BOARD AGENDA – 17 MARCH 2021

ITEM	AGENDA ITEM	ACTION	PRESENTED BY	PAGE NO	TIME
Add item	**Appointment of Tenant Board Member**	Approval	Company Secretary	-	2.30pm - 2:45pm
1	**Attendance and Apologies**	Noting	Chair	3	
2	**Declaration of Interest**	Noting	Chair	-	
3	**Minutes**			-	
3.1	Minute of Meeting 27 January 2021	Approval	Chair	5	
3.2	Action Sheet	Noting	Company Secretary	11	
4	**Date of Next Meeting 19 May 2021**	Approval	Chair	-	
5	**Health & Safety**	Noting	Director of Operations	-	

ITEM	AGENDA ITEM	ACTION	PRESENTED BY	PAGE NO	TIME
6	**Items For Decision**			-	2:45pm - 3:30pm
6.1	Business Plan Timeline	Approval	Chief Executive	13	
6.2	Budgets 2021/22	Approval	Director of F&CS	15	
6.3	Fraud Checklist	Approval	Director of F&CS	27	
6.4	Development Programme	Approval	Development Manager	35	
6.5	Tenant Participation Development Service	Approval	Director of Operations	47	
6.6	Allocation of Housing to Priority Homeless Applicants	Decision	Director of Operations	52	

ITEM	AGENDA ITEM	ACTION	PRESENTED BY	PAGE NO	TIME
7	**Policies for Approval**			-	3:30pm - 3:45pm
7.1	Repairs & Maintenance Policy	Approval	Assets & Contracts Manager	59	
7.2	Procurement Policy & Procurement Strategy	Approval	Corporate Resources Manager	75	
7.3	Expenses Policies (Staff Expenses Policy & Members Expenses Policy)	Noting	Director of F&CS	103	
7.4	Corporate Payroll Policy	Approval	Chief Executive	105	

ITEM	AGENDA ITEM	ACTION	PRESENTED BY	PAGE NO	TIME
7.5	Equalities & Diversity Policy	Approval	Chief Executive	118	
7.6	Vaccine Policy	Approval	Chief Executive	131	

ITEM	AGENDA ITEM	ACTION	PRESENTED BY	PAGE NO	TIME
8	**Monitoring & Update Reports**			-	3:45pm - 4:00pm
8.1	Management Report to 31 January 2021	Noting	Finance Manager	138	
8.2	Investment Programme Monitoring Report	Noting	Assets & Contracts Manager	160	
8.3	Communications Engagement Update	Noting	Head of Executive Office	165	
8.4	Housing Needs & Demand Study	Noting	Director of Operations	170	

MEETING GOES INTO PRIVATE SESSION

Board Meetings 2020/21

Board Members	Notes	27-Aug-20	17-Nov-20	27-Jan-21					
Iain Macmillan	1								
Calum Mackay	1								
Alasdair Mackenzie	2 & 4								
Alexander Gardner	2								
Fiona Macleod	1								
Gordon Macleod									
Norman A Macdonald									
Paul Finnegan	3								
Roddy Mackay									
Roddy Nicolson	1								

1 - Appointed as a Community Member on 27 August 2020

2 - Appointed as a Tenant Member on 27 August 2020

3 - Resigned as Board Member on 14 December 2020

4 - Resigned as Board Member on 9 February 2021

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 and Conferences 2020/21

Board Members	Notes	SFHA Finance Virtual Conference	Board Member Roles & Responsibilities Refresher Training	Finance: Questions You Should Be Asking Training	Equalities & Diversity Training	Landlord Facilities Health & Safety Training	The Scottish Housing Regulator - What You Need to Know Training
		11-Nov-20	17-Dec-20	27-Jan-21	24-Feb-21	11-Mar-21	22-Apr-21
Iain Macmillan	1						
Calum Mackay	1						
Alasdair Mackenzie	2 & 4						
Alexander Gardner	2						
Fiona Macleod	1						
Gordon Macleod							
Norman A Macdonald							
Paul Finnegan	3						
Roddy Mackay							
Roddy Nicolson	1						

1 - Appointed as a Community Member on 27 August 2020
2 - Appointed as a Tenant Member on 27 August 2020
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4 - Resigned as Board Member on 9 February 2021

Member present at training

Member not present at training

Cancellation of travel due to weather

Unable to attend remote training due to techncial difficulties

Member not required to be present at training

Special Leave

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ITEM NO 3.1

HEBRIDEAN HOUSING PARTNERSHIP

Board

Minutes of Meeting held remotely via Microsoft Teams on Tuesday 27 January 2021 @ 2.30pm

ATTENDANCE & APOLOGIES	
	Attendance & Apologies Present: Iain Macmillan (Chair); Calum Mackay (Vice-Chair); Alasdair Mackenzie; Norman A Macdonald; Roddy Nicolson; Gordon Macleod Staff & Consultants In Attendance: Dena Macleod (Chief Executive); Anna Coyle (Company Secretary); John Maciver (Director of Operations); Donald Macleod (Director of Finance & Corporate Services); Iona France (Governance Officer – Minute Taker); Jonathan Fairgrieve (Corporate Services Officer); Katia Petteloot (Finance Manager); Katrina Rowlands (Development Manager); Garry Campbell (Debt Management Officer); Tina Cook (Training & Development Officer); Peter O'Donnell (Investment Manager); Monika Fortagh (Debt Management Officer); Sawan Morrison (Fixed Asset Accountant); Angus Smith (Corporate Resources Manager) Apologies: Roddy Mackay; Fiona Macleod; Alex Gardner The Chair advised this would be Alasdair Mackenzie's last meeting, following his resignation from the Board with effect from 9 February 2021. On behalf of the Board, the Chair extended his thanks to Mr Mackenzie for his distinguished services to HHP. Mr Mackenzie had served on the Board and the Shadow Board since 2002, and his contribution and experience would be greatly missed. The Chair also paid tribute to Mr Paul Finnegan, who resigned as a Council Board Member on 14 December 2020 and thanked him for the time served on the Board. Members agreed that Item 6.4 (Allocations - Homeless Quotas) be withdrawn and deferred to March 2021 to allow time to gather all the necessary data.
PRELIMINARY PROCEDURAL MATTERS	
2	**Declaration of Interest** No declarations of interest were made.
3.1.1	**Minute of Board Meeting 17 November 2020** **The minute of the Board meeting of 17 November 2020 was submitted and approved as a true and accurate record of the proceedings of the meeting.**
3.2	**Action Sheet** There was no further update to the report. **The Action Sheet was noted.**
4	**Date of Next Meeting** The date of the next meeting will be 17 March 2021.

5	<u>**Health & Safety**</u> The Director of Operations advised, as previously notified to Members, an emergency repairs only service was in place on Barra. This was under continuous review and normal service would return based on public health advice.

ITEMS FOR DECISION	
6.1	**<u>Budgets 2021/22</u>** The proposed 2021/22 Budgets, including charges for rents, garages and services, were presented for consideration and approval. The Director of Finance & Corporate Services highlighted the key variances in the initial budgets, year on year. The rental income increase was more than the proposed rent increase due to a significant number of new builds and the increase in grant funding, mainly reflected in Renewable Heat Incentive (RHI) income. A consultation exercise on the proposed rent increase for 2021/22 ended on the 15 January 2021. Two options had been given to tenants: • Option 1, RPI + 1% (2.3%); or • Option 2, RPI only (1.3%). There were 44 respondents to the consultation with 30% in favour of Option 1 and 70% in favour of Option 2 (RPI Only). The base plan assumption is RPI +1% and an RPI Only increase would result in a deficit of £85k from the base plan. This would be funded through a reduction in the initial Supervision & Management budget. Board Members requested that consideration be given to how the information was presented for future consultations to ensure the variance from the base plan did not have a detrimental effect on the organisation, be consistent with our plans and to ensure as many tenants as possible responded giving a true reflection of tenant's wishes. The Chief Executive confirmed that our entire consultation process, not solely rent consultation, would be reviewed in liaison with our tenant participation, communication and digital transformation strategies. **Following feedback from the consultation process, the Board:** **a) approved the increase of house rents for 2021/22 at RPI Only (1.3%), resulting in an average increase of £1.87 per week to £83.21 per week;** **b) approved garage rents and garage site rents for 2021/22 be increased by 1.3%; and** **c) approved all other services and charges for 2021/22 be increased by 1.3% in line with RPI at October 2020.** **The Board:** **d) noted that detailed budgets will be submitted to the Board for approval on 17 March 2021 subject to the required funding being in place.**
Add. Item	**<u>Rent Consultation Prize Draw</u>** As part of the 2021/22 Rent Consultation tenants were given the opportunity to win £50 credit to their rent account. All respondents' names were numbered and the Director of Finance & Corporate Services selected 4 numbers using a random number generator.
6.2	**<u>Development Programme 2020-25</u>** The Development Manager advised of the progress with the Five Year Development Plan 2020-2025 and the Scottish Government funding period 2018-2021 and confirmed that all current developments were still on-site, and that work had started on the Howmore site. The planning permission and building warrant applications for Lochmaddy were due to be submitted by 28 February 2021. The site start at Johnstone Court was delayed until the beginning of February 2021. Snagging works at Garrynamonie were due to take place week beginning 1 February 2021 with a full handover shortly thereafter. There had been some delays experienced at Scotland Street, Garrabost Care Unit and Shawbost developments, with handovers now due late February and early March 2021. The Director of Operations advised it was proposed the option to extend the development services contracts with Tighean Innse Gall (TIG) to 31 October 2021, be exercised. This would allow us to draw down services and future requirements would be determined in line with the Business Plan review. The Chair advised further discussion on the Development Programme would be taken at Item 9.3. **The Board:** **a) noted the development spend update as at 31 December 2020, the development progress report and the overview of developments;** **b) approved the extension of the contract with Tighean Innse Gall for Development Services to 31 October 2021; and** **c) approved the extension of the contract with Tighean Innse Gall Development Services for feasibility to 31 August 2021.**

