undertakes any occupational driving this will be deemed as breach of contract and will be dealt with under our Disciplinary Policy. This will also be reported to the Police.
- 5.2 Before any driving at work takes place, a risk assessment should be conducted. This should be completed by the driver and should include any alcohol or substance consumption. This is particularly relevant 'the morning after the night before'. If an employee is in any doubt as to whether they are safe to drive they should not do so.
- 5.3 If an employee suspects another staff member has consumed alcohol or substances or they have reason to believe the person may not be safe to drive, has driven or is intending to drive they have a responsibility to report this immediately to a Manager. The Manager will deal with the situation appropriately, which will include informing the Police. Should malicious allegations be made this will be treated very seriously and will be subject to formal disciplinary action.

MANAGING ALCOHOL MISUSE

- 6.1 We will manage alcohol misuse depending on its nature. Alcohol misuse will be dealt with under the following categories:
 - 1) Alcohol overindulgence
 - 2) Alcohol dependence
- 6.2 Where concern arises regarding alcohol overindulgence that results in socially unacceptable or dangerous behaviour but which is not related to a physical or psychological dependence, this will be treated as a conduct issue and will be dealt with under the organisation's disciplinary procedures.
- 6.3 Where concern arises regarding alcohol dependency and interferes with an employee's ability to carry out their duties, this will initially be considered as an ill-health issue and managed in accordance with the appropriate procedures.
- 6.4 We will ensure that there are confidential means for employees to seek assistance and advice for any alcohol or drug problem, whether by self-referral or at our request.
- 6.5 Where appropriate, we will provide support internally and/or through external agencies to employees who seek help for an alcohol or drug problem.
- 6.6 If any employee with an alcohol or drug problem fails to comply with the recommendations of the agreed programme of treatment, disciplinary action will be taken.
- 6.7 Employees enrolled on a rehabilitation programme will usually be subject to normal sickness/absence rules.
- 6.8 We reserve the right to conduct or require an alcohol and drug screen on any employee whilst at work or on HHP property. Such screening will only be carried out with the employee's consent. However, refusal to provide appropriate samples may lead us to draw our own inferences against the employee.
- 6.9 Employees should recognise that it is their responsibility and in their best interests to seek help at the earliest possible stage when treatment may be easier and before the problem affects work and becomes a disciplinary matter.

MANAGING SUBSTANCE MISUSE

Legal Substances

- 7.1 Where concern arises regarding over indulgence in legally obtained substances which results in socially unacceptable or dangerous behaviour. This also relates to prescription medication, whether required short or long term. Such situations will be treated as a conduct issue and will be dealt with under the organisation's disciplinary procedures.
- 7.2 Where an issue arises concerning legal substance dependency which has been obtained legally and interferes with an employee's work, this will initially be managed as an ill-health issue and managed in accordance with the appropriate procedures. However, where there is no improvement, support is not accepted, programme completed or no dependence is diagnosed we will instigate the disciplinary procedure.

Illegal Substance Misuse

- 7.3 We will not tolerate the consumption or possession of illegal substances in any circumstances. This will always be considered to be gross misconduct.

Illegally Obtained Legal Substances

- 7.4 We will not tolerate illegal activity concerning legal substances. Any employee who is suspected of being involved in any such activity will be dealt with in accordance with our disciplinary procedures as gross misconduct.

General Illegal Activity

- 7.5 The use, possession, distribution, purchase, sale or being under the influence of alcohol (except on authorised occasions) or any controlled drugs whilst at work or on HHP property is prohibited and may be viewed as gross misconduct.
- 7.6 Employees should be aware that the Misuse of Drugs Act 1971 makes it a criminal offence for HHP to knowingly allow the production or supply on its premises of any controlled drugs, and for any individual who allows such activities by his neglect or connivance. We will press for the prosecution of any employee found breaking these laws on its premises.
- 7.7 Breach of this Policy by an employee will be fully investigated and normally be dealt with under our disciplinary procedure. Depending on the nature of the conduct, the employee may be dismissed without notice.

IMPLEMENTING THE POLICY

- 8.1 The Chief Executive has overall responsibility for the implementation of this Policy.
- 8.2 Procedures relating to the implementation, monitoring and enforcement of this Policy will be developed and maintained by the Health & Safety Committee and updated as required.
- 8.3 Day-to-day responsibility for the implementation of this Policy lies with Line Managers but all employees are obliged to adhere to, and facilitate the implementation of the Policy in the workplace.
- 8.4 Employees with alcohol or drug problems who are referred for treatment, whether voluntarily or mandatory will be dealt with in the strictest confidence.

COMMUNICATING THE POLICY

- 9.1 We will inform our employees, and other agencies and companies who operate from our offices and stores about the Alcohol and Drugs Policy. Managers responsible for implementing and operating the Policy will receive regular training. All employees will be trained in the operation of the Policy and alcohol and drug awareness.
- 9.2 All new employees will be given a copy of the Alcohol and Drugs Policy (e.g. at induction).
- 9.3 A copy of the Policy will be posted on our intranet.

MONITORING & REVIEWING THE POLICY

- 10.1 This Policy will be reviewed every three years. More frequent reviews will be considered if, for example, there is a need to respond to new legislation/policy guidance.

HHP PROCEDURES RELATING TO THE ALCOHOL AND DRUGS POLICY

PREVENTION AND REHABILITATION

- 1.1 The primary objectives of this Policy are the prevention of the adverse effects of alcohol and drugs in the workplace and the early diagnosis, treatment and rehabilitation of employees who have alcohol or drug-related problems.
- 1.2 We will ensure there are confidential means for employees to seek assistance and advice for any alcohol problem, whether by self-referral or at the Partnership's request.
- 1.3 Employees should recognise it is their responsibility and in their best interests to seek help at the earliest possible stage as treatment may be easier and before the problem affects work sufficiently to become a disciplinary matter.
- 1.4 To avoid the need for disciplinary action being taken, employees with an alcohol or drug problem must comply with the recommendations of the agreed programme of treatment.
- 1.5 Employees enrolled on a rehabilitation programme will usually be subject to normal sickness/absence rules.

SCREENING WHEN ALCOHOL OR DRUGS ABUSE IS SUSPECTED

- 2.1 Where Line Managers observe unusual behaviour or unacceptable performance by an employee at work such that they have reasonable cause to believe that the employee is suffering the effects of alcohol or drugs, the Line Managers will initiate the following procedure:
 - a) they will ask the employee to explain his behaviour. They will then ask the employee to accept a referral to the Occupational Nurse for a medical review. In all cases a medical review will take place to ensure there is no underlying medical reason for the unusual behaviour or unacceptable performance and that the employee receives the appropriate and confidential care;
 - b) it is anticipated most cases will not proceed to an alcohol and drugs screen but will be handled using normal line management practices. However, in the absence of a satisfactory alternative explanation for the behaviour or performance, and where the employee is suspected of, or admits to, being in breach of this policy, an alcohol and drug screen will be performed;
 - c) the procedure for screening is held by the Occupational Nurse. The consent form will be prepared by the Occupational Nurse and signed by the employee and the Occupational Nurse taking the samples. Upon completion of the screen, the employee may be suspended on full pay for as short a time as possible until the results of the test are known; and
 - d) if an employee refuses to co-operate with the screening or to allow the Partnership access to the results, the consent form will be completed accordingly. The employee will be suspended immediately on full pay and our Disciplinary Policy will be instigated. The behaviour that gave rise to the suspicion may also be grounds for disciplinary action. Failure to

follow or co-operate with procedures laid down to safeguard the H&S of employees will be regarded as gross misconduct and may lead to disciplinary action up to and including dismissal.

DEALING WITH THE RESULTS

- 3.1 Employees will be told the results of the screen as soon as practicable.
- 3.2 If the result of the screen is negative the employee's behaviour will continue to be investigated and in appropriate cases our Disciplinary Procedure will be instigated.
- 3.3 If the result is positive, the Line Manager will continue the investigation and medical advice will be sought.
- 3.4 If no alcohol or drug dependency is found or admitted, our Disciplinary Procedure will be instigated and, depending on the seriousness of the conduct that gave rise to the investigation, we may dismiss the employee.
- 3.5 We may alternatively, at our absolute discretion, treat the employee's alcohol or drug dependency as an illness. Where appropriate the employee will be offered support and access to treatment for rehabilitation. A formal rehabilitation plan will be agreed. Any time off to attend rehabilitation will be treated as sickness absence but the employee will receive payment over and above statutory sick pay only at our discretion.
- 3.6 The Occupational Nurse will review the employee's fitness for work and liaise with external agencies (if applicable) to ensure that the employee is co-operating with the rehabilitation programme.
- 3.7 It is anticipated most employees will complete rehabilitation successfully. However, if the employee fails to complete the rehabilitation programme (or fails any screening tests), the matter will be dealt with in accordance with our Disciplinary Policy. Failure to complete rehabilitation successfully will be regarded as gross misconduct and may lead to disciplinary action up to and including dismissal.

POLICY CHANGE HISTORY

Version	Change Applied	Date	By
1	New Policy based on the Croner Model Policy	June 2011	Angus Smith
2	Policy reviewed and standardised	June 2014	Angus Smith
3	Policy reviewed and standardised	August 2017	Shona Paton
4	Policy reviewed and amended in line with EVH's Model Policy	August 2020	Dena Macleod

INTERPRETATIONS & ABBREVIATIONS

The following interpretation and abbreviations are used in this policy:

Word	Interpretation
<i>We/our/us</i>	Hebridean Housing Partnership/HHP
<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>H&S</i>	Health and Safety
<i>Alcohol Misuse</i>	Refers to an alcohol related problem which is defined as any drinking, either intermittent or continual, which interferes with a person's health and social functioning and/or work capability or conduct.
<i>Drug</i>	Refers to any psychoactive drug whether illegal, over the counter from pharmacies and other retail outlets, or legal substances such as solvents. In the case of prescribeds, their possession and proper use is acknowledged as legitimate.
<i>Drug Misuse</i>	Refers to use of illegal drugs and the misuse whether deliberate or unintentional of prescribed medicines or solvents.
<i>Premises</i>	HHP's Business Offices, Stores, Garages, Caravans, Houses, Flats, Vehicles or any other property used by HHP in the course of its business.
<i>Occupational Nurse</i>	Occupational nurses work to prevent, investigate, and treat workplace related illnesses and injuries. This service is sourced outwith HHP.
All references to the masculine gender in this Policy shall read as equally applicable to the feminine gender	



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CONSULTATION RESPONSE FORM

Alcohol & Drugs Policy Consultation

August 2020

No.	QUESTION	RESPONSE
1	The Policy has been strengthened in line with EVH's Model Policy. Do you think it is strong enough on the proposed actions?	
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 by 30 September 2020 to: Jackie Macleod, P.A

LONE WORKING POLICY

Board 26 August 2020

Report by Chief Executive

Purpose of Report

- 1.1 The report seeks approval for the Lone Working Policy following the cyclical review.

Summary

- 2.1 We review our Lone Working Policy every three years; the last review was in September 2017.
- 2.2 As part of the review, the latest guidance from EVH and the current requirements of the COVID-19 pandemic were taken into account. Minor changes were made to the Policy, which is at Appendix 1. A new paragraph was included at Paragraph 1.3 to cover COVID-19 requirements, a lone worker definition added after Paragraph 2.6 and the procedure has been updated to include provision of first aid kits for lone workers.
- 2.3 Procedures relating to this Policy will be adapted as required by any of the Government's COVID-19 requirements.

Competence

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

Recommendations

- 4.1 **It is recommended that the Board approve the Lone Working Policy at Appendix 1.**

APPENDIX1: Lone Working Policy

Background Papers: None

Writer of Report: Angus Smith

Tel: 0300 123 0773

Competence

Financial

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

Legal

- 6.1 The Health & Safety at Work etc Act 1974 imposes statutory duties for Health & Safety on employers and employees.
- 6.2 The Corporate Manslaughter and Corporate Homicide Act 2007 allows companies and corporations to be prosecuted for Corporate Homicide (in Scotland).

Regulatory Guidance

- 7.1 The Regulatory Standards Checklist has been completed and there is nothing in this report which would breach these standards.