6.3	<u>**Management Report to 31 December 2020**</u> The Finance Manager presented the Management Report to 31 December 2020. Considerable progress had been made with investment, repairs and development in comparison to the previous quarter. The investment forecast outturn was £628K less than the revised budget due to the impact of supply chain issues. However, this figure was less than anticipated at the meeting on 17 November 2020. Rental income had increased due to the allocation of new build homes. Supervision & Management was below budget due to staff working from home. Repairs were higher than the year to date budget, however this was offset by the underspend in Rechargeable Repairs and Planned Maintenance. Despite delays in development we were on course to draw down £11M grant from the Scottish Government. Calum Mackay commended officers on completing the budget update, as advised by our Funders, due to the slippage in investment and development works. **The Board noted the Management Report to 31 December 2020.**
6.4	<u>**Allocations – Homeless Quotas**</u> **This report was withdrawn and will be presented in March 2021.**
6.5	<u>**Model Rules**</u> The Chief Executive sought homologation for the decision to amend the resolutions placed before the SGM on 9 December 2020 and re-instate three places on the Board for Council appointees. The Chief Executive assured Members the requirement for three Council Members in perpetuity was not in the final Stock Transfer Agreement but there was a reference made to it in the Stock Transfer Framework document. **The Board:** **a) homologated the Chair's decision to approve the removal of the resolution to amend the Comhairle's membership on HHP's Board from the agenda of the SGM on 9 December 2020; and** **b) noted the legal opinion provided by Harper Macleod stating there is nothing in the Stock Transfer Agreement requiring HHP's Rules to provide for three Council appointed positions in perpetuity.**
6.6	<u>**Review Of Standing Orders And Membership Policy**</u> The Company Secretary presented an updated set of Standing Orders and an updated Membership Policy to the Board for approval. Both had been revised solely to take account of the changes to the Rules that were adopted at the Special General Meeting on 9 December 2020. Board Members were advised the updated constitutional documents would be made available on their tablets. **The Board:** **a) approved the revised Standing Orders;** **b) noted the summary of key changes to the Standing Orders;** **c) approved the revised Membership Policy; and** **d) noted the summary of key changes to the Membership Policy.**
6.7	<u>**Accounting Policy Change**</u> The Director of Finance & Corporate Services presented for consideration and approval a change to our Accounting Policy with in respect of the useful life of heating distribution systems. The Policy on the estimated useful economic life of heating distribution systems was 20 years and it was proposed this be increased to 30 years. This would ensure the costs of heating distribution systems would be depreciated over their revised useful economic life of 30 years. The Director of Finance & Corporate Services confirmed a statutory accounting adjustment would be prepared in the 2020/21 accounts to restate depreciation and grants with respect to this proposed change in policy. **The Board approved the increase in the useful economic life of heating distribution systems from 20 to 30 years.**

POLICIES FOR APPROVAL	
7.1	**<u>ICT Strategy</u>** An updated ICT Strategy (January 2021 – August 2022) was presented for approval. The current ICT Strategy was approved in 2017 and the areas not fully developed and implemented were largely incorporated into the Digital Transformation Strategy (DTS), which was approved by the Board in November 2020. The current update would ensure we had the necessary capabilities to deal with the requirements of working from home and covered an 18 month period. This would enable further review of the strategy prior to the first break in our data-hosting agreement with Kick IT and any additional requirements of the DTS. The Corporate Resources Manager advised we were due to go out to tender this month to ensure our Housing Management system meeting the aims and objectives of the DTS. **The Board approved the ICT Strategy.**
7.2	**<u>Health & Safety Policies</u>** Three Health & Safety Policies were presented for approval. The Health & Safety Policy, Smoking at Work Policy & Young Workers Policy had been reviewed and no material changes had been made to the Policies. **The Board approved the:** **a) Health & Safety Policy and Safety Testing and Risk Assessment Programme;** **b) Smoking at Work Policy; and** **c) Young Workers Policy.**
7.3	**<u>Community Grants Policy</u>** The Community Grants Policy was presented for approval. The Policy had been reviewed and no material changes were made to the Policy since it was last approved in June 2017. **The Board approved the Community Grants Policy.**
7.4	**<u>Attendance & Absence Policy</u>** The report sought approval for amendments to our Attendance & Absence Policy, which took account of changes in Working Time Regulations 1998 due to COVID-19. Our leave year is January to December and the Policy allows staff to carry forward 5 days of annual leave into the following leave year, to be taken by the end of February. The Working Time Regulations 1998 had been amended to allow for four weeks of leave to be carried forward into the next two leave years, where it was not reasonably practicable to take leave as a result of the effects of COVID-19. Unison were consulted on the proposed changes and were content with them. **The Board approved the Attendance & Absence Policy be amended to:** **a) increase the carry forward of leave to 10 days for 2020 and 2021; and** **b) allow the leave carried forward to be taken at any point during the leave year for 2021 and 2022.**
7.5	**<u>Domestic Abuse Policy (6 Month Review)</u>** The Domestic Abuse Policy was presented for approval following a 6 month review. Following the review, no material changes were made to the Policy. **The Board approved the Domestic Abuse Policy.**

MONITORING & UPDATE REPORTS	
8.1	<u>**Business Plan Monitoring Report**</u> The Chief Executive presented a progress report on the Delivery Plan for the Business Plan 2019/20 to 2023/24. Ms Macleod confirmed our Regulation Manager agreed with the full review of the Business Plan being deferred to October 2021. The Chief Executive highlighted several reports on the Agenda detailed delays in investment and development and this could have a detrimental impact on our ability to meet our targets. **The Board:** **a) reviewed the Delivery Plan Progress Report to 31 December 2020;** **b) noted the action being taken to address areas where targets are not being met; and** **c) noted the review of the Business Plan would be deferred to October 2021.**
8.2	<u>**Quarterly Treasury Report to 31 December 2020**</u> The Director of Finance & Corporate Services presented the Treasury Management activities for the third quarter of 2020/21. Despite delays, the cash balance had reduced due to a significant increase in the spend on development & investment since the previous quarter. There was, however, no movement in the loan as there was no requirement to drawdown monies. This will be factored into the timings of the refinancing agreement with RBS. A final payment had been made to Scottish Government in respect of excess RTB receipts with the balance due to be paid in 2032. A Finance Working Group would be convened prior to the March 2021 Board meeting to further discuss Treasury Management and the refinancing agreement. **The Board noted the:** **a) quarterly report on the Analysis of Investment and Borrowing;** **b) outstanding loans at 31 December 2020 of £4.91 Million; and** **c) cash balance at 31 December 2020 of £5.925 Million.**
8.3	<u>**Investment Programme Monitoring Report**</u> **2020/21 Programme** The Investment Manager presented an update on the procurement and progress of the 2020/21 and 2021/22 Investment Programme. The majority of contracts were progressing to programme, however, several delays had arisen due to supply chain issues and other material supply constraints, resulting in an anticipated underspend of £628K. As there was no interest in the re-wiring tender this would now be procured outwith the Investment Framework. The majority of smoke detectors had been installed in compliance with the original February 2021 target. Access issues continued to affect the completion of the programme. The Investment Manager confirmed that we were working closely with contractors and tenants to keep them updated on the supply issues and continued to pursue access to properties to carry out our legal obligations. There were a small number of cases where we were pursuing our statutory rights to gain access. The Chair requested further information be brought to the Board on refusals and non-access to carry out essential works, and the impact of COVID-19 on this. **2021/22 Programme** Some work packages had previously been tendered as part of two-year contracts and the remaining procurement was due to start in January 2021, subject to work not being committed until budgets are agreed in February 2021. **Aids & Adaptations** It was expected the full grant would be utilised and all works were progressing to timetable. **The Board noted the:** **a) progress on the Investment Programme; and** **b) update on the provision of Aids & Adaptations.**
MEETING GOES INTO PRIVATE SESSION	

Chairperson Mr Iain Macmillan

SIGNED ………………………………………………………

DATE ………………………………………………………

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ITEM NO 3.2

Board Action Sheet

ACTION POINT	MINUTE NUMBER	ACTION TO BE TAKEN	DEADLINE/ TIMESCALE	ACTION BY	PROGRESS
1	27 Jan 2021 (1)	Letter to Paul Finnegan and Alasdair Mackenzie following their retirement from the Board.		Chief Executive	Complete
2	27 Jan 2021 (6.1)	Consultation Process to be reviewed. Rent Consultation Prize Draw winners to be notified.		Head of Executive Office	Complete
3	27 Jan 2021 (6.2)	Development Services contracts with TIG to be extended to 31 October 2021		Director of Operations	Complete
4	27 Jan 2021 (1)	Management Accounts presentation to be reviewed with high level narrative in clearer format		Director of F&CS	Updated for January month end.
5	27 Jan 2021 (6.4)	Allocations – Homeless Quotas to be deferred to March 2021	17 March 2021	Director of Operations	On agenda 17 March 2021
6	27 Jan 2021 (6.6)	Constitutional and other key documents to be made available on Board Members' tablets.	10 February 2021	Head of Executive Office	Uploaded to tablets 2 February 2021
7	27 Jan 2021 (8.1)	Business Planning review deferred to September/October 2021 following the AGM.		Chief Executive	Business Planning Timeline on March 2021 Agenda
8	27 Jan 2021 (8.2)	Finance Working Group to be convened to discuss detailed budgets and refinancing agreement		Director of F&CS/Head of Executive Office	Meeting held on 1 March 2021
9	27 Jan 2021 (8.3)	Re-wiring tender to be procured out with the Investment Framework. Report to Board on refusals and non-access issues		Director of Operations	Tender being issued March 2021 Update in Investment Report 17 March 2021

ACTION POINT	MINUTE NUMBER	ACTION TO BE TAKEN	DEADLINE/ TIMESCALE	ACTION BY	PROGRESS
10	17 Nov 2020 (6.8)	Barvas development to be brought forward to 2020/21		Director of Operations	Land acquisition being progressed and contract being prepared. Contractor working at risk.
11	17 Nov 2020 (6.10)	Grant to be awarded and legal agreement to be drawn up prior to construction of path		Director of Operations	Return of signed agreement awaited from community group
12	17 Nov 2020 (7.1 – 7.4)	Policies to be issued for consultation with staff and Unison.	20 November 2020	Governance Officer	Consultations issued on 19 November 2020 to run until 4 December 2020. Consultations completed with no responses.
13	26 Aug 2020 (6.1)	Housing Needs Analysis to be completed prior to finalisation of new borrowing.		Director of Operation	Update report on this agenda
14	20 May 2020 (8.2)	Report to Board following Policy review process.	17 March 2021	Company Secretary	Policy review schedule has been completed and to be reviewed by Management.
15	20 May 2020 (8.3)	Arrange for a Board Member to attend staff meeting.	Once Office activities return to normal	Company Secretary	
16	28 Aug 2019 (8.1)	Report to Board on media engagement.	17 March 2021	Head of Executive Office	Communications and Engagement on 17 March 2021 Agenda

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ITEM NO 6.1

BUSINESS PLAN TIMELINE

Board 17 March 2021

Report by Chief Executive

Purpose of Report

1.1 To present a proposal for the next review of our five year Business Plan (2019/20 to 2023/24) for approval.

Summary

2.1 At our meeting in January 2021 it was agreed the review of the five year Business Plan 2019/20 to 2023/24 would be postponed until September 2021. It was also agreed a series of workshops would be arranged to allow more time to discuss and debate matters such as affordability, lettable standard, new build, climate change and worrying population trends. Appendix 1 outlines a proposed timetable for the Business Plan.

Competence

3.1 The are no financial, legal or other constraints to the recommendations in this report.

Recommendations

4.1 **It is recommended that the Board approve the approach to our Business Plan review at Appendix 1.**

APPENDIX 1:	2021 Timetable for reviewing our Business Plan	
Background Papers:	2020 Update to Business Plan 2019/20 to 2023/24	
Writer of Report:	Dena Macleod	Tel: 0300 123 0773

APPENDIX 1


Mar-21 Apr-21 May-21 Jun-21 Jul-21 Aug-21 Sep-21 Oct-21 Nov-21 Dec-21 Jan-22 Feb-22 Mar-22
Workshops
Draft Plan
Consultation
Approval
Rent Set
Demand & population How is this going to change and what is the impact on the business
Customer Experience What should our customers expect from us at each point of contact
Affordability When does the weekly rent become unaffordable? What are our triggers?
Procurement Review of the options?
New Build Where, when and cost limitations?
Risk Assessment & Appetite
DEMAND NEEDS ASSESSMENT STUDY
Report
Tenant Satisfaction survey
Report

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ITEM NO 6.2

BUDGETS 2021/22

Board 17 March 2021

Report by Director of Finance & Corporate Services

Purpose of Report

1.1 To present for consideration and approval the proposed 2021/22 Budgets.

Summary

2.1 The Budgets at Appendix 1 have been prepared taking into account the cash planning limits for 2021/22 as detailed at Appendix 2.

2.2 The 2021/22 Budgets have been prepared following the Board's decision to proceed with an RPI only rent increase. This required £85K savings to be realised in Supervision and Management costs and this has been realised in Professional Fees.

2.3 30 year cash flows have been provided to our funder as part of the re-financing process and although these are subject to change, until the agreement is finalised, a copy can be found at Appendix 3.

2.4 Paragraph 9.3 of this report provides an overview of the key changes in the budget from prior year.

Competence

3.1 The legal and financial implications are detailed in paragraph 5.1 – 8.4 of this report.

Recommendations

4.1 **It is recommended that the Board:**

a) approve the 2021/22 Budgets at Appendix 1; and
b) note the Cash Planning Limits and 30 Year Cash Flow Statement at Appendices 2 & 3 respectively.

APPENDIX 1:	Budgets for 2021/22	
APPENDIX 2:	2021/22 Cash Planning Limits	
APPENDIX 3:	30 Year Cash Flow Statements	
Background Papers:	None	
Writer of Report:	Donald MacLeod	Tel: 0300 123 0773

Competence

Financial

5.1 The report considers the resources required for 2021/22. The 30 year Business Plan has already been provided to our funder (RBS) for approval in February 2021 as part of the re-financing process.

5.2 The Budget has been set in accordance with current accounting standards.

5.3 The Budget being presented requires £10M additional borrowing and discussions with RBS are progressing well. It is anticipated the re-financing exercise will be concluded in April 2021.

5.4 RBS have been asked to provide a timeline to complete the re-financing and a verbal update will be given at the March 2021 Board. The Financing Agreement will then be presented to the Finance Working Group for their review prior to the Board approving the terms. The dates for these meetings will be agreed on receipt of the RBS timeline to conclude the transaction.

Legal

6.1 The Partnership's Rule 69 states that "The Partnership must keep proper books of account to cover its income, expenditure, spending, assets and liabilities 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 annual budgets.

6.3 It is anticipated that once the re-financing agreement has been completed that we will no longer need our funder to provide annual business plan approval. Instead, we will require to comply with covenants set by our funder in line with our 30 year plan.

Regulatory Guidance

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

7.2 This report provides ongoing evidence/assurance of evidence RS2.5 and RS3 in relation to our Annual Assurance Statement.

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.

8.2 The preparation and approval of updated 30 Year cash flows ensures compliance with the Funders requirements.

8.3 Increasing development costs continue to drive up the cost per unit. Any shortfall between the unit cost and Scottish Government grant needs to be met through our private finance or CNES grant. Each project will be appraised by the Director of Finance & Corporate Services before it is progressed to tender stage. Increases in our private finance contribution beyond budget will need to be agreed by the Asset Management Working Group (dependent on delegation levels) or Board.

8.4 The Finance Working Group met on 1 March 2021 to review the budgets and stress test the key risks. These are summarised in the minute of the meeting on the Board information bulletin. The stress testing re-affirmed that our plans are most susceptible to changes in income with the main risks identified being a deterioration in voids, arrears/bad debts and below inflation rent increases.

Report Details

9.1 Budgets are set each year which identify the income available to the Partnership and the funds required to deliver:

a) the promises made to tenants as part of the Stock Transfer;
b) the strategic goals of the current approved Business Plan;
c) rents that are affordable to our tenants;
d) Regulatory requirements; and
e) Scottish Government requirements in relation to the standard of the housing stock.

9.2 Budgets are set in the context of the 30 Year Business Plan making amendments as required to ensure the Partnership is still in a position to repay the funds borrowed.

9.3 2020/21 has been an extremely challenging year due to the pandemic. The whole of the Outer Hebrides moved in Tier 4 on 30 January 2021. Works which could not be delivered in 2020/21 due to the COVID-19 restrictions in place have been reflected in the 2021/22 Budgets.