Risk

- 8.1 The implementation of this Policy along with detailed procedures and risk assessments will mitigate the majority of the risks arising from lone working.



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► Lone Working Policy

Effective Date: ► September 2020
Review Date: ► September 2023
Approved by HHP Board: 26 August 2020

LONE WORKING POLICY

INTRODUCTION

- 1.1 We recognise that lone workers face particular problems, and we will not require employees to work alone where this results in unacceptable risks. We will ensure all lone workers are thoroughly trained at the start of their employment, are regularly supervised and monitored, and are instructed in all matters relating to their Health and Safety (H&S) at work.
- 1.2 This Policy applies to all employees including temporary employees, contractors, students and those on work experience. It forms an integral part of the Partnership's Health & Safety Policies. The Policy applies to all situations involving lone working arising in connection with the duties and activities of our employees, including:
 - employees working on their own within our offices; and
 - employees working on their own out with our offices.
- 1.3 To comply with the Government's response to the COVID-19 pandemic, all staff began working from home in a short space of time making it impossible to carry out the normal risk assessments for homeworking. As the Government lifts restrictions full homeworking risk assessments will be carried out for every member of staff.

OBJECTIVES

- 2.1 To increase employee awareness of safety issues relating to lone working.
- 2.2 To ensure the risk of lone working is assessed in a systematic and ongoing way, and safe systems and methods of work are put in place to reduce the risk so far as is reasonably practicable.
- 2.3 To ensure appropriate training is available to employees in all areas equipping them to recognise risk and provides practical advice on safety when working alone.
- 2.4 To ensure appropriate support is available to employees who have to work alone.
- 2.5 To encourage full reporting and recording of all adverse incidents relating to lone working.
- 2.6 To reduce the number of incidents and injuries to employees related to lone working.

DEFINITION OF A LONE WORKER

Health & Safety Executive define a lone worker as someone who
"works by themselves without close or direct supervision"

At HHP a lone worker includes

- *Working outside normal office hours, even on a one-off basis*
- *Working with the public on your own or away from colleagues*
- *Working on your own, in an office, at home or some other location*
- *Working in other's homes or premises*
- *If you travel alone as part of your job (this does not include commuting)*
- *Working in the office but away from colleagues*

IMPLEMENTING THE POLICY

- 3.1 Lone working environments present a unique H & S problem. Although there is no specific legal guidance on lone working, under the Health and Safety at Work etc. Act 1974, and the Management of Health and Safety Regulations 1999, as amended, the Partnership has a duty of care and must organise and control the health and safety of lone workers.
- 3.2 The Chief Executive has overall responsibility for the implementation of this Policy.
- 3.3 We will implement arrangements for identifying, evaluating and managing risks associated with lone working.
- 3.4 We will provide resources for putting the Policy into practice and will make sure that there are arrangements for monitoring incidents linked to lone working.
- 3.5 Procedures relating to the implementation, monitoring and enforcement of this Policy will be developed and maintained by the Health & Safety Committee and updated as required.
- 3.6 Day-to-day responsibility for the implementation of this Policy lies with Line Managers but all employees are obliged to adhere to, and facilitate the implementation of the Policy and its related procedures in the workplace.
- 3.7 Procedures for lone workers will ensure safe and effective systems of work at all times. All employees are required to draw to the attention of their Line Manager any amendments or additions to procedures which may become necessary from time to time.
- 3.8 All employees have a responsibility to act in such a way as not to put themselves or their colleagues at risk. Where employees work alone, HHP places even greater trust in them to act responsibly and safely. Any breaches of that trust will be viewed very seriously and may result in disciplinary action being taken.

- 3.9 If appropriate all candidates for positions in which lone working is a significant factor must undergo a medical examination. Each individual's suitability on medical grounds will be related to the specific job applied for and the particular hazards and risks associated with that job. Requests for medical reports/medical records will be subject to the Access to Medical Reports Act 1988 where appropriate and to the Access to Health Records Act 1990.
- 3.10 The Health & Safety Committee is responsible for ensuring that risk assessments are undertaken and procedures are followed throughout their teams.
- 3.11 The Health & Safety Committee is responsible for setting up and maintaining an effective procedure relating to all equipment/machinery used by their employees to ensure that:
- a) all equipment/machinery is safe;
 - b) defects are quickly reported and rectified; and
 - c) regular maintenance is carried out.
- 3.12 We will regularly review the training needs of their employees, and ensure that refresher training, or training in new working methods, is provided.
- 3.13 All lone workers will have regular personal contact with their Line Manager at least once a week.
- 3.14 All lone workers will be informed by their Line Manager whom they should contact for help and support in fulfilling their duties. Where possible the contact will be an office-based employee, and readily available. In the event that the contact is unavailable and advice urgently required, employees should contact Customer Services on telephone: 0300 123 0773.
- 3.15 All lone workers will have quick and easy access to first-aid facilities. Lone workers will be provided with a first-aid kit. The first aid requirements of all current lone workers will be assessed and provision will be made as necessary.
- 3.16 In circumstances where we accept that a lone worker could have difficulty in raising the alarm in an emergency, we will install or provide an alarm system appropriate to the situation.
- 3.17 Where lone workers are mobile during their working day, systems will be established whereby the location of individuals at any particular time can be determined; this may include the requirement to report to a central point at the end of an appointment or working day. Such systems must be strictly adhered to.
- 3.18 No ad hoc lone working will be permitted without prior written authorisation from the relevant Director.

COMMUNICATING THE POLICY

- 4.1 We will inform our employees, other agencies and companies who operate from our offices and stores, about the Lone Working Policy.
- 4.2 Line Managers responsible for implementing and operating the Policy will receive regular in-depth training. All employees will be trained in the procedures and the operation of the Policy.

- 4.2 All new appointees to lone working positions will receive comprehensive induction training. All employees must satisfy their Line Manager that they are competent in:
- a) the duties of the particular post;
 - b) safety aspects of all machinery/equipment to be used; and
 - c) emergency procedures: fire, accident, illness, physical attack.
- 4.3 A copy of the Policy will be posted on our intranet and made available on our personnel system.

MONITORING AND REVIEW OF POLICY

- 5.1 This Policy will be reviewed every 3 years. More frequent reviews will be considered if, for example, there is a need to respond to new legislation/policy guidance.

HHP PROCEDURES RELATING TO THE LONE WORKING POLICY

- 1.1 The Health & Safety Committee are responsible for:
- a) Making sure that all employees are aware of the Policy;
 - b) Making sure that risk assessments are carried out and reviewed regularly;
 - c) Putting procedures and safe systems of work into practice which are designed to eliminate or reduce the risks associated with working alone;
 - d) Making sure that employees identified as being at risk are given appropriate information, instruction and training, including training at induction, updates and refresher training as necessary;
 - e) Making sure that appropriate support is given to employees involved in any incident; and
 - f) Managing the effectiveness of preventative measures through an effective system of reporting, investigating and recording incidents.
- 1.2 All employees are responsible for:
- a) Taking reasonable care of themselves and other people who may be affected by their actions;
 - b) Co-operating by following rules and procedures designed for safe working;
 - c) Reporting all incidents that may affect the H&S of themselves or others and asking for guidance as appropriate;
 - d) Taking part in training designed to meet the requirements of the Policy; and
 - e) Reporting any dangers they identify or any concerns they might have in respect of working alone.
- 1.3 There are also procedures specifically for the working requirements of:
- Housing Officers
 - Handymen
 - Clerk of Works
 - Cleaners
 - Homeworkers

POLICY CHANGE HISTORY

Version	Change Applied	Date	By
1.0	New Policy based on the Croner Model Policy	June 2011	Angus Smith
2.0	Policy and procedure reviewed in light of building layout changes.	June 2014	Angus Smith
3.0	Policy reviewed and standardised	August 2017	Shona Paton
4.0	Policy reviewed, further detail added regarding First Aid supplies for Lone Workers at section 3.15 and Homeworkers added to Appendix 1 Section 1.3 Full definition of lone worker added	August 2020	Lida Glover

INTERPRETATIONS & ABBREVIATIONS

The following interpretation and abbreviations are used in this policy:

Word	Interpretation
<i>We/our/us</i>	Hebridean Housing Partnership/HHP
<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>Lone Workers</i>	<i>Employees whose working activities involve situations where they are without any kind of close or direct supervision</i>
<i>H&S</i>	<i>Health and Safety</i>
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

MANAGEMENT REPORT TO 30 JUNE 2020

Board 26 August 2020

Report by Director of Finance & Corporate Services

Purpose of Report

- 1.1 To present the Management Report for the month ended 30 June 2020 to the Board for review.

Summary

- 2.1 The first quarter of the fiscal year has been largely impacted by the lockdown restrictions imposed to help curb the spread of COVID-19. Repairs were being performed on an emergency only basis and as contractors were unable to be on site or enter peoples' homes, the level of spend on investment and development through the first quarter has been considerably less than anticipated. The implications of the lockdown measures, where quantifiable, are reflected in the forecast out-turn in Appendix 1 with a further update on development available at that Board agenda item.
- 2.2 The Management Reports show that the financial covenant will be met for the year ended 31 March 2021.

Competence

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

Recommendations

- 4.1 **It is recommended that the Board note the management information at 30 June 2020 as detailed in Appendix 1.**

APPENDIX1: Management Report to 30 June 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 £2,182,432.
- 5.2 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.

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.

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

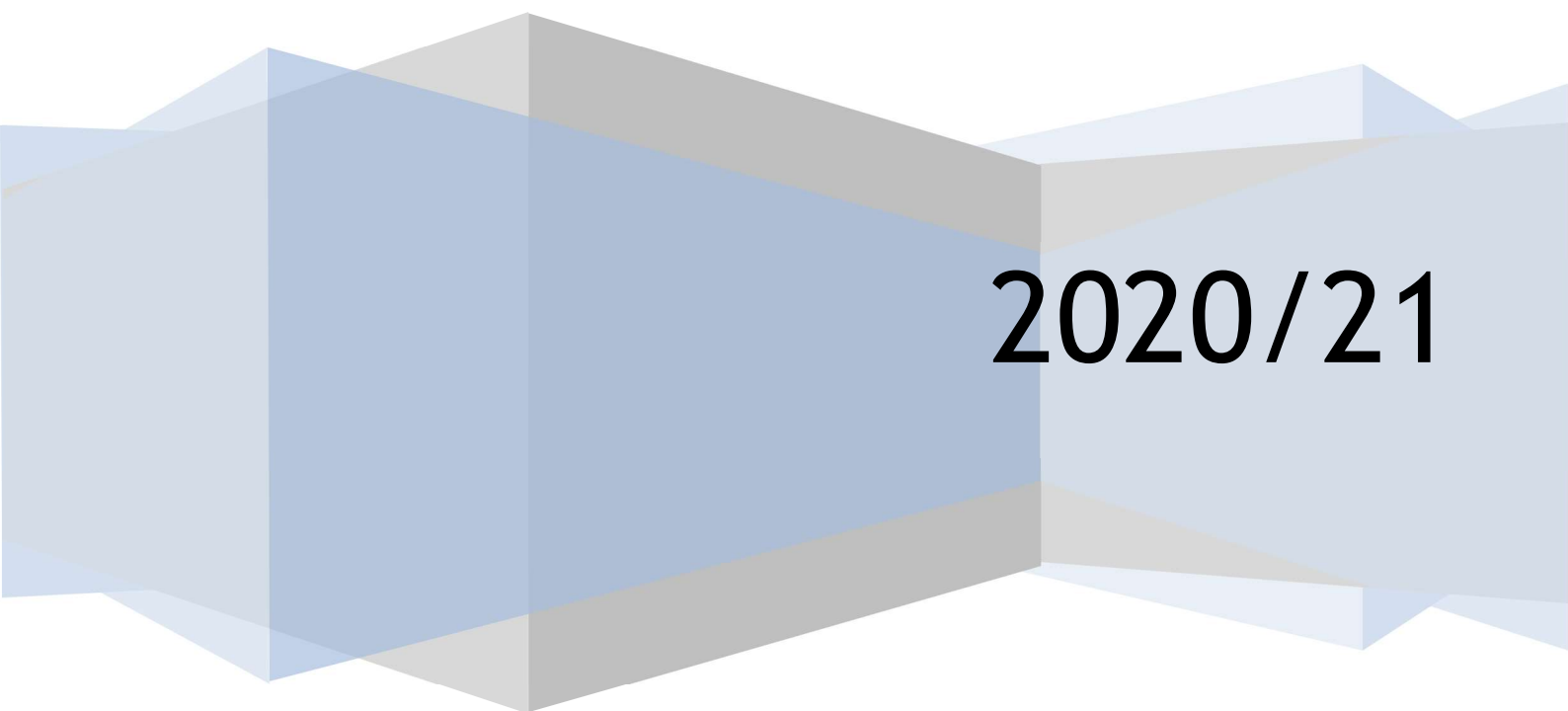
- 8.1 The key risk is that we do not meet our Financial Covenants on an ongoing basis. Our Funders have advised that due to the implication of COVID19, the Board approved budgets in March 2020 will need to be updated to reflect slippage on investment and development works. The covenant in place until the plan is approved is the Year 2 covenant from the business plan approved by the Board in March 2019. This covenant is forecast to be met in March 2021.

Hebridean Housing Partnership

Registered Scottish Charity SCO 35767

Management Reports

To 30 June 2020



2020/21

Introduction

The Management Reports for 30 June 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	2,098,570
Virements	(257,642)
Virement/Adjustment current period	(64,536)
Revised Surplus	1,776,392
Changes identified this financial year	
Changes to Income increases/(decreases)	406,040
Cost (increases)/decreases	-
Depreciation	-
Grant Amortisation	-
Forecast Surplus to 31 March 2021	2,182,432
Decrease in funds required to meet forecast out-turn	(406,040)

The virements figure of £257K includes the carry over of budgets from prior year totalling £245K.

A decrease in income of £57K due to slippage in development properties coming online as a result of Covid-19 is offset by additional RHI grants of £270K and additional RSL Adaptation Grant of £193k. This has been reflected in the forecast out-turn.

	INDICATOR	STATUS	COMMENT
I N C O M 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 X P E N D I T U R E	DEVELOPMENT COSTS		Slippage due to delays on development
	INVESTMENT		Potential slippage if programme cannot restart in Q2.
	REPAIRS & MAINTENANCE		
	MANAGEMENT COSTS		
	INTEREST		
F U N D I N 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.

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.

All development sites are now open following revised Scottish Government Guidance. They are unable to work at full capacity as a result of the H&S measures in place. Revised cashflows and programmes are to be provided to allow for an assessment to be made on the delivery of our development programme both cost and timing.

Section 2 Management Accounts

	Page
Summary Income & Expenditure Account	7
Balance Sheet at 30 June 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 30 June 2020

Line		CURRENT YEAR BUDGET		BUDGET to 30-Jun-20 £	ACTUAL to 30-Jun-20 £	BUDGET VARIANCE		BUDGET REMAINING		FORECAST OUT-TURN	
		Initial Budget £	Revised Budget £			Budget to date £	Budget to date %	Revised Budget £	Revised Budget %	Over/ (under) £	at 31-Mar-21 £
1	Dwelling rents (net)	9,256,067	9,256,067	2,314,017	2,356,682	(42,665)	-2%	6,899,385	75%	(56,960)	9,199,107
2	Non Dwelling rents (net)	13,543	13,543	3,386	7,734	(4,349)	-128%	5,809	43%		13,543
3	Grant Funding	270,000	270,000	67,500	117,786	(50,286)	-74%	152,214	56%	463,000	733,000
4	Other Income	51,390	51,390	12,848	13,057	(209)	-2%	38,333	75%		51,390
5	TOTAL INCOME	9,591,000	9,591,000	2,397,750	2,495,259	(97,509)	-4%	7,095,741	73.98%	406,040	9,997,040
6	Supervision & Management	2,752,800	2,887,581	732,858	630,698	102,160	14%	2,256,883	78%	-	2,887,581
7	Response Repairs	1,453,358	1,458,611	380,166	263,217	116,950	31%	1,195,394	82%	-	1,458,611
8	Estate Works	84,500	84,500	16,108	-	16,108	100%	84,500	100%	-	84,500
9	Planned/Cyclical Maintenance	867,173	969,317	100,474	34,568	65,906	66%	934,749	96%	-	969,317
10	Total Operating Expenditure	5,157,831	5,400,009	1,229,606	928,483	301,124	24%	4,471,526	82.81%	-	5,400,009
11	Operating Surplus/(Deficit)	4,433,170	4,190,992	1,168,144	1,566,776	(398,632)	-34%	2,624,215	62.62%	406,040	4,597,032
12	Interest received	13,500	13,500	3,375	2,462	913	27%	11,038	82%		13,500
13	Interest paid	568,100	568,100	142,025	66,580	75,445	53%	501,520	88%		568,100
14	Surplus/(Deficit)	3,878,570	3,636,392	1,029,494	1,502,658	(473,164)	-46%	2,133,734	58.68%	406,040	4,042,432
15	Depreciation	3,160,000	3,260,000	790,000	790,000	-	0%	2,470,000	76%		3,260,000
16	Grant Amortisation	(1,380,000)	(1,400,000)	(345,000)	(345,000)	-	0%	(1,055,000)	75%		(1,400,000)
17	Surplus/(Deficit)	2,098,570	1,776,392	584,494	1,057,658	(473,164)	-81%	718,734	40.46%	406,040	2,182,432

18	CAPITAL INVESTMENT										
18	Housing Investment Programme	3,916,169	4,425,373	39,327	18,935	20,391	52%	4,406,437	100%	193,000	4,618,373
19	Non Housing Investment	102,700	144,533	129,978	468	129,510	100%	144,065	100%	-	144,533
20	Development Programme	11,612,500	11,031,375	(210,896)	(210,896)	-	0%	11,242,271	102%	(5,319,096)	5,712,279
21		15,631,368	15,601,281	(41,591)	(191,492)	149,901	-360%	15,792,773	101.23%	(5,126,096)	10,475,185

Commentary on Performance

Covid-19 is having a significant impact on plans for the year. New build sites have been closed for the majority of the first quarter, the majority of investment works was stopped and only emergency repairs took place. This has had a significant impact on forecasted rental income and expenditure.

Income

Rents

£43K ahead of the year to date budget due to phasing of the bad debts budget. Developments have not been completed 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 in the first quarter due to no investment and development works taking place during lockdown. Costs are below year to date budget due to the fact all employees have been predominantly working from home. Savings have been recognized on travel & subsistence for employees (6K) and Board members (3K).

Line 8 Response Repairs

Costs have doubled from £132K at the end of May to £263K on 30th June. This is a clear indication that repair works are increasing in line with the easing of lockdown measures.

Line 14 Interest Paid

Interest paid is expected to rise as lockdown restrictions are eased and works recommence, resulting in a requirement to drawn down from our borrowing facility.

Line 21 Development Programme

The credit amount in Development programme is due to LIFT sales completed in Q1.

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

Balance Sheet at 30 June 2020

		30 June 2020	31 March 2020
		£	£
	Notes		
Fixed Assets			
1 Tangible assets-social housing	1	92,758,641	93,548,641
2 Development & Investment Programme	2	- 8,242	-
3 Tangible assets - property, plant and equipment		964,118	964,118
4 Landbank		879,915	879,915
5 Investments		2	2
		<u>94,594,434</u>	<u>95,392,677</u>
Current Assets			
6 Stock		943,808	1,127,058
7 Trade and other debtors due within one year		682,654	1,202,048
8 Debtors due after more than one year		144,972	144,972
9 Short-term deposits		3,114,795	3,109,329
10 Cash at bank and in hand	3	2,932,739	1,647,257
11 Loan to subsidiary		17,560	16,800
		<u>7,836,528</u>	<u>7,247,463</u>
12 Creditors: amounts falling due within one year		(1,065,979)	(1,988,577)
Net current assets		<u>6,770,550</u>	<u>5,258,886</u>
Total assets less current liabilities		<u>101,364,984</u>	<u>100,651,562</u>
13 Creditors: amounts falling due after more than one year		(10,876,774)	(10,876,774)
14 Deferred capital grants		(52,598,527)	(52,943,527)
15 Pension Liability		(1,353,000)	(2,055,000)
16 Net Assets		<u>36,536,683</u>	<u>34,776,261</u>
Capital and Reserves			
17 Share Capital		210	208
18 Revenue Reserve		36,536,473	34,776,053
		<u>36,536,683</u>	<u>34,776,261</u>

Commentary on Performance

Fixed Assets	Fixed Assets are shown at gross cost and are reduced by the depreciation charge for the period.
Development & Investment	The value of work in progress, net of Grant, on current properties and new developments. This is a credit amount due to LIFT sales completed in Q1. More detailed information is available in the Performance Report.
Cash	Cash balances are considerably higher than expected due to lower spend on investment and development.

Rental Income

For the period ended 30 June 2020

Line		CURRENT YEAR BUDGET		BUDGET to 30-Jun-20 £	ACTUAL to 30-Jun-20 £	BUDGET VARIANCE		BUDGET REMAINING		FORECAST OUT-TURN	
		Initial Budget £	Revised Budget £			Budget to date £	Budget to date %	Revised Budget £	Revised Budget %	Over/ (under) £	at 31-Mar-21 £
1	Dwelling Rent Gross	9,639,395	9,639,395	2,409,849	2,382,579	27,269	1%	7,256,815	75.28%	(56,960)	9,582,435
2	Non Dwelling Rent Gross	15,915	15,915	3,979	7,734	(3,755)	-94%	8,181	51.40%		15,915
3	Voids - Dwelling	(191,028)	(191,028)	(47,757)	(25,898)	(21,859)	46%	(165,130)	86.44%		(191,028)
4	Voids - Other	12,958	12,958	3,239	-	3,239	100%	12,958	100.00%		12,958
5	Bad Debts	(192,300)	(192,300)	(48,075)	(0)	(48,075)	100%	(192,300)	100.00%		(192,300)
6	TOTAL	9,284,940	9,284,940	2,321,235	2,364,416	(43,181)	-2%	6,920,524	74.53%	(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 £22K below year to date budget. With the easing of restrictions people are now able to move home and works can be performed. It is expected that the rate of increase in variance will slow down.

Line 5 Bad Debts

No bad debts have been written off this financial year.