9.4 Material variations from 2020/21 along with explanations can be found below:

BUDGET AREA		COMMENTS
Income	Dwelling Rents	£367K increase as a result of an increase in the number of properties available for rent coupled with a 1.3% annual rent increase.
	Loss on disposal of assets	£218K reflects the remaining depreciation of assets being replaced before they are fully depreciated.
	Grant Funding	£150K increase to reflect the increase in RHI income from ASHP replacements
Supervision & Management	Salaries & Wages	£72K increase to accommodate the new posts outlined in the revised organisational structure. Modern Apprentice & 2 x Graduate Trainees
	Legal fees	£29K reduction in 2021/22. The 2021/22 arrears leagal budget had been increased to reflect an anticipated increase in the level of arrears fees post UC. Thankfully this hasn't been required. The budget has therefore been reduced by £14K to realise this and an anticipated uplift in fees as the eviction ban is lifted. Corporate legal fee requirements for 2021/22 have decreased by £15K.
	Consultants General	£36K reduction based on proposed consultancy works needed in 2021/22. More works are being performed in house although provision is made for a stock condition survey being performed by external consultants in 2021/22.
	Fees charged to capital	£122K increase mainly due to the increased investment program in 2021/22 (£2.04M slippage of works from prior year).
Repairs & Maintenance	Response Repairs	£19K increase (2%) to reflect an increase in the number of homes
	Void Repairs	£36K increase to reflect the levels of works needed to bring a void property up to the lettable standard.
	Estate Management	£22K increase in 2021/22 mainly due to welfare related repair works (£20K).
	Other Servicing	Net increase of £65K in 2021/22 mainly due to increased budget for electrical testing of £145K offset by reductions in General Planned Maintenance budget of £81K.
	Gutter Cleaning	The gutter cleaning program has been condensed from a 3 year program into 2 years resulting in an increase in budget of £28K.
Housing Investment		The increase of £1.6M is due to the carry over of £2.04M of 2020/21 investment works which could not be completed due to covid. The 2021/22 program is as per the Board approved investment program.
Non Housing Investment	IT Equipment	£80K increase to support the delivery of the Digital Transformation and IT strategies.

APPENDIX 1: 2021/22 BUDGETS

	CURRENT YEAR BUDGET		ACTUAL	2021/22		
	Initial	Revised	to	INITIAL		
	Budget	Budget	31-Jan-21	BUDGET	Change	Change
INCOME & EXPENDITURE	£	£	£	£	£	%
Dwelling rents (net)	9,256,067	9,256,066	7,942,257	**9,622,585**	366,518	3.96%
Non Dwelling rents (net)	13,543	13,543	13,726	**12,631**	(912)	(6.73%)
Profit/(Loss) on disposal of assets	-	(213,260)	-	**(218,604)**	(218,604)	100.00%
Grant Funding	270,000	732,999	576,745	**420,000**	150,000	55.56%
Other Income	51,390	51,390	48,643	**45,384**	(6,007)	(11.69%)
TOTAL INCOME	9,591,000	9,840,739	8,581,371	**9,881,996**	290,995	3.03%
Supervision & Management	2,399,906	2,288,670	1,875,254	**2,613,555**	213,649	8.90%
Response Repairs	1,453,358	1,566,911	1,276,260	**1,527,998**	74,640	5.14%
Estate Works	84,500	84,500	58,946	**83,800**	(700)	(0.83%)
Planned/Cyclical Maintenance	867,173	1,022,352	496,215	**970,762**	103,589	11.95%
Total Operating Expenditure	4,804,937	4,962,433	3,706,675	**5,196,115**	391,178	8.14%
Operating Surplus/(Deficit)	4,786,063	4,878,307	4,874,695	**4,685,881**	(100,183)	(2.09%)
Interest received	13,500	5,200	4,627	**1,000**	(12,500)	(92.59%)
Interest paid	568,100	293,100	222,525	**494,200**	(73,900)	(13.01%)
Surplus/(Deficit)	4,231,463	4,590,407	4,656,797	**4,192,681**	(38,782)	(0.92%)
Depreciation	3,160,000	3,445,000	2,823,993	**3,400,000**	240,000	7.59%
Grant Amortisation	(1,380,000)	(1,410,000)	(1,125,416)	**(1,400,000)**	(20,000)	1.45%
Surplus/(Deficit)	2,451,463	2,555,407	2,958,221	**2,192,681**	(258,783)	(10.56%)
CAPITAL INVESTMENT						
Housing Investment Programme	3,916,169	4,453,350	1,966,028	**5,521,682**	1,605,513	41.00%
Non Housing Investment	102,700	50,173	27,254	**183,200**	80,500	78.38%
Development Programme	11,125,998	1,355,226	591,674	**12,356,323**	1,230,325	11.06%
	15,144,866	5,858,749	2,584,955	**18,061,204**	2,916,338	19.26%

APPENDIX 1: 2021/22 BUDGETS

	CURRENT YEAR BUDGET		ACTUAL	2021/22		
	Initial	Revised	to	INITIAL		
	Budget	Budget	31-Jan-21	BUDGET	Change	Change
SUPERVISION & MANAGEMENT	£	£	£	£	£	%
Salaries & Wages	1,587,811	1,595,569	1,253,421	**1,660,094**	72,284	4.55%
National Insurance	155,876	156,635	124,387	**165,781**	9,905	6.35%
Pension Costs	303,841	305,324	227,116	**298,817**	(5,024)	(1.65%)
Other Employee Costs	54,185	36,255	21,893	**43,310**	(10,875)	(20.07%)
Travel & Subsistence	24,670	11,543	987	**16,865**	(7,805)	(31.64%)
EMPLOYEE COSTS	2,126,382	2,105,325	1,627,805	**2,184,867**	58,485	2.75%
Premises Costs	74,750	54,627	34,057	**75,830**	1,080	1.44%
IT & Telecoms	181,200	172,700	143,300	**183,995**	2,795	1.54%
Area Offices	26,040	26,856	22,380	**26,750**	710	2.73%
Payroll & Cashdesk	6,460	6,460	5,927	**7,000**	540	8.36%
Property Management Fees	4,010	5,013	4,344	**5,000**	990	24.69%
Covid-19	-	16,380	12,498	**-**	-	
SUPPLIES & SERVICES	292,460	282,036	222,507	**298,575**	6,115	2.09%
Postage, Printing & Stationery	41,000	29,700	16,060	**39,300**	(1,700)	(4.15%)
Admin Furniture & Equipment	1,000	946	-	**950**	(50)	(5.00%)
Training Courses	64,480	42,145	14,637	**58,950**	(5,530)	(8.58%)
Community Support	30,750	10,750	4,037	**22,750**	(8,000)	(26.02%)
Health & Safety	8,470	10,024	2,318	**7,470**	(1,000)	(11.81%)
Recruitment Costs	2,500	2,500	555	**2,500**	-	0.00%
ADMINISTRATION COSTS	148,200	96,065	37,607	**131,920**	(16,280)	(10.99%)
Legal Fees	69,000	23,500	9,342	**40,000**	(29,000)	(42.03%)
Consultants Funders Valuation	15,000	15,000	-	**15,000**	-	0.00%
Consultants General	141,619	60,321	24,989	**105,000**	(36,619)	(25.86%)
Consultants Treasury Management	18,000	26,000	-	**26,000**	8,000	44.44%
Property Consultants	70,000	50,000	16,539	**90,000**	20,000	28.57%
VAT Consultants	4,000	4,000	750	**2,000**	(2,000)	(50.00%)
External Audit Fees	13,530	13,530	-	**11,340**	(2,190)	(16.19%)
Internal Audit Fees	15,745	15,745	9,720	**10,750**	(4,995)	(31.72%)
Total Legal and Audit Fees	346,894	208,096	61,340	**300,090**	(46,804)	(13.49%)
Insurance	270,535	250,539	207,127	**273,992**	3,457	1.28%
Affiliation Fees	49,350	34,910	24,146	**44,523**	(4,827)	(9.78%)
Charitable Donations	5,000	5,000	5,000	**5,000**	(0)	(0.00%)
Governance	27,850	9,183	975	**23,000**	(4,850)	(17.41%)
Bank Charges	8,000	8,000	4,433	**4,500**	(3,500)	(43.75%)
Public Relations / Marketing	15,080	10,563	1,878	**11,633**	(3,447)	(22.86%)
CORPORATE EXPENSES	375,815	318,195	243,559	**662,738**	(59,971)	(15.96%)
Fees Charged to Capital	(530,451)	(500,451)	(247,103)	**(652,045)**	(121,594)	22.92%
VAT Received - Partial Exemption	(12,500)	(12,500)	(9,120)	**(12,500)**	0	(0.00%)
RECHARGES	(542,951)	(512,951)	(256,224)	**(664,545)**	(121,594)	22.40%
COST	2,399,906	2,288,670	1,875,254	**2,613,555**	(133,245)	(5.55%)