Supervision & Management Costs

For the period ended 30 June 2020

Line	Heading	CURRENT YEAR BUDGET		BUDGET to 30-Jun-20 £	ACTUAL to 30-Jun-20 £	BUDGET VARIANCE		BUDGET REMAINING		forecast out-turn	
		Initial Budget £	Revised Budget £			Budget to date £	Budget to date %	Revised Budget £	Revised Budget %	Over/ (under) £	at 31-Mar-21 £
1	Salaries & Wages	1,587,811	1,595,569	404,711	368,212	36,499	9%	1,227,357	77%		1,595,569
2	National Insurance	155,876	156,635	39,728	36,107	3,621	9%	120,528	77%		156,635
3	Pension Costs	303,841	305,324	77,443	66,751	10,693	14%	238,573	78%		305,324
4	Other Employee Costs	54,185	54,185	22,375	6,370	16,006	72%	47,815	88%		54,185
5	Travel & Subsistence	24,670	18,618	115	116	-	0%	18,502	99%		18,618
6	EMPLOYEE COSTS	2,126,382	2,130,330	544,373	477,555	66,818	12%	1,652,776	78%	-	2,130,330
7	Premises Costs	74,750	74,750	20,922	9,800	11,122	53%	64,950	87%		74,750
8	IT & Telecoms	181,200	181,200	48,656	44,781	3,875	8%	136,419	75%		181,200
9	Area Offices	26,040	26,040	6,510	6,519	(9)	0%	19,521	75%		26,040
10	Payroll & Cashdesk	6,460	6,460	1,615	1,819	(204)	-13%	4,641	72%		6,460
11	Property Management Fees	4,010	5,013	2,005	2,005	-	0%	3,008	60%		5,013
12	Covid-19	-	11,945	11,945	9,472	2,473	21%	2,473	21%		11,945
13	SUPPLIES & SERVICES	292,460	305,408	91,652	74,396	17,257	19%	231,012	76%	-	305,408
14	Postage, Printing & Stationery	41,000	35,500	6,395	2,448	3,947	62%	33,052	93%		35,500
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	16,120	867	15,253	95%	63,613	99%		64,480
17	Community Support	30,750	30,750	7,687	390	7,297	95%	30,360	99%		30,750
18	Health & Safety	8,470	8,470	5,985	593	5,392	90%	7,877	93%		8,470
19	Recruitment Costs	2,500	2,500	625	-	625	100%	2,500	100%		2,500
20	ADMINISTRATION COSTS	148,200	142,700	37,812	4,298	33,514	89%	138,401	97%	-	142,700
21	Professional Fees	352,894	479,694	99,553	7,205	92,348	93%	472,488	98%		479,694
22	Insurance	270,535	270,535	61,185	61,185	(0)	0%	209,350	77%		270,535
23	Affiliation Fees	49,350	49,350	12,338	7,046	5,292	43%	42,304	86%		49,350
24	Charitable Donations	5,000	5,000	-	-	-	100%	5,000	100%		5,000
25	Governance	27,850	24,435	3,547	285	3,262	92%	24,150	99%		24,435
26	Bank Charges	8,000	8,000	2,000	1,385	615	31%	6,615	83%		8,000
27	Public Relations / Marketing	15,080	15,080	3,770	191	3,579	95%	14,889	99%		15,080
28	CORPORATE EXPENSES	728,709	852,094	182,393	77,297	105,096	58%	774,797	91%	-	852,094
29	Fees Charged to Capital	(530,451)	(530,451)	(104,784)	-	(104,784)	100%	(530,451)	100%		(530,451)
30	VAT Received - Partial Exemption	(12,500)	(12,500)	(3,125)	(2,848)	(277)	9%	(9,652)	77%		(12,500)
31	RECHARGES	(542,951)	(542,951)	(107,909)	(2,848)	(105,061)	97%	(540,103)	99%	-	(542,951)
32	MANAGEMENT COST	2,752,800	2,887,581	748,322	630,698	117,624	16%	2,256,883	26%	-	2,887,581

Commentary on performance

Line 1 Salaries & Wages

Salaries are under budget as the annual pay award has yet to be finalised. In addition, phasing of the budget assumes new posts being in place for the full year. The year to date underspend on travel and subsistence has been recognised as savings.

Line 5 Travel & Subsistence

Underspend of £6.5K in Travel & Subsistence due to Covid-19 has been recognised as savings.

Line 12 Covid-19

Costs will be charged to the relevant budgets once all costs have been accounted for. The majority of the costs are incurred for Health & Safety purposes.

Line 13 Supplies & Services

Maintenance work on our premises will recommence with the easing of Covid-19 restrictions.

Line 19 Administration Costs

Most of the underspend is due to training which is either being delivered through video conferencing or has been postponed. Any savings will be offset by additional training needs due to Covid-19. Skills audit for Board member training is scheduled to take place in September after the AGM.

Due to office closure there is a £5.5K saving in postage, printing & stationery mainly due to a reduction in franking costs 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 30 June 2020

Line	Heading	CURRENT YEAR		BUDGET to 30-Jun-20 £	ACTUAL to 30-Jun-20 £	BUDGET VARIANCE		BUDGET REMAINING		FORECAST OUT-TURN	
		Initial Budget £	Revised Budget £			Budget to date £	Budget to date %	Revised Budget £	Revised Budget %	Over/ (under) £	at 31-Mar-21 £
1	Responsive Repairs	935,325	935,325	252,538	165,052	87,486	35%	770,273	82%		935,325
2	Void Repairs	264,000	264,000	66,000	44,996	21,004	32%	219,004	83%		264,000
3	Handyperson	83,160	83,160	21,015	17,805	3,210	15%	65,355	79%		83,160
4	GENERAL REPAIRS	1,282,485	1,282,485	339,553	227,852	111,700	33%	1,054,633	82%	-	1,282,485
5	Decoration Allowance	46,530	46,530	11,633	10,475	1,158	10%	36,055	77%		46,530
6	Council Tax empty properties	19,800	19,800	4,950	3,325	1,625	33%	16,475	83%		19,800
7	Compensation	11,695	11,695	2,924	79	2,845	97%	11,616	99%		11,695
8	SPECIFIC ITEMS	78,025	78,025	19,506	13,879	5,627	29%	64,146	82%	-	78,025
9	Rechargeable Repairs	108,000	108,000	27,000	17,667	9,333	35%	90,333	84%		108,000
10	Rechargeable Repairs Recoverable	(59,800)	(59,800)	(14,950)	(15,252)	302	-2%	(44,548)	74%		(59,800)
11	Insurance Repairs	105,000	105,000	26,250	16,408	9,842	37%	88,592	84%		105,000
12	Insurance Claims Recoverable	(72,500)	(72,500)	(18,125)	489	(18,614)	103%	(72,989)	101%		(72,500)
13	RECOVERABLE EXPENDITURE	80,700	80,700	20,175	19,311	864	4%	61,389	76%	-	80,700
14	Commercial Properties	1,200	1,200	300	-	300	100%	1,200	100%		1,200
15	Communal Lighting	10,948	16,201	632	2,175	(1,542)	-244%	14,026	87%		16,201
16	NON DWELLING REPAIRS	12,148	17,401	932	2,175	(1,242)	-133%	15,226	88%	-	17,401
17	Gas Servicing	73,958	74,372	16,271	15,526	745	5%	58,846	79%		74,372
18	Estate Management	47,922	47,922	-	2,756	(2,756)		45,166	94%		47,922
19	Other Servicing (incl. heating)	697,528	799,149	72,400	12,960	59,440	82%	786,189	98%		799,149
20	Stair Lifts and Door Entry Systems	4,030	4,139	-	2,754	(2,754)		1,385	33%		4,139
21	Gutter Cleaning	34,885	34,885	11,628	-	11,628	100%	34,885	100%		34,885
22	Sewage Pumps	700	700	175	572	(397)	-227%	128	18%		700
23	Dun Berisay Heat	8,150	8,150	-	-	-		8,150	100%		8,150
24	CYCLICAL MAINTENANCE	867,173	969,317	100,474	34,568	65,906	66%	934,749	96%	-	969,317
25	TOTAL REPAIRS & MAINTENANCE	2,320,531	2,427,928	480,641	297,785	182,856	38%	2,130,143	88%		2,427,928

Commentary on performance

Backlog routine repairs are progressing on the basis that safe systems of works and safety measures are in place for both contractors and tenants. Tenant consent is required.

Line 4 General repairs

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

Line 9 Rechargeable repairs

As void numbers return to normal levels rechargeable repairs are expected to increase.

Line 15 Communal lighting

Utility bills exceeded budget. Provision for the period are expected to level out over coming periods.

Line 19 Other Servicing

Up to the end of Q1 progress has been slow due to lockdown restrictions. Works and programmes have now resumed for the majority of the programme and are expected to see increased expenditure.

Line 21 Gutter Cleaning

Gutter cleaning was on hold due to lockdown but has since been resumed and is expected to see an increased expenditure.

Estate Works

For the period ended 30 June 2020

Line	Heading	CURRENT YEAR BUDGET		BUDGET to 30-Jun-20 £	ACTUAL to 30-Jun-20 £	BUDGET VARIANCE		BUDGET REMAINING		FORECAST OUT-TURN	
		Initial Budget £	Revised Budget £			Budget to date £	Budget to date %	Revised Budget £	Revised Budget %	Over/ (under) £	at 31-Mar-21 £
1	Unadopted Infrastructure	32,527	32,527	8,132	-	8,132	100%	32,527	100%		32,527
2	Grounds Maintenance	51,974	51,974	7,976	-	7,976	100%	51,974	100%		51,974
3	TOTAL ESTATE WORKS	84,500	84,500	16,108	0	16,108	100%	84,500	100%	-	84,500

Aids & Adaptations

For the period ended 30 June 2020

Line	Heading	CURRENT YEAR BUDGET		BUDGET to 30-Jun-20 £	ACTUAL to 30-Jun-20 £	BUDGET VARIANCE		BUDGET REMAINING		FORECAST OUT-TURN	
		Initial Budget £	Revised Budget £			Budget to date £	Budget to date %	Revised Budget £	Revised Budget %	Over/ (under) £	at 31-Mar-21 £
1	OT Works	120,000	120,000	36,364	3,604	32,759	90%	116,396	97%	193,000	313,000
2	Grants										
3	Grants Received	(120,000)	(120,000)	(30,000)	(3,604)	(26,396)	88%	(116,396)	97%	(193,000)	(313,000)
4	TOTAL AIDS & ADAPTATIONS	-	-	6,364	-	6,364	100%	-	1%	-	-

Investment Expenditure

For the period ended 30 June 2020

Line	Heading	CURRENT YEAR BUDGET		BUDGET to 30-Jun-20	ACTUAL to 30-Jun-20	BUDGET VARIANCE		BUDGET REMAINING		FORECAST OUT-TURN	
		Initial Budget £	Revised Budget £	£	£	Budget to date £	Budget to date %	Revised Budget £	Revised Budget %	Over/ (under) £	at 31-Mar-21 £
1	Roofs	-	1,540	-	-	-	-	1,540	100%		1,540
2	Insulation	135,135	322,502	-	-	-	-	322,502	100%		322,502
3	Total Roofs	135,135	324,042	-	-	-	-	324,042	100%	-	324,042
4	Kitchen	123,751	127,766	-	-	-	-	127,766	100%		127,766
5	Bathrooms	99,768	106,086	-	-	-	-	106,086	100%		106,086
6	OT Aids & Adaptations	120,000	120,000	36,364	3,604	32,759	90%	116,396	97%	193,000	313,000
7	Showers	72,213	76,516	-	-	-	-	76,516	100%		76,516
8	Heating	2,571,851	2,624,272	-	-	-	-	2,624,272	100%		2,624,272
9	Rewiring	373,797	516,443	2,963	2,353	610	21%	514,090	100%		516,443
11	Total Internals	3,361,379	3,571,082	39,327	5,957	33,369	85%	3,565,124	100%	193,000	3,764,082
12	Windows	221,352	262,220	-	12,978	(12,978)	-	249,242	95%		262,220
13	Roughcast house & wall	-	1,100	-	-	-	-	1,100	100%		1,100
15	Other	198,304	208,305	-	-	-	-	208,305	100%		208,305
19	Externals	198,304	209,405	-	-	-	-	209,405	100%	-	209,405
	Total Investment excl. Unallocated										
20	Exp/Efficiency Saving	3,916,169	4,366,748	39,327	18,935	20,391	52%	4,347,812	100%	193,000	4,559,749
21	Unallocated Expenditure	-	58,625	-	-	-	-	58,625	100%		58,625
22	Total Investment	3,916,169	4,425,373	39,327	18,935	20,392	52%	4,406,437	100%	193,000	4,618,373

Commentary on Performance

Programming of the works is under discussion with contractors. Works can commence at Phase 3 of the Government guidance subject to controls and tenant consent.

Year to date budget profiling has been re-phased in light of delays due to lockdown.

Each of the remaining programmes are at varying stages from survey to planning safe systems of works and controls.

Latest commencement dates for the respective programmes have been calculated and show that delivery will be achieved before end of March 2021 subject to control measures and tenant consent.

Latest commencement dates to fulfil full delivery of programmes vary:

- Heating end September – surveys and planning progress
- Bathrooms end October – surveys to commence
- Kitchens end November - surveys to commence
- Windows end November - surveys to commence
- Insulation end October - surveys to commence
- Other (fencing) end October - surveys to commence

Smoke detectors (rewiring) commenced on site on Phase 2 Government guidance and is progressing well.

Non Housing Investment

For the period ended 30 June 2020

Line	Heading	CURRENT YEAR BUDGET		BUDGET to 30-Jun-20 £	ACTUAL to 30-Jun-20 £	BUDGET VARIANCE		BUDGET REMAINING		FORECAST OUT-TURN	
		Initial Budget £	Revised Budget £			Budget to date £	Budget to date %	Revised Budget £	Revised Budget %	Over/ (under) £	at 31-Mar-21 £
1	Heating Systems	-	17,000	17,000	-	17,000	100%	17,000	100%		17,000
2	Furniture & Fittings	51,350	51,350	51,350	-	51,350	100%	51,350	100%		51,350
3	IT equipment	51,350	71,350	71,350	240	71,110	100%	71,110	100%		71,350
4	Total Office	102,700	122,700	122,700	240	122,460	100%	122,460	100%	-	122,700
5	Motor Vehicles	-	21,833	7,278	228	7,050	97%	21,605	99%		21,833
6	Total	102,700	144,533	129,978	468	129,510	100%	144,065	100%	-	144,533

Development Expenditure

For the period ended 30 June 2020

Line		CURRENT YEAR BUDGET		BUDGET Budget to 30-Jun-20 £	ACTUAL to 30-Jun-20 £	BUDGET VARIANCE		BUDGET REMAINING		FORECAST OUT-TURN	
		Initial Budget £	Revised Budget £			Budget to date £	Budget to date %	Revised Budget £	Revised Budget %	Over/ (under) £	at 30-Jun-20 £
1	New Build	27,044,204	27,821,793	242,131	242,131	-	0%	27,579,662	99%	(5,426,805)	22,394,988
2	LIFT	785,454	842,173	62,299	62,299	-	0%	779,874	93%	2,231	844,404
3	Land	395,979	468,479	-	-	-	-	468,479	100%	(27,500)	440,979
4	Total Development Costs	28,225,637	29,132,445	304,430	304,430	-	0%	28,828,014	99%	(5,452,074)	23,680,371
5	Housing Association Grant										
6	HAG - New Build	(15,246,720)	(15,874,039)	(274,326)	(274,326)	-	0%	(15,599,713)	98%	85,246	(15,788,793)
7	HAG - Lift	(686,938)	(737,068)	(58,050)	(58,050)	-	0%	(679,018)	92%	47,732	(689,336)
8	Other Grants & Sales proceeds										
9	Other Grants - LIFT Sales	(306,000)	(1,058,106)	(183,250)	(183,250)	-	0%	(874,856)	83%		(1,058,106)
10	Other Grants - Unallocated	(383,479)	(455,979)	-	-	-	-	(455,979)	100%		(455,979)
11	Total Grants	(16,623,137)	(18,125,192)	(515,626)	(515,626)	-	0%	(17,609,566)	97%	132,978	(17,992,214)
12	Private Finance required										
13	New Build	11,797,484	11,947,754	(32,195)	(32,195)	-	0%	11,979,949	100%	(5,341,559)	6,606,195
14	LIFT	(207,484)	(953,001)	(179,001)	(179,001)	-	0%	(774,001)	81%	49,963	(903,038)
15	Land	395,979	468,479	-	-	-	-	468,479	100%	(27,500)	440,979
16	Feasibility	10,000	24,123	300	300	-	0%	23,823	99%		24,123
17	Unallocated	(383,479)	(455,979)	-	-	-	-	(455,979)	100%		(455,979)
18	Private Finance required	11,612,500	11,031,375	(210,896)	(210,896)	-	0%	11,242,271	102%	(5,319,096)	5,712,279

Commentary on Performance

Overall Spend to Date:

All development sites are now open following revised Scottish Government Guidance. They are unable to work at full capacity as a result of the H&S measures in place. Revised cashflows and programmes are to be provided to allow for an assessment to be made on the delivery of our development programme both cost and timing.

Section 3: Key Financial Performance Measures

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Financial Covenants

For the period ended 30 June 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.

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 30 June 2020	(£6,375,253)
Tolerance available	£2,483,047
Reduction in expenditure required to achieve covenant	£0

Annual Cash flow Deficit

Line	Detail	Current Position	Forecast
	Income	£	£
1	Dwelling rents (net)	2,356,682	9,199,107
2	Non Dwelling rents (net)	7,734	13,543
3	Grant Funding	117,786	733,000
4	Other Income	13,057	51,390
5	Grant received for New Build	274,326	15,788,793
6	Sale of LIFT received	183,250	1,058,106
7	Grant on LIFT received	58,050	689,336
8	Insurance Receipts	- 489	72,500
9	Total Income	3,010,397	27,605,776
	Expenditure		
10	Supervision & Management	630,698	3,418,032
11	Response Repairs	263,217	1,458,611
12	Estate Works	-	84,500
13	Planned/Cyclical Maintenance	34,568	969,317
14	Investment Programme	18,935	4,087,922
15	Office Alterations and IT	468	144,533
16	LIFT Costs	62,299	844,404
17	Opening Balances		
18	Development Costs	242,131	22,419,111
19	Total Expenditure	1,252,317	33,426,429
20	Net Operating Cashflow	1,758,080	(5,820,653)
21	Interest Paid	66,580	568,100
22	Interest Collected	(2,462)	(13,500)
23	Total Interest	64,119	554,600
24	Annual Cashflow Surplus/(Deficit)	1,693,962	(6,375,253)
	Interest Ratio	4%	-10%
	Covenant Requirement		
	Maximum Annual Cashflow deficit	(8,858,300)	(8,858,300)
	Tolerance	10,552,262	2,483,047
		-321%	-76%

Financial Ratios

For the period ended 30 June 2020

Key Ratios			
	Current	Forecast	2019/20
Current Ratio	7.22	4.71	3.57
(Current Assets/Current Liabilities)			
Net Debt Per Unit			
Borrowing/ stock units	£2,240.53	£4,455.48	£2,240.53
Voids%	1.08%	1.86%	0.65%
Voids as % of Rental Income Due			
Bad Debts %	0.00%	2.00%	1.57%
Bad Debts written off as % of Rental Income Due			
Staff Cost/Turnover %	19.14%	21.31%	19.62%
Gross Surplus	62.79%	45.98%	53.77%
Operating Surplus/Turnover			
Net Surplus	42.39%	21.83%	30.75%
Net Surplus/Turnover			

Cash Flow Forecast 2020/21

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

Monthly Cash Flow Forecast

Year Ended 31-Mar-21	30-Jun-20 Month 3	31-Jul-20 Month 4	31-Aug-20 Month 5	30-Sep-20 Month 6	31-Oct-20 Month 7	30-Nov-20 Month 8	31-Dec-20 Month 9	31-Jan-21 Month 10	28-Feb-21 Month 11	31-Mar-21 Total Month 12	
Cash on Hand at beginning of month	2,181,707	2,733,805	1,857,138	2,069,987	1,993,054	2,267,652	2,113,818	2,224,268	2,302,106	1,981,330	1,968,743
Cash Receipts											
Rent	753,486	734,920	948,650	608,920	948,650	734,920	608,920	948,650	662,637	690,367	9,269,668
Sale of Assets	80,350	-	72,650	153,000	-	250,702	250,702	250,702	-	-	1,058,106
Grant Income	73,286	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	17,864,776
Other income	38,603	-	-	-	-	-	-	-	-	-	109,034
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
Total	945,725	2,443,623	3,831,352	4,295,234	4,112,172	3,423,855	3,529,909	3,912,655	2,826,848	3,381,608	35,162,877
Total Cash Available	3,127,433	5,177,428	5,688,490	6,365,221	6,105,226	5,691,507	5,643,726	6,136,923	5,128,953	5,362,937	
Cash Paid Out											
Payroll	164,039	169,500	174,961	169,500	169,500	169,500	169,500	169,500	169,500	169,500	2,026,203
Management Costs	37,213	36,400	89,778	286,400	91,600	82,500	82,500	45,500	36,400	70,687	985,880
Repairs	127,732	179,790	189,720	179,790	189,720	287,187	179,790	239,720	229,790	280,624	2,377,597
Investment	-	699,589	680,006	656,376	465,584	412,528	368,264	274,730	271,667	276,262	4,605,993
Development	54,419	2,091,185	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
	-	-	-	-	-	-	-	-	-	-	-
Total	383,404	3,176,464	3,616,253	4,370,367	3,693,299	3,575,889	3,417,658	3,305,543	3,145,824	3,309,821	34,219,607
Cash Paid Out (Non P & L)											
Loan Interest	-	142,025	-	-	142,025	-	-	142,025	-	81,974	568,100
HAG Repayment	-	-	-	-	-	-	-	385,000	-	-	385,000
Refunds	10,224	1,800	2,250	1,800	2,250	1,800	1,800	2,250	1,800	2,400	29,135
Transfer to Deposit Account	-	-	-	-	-	-	-	-	-	-	-
Total	10,224	143,825	2,250	1,800	144,275	1,800	1,800	529,275	1,800	84,374	982,235
Total Cash Paid out	393,628	3,320,289	3,618,503	4,372,167	3,837,574	3,577,689	3,419,458	3,834,818	3,147,624	3,394,195	
Cash Position at End of Month	2,733,805	1,857,138	2,069,987	1,993,054	2,267,652	2,113,818	2,224,268	2,302,106	1,981,330	1,968,743	-
Deposit Acct At end of Month	3,111,293	3,111,293	3,111,293	2,361,293	2,111,293	2,111,293	1,661,293	0	0	0	
Total Funds Available	5,845,098	4,968,431	5,181,280	4,354,347	4,378,945	4,225,111	3,885,561	2,302,106	1,981,330	1,968,743	

QUARTERLY TREASURY REPORT TO 30 JUNE 2020

Board 26 August 2020

Report by Director of Finance & Corporate Services

Purpose of Report

- 1.1 To inform the Board of the Treasury Management activities for the first quarter of 2020/21.

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 are forecast to be met for 2020/21.
- 2.3 The Annual Financing Strategy (AFS) forecast that £14.805M would be drawn down from our approved borrowing facility in 2020/21. 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 resulted in our development program being halted and a revision to the phasing of the drawdown of the remaining loan facility. The estimated level of borrowing for 2020/21 has been revised down to £8.158M.

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) **quarterly report on the Analysis of Investment and Borrowing as shown at Appendix 1;**
 - b) **outstanding loans at 30 June 2020 of £4.91 million; and**
 - c) **cash balance at 30 June 2020 of £6.004 million.**

APPENDIX 1	Analysis of Investment and Borrowings
APPENDIX 2	Quarterly Income and Expenditure Profile
Background Papers	None
Writer of Report	Donald Macleod

Tel: 0300 123 0773

Competence

Financial

- 5.1 This report deals entirely with the cash resources utilised over the first quarter of 2020/21.

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 the Partnership's 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 the 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 first quarter.
- 9.2 The first quarter of the year saw £2.679 million expenditure of which £1.026 million related to new build.
- 9.3 The income for the first quarter was £3.406 million and comprised Rental Income (70%), Sale of Shared Equity Units (2%) Government Grants including new build (24%) and Other income (3%).
- 9.4 Appendix 2 summarises the income and expenditure profiles for the first quarter.
- 9.5 The cash balances at 30 June 2020 increased quarter on quarter by £0.853M to £6.004M. This was driven by the reduction in investment and development spend during lockdown.
- 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 2020/21.

30JUN20

ANALYSIS OF INVESTMENTS AND BORROWINGS

INVESTMENTS

	Mar-20	Jun-20	Average
<i>DEPOSIT ACCOUNTS</i>	£000's	£000's	£000's
Royal Bank	749	749	749
CWS	0	0	0
BOS	782	782	782
Santander	1,578	1,581	1,579
Total Deposit	3,109	3,112	3,111

CURRENT ACCOUNTS

General Account	1,195	859	1,027
Standing Order	345	495	420
Direct Debit	257	750	504
Office/Cash	208	750	479
Property Factoring	36	39	37
Total current	2,042	2,892	2,467
Total	5,151	6,004	5,578

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 £2.892m. 5 deposit accounts held with the 4 banks shown above total £3.112m.

BORROWINGS

Core Funding Facility	£m
Estimated debt outstanding (per Business Plan)	14.81
Actual amount outstanding	4.91
Difference	9.90

Compliance with Cash Flow Forecasts

The onset of the COVID pandemic resulted in a halt to our development program for almost the entire first quarter of 2020/21 and the phasing of the drawdown of the remaining loan facility. Due to slippage in the programming of development and investment works, no monies have been drawn from our borrowing facility in the first quarter.