APPENDIX 1: 2021/22 BUDGETS

	CURRENT YEAR Initial Budget	Revised Budget	ACTUAL to 31-Jan-21	2021/22 INITIAL BUDGET	Change	Change
REPAIRS & MAINTENANCE	£	£	£	£	£	%
Responsive Repairs	935,325	975,325	805,091	**954,436**	19,111	2.04%
Void Repairs	264,000	349,000	304,640	**300,000**	36,000	13.64%
Handyperson	83,160	92,660	77,551	**90,528**	7,368	8.86%
GENERAL REPAIRS	1,282,485	1,416,985	1,187,282	**1,344,964**	62,479	4.87%
Decoration Allowance	46,530	46,530	27,430	**45,828**	(702)	(1.51%)
Council Tax empty properties	19,800	17,800	3,079	**17,531**	(2,269)	(11.46%)
Compensation	11,695	11,695	1,522	**11,518**	(176)	(1.51%)
SPECIFIC ITEMS	78,025	76,025	32,032	**74,878**	(3,147)	(4.03%)
Rechargeable Repairs	108,000	75,000	48,406	**106,370**	(1,630)	(1.51%)
Rechargeable Repairs Recoverable	(59,800)	(59,800)	(46,304)	**(58,898)**	902	(1.51%)
Insurance Repairs	105,000	105,000	40,934	**100,002**	(4,998)	(4.76%)
Insurance Claims Recoverable	(72,500)	(62,500)	(2,311)	**(61,557)**	10,943	(15.09%)
RECOVERABLE EXPENDITURE	80,700	57,700	40,725	**85,917**	5,217	6.47%
Commercial Properties	1,200	-	-	**1,182**	(18)	(1.51%)
Communal Lighting	10,948	16,201	16,221	**21,057**	10,109	92.33%
NON DWELLING REPAIRS	12,148	16,201	16,221	**22,238**	10,090	83.06%
Gas Servicing	73,958	74,372	63,926	**63,784**	(10,175)	(13.76%)
Estate Management	47,922	55,922	38,597	**70,460**	22,538	47.03%
Other Servicing (incl. heating)	697,528	846,850	358,056	**762,262**	64,734	9.28%
Stair Lifts and Door Entry Systems	4,030	4,139	2,754	**4,050**	20	0.49%
Gutter Cleaning	34,885	31,974	31,936	**62,617**	27,732	79.49%
Sewage Pumps	700	945	945	**600**	(100)	(14.24%)
Dun Berisay Heat	8,150	8,150	-	**6,990**	(1,160)	(14.24%)
CYCLICAL MAINTENANCE	867,173	1,022,352	496,215	**970,762**	103,589	11.95%
Unadopted Infrastructure	32,527	28,527	8,170	**33,089**	562	1.73%
Grounds Maintenance	51,974	55,974	50,775	**50,711**	(1,262)	(2.43%)
TOTAL ESTATE WORKS	84,500	84,500	58,946	**83,800**	(700)	(0.83%)
TOTAL REPAIRS & MAINTENANCE	2,405,031	2,673,763	1,831,421	**2,582,560**	177,529	7.38%

APPENDIX 1: 2021/22 BUDGETS

	CURRENT YEAR BUDGET Initial Budget	Revised Budget	ACTUAL to 31-Jan-21	2021/22 INITIAL BUDGET	Change	Change
HOUSING INVESTMENT	£	£	£	£	£	%
Roofs	-	1,540	1,492	-	-	
Insulation	135,135	282,352	-	**297,525**	162,389	120.17%
Total Roofs	135,135	283,892	1,492	**297,525**	162,389	120.17%
Kitchen	123,751	133,231	1,886	**562,622**	438,871	354.64%
Bathrooms	99,768	86,106	85,670	**117,406**	17,638	17.68%
OT Aids & Adaptations	120,000	312,999	192,180	**120,000**	(0)	(0.00%)
Showers	72,213	43,818	42,123	-	(72,213)	(100.00%)
Heating	2,571,851	2,216,928	969,662	**3,176,187**	604,337	23.50%
Rewiring	373,797	632,631	544,386	**924,137**	550,341	147.23%
Total Internals	3,361,379	3,425,713	1,835,908	**4,900,352**	1,538,973	45.78%
Windows	221,352	398,743	47,586	**323,806**	102,454	46.29%
Roughcast house & wall	-	16,500	6,750	-	-	
Other	198,304	167,730	74,292	-	(198,304)	(100.00%)
Externals	419,655	582,972	128,628	**323,806**	(95,849)	(22.84%)
Total Investment excl. Unallocated Exp/Savings	3,916,169	4,292,577	1,966,028	**5,521,682**	1,605,513	41.00%
Total Unallocated/Savings	-	160,773	-	-	-	
Total Housing Investment	3,916,169	4,453,350	1,966,028	**5,521,682**	1,605,513	41.00%

	CURRENT YEAR BUDGET Initial Budget	Revised Budget	ACTUAL to 31-Jan-21	2021/22 INITIAL BUDGET	Change	Change
NON HOUSING INVESTMENT	£	£	£	£	£	%
Heating Systems	-	17,284	17,279	-	-	
Furniture & Fittings	51,350	1,350	-	**53,200**	1,850	3.60%
IT Equipment	51,350	31,539	9,975	**130,000**	78,650	153.16%
Total Office	102,700	50,173	27,254	**183,200**	80,500	78.38%
Total Non Housing Investment	102,700	50,173	27,254	**183,200**	80,500	78.38%

APPENDIX 1: 2021/22 BUDGETS

	CURRENT YEAR BUDGET		ACTUAL	2021/22		
	Initial Budget £	Revised Budget £	to 31-Jan-21 £	INITIAL BUDGET £	Change £	Change %
DEVELOPMENT - SOCIAL RENT						
COST	26,126,481	13,012,123	7,726,406	**21,046,120**	(5,080,361)	(19.45%)
GRANT	(14,790,199)	(11,071,132)	(6,400,513)	**(8,378,784)**	6,411,415	(43.35%)
PRIVATE FINANCE	11,336,282	1,940,991	1,325,894	**12,667,336**	1,331,055	11.74%
NEW SUPPLY SHARED EQUITY						
PRIVATE FINANCE	(210,284)	(585,765)	(734,219)	**(311,014)**	(100,730)	47.90%
TOTAL PRIVATE FINANCE	**11,125,998**	**1,355,226**	**591,674**	**12,356,323**	**1,230,325**	**11%**

APPENDIX 2: 2021/22 CASH PLANNING LIMITS

CASH PLANNING LIMITS			
	BRIXX	Budget	Diff
	£000's	£000's	£000's
Gross Income	10,502,800	10,502,800	0
Voids	(202,200)	(202,200)	-
Bad Debts	(200,000)	(200,000)	-
Net Income	10,100,600	10,100,600	0
Expenditure			
Supervision & Management	2,662,700	2,613,555	49,145
Repairs	1,508,500	1,527,998	(19,498)
Planned	903,000	970,762	(67,762)
Estate Works	83,800	83,800	-
Interest	479,200	479,200	-
Investment	5,841,600	5,803,486	38,114
Aids & Adapts	120,000	120,000	-
Development Private Finance	12,356,323	12,356,323	0
Total Expenditure	23,955,123	23,955,123	(0)
Net	***(13,452,323)***	***(13,452,324)***	***(0)***

DATE: ***02 March 2021***

APPENDIX 3: 30 YEAR CASH FLOW STATEMENT

Consolidated Statement of Cash Flow | 2020/21 30 Year Plan | Plan

2020/21 30 Year Plan 4.5

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											
Total Receipts Total	13,405.30	11,679.20	11,141.70	11,474.10	12,308.40	12,925.00	13,362.10	13,550.90	13,849.30	14,192.50	14,544.30
Total Payments											
Total Payments Total	-7,442.70	-8,778.80	-5,543.90	-5,714.20	-6,017.00	-6,643.80	-6,816.80	-7,011.40	-7,193.50	-7,411.60	-7,558.70
Cash Paid To Employees											
Cash flow from Operating Activities	**5,962.50**	**2,900.40**	**5,597.90**	**5,759.90**	**6,291.50**	**6,281.20**	**6,545.20**	**6,539.60**	**6,655.80**	**6,781.00**	**6,985.60**
Provisions for tax											
Surplus for the year	**5,962.50**	**2,900.40**	**5,597.90**	**5,759.90**	**6,291.50**	**6,281.20**	**6,545.20**	**6,539.60**	**6,655.80**	**6,781.00**	**6,985.60**
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	5,962.50	2,900.40	5,597.90	5,759.90	6,291.50	6,281.20	6,545.20	6,539.60	6,655.80	6,781.00	6,985.60
Cash flow from investing activities											
Purchase of tangible fixed assets											
Developments											
Committed Total	-10,741.70	-12,547.20	-630								
Pipeline	-10										
Future Developments 2019-20 Total	-911.7	-1,980.50									
Future Developments 2020-21 Total	-686.2	-4,240.40	-430.7								
Future Developments 2021-22 Total		-2,301.60	-6,187.30	-4,419.50							
Future Developments 2022-23 Total			-4,432.70								
Future Developments 2023-24 Total				-6,194.00							
Future Developments 2024-25 Total					-7,224.00						
Developments Total	-12,349.60	-21,069.80	-11,680.70	-10,613.50	-7,224.00						
Component Accounting	-3,796.20	-3,528.40	-3,701.10	-3,919.60	-1,214.40	-2,438.30	-2,657.90	-3,738.00	-3,645.00	-3,948.30	-4,435.90
Purchase of tangible fixed assets Total	-16,145.70	-24,598.20	-15,381.80	-14,533.00	-8,438.40	-2,438.30	-2,657.90	-3,738.00	-3,645.00	-3,948.30	-4,435.90
Proceeds from sale of tangible fixed assets	5	5	60	10	10						
Grants received											
Developments											
Developments Total	10,501.40	8,377.30	9,047.60	4,090.90	4,619.70						
Interest Received (cash)	20.1	15.2	6.1	6.6	13.6	27.9	38.6	46.3	51.8	57.3	43.8
Total Cash flow from investing activities	**-5,619.30**	**-16,200.70**	**-6,268.10**	**-10,425.50**	**-3,795.10**	**-2,410.40**	**-2,619.40**	**-3,691.70**	**-3,593.20**	**-3,891.00**	**-4,392.10**
Cash flow from financing activities											
Interest paid											
Treasury	-218.2	-479.2	-912.8	-1,129.90	-1,581.50	-1,656.00	-1,868.50	-1,868.50	-1,868.50	-1,868.50	-1,599.00
Interest element of finance lease rental payment											
New secured loans		10,091.00	2,000.00	5,500.00	2,500.00						
Capital Repayments											-8,000.00
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	**-218.2**	**9,611.80**	**1,087.20**	**4,370.10**	**918.5**	**-1,656.00**	**-1,868.50**	**-1,868.50**	**-1,868.50**	**-1,868.50**	**-9,599.00**
Cash & cash equivalents at the beginning of year	**4,565.40**	**4,690.40**	**1,002.00**	**1,418.90**	**1,123.40**	**4,538.20**	**6,753.00**	**8,810.40**	**9,789.80**	**10,983.90**	**12,005.40**
Net Change in Cash & cash equivalents	**125.1**	**-3,688.40**	**416.9**	**-295.5**	**3,414.90**	**2,214.80**	**2,057.40**	**979.4**	**1,194.20**	**1,021.50**	**-7,005.50**
Cash & cash equivalents at the end of year	**4,690.40**	**1,002.00**	**1,418.90**	**1,123.40**	**4,538.20**	**6,753.00**	**8,810.40**	**9,789.80**	**10,983.90**	**12,005.40**	**4,999.90**