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 has remained at 0.1% since the COVID19 lockdown was initiated. 3 month LIBOR decreased to 0.14% as at 30 June 2020.

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

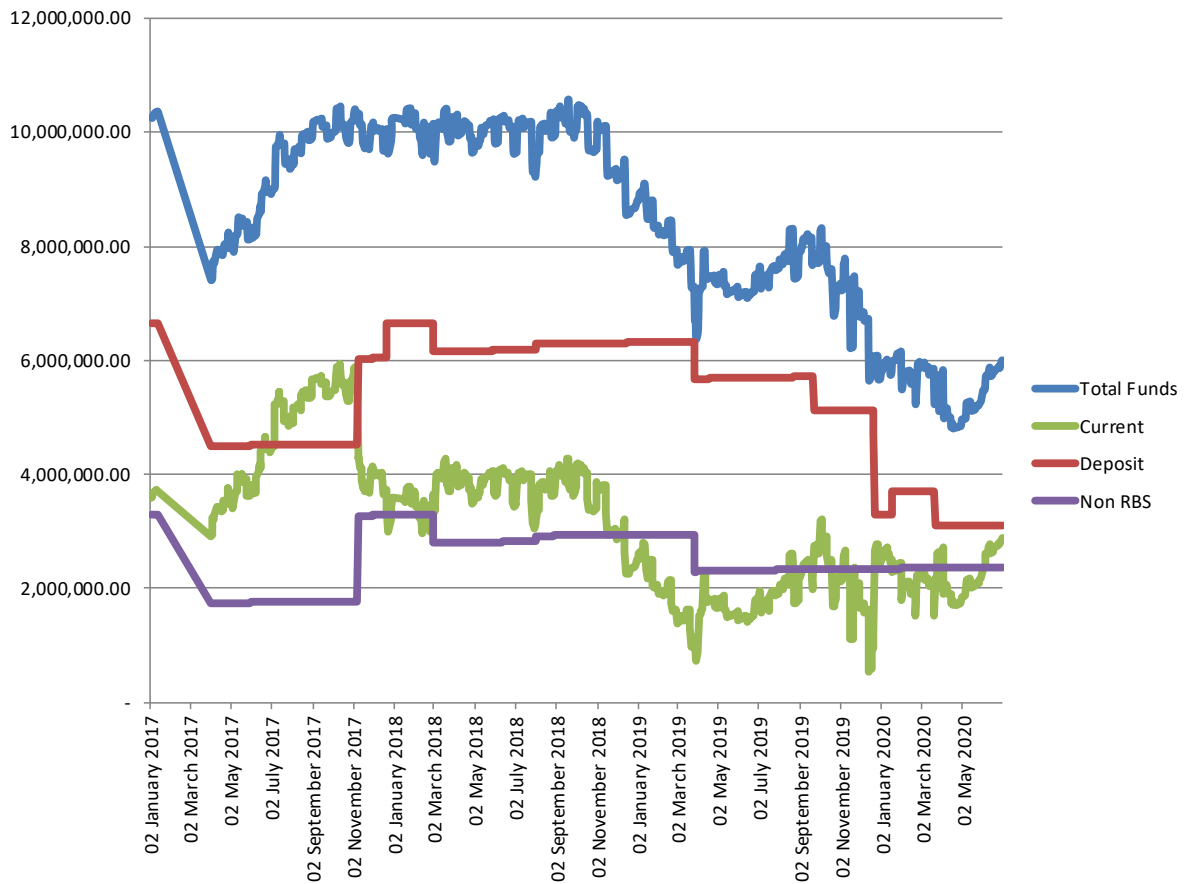
Average cost of borrowing

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

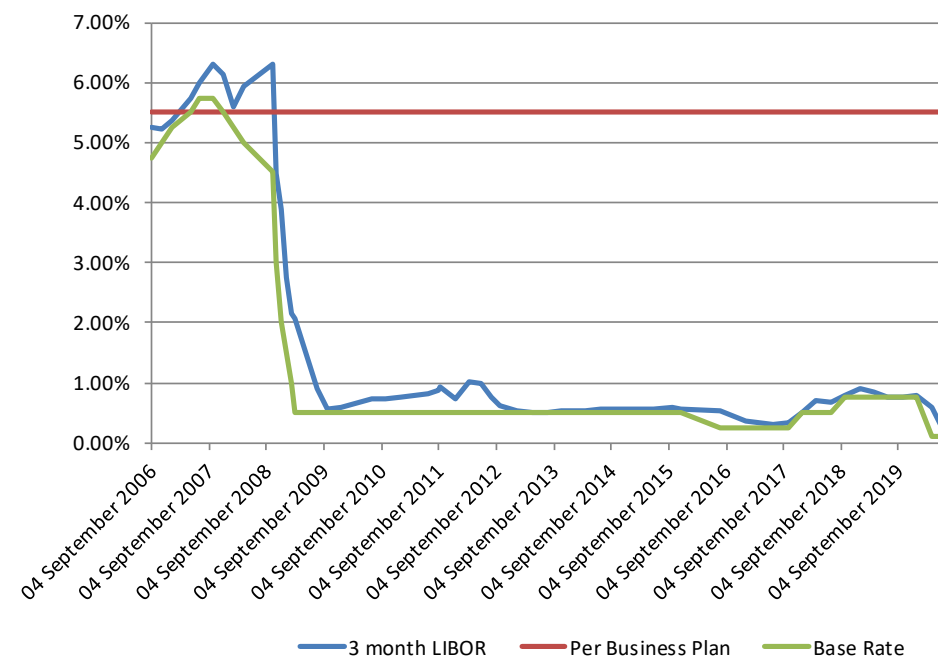
Anticipated level of borrowing over next 5 years

Year	2020/21 Est £m	AFS Forecast £m	Variance £m
2020/21	8.158	14.805	(6.647)
2021/22	14.805	14.805	-
2022/23	14.805	14.805	-
2023/24	14.805	14.805	-
2024/25	14.805	14.805	-

Cash Balances



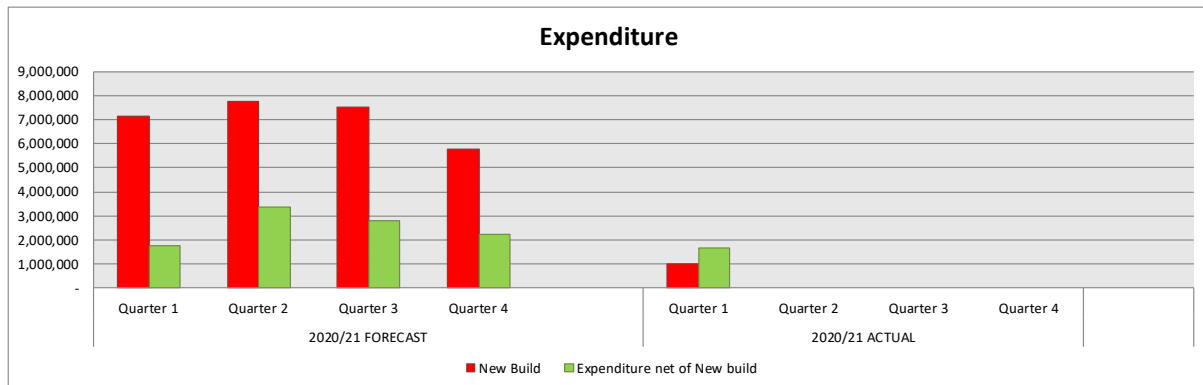
Interest Rates



30JUN20

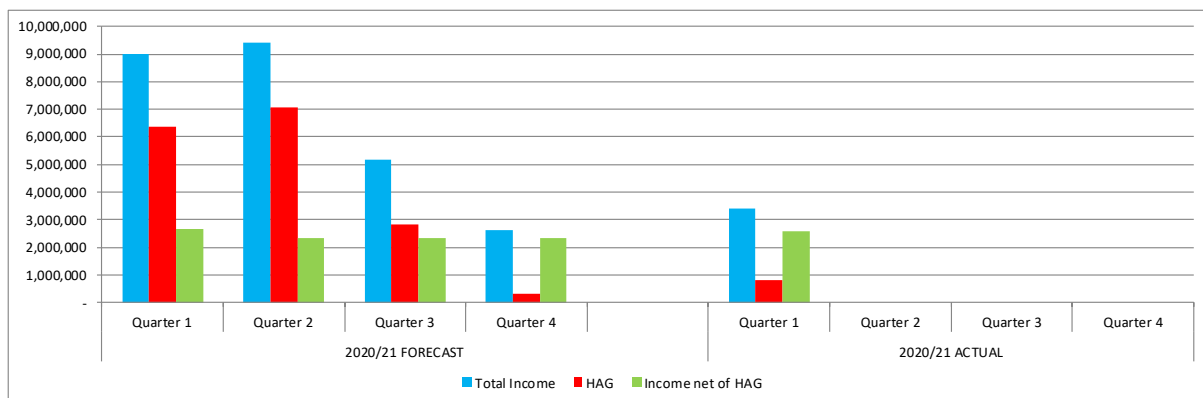
ANALYSIS OF INCOME AND EXPENDITURE PROFILES

EXPENDITURE



Overall the expenditure for the first quarter of 2020/21 is significantly down compared to forecast as the lockdown meant minimal spend on repairs, investment and development. Expenditure net of new build was broadly in line with forecast.

INCOME



Total Income for the first quarter of 2020/21 is down compared to the initial budget. This is almost entirely driven by the pause in the development program due to the COVID19 lockdown and the associated receipt of HAG.

INVESTMENT PROGRAMME MONITORING REPORT

Board 26 August 2020

Report by Director of Operations

Purpose of Report

- 1.1 To provide an update on procurement and a progress report on the 2020/21 Investment Programme.
- 1.2 To provide an update on the progress on the Fire Safety upgrading prior to February 2021 deadline.

Summary

2020-2021 Investment Programme

- 2.1 A Framework Contract is in place for the delivery of the programme.
- 2.2 95% of the annual programme has been awarded. Procurement of the remaining contract works for windows and insulation are progressing.
- 2.3 The awarded contracts are being progressed in accordance with the Scottish Government Coronavirus route map for moving out of lockdown. The stages vary from planning safe systems of working, undertaking surveys, programming and works on site.
- 2.4 All 2020/21 Investment works are currently on target for completion by March 2021 but are subject to any changes on COVID-19 guidelines for safe systems of work.
- 2.5 An update on the financial position is provided in the Management Report at item 8.1 on the agenda.

Fire Safety

- 2.6 Fire Safety legislation was introduced to require the installation of additional smoke and heat detection in properties prior to February 2021. To date 1084 properties have been completed with 1003 remaining and in progress.
- 2.7 Fire door replacement has been completed with the exception of 5 properties due to access issued which are being pursued.

Aids & Adaptations

- 2.8 A grant award of £313k has been received from the Scottish Government. This consists of £288k for General Adaptations plus £25k for a Major Adaptation in one individual case.
- 2.9 Currently there are 57 measures being progressed spanning 50 properties on the waiting list with 109 adaptations. This includes 33 level access showers/ wet rooms. The total value of the referrals are estimated at £101k.

Insulation

- 2.10 Works to provide external insulation to Swedish Timber houses have been delayed due to COVID-19. A revised contract has been signed and a programme of works will be sought once staff from SSE are back from furlough.

Competence

- 3.1 The legal, financial or other constraints to the recommendations in this report are contained in paragraph 5.1 – 8.5.

Recommendations

- 4.1 It is recommended that the Board note the:
- a) progress on the Investment Programme; and
 - b) grant funding award of £313k for Aids and Adaptations from Scottish Government.

Background Papers: Risk Register
Management Reports to 30 June 2020

Writer of Report: Angus MacNeil

Tel: 0300 123 0773

Competence

Financial

2020/21 Investment Programme

- 5.1 The investment budget for the 2020/21 Investment Programme is approved at £3.916m. The financial position to 30 June 2020 is presented in the Management Report. The current anticipated out turn is £4.425m following approval of £509k on the 2019/20 carry forward approved on 23 June 2020. The potential impact on the programme of the COVID-19 restrictions is being assessed as surveys are carried out in tenants' homes.