Consolidated Statement of Cash Flow | 2020/21 30 Year Plan | Plan

2020/21 30 Year Plan 4.5

Period: 01 April 2020 - 31 March 2050	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Total Receipts											
Total Receipts Total	14,945.20	15,274.60	15,653.40	16,041.80	16,484.30	16,847.80	17,266.00	17,694.70	18,183.10	18,584.40	19,046.00
Total Payments											
Total Payments Total	-7,751.90	-7,942.90	-8,184.10	-8,347.00	-8,560.60	-8,771.90	-8,716.50	-8,528.00	-8,732.10	-8,947.70	-9,224.10
Cash Paid To Employees											
Cash flow from Operating Activities	**7,193.30**	**7,331.70**	**7,469.40**	**7,694.80**	**7,923.60**	**8,075.90**	**8,549.50**	**9,166.70**	**9,451.00**	**9,636.60**	**9,821.90**
Provisions for tax											
Surplus for the year	**7,193.30**	**7,331.70**	**7,469.40**	**7,694.80**	**7,923.60**	**8,075.90**	**8,549.50**	**9,166.70**	**9,451.00**	**9,636.60**	**9,821.90**
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	7,193.30	7,331.70	7,469.40	7,694.80	7,923.60	8,075.90	8,549.50	9,166.70	9,451.00	9,636.60	9,821.90
Cash flow from investing activities											
Purchase of tangible fixed assets											
Developments											
Committed Total	-195.7					-531.4					-1,052.10
Pipeline											
Future Developments 2019-20 Total	-35.7					-71.8					-165.5
Future Developments 2020-21 Total	-46.4					-93.4					-215.2
Future Developments 2021-22 Total		-142.7					-287.1				
Future Developments 2022-23 Total			-36.1					-98.1			
Future Developments 2023-24 Total				-45.6					-123.7		
Future Developments 2024-25 Total					-61.3					-166.5	
Developments Total	-277.8	-142.7	-36.1	-45.6	-61.3	-696.6	-287.1	-98.1	-123.7	-166.5	-1,432.90
Component Accounting	-4,679.10	-4,570.20	-4,735.10	-5,291.40	-5,669.90	-3,311.40	-5,887.90	-6,451.50	-5,890.00	-6,667.00	-6,082.30
Purchase of tangible fixed assets Total	-4,956.90	-4,712.90	-4,771.20	-5,337.00	-5,731.20	-4,008.00	-6,175.00	-6,549.60	-6,013.70	-6,833.40	-7,515.20
Proceeds from sale of tangible fixed assets											
Grants received											
Developments											
Developments Total											
Interest Received (cash)	24.8	27.3	3.2	6.4	8.5	11.3	15.5	15.8	18.8	23.4	25.1
Total Cash flow from investing activities	**-4,932.00**	**-4,685.60**	**-4,768.00**	**-5,330.60**	**-5,722.70**	**-3,996.70**	**-6,159.50**	**-6,533.80**	**-5,994.90**	**-6,810.10**	**-7,490.10**
Cash flow from financing activities											
Interest paid											
Treasury	-1,252.50	-1,191.30	-1,130.10	-1,068.90	-1,007.70	-913.2	-779.5	-645.8	-512.1	-383.8	-278
Interest element of finance lease rental payment											
New secured loans											
Capital Repayments	-800	-6,383.00	-800	-800	-800	-1,800.00	-1,800.00	-1,800.00	-1,800.00	-1,800.00	-800
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	**-2,052.50**	**-7,574.30**	**-1,930.10**	**-1,868.90**	**-1,807.70**	**-2,713.20**	**-2,579.50**	**-2,445.80**	**-2,312.10**	**-2,183.80**	**-1,078.00**
Cash & cash equivalents at the beginning of year	**4,999.90**	**5,208.80**	**280.5**	**1,051.80**	**1,547.20**	**1,940.50**	**3,306.40**	**3,116.90**	**3,304.00**	**4,448.00**	**5,090.70**
Net Change in Cash & cash equivalents	**208.8**	**-4,928.20**	**771.3**	**495.3**	**393.3**	**1,366.00**	**-189.6**	**187.1**	**1,144.00**	**642.8**	**1,253.90**
Cash & cash equivalents at the end of year	**5,208.80**	**280.5**	**1,051.80**	**1,547.20**	**1,940.50**	**3,306.40**	**3,116.90**	**3,304.00**	**4,448.00**	**5,090.70**	**6,344.60**

Consolidated Statement of Cash Flow | 2020/21 30 Year Plan | Plan

2020/21 30 Year Plan 4.5

Period: 01 April 2020 - 31 March 2050	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
Total Receipts									
Total Receipts Total	19,519.10	20,058.30	20,501.20	21,010.70	21,533.00	22,128.10	22,617.00	23,179.50	499,001.20
Total Payments									
Total Payments Total	-9,404.70	-9,646.70	-9,885.30	-10,191.00	-10,390.90	-10,658.60	-10,922.70	-11,260.70	-252,199.80
Cash Paid To Employees									
Cash flow from Operating Activities	**10,114.50**	**10,411.60**	**10,615.90**	**10,819.80**	**11,142.10**	**11,469.50**	**11,694.40**	**11,918.80**	**246,801.40**
Provisions for tax									
Surplus for the year	**10,114.50**	**10,411.60**	**10,615.90**	**10,819.80**	**11,142.10**	**11,469.50**	**11,694.40**	**11,918.80**	**246,801.40**
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	10,114.50	10,411.60	10,615.90	10,819.80	11,142.10	11,469.50	11,694.40	11,918.80	246,801.40
Cash flow from investing activities									
Purchase of tangible fixed assets									
Developments									
Committed Total	-256.8				-1,964.20				-27,919.00
Pipeline									-10
Future Developments 2019-20 Total	-46.8				-265.4				-3,477.60
Future Developments 2020-21 Total	-60.9				-345.1				-6,118.20
Future Developments 2021-22 Total	-661.7	-187.3				-1,061.10			-15,248.20
Future Developments 2022-23 Total		-194.2	-47.4				-362.5		-5,171.10
Future Developments 2023-24 Total			-245	-59.8				-457.3	-7,125.40
Future Developments 2024-25 Total				-329.6	-80.4				-7,861.80
Developments Total	-1,026.30	-381.5	-292.4	-389.4	-2,655.10	-1,061.10	-362.5	-457.3	-72,931.30
Component Accounting	-8,033.90	-7,475.60	-7,264.10	-6,975.40	-7,446.00	-9,062.90	-10,616.10	-12,243.00	-165,375.80
Purchase of tangible fixed assets Total	-9,060.10	-7,857.10	-7,556.50	-7,364.80	-10,101.10	-10,123.90	-10,978.60	-12,700.30	-238,307.00
Proceeds from sale of tangible fixed assets									90
Grants received									
Developments									
Developments Total									36,636.90
Interest Received (cash)	29.6	34.9	44.7	56.6	61.2	71	78.4	78.7	962.4
Total Cash flow from investing activities	**-9,030.50**	**-7,822.10**	**-7,511.80**	**-7,308.20**	**-10,039.90**	**-10,052.90**	**-10,900.30**	**-12,621.60**	**-200,617.70**
Cash flow from financing activities									
Interest paid									
Treasury	-216.8	-155.6	-94.4	-33.2					-24,713.10
Interest element of finance lease rental payment									
New secured loans									20,091.00
Capital Repayments	-800	-800	-800	-800					-30,583.00
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	**-1,016.80**	**-955.6**	**-894.4**	**-833.2**					**-35,205.10**
Cash & cash equivalents at the beginning of year	**6,344.60**	**6,411.70**	**8,045.60**	**10,255.40**	**12,933.80**	**14,036.10**	**15,452.70**	**16,246.80**	**4,565.40**
Net Change in Cash & cash equivalents	**67.2**	**1,633.90**	**2,209.80**	**2,678.40**	**1,102.30**	**1,416.60**	**794.1**	**-702.8**	**10,978.60**
Cash & cash equivalents at the end of year	**6,411.70**	**8,045.60**	**10,255.40**	**12,933.80**	**14,036.10**	**15,452.70**	**16,246.80**	**15,544.00**	**15,544.00**

hebridean housing partnership

Making our house your home

ITEM NO 6.3

FRAUD CHECKLIST

Board 17 March 2021

Report by Director of Finance & Corporate Services

Purpose of Report

1.1 To present for consideration and approval the Annual Fraud Checklist.

Summary

2.1 The Fraud Policy was approved in February 2020 and is not due to be reviewed until February 2024.

2.2 The Fraud Policy requires a Fraud Checklist to be prepared and presented to the Audit and Risk Committee and Board annually.

2.3 Due to COVID-19 and remote working arrangements, employees have had access to systems at all times whilst working from home. Item 6 on the checklist has therefore not been complied with this year.

2.4 Internal IT controls are strong as outlined by the recent internal audit conducted by Wylie & Bissett. Some recommendations have been made which will strengthen an already strong controls environment.

2.5 Employees and managers will be reminded of their obligation to take 2 weeks consecutive holidays per year.

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 review and approve the Fraud Checklist at Appendix 1.**

APPENDIX 1	Fraud Checklist	
Background Papers	Fraud Policy & Fraud Register	
Writer of Report	Donald Macleod	Tel: 0300 123 0773

Competence

Financial

5.1 The implementation and operation of a robust internal control system is critical to the prevention and detection of fraud. The Partnership has employed Internal Auditors to ensure regular checks are carried out on the Internal Control system in place. Internal Auditors report to the Audit and Risk Committee areas of weakness and recommend action to address those weaknesses.

5.2 Loss arising from fraud will be reported to the Audit and Risk Committee and the Board in line with the Fraud policy and where appropriate in the financial statements.

Legal

6.1 The Partnership has Financial Regulations in place. All members of staff are issued with a copy which they sign for to indicate they understand their role in complying with the Regulations. Breaches of the Financial Regulations are taken seriously and are reported to the Audit and Risk Committee.

6.2 The Board has ultimate responsibility for the Partnership's finances and has delegated the responsibility of reporting any actual or potential breaches of the law or maladministration to the Director of Finance & Corporate Services.

6.3 As a registered charity the Board has a legal duty to protect the funds and other property of the Partnership ensuring the funds are applied for its intended beneficiaries.

6.4 The Partnership is required to comply with the general law in relation to the prevention of fraud, money laundering and terrorist financing.

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.

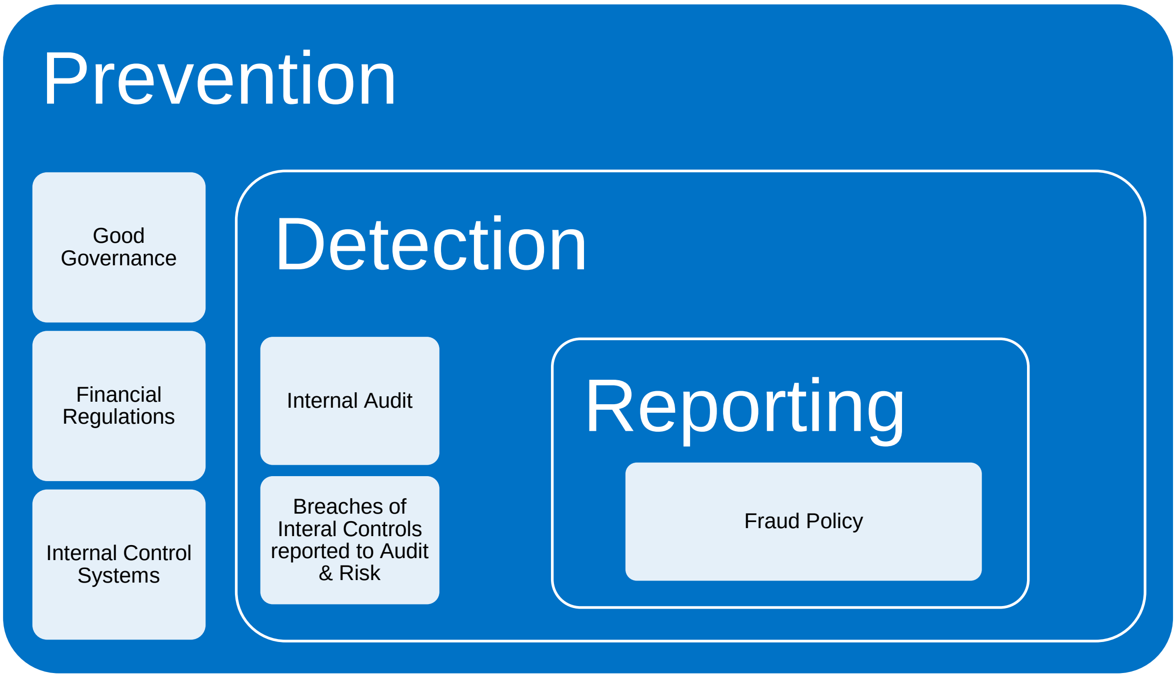
7.2 This report provides assurance of evidence point RS5.6 in relation to our Annual Assurance Statement.

Risk

8.1 Fraud flourishes where the observance of an internal control environment is weak and not managed. The observance of the Financial Regulations, the Fraud Policy, the Fraud checklist at Appendix 1 and the Partnership's policies and procedures at all levels within the organisation should mitigate the risk of fraud.

Report Details

9.1 The Partnership must ensure there are policies and procedures in place to prevent, detect and response to fraud. A summary of the approach is shown below:



hebridean housing partnership

Fraud Checklist

Effective Date:
Review Date:
Approved by HHP Board:

FRAUD CHECKLIST

Ref		Check	Intial
	Personnel Procedures		
1	Stated qualifications and experience of new employees are verified	✓	DM
2	Any apparent gaps in the employment record of new employees are investigated	✓	DM
3	References are taken up for all employees	✓	DM
4	Any points raised in employee references are followed up	✓	DM
5	All employment contracts and other service contracts provide for immediate suspension on the suspicion of fraud	✓	DM
6	All employees are required to take at least two consecutive weeks holiday each year with no access during that period to any of the company systems	×	DM
7	Regular late working by employees is monitored and investigated	✓	DM
8	Fraud awareness is included in the staff induction programme	✓	DM
9	Ongoing fraud awareness training is incorporated into staff development programmes	✓	DM
	Awareness		
10	All Board Members are aware of their collective responsibility for the prevention and detection of fraud	✓	DM
11	The Board and Executive Team encourage a business culture that is open and honest and lead by example	✓	DM
12	Partnership has a clear policy on fraud which is widely publicised amongst employees and drawn to the attention of suppliers and customers	✓	DM
13	Partnership has a whistle-blowing policy which is reviewed regularly	✓	DM
	Risk Assessment & Control		
14	The Board assesses the likelihood of fraud arising in each area principal are of the business and puts controls in place where gaps are identified • Cash handling • Payments • Tendering • Contractors and suppliers • Reporting information	✓	DM

Ref		Check	Intial
15	The Board demonstrates the importance they place on observing internal controls by dealing swiftly and appropriately with breaches of those controls and communicating this to employees	✓	DM
16	Procedures will ensure that as far as practicable, the following aspects of each business transaction are segregated: • Initiation; • Authorisation; • Execution; • Custody of related assets; and • Recording in the accounting records	✓	DM
17	Procedures are reviewed and updated to take account of technological developments and the potential impact on the business of cybercrime and related fraud issues	✓	DM
18	Employees are aware that amendments to procedures must be approved before they are implemented	✓	DM
19	Staff and managers are aware of the issues relating to Money Laundering and the risk of the Partnership becoming inadvertently involved	✓	DM
	Monitoring		
20	Appropriate performance indicators have been identified for each aspect of the business and are reported regularly to the Board	✓	DM
21	All material variations and unusual trends are thoroughly investigated and explanations corroborated	✓	DM
22	Regular control visits are made to all business locations: Balivanich office, Handyperson stores in Tarbert and Balivanich.	✓	DM
23	All unusual transactions are investigated	✓	DM
	Action & Reporting		
24	Executive Team collate information on actual and suspected fraud and report to the Audit & Risk Committee	✓	DM
25	The Partnership will take action to seek recovery of any monies lost through fraud.	✓	DM
26	Procedures will be put in place to deal with any related publicity issues	✓	DM

CHECKLIST CHANGE HISTORY

Version	Change Applied	Date	By
2.0	Prepared to accompany Fraud Policy v2.0	16 March 2016	Dena Macleod
3.0	Updated to Corporate Standard	01 March 2018	Donald Macleod

INTERPRETATIONS & ABBREVIATIONS

The following interpretation and abbreviations are used in this policy:

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

DEVELOPMENT PROGRAMME

Board 17 March 2021

Report by Chief Executive

Purpose of Report

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

Summary

2.1 At 31 January 2021 spend was £8.6M with a forecast out-turn of £13.5M as shown at Appendix 1.

2.2 There are currently 10 developments on site. A further 3 sites are at various stages of acquisition, planning and contractor negotiations. Appendix 2 shows a full breakdown of the individual sites.