Occupational Therapy referrals

- 5.2 A grant award from the Scottish Government has been confirmed at £288k for General Adaptations plus £25k for a Major Adaptation.

Legal

- 6.1 The decision to approve or amend Strategy, Business Plan and budgets including virements to or from a budget head in excess of £100,000 is reserved to the Board.
- 6.2 Financial Regulations require that actual forecast and progress on the Investment Programme be reported to each routine meeting of the Board.
- 6.3 Scottish Government has set a legal requirement for Social Housing landlords to bring their stock up to the EESSH by April 2020.

Regulatory Guidance

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

Risk

- 8.1 The COVID-19 restrictions present challenges in completing the programme on time due to the time lost during lockdown and the ability to work safely in tenants homes.
- 8.2 There are risks highlighted in the Risk Register that are relevant to investment including the failure of a major contractor.
- 8.3 There are further risks highlighted in the Risk Register concerning the health of the local economy particularly the capacity of contractors to deliver programmes.
- 8.4 The Scottish Government expects landlords to comply with EESSH. Failure to meet the standard would be a significant issue.
- 8.5 There is a risk of installing infrared heating prior to it being fully assessed through the EESSH and SAP frameworks. It may be that these systems will not ultimately be assessed positively. They are currently classed as abeyances under the guidance.

Report Details

2020/21 Investment Programme

- 9.1 Procurement has been completed for 95% of the annual programme and awards made as per the following table.

Lot Ref	Works	Area	Status	Contractor	Planned Site Start
Lot 1	Windows/Doors	Lewis/Harris	To be Tendered	TBC	
Lot 2a	Heating - Gas	Lewis/Harris	Surveys in Progress	FES FM Ltd	
Lot 2b	Heating - Electric	Lewis/Harris	Surveys in Progress	Alex Murray (Construction) Ltd	Awaiting Programme
Lot 2c	Heating - Electric	Lewis/Harris	Surveys in Progress	Alex Murray (Construction) Ltd	Awaiting Programme
Lot 3	Bathrooms	Lewis/Harris	Awaiting Contractor Proposals	O'Mac Construction Ltd	
Lot 4	Kitchens	Lewis/Harris	Awaiting Contractor Proposals	O'Mac Construction Ltd	
Lot 6	Electrical Smoke Detectors	Lewis/Harris	15%	FES FM Ltd	On site
Lot 7	Environmentals	Lewis/ Harris	Awarded and Surveyed	Alex Murray (Construction) Ltd	Awaiting Programme
Lot 8	Occupational Therapy	Lewis/Harris	Works Ongoing Ongoing to Committed Works	Alex Murray (Construction) Ltd	On Site
Lot 9	Windows	Uists/Barra	To be Tendered	TBC	
Lot 10a	Heating	Uists/Barra	Surveys in Progress	Alex Murray (Construction) Ltd	Awaiting Programme
Lot 10b	Heating	Uists/Barra	Surveys in Progress	Alex Murray (Construction) Ltd	Awaiting Programme
Lot 14	Electrical Smoke Detectors	Uists/Barra	25%	FES FM Ltd	On Site
Lot 16	Occupational Therapy	Uists/Barra	Works Ongoing Ongoing to Committed Works	FES FM Ltd	On Site

- 9.2 The remaining works to be tendered relate to window replacement at Ross Terrace, Stornoway (17 units) and Sealladh Bharraidh, Pollachar (8 units).
- 9.3 Phase 3 of the Scottish Government plan for moving out of lockdown permits works to commence subject to controls being in place and tenant consent. Pre-survey checks are made by both phone and letter. Further checks are made when arriving at each property and social distancing is followed during attendance.
- 9.4 The kitchen and bathroom programmes are still on track for completion by March 2021 and working proposals are awaited from the contractor. These works are more complex due to all trades requiring to work in a small area. The contractor is developing a safe system of working to deliver the works.
- 9.5 Discussions with SSE on the delayed 2019/20 external wall insulation programme are ongoing to agree a revised programme. This includes the potential of adding the proposed 2020/21 insulation works to the contract.
- 9.6 Modelling scenarios have been undertaken on the impact of lockdown and the likely timescales for commencement of works in line with Scottish Government guidance. Delivery of the programme prior to 31 March 2021 is potentially achievable but this will be dependent on any further impact due to COVID-19.

Fire Safety

- 9.7 Following the Grenfell tragedy, legislation was amended requiring additional interlinked smoke and heat detection to be installed prior to February 2021.
- 9.8 Works commenced in 2019 and have continued into 2020. Works are progressed toward achievement of completion prior to the deadline.

Occupational Therapy Position

- 10.1 A grant award from the Scottish Government has been confirmed at £288k for General Adaptations plus £25k for a Major Adaptation.
- 10.2 The current position on General Adaptations is as follows:

Table 1 - Occupational Therapy Referrals

Occupational Therapy Referrals	2020/21
Number of Referrals Submitted	57
Number of Adaptations on Referrals	109
Number of Properties	50
Number of Referrals Completed	26
Total Spend/ Committed	£101k
Grant Allocation – General Adaptations	£288k

- 10.3 The major adaptation relates to a specific referral with complex internal and external alterations. The external works have been surveyed and a start date is being agreed. The internal works are being refined with the OT service to best accommodate the individual affected.

DEVELOPMENT PROGRAMME UPDATE

Board 26 August 2020

Report by Director of Operations

Purpose of Report

- 1.1 To advise the Board of progress with the Scottish Government funding period 2018-2021 and the Five Year Development Plan 2020-2025.

Summary

- 2.1 Further to guidance issued by the Scottish Government on the 11 June 2020, all development contractors have returned to site.
- 2.2 Appendix 2 shows that there are currently 10 developments within Year 1 of the Development Plan on site. A further seven sites are at various stages of acquisition, planning and contractor negotiations. The impact of COVID-19 on the overall Five-Year Development Programme has been updated based on the information available and is summarised in Table 1 and Appendix 2. However, contractors are continuing to update programmes and cashflows. The position is therefore subject to change.

Competence

- 3.1 The financial, legal and other constraints are detailed at paragraph 5.1 - 8.4.

Recommendations

- 4.1 **It is recommended that the Board note the:**
- a) **development spend update as at 31 July 2020 at Appendix 1;**
 - b) **development progress report at Appendix 2; and**
 - c) **overview of developments at Appendix 3.**

APPENDIX 1:	Overall Summary of Development
APPENDIX 2:	Summarised Development Progress Report
APPENDIX 3:	Development Project Timeline
Background Papers:	None
Writer of Report:	Katrina Rowlands

Tel: 0300 123 0773

Competence

Financial

- 5.1 The agreed budget for Scottish Government Grant in 2020/21 is £9.71M. It is anticipated that we will draw down £13.2M this fiscal year with £9.93M committed through developments already on site with an additional £2.89M of funding drawdown expected for sites starting this financial year. The remaining £0.45M relates to the acquisition of sites for land-banking.
- 5.2 The programme for 2020/21 has been severely affected by the lockdown. We continue to work closely with contractors and Scottish Government colleagues to assess the impact and to plan ahead.
- 5.3 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, CNES Actish funding or additional private finance.
- 5.4 If we were to meet the increased costs of construction through private finance, this would require an increase in rents. The new borrowing needed for additional private finance would increase the interest we pay on our borrowing facility. Given the pressure on rent affordability, this is unlikely to be sustainable and as such, additional private finance would need to be funded from uncommitted developments in the first instance.
- 5.5 The Finance Working Group will meet on 19 August 2020 to review the updated 30 year financial projections which takes into account the increased borrowing requirements.

Legal

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

Regulatory Guidance

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

Risk

- 8.1 Development is inherently risky. Feasibility work to ascertain the suitability and capacity of potential sites for development helps to reduce risk. These are jointly funded by HHP and the Comhairle and are primarily undertaken by Tighean Innse Gall (TIG). Additional resource has been put in place through desktop feasibilities being carried out by the Comhairle's Asset Management Team.
- 8.2 Risk related to a particular development is assessed as part of the feasibility study, including the demand within the area. At present our Housing List does not demonstrate a demand in rural areas. Developing in rural areas introduces the risk of low demand for future relets. This is being discussed with the Comhairle and we have advised that we believe that a robust housing needs assessment is essential to underpin future development planning.
- 8.3 There is now a risk due to the impact of COVID-19 the full grant allocated for 2018/19-2020/21 is not taken up. Table 1 at paragraph 12.1 shows a potential under-utilisation of £0.67M. Contractor and tender prices also present a significant risk to programme delivery. There is a risk that there may be a requirement to reduce either the overall development programme or other services.

- 8.4 The Board discussed the risks that COVID-19 presents to the Business Plan at the meeting on 3 July 2020. Updated financial projections to address the impact of the pandemic on our current developments were approved.

Report Details

Covid-19 and site closures

- 9.1 We are now in Phase 3 of the Scottish Government and Construction Scotland's restart model: "Steady state (only where physical distancing can be maintained)". All HHP development sites have reopened and work recommenced.
- 9.2 Restart meetings were held online with all contractors and it is expected that monthly site meetings will continue to take place in the same way.
- 9.3 Contractors continue to provide revised programmes and cashflows as they progress with sites under the current guidelines.

Five Year Development Plan 2020-2025

Site Acquisitions, Tenders and Masterplans

- 10.1 At the moment, we are working on site acquisitions, feasibilities and tendering for the first few years of the current approved Five Year Development Plan. Our attention is on year 1 but we continue to work on future years. Work is ongoing with the Comhairle to identify suitable sites. The lead in communicating with landowners is with CnES. There is obviously some uncertainty regarding funding for future years of our development programme.
- 10.2 Year one of the Five Year Development Plan is detailed in Tables 1.1-1.2 of Appendix 2. The tables show the developments on site, due on site, an update on progress and Scottish Government Grant.
- 10.3 A number of the sites expected on site this year are significantly delayed due to a number of factors particularly COVID-19. It may be possible to draw down a large proportion of the grant funding but it is unlikely that the units will be complete by March 2021.
- 10.4 Goathill continues to make up a significant proportion of the development plan in the second year with 79 of the 169 units. Other sites in year 2 include the Coastguard Site/Scott Road, Tarbert, which is under review following the completion of the feasibility study, and a number of developer led proposals.
- 10.5 The units due to complete in the second year of the development plan is detailed in Table 4.1 of Appendix 2.
- 10.6 The acquisition of the Church of Scotland land in Barra is progressing. Approval from their Main Board has been granted and details passed to their legal department for processing.
- 10.7 The tender for Barra is being prepared with a view to issuing in August 2020.

Developer Led Proposals and site starts

- 11.1 Planning permission for the developer led site at Barvas was granted on 15 July 2020.
- 11.2 An application for ACTISH has been made to the Comhairle to cover the extra costs arising largely from the additional pavement and lighting requirements from planning. The Comhairle have indicated a grant of £60k may be available if not allocated to another project.
- 11.3 The resumption of the site at South Dell is due for completion in August 2020. Once resumed, the developer will purchase the site and progress can then be made to transfer the land to HHP and commence the contract. Planning is in place and building

warrant application will be submitted by the contractor on receipt of EPC information from Scotframe.

- 11.4 The planning and building warrant applications for the refurbishment of Garrabost Care Unit were submitted week commencing 13 July 2020.

Scottish Government Grant Award 2018-2021

- 12.1 Shown in Table 1 below is our expected position for 2020/21 of Scottish Government Grant spend. The 20/21 figures are a combination of cashflows we have received up to this point with most having provided cashflows at this point. We are on track to spend £26.2m in the development programme.

Table 1. Scottish Government Grant 2018-2021

	2018/19 (£M)	2019/20 (£M)	2020/21 (£M)	TOTAL (£M)
RPA	£8.05	£9.15	£9.71	£26.91
Developments on Site			£9.93	£9.93
Expected on Site 2020/2021			£2.89	£2.89
Landbank	£0.61		£0.38	£0.38
Actual Grant	£4.70	£8.34	£0.51	£13.55
Total Estimated Grant	£4.70	£8.34	£13.2	£26.2
Grant to be utilised				£0.67

Table 2. Units 2018-2021

	Current / (2018-date)	Planned 2018-21 (5 year development plan)
Units approved	222	222
Units on Site	158	293
Units Complete (2018-21)	91	176

New Supply Shared Equity

- 13.1 Shared Equity sales can now resume following lockdown. Two properties at Pairc Niseabost have now sold. This leaves two properties to sell and there is some potential interest in these. There are five unsold houses at Mackenzie Avenue. Three of these are in the application process; two have no purchaser identified although there is some interest and they continue to be advertised.
- 13.2 Breasclete is estimated to be due for completion in October with one buyer identified and one potential new applicant interested.

OVERALL SUMMARY OF DEVELOPMENT													
AREA	COST				GRANTS & SALES PROCEEDS				PRIVATE FINANCE				
	Revised Budget	31st July 2020	Change to Budget	Forecast Out-turn	Revised Budget	31st July 2020	Change to Budget	Forecast Out-turn	Revised Budget	31st July 2020	Change to Budget	Forecast Out-turn	Amend to Private Finance
	£	£	£	£	£	£	£	£	£	£	£	£	£
New Build	27,858,416	789,947	(13,296,052)	14,562,364	(15,874,039)	(678,820)	3,622,382	(12,251,657)	11,984,376	111,127	(9,673,670)	2,310,706	(9,673,670)
Shared Equity	842,173	166,532	224,485	1,066,658	(1,795,174)	(489,148)	(66,308)	(1,861,482)	(953,001)	(322,616)	158,177	(794,824)	158,177
Land banking	455,979	-	-	455,979	(455,979)	-	-	(455,979)	-	-	-	-	-
TOTAL	29,156,567	956,551	(13,071,567)	16,085,000	(18,125,192)	(1,167,968)	3,556,074	(14,569,118)	11,031,375	(211,416)	(9,515,493)	1,515,882	(9,515,493)

PROGRESS	PROGRAMMES WITH TIME DELAYS
- Horgabost Phase 2 completed. 2 properties sold. 2 being advertised. - Cnoc A Runnaire to be completed in October 2020.	- All projects are delayed following site closures due to Covid 19. Revised programmes have been requested from all contractors. - Balivanich Low Flyer - cost savings complete and contractor appointed. Cash flow received - project to completed in October 2021 - Tarbert Police Station - following termination of previous contract, it has been retendered. Cost savings exercise completed. Additional funding sought. - Barvas needs to go through decrofting - will not progress this year.
PROGRAMMES WITH PROJECTED BUDGET OVERRUNS	PROPOSALS FOR BRINGING PROGRAMME WITHIN BUDGET
- Mackenzie Avenue: projected overspend of approximately £94K and additional legal costs anticipated with respect to titles corrections, an additional £100K has been made available for this project.	- review of all projects to ascertain cost implications of Covid 19 on contracts.

Table 1.1 Five Year Development Plan Year 1 Developments Awaiting Site Start

Development Name	Number of Units	Progress	Contractor	Grant 2020/21
Low Flyer, Balivanich	4 x 1 bed 2 x 2 bed 4 x 3 bed	Cost savings exercise complete. Planning application submitted 23 July 2020.	Calmax	£858,200
Lochmaddy	2 x 1 bed 4 x 2 bed 2 x 3 bed	Developer Led Proposal. Currently over budget. Discussions ongoing with contractor and Comhairle.	Macinnes Bros	£600,000 ¹
Barvas	2 x 1 bed 4 x 2 bed 2 x 3 bed	Developer Led Proposal. Planning permission granted 15 July 2020. Significant pavement works requested by Cnes Roads Department, have had a significant cost implication. ACTISH application submitted for £60k. Decrofting required – will not progress this year.	Calmax	-
South Dell	2 x 1 bed 2 x 2 bed 2 x 3 bed	Developer Led Proposal. Planning achieved. Resumption being progressed by the contractor.	Alex Murray Construction	£630,000
Garrabost Care Unit, An Glib	1 x 1 bed 1 x 2 bed	Refurbishment of Comhairle Care Unit at An Glib, Garrabost. Planning and Building Warrant applications submitted. Working on final figures with the contractor.	Alex Murray Construction	£67,863
Howmore	2 x 2 bed 2 x 3 bed	Land purchase conditional on achieving planning permission. Cost savings exercise ongoing. Proposal with SG.	Macinnes Bros	£532,736
Barra Cleit Road	2 x 2 bed 4 x 3 bed	Land purchase ongoing. Approval from Church Board now in place. Invitation to Tender being prepared for issue in August 2020.	To be tendered	£200,000
Total Grant for new site starts 20/21				£2,888,799

¹On HHP 20/21 Budgets and is higher than SG threshold

Table 1.2 Five Year Development Plan Year 1 Progress on Site - August 2020

Development Name	Progress	Units in Development		Demand Before Allocation	Demand After Allocation	Expected Handover	Grant 2020/21
		No of Beds	Units				
Mackenzie Avenue	48 properties have now been handed over. The remaining 2 rented were due in April 2020. There are still a number of NSSE available for sale.	1	10	Not recorded at time	154 (1 bed) 64 (2 bed) 54 (3 bed) 15 (4 bed)	October 2020	-
		2	16				
		3	4				
		4	2				
Breasclete, Isle of Lewis	The properties were due for completion in March but were delayed until April 2020. This is partly due to the weather.	1	2	13 (1 bed) 2 (2 bed) 1 (3 bed)	11 (1 bed)	October 2020	-
		2	2				
		3	2				
Cnoc a Runnaire, Tolsta, Isle of Lewis	AMC started on site on 6 August 2019. Work is progressing several weeks behind programme.	4	3	6 (1 bed) 4 (2 bed) 3 (3 bed list)	6 (1 bed) 4 (2 bed) 0 (3 bed)	October 2020	-
Sinclair Avenue, Stornoway	Housing contractor is now on site. Progress delayed with Covid-19 but progressing well.	1	30	299 (1- 4 beds)	Not yet allocated	March 2021	£3,843,576
		2	19				
		3+	9				
Garrynamonie	Work progressing to programme.	3	4	3 (3 bed list)	None	November 2020	-
		6	1				
Torium	Contractor on site 16 December 2019.	2	2	5 (2 bed list)	3 (2 bed list)	October 2020	-
Winfield Close	Contractor on site 2 December 2019.	3	1	13 (3 bed list)	12 (3 bed list)	September 2020	-
Scotland Street	Work going well on site.	1	4				£3,978

New Build Updates

APPENDIX 2

Development Name	Progress	Units in Development		Demand Before Allocation	Demand After Allocation	Expected Handover	Grant 2020/21
		No of Beds	Units				
		2	2				
Shawbost, Isle of Lewis	Contractor on site February 2020	4	2	7 (1 bed) 3 (2 bed) 2 (3 bed)	Not yet allocated	February 2021	£320,857
Tarbert Police Station	Re-tendered. Significant Government Grant requirements being reviewed.	2	8		Not yet allocated		£720,594
Goathill HVEC	Enabling works ongoing		50	N/A	Not yet allocated		£5,041,429
Total Grant for Ongoing Sites in 2020/21							£9,930,434
Blackwater site purchase	Full planning application submitted. It is hoped to be considered by Comhairle at September committee.						£383,479
Total Grant in 2020/21							£13,202,712

New Build Updates

APPENDIX 2

Table 3.1 Summary of Board Approved Five-Year Development Plan 2020 – 2025

Fiscal Year	Rent/Shared Equity	Units	Stornoway	Stornoway HWEC	Rural Lewis	Rural Lewis HWEC	Harris	Uist	Barra	Barra HWEC
2020/21	RENT	127	53	-	28	-	8	32	6	-
	Shared Equity	4	-	-	4	-	-	-	-	-
2021/22	RENT	107	27	50	14	-	10	6	-	-
	Shared Equity	16	16	-	-	-	-	-	-	-
2022/23	RENT	44	20	-	4	-	-	10	-	10
	Shared Equity	0	-	-	-	-	-	-	-	-
2023/24	RENT	50	-	-	16	-	22	6	6	-
	Shared Equity	0	-	-	-	-	-	-	-	-
2024/25	RENT	45	15	-	-	16	-	14	-	-
	Shared Equity	0	-	-	-	-	-	-	-	-
TOTAL		393	131	50	66	16	40	68	12	10

Table 3.2 Comhairle's approved SHIP 2020-2025

Year 1			Year 2			Year 3			Year 4			Year 5		
2020/21	Units	Cost	2021/22	Units	Cost	2022/23	Units	Cost	2023/24	Units	Cost	2024/25	Units	Cost
Goathill		£8,550,474	Scott Road, Tarbert	10	£1,050,000	Stornoway Periphery	20	£2,100,000	Barra	6	£780,000	Rural Lewis ECH	16	£1,920,000
Balivanich		£1,001,758	Benbecula	6	£630,000	Barra ECH	10	£1,400,000	Point	8	£840,000	Benbecula	4	£420,000
Tarbert Police Station		£589,000	Arnol	6	£630,000	North Uist	4	£420,000	South Harris	4	£420,000	South Uist	6	£630,000
Shawbost	4	£420,000	Uig	4	£420,000	South Uist	6	£630,000	Scott Rd, Tarbert	18	£1,890,000	North Uist	4	£420,000
Garrabost Care Unit	2	£168,000	North Lochs	4	£420,000	Bernera	4	£420,000	Rural Lewis	8	£840,000	Stornoway Periphery	15	£1,575,000
Howmore	4	£420,000	Stornoway Regeneration	14	£1,470,000.00				Balivanich Phase 2	6	£630,000			
Barra	6	£780,000												
Barvas	6	£630,000												
Lochmaddy	6	£630,000												
South Dell	6	£630,000												
	34	£13,819,232		44	£4,620,000		44	£4,970,000		50	£5,400,000		45	£4,965,000



Table 4.1 Year 2 of Development Plan`

Development Area	Number of Units	Progress
Goathill	29	On site
Goathill HVEC	50	On site
Tarbert Police Station	8	Expected on site 20/21, completion in Year 2
Low Flyer, Balivanich	10	Expected on site 20/21, completion in Year 2
South Dell	6	Expected on site 20/21, completion in Year 2
Lochmaddy	8	Expected on site 20/21, completion in Year 2
Barra – Cleit Road	6	Expected on site 20/21, completion in Year 2
Barvas	8	Decrofting needed. Moved from 20/21 to Year 2
Scott Road/ Coastguard Site	10	Feasibility complete and reviewed.
Benbecula	6	Desktop feasibility complete
Arnol	6	Developer Led Proposal Submitted
Uig	4	Potential Developer Led
Keose Glebe	4	Desktop feasibility complete
Stornoway Regeneration	14	To be identified by Comhairle
Total Units	169	

COVID-19 LOCKDOWN

Development	Units*	Split	2018												2019												2020												2021			
			Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar															
Mackenzie Avenue	50	Urban																																								
Sealladh a' Chhiseim - complete	10	Rural																																								
Back Care Unit - complete	3	Urban																																								
Tom Na Ba - complete	4	Rural																																								
Langley Apartments - complete	12	Urban																																								
Tarbert Police Station	8	Rural	X																																							
Corran Cismaol - complete	6	Rural																																								
Hargabost	4	Rural																																								
Balivanich Low Flyer	10	Rural																																								
Stonefield, Breasdale	10	Rural																																								
Garrynamonie	5	Rural																																								
Torlum	2	Rural																																								
Winfield Close	1	Rural																																								
Blackwater	80	Urban																																								
An Glib - complete	2	Urban																																								
Cnac A'Runaire, Tolsta	4	Rural																																								
Edgemoor Square - complete	2	Rural																																								
Howmore	12	Rural																																								
Scott Road, Tarbert	19	Rural																																								
Melbost West	60	Urban																																								
Goathill Farm	124	Urban																																								
Scotland Street	6	Urban																																								
South Dell	6	Rural																																								
Barvas	8	Rural																																								
Shawbost	4	Rural																																								
Garrabost Care Unit, An Glib	2	Rural																																								

COVID-19 LOCKDOWN

 Awaiting further information

Code	
	Feasibility
	Tendering
	Tender Award
	On site
	Completion
	Partial Completion
	Planning
	Masterplan
	Decrofting