2.3 The installation of fire suppression systems becomes a legal requirement in all new developments with a Building Warrant validated after 1 March 2021.

2.4 The delegated authority of the Asset Management Working Group, 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, will expire on 31 March 2021. The delegation has been used on one occasion in March 2019.

2.5 We have received two responses to the naming of the new development at Barvas, Isle of Lewis consultation. They are detailed at paragraph 13.1.

2.6 Two suggestions were made for the naming of the new development at Howmore, Isle of South Uist following consultation. The responses are detailed at paragraph 14.1.

Competence

3.1 The financial, legal and other constraints arising from the recommendations in this report are detailed at paragraph 5.1 - 8.3.

Recommendations

4.1 **It is recommended that the Board:**

a) note the development spend update as at 31 January 2021 at Appendix 1, the development progress report at Appendix 2 and the overview of developments at Appendix 3;

b) agree to extend the delegated authority of the Asset Management Working Group for a further 12 months; and

c) agree a name for the new development in Barvas, Isle of Lewis; and

d) agree a name for the new development in Howmore, Isle of South Uist.

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 £11M this fiscal year with £10.83M committed through developments on site, with an additional £170K of funding for sites starting this financial year.

5.2 The programme for 2020/21 has been severely affected by COVID-19. We continue to work with contractors and Scottish Government colleagues to address 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, delay of projects or investment works, 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 or a decrease in other areas of expenditure. 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.

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. As the delegated authority expires on 31 March 2021, it is recommended that this delegation is extended for a period of 12 months until we receive guidance from Scottish Government on funding levels and a housing needs assessment is carried out.

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.

7.2 This report provides ongoing evidence/assurance of evidence RS2.2, RS4.3 and RS7.7 in relation to our Annual Assurance Statement.

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 in partnership with 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 particular developments is assessed as part of the feasibility study, including the demand within the area. At present, our Housing List does not demonstrate a significant demand in rural areas. Developing in rural areas introduces the risk of low demand for future relets and a housing needs assessment will help mitigate this risk.

8.3 The Risk Register details relevant risks including COVID-19, risk of contractor failure and BREXIT, which can impact on delivery of the development programme.

Report Details

Site Acquisitions, Tenders and Masterplans

9.1 Currently, we are working on site acquisitions, feasibilities and tendering for the two years of the current approved Five Year Development Plan. Work is ongoing with the Comhairle to identify suitable sites for future years. The Comhairle is the lead in communicating with landowners. Scottish Government announcements are expected in March regarding development funding for future years.

9.2 We are also progressing with a Housing Needs Demand study to inform future development plans and are consulting with other partners and agencies regarding the scope of this.

9.3 Year one (2020/21) of the Five Year Development Plan is shown in Appendix 2, Tables 1.1-1.2. The tables show the developments on site, due on site, an update on progress and Scottish Government Grant. A number of the developments expected on site this year are significantly delayed due to a number of factors, particularly COVID-19. However, it is anticipated that the available funding will be substantially drawn down by 31 March 2021.

9.4 Goathill makes up a significant proportion of the development plan in the second year (2021/22) with 79 of the 169 units.

9.5 The units due to complete in the second year of the development plan are shown in Appendix 2, Table 4.1.

9.6 The tender scoring for Barra Cleit Road is now complete. The preferred contractor has been notified and a cost savings exercise is now underway. There is currently a shortfall of £12K for this project which will be considered by the Asset Management Working Group prior to the Board meeting.

Developer Led Proposals and Site Starts

10.1 Calmax started on site at Low Flyer, Balivanich on 1 February 2021.

10.2 Planning and Building Warrant applications are due to be submitted and validated for the Lochmaddy site by 26 February 2021.

Scottish Government Grant Awards 2018-2021

11.1 Our expected drawdown position for 2020/21 of Scottish Government Grant is shown below in Table 1. The 2020/21 figures come from contractor cashflows received at the point of writing the report. A drawdown of £24M is forecast in the 3 year period.

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			£10.83	£10.83
Expected on Site 2020/2021			£0.168	£0.168
Landbank	£0.61			
Actual Grant	£4.70	£8.34	£8.02	£21.06
Total Estimated Grant	£4.70	£8.34	£11.00	£24.04
Slippage being carried forward into 2021/22				£2.87

Table 2. Units 2018-2021

	Current / (2018-date)	Planned 2018-21 (5 year development plan)
Units approved	222	222
Units Complete (2018-21)	112	172

New Supply Shared Equity

12.1 The final property for sale at Pairc Niseaboist is moving towards a settlement date of 26 March 2021 with delays being experienced due to Tier 4 restrictions.

12.2 A new buyer has been identified for the last property at Mackenzie Avenue. A settlement date is awaited.

12.3 Two properties have settled at Sgeir Ghlais, Breasclete. The remaining two properties continue to be marketed by TIG with an added marketing boost from our own social media.

Barvas Name Consultation

13.1 A consultation was sent to local Councillors, Urras Bharabhais and Barvas & Brue Historical Society. Two suggestions came through from the Comhairle Housing Team and one from the wider community.

Table 3. Name Suggestions

Glen Mor (Clobhasa Gleann Mhor)	In reference to Glen Mor Loch and Glen Mor River which are local to the development.
Barraid Naomh Mairi or Corran Naomh Mairi	In reference to St Mary's church

Howmore Name Consultation

14.1 Following consultation we have received two suggestions as detailed in Table 3.

Table 4. Name Suggestions

Fraser Drive (Slighe Fhriseal)	My reasoning is that the Howmore area of South Uist is synonymous with family run Hebridean Coaches and their garage is next door to the development. The father was a well-liked and respected character in Uist and was called Fraser so, for a generation or 2, school children in South Uist had their buses driven by Fraser, Donnie Fraser, Iain Fraser or Tommy Fraser. So "Fraser" for the Father and "Drive" as that's what they were known for, driving the buses.
Mairi Bremner Place (Ionad Mairi Bremner)	From my own viewpoint after sounding out local opinion. I suggest that a Gaidhlig form of Mairi Bremner Place would be appropriate. Mairi attended the school at Howmore, she served many years as Councillor for South Uist, as chair of Social Work and on Western Isles Health Board. Her popularity within the community she served. Lifelong interest in achieving housing for young people and for looking after the elderly with considerable success. Involvement with housing and housing developments on South Uist and Benbecula from the beginning of her time of service until after her retirement, when she worked with HHP until her death.

APPENDIX 1:	Development Spend Update at 31 January 2021	
APPENDIX 2:	Development Progress Report	
APPENDIX 3:	Overview of Developments	
Background Papers:	None	
Writer of Report:	Katrina Rowlands	Tel: 0300 123 0773

OVERALL SUMMARY OF DEVELOPMENT

	COST				GRANTS & SALES PROCEEDS				PRIVATE FINANCE				
AREA	Revised Budget £	31st Jan 2021 £	Change to Budget £	Forecast Out-turn £	Revised Budget £	31st Jan 2021 £	Change to Budget £	Forecast Out-turn £	Revised Budget £	31st Jan 2021 £	Change to Budget £	Forecast Out-turn £	Amend to Private Finance £
New Build	12,556,144	7,717,332	(174,377)	**12,381,767**	(10,615,153)	(6,400,513)	170,000	**(10,445,153)**	1,940,991	1,316,819	(4,377)	**1,936,614**	(4,377)
Shared Equity	1,122,717	869,504	-	**1,122,717**	(1,708,482)	(1,603,723)	-	**(1,708,482)**	(585,765)	(734,219)	-	**(585,765)**	-
Land banking	455,979	60	(455,979)	-	(455,979)	-	455,979	-	-	60	-	-	-
TOTAL	14,134,840	8,591,572	(630,356)	**13,504,484**	(12,779,614)	(8,004,236)	625,979	**(12,153,635)**	1,355,226	587,336	(4,377)	**1,350,849**	(4,377)

PROGRESS

- Horgabost Phase 2 completed. 3 properties sold. 1 with agreed buyers
- Cnoc A Runnaire completed in October 2020.
- Breasclete completed in November 2020. 4 NSSE units to be sold with 2 due to settle in January 2021.
- Winfield Close completed in November 2020.
- Torlum completed in December 2020.
- Garrynamonie to be completed in March 2021.
- Scotland Street to be completed in March 2021.
- Mackenzie Ave last 2 units handed over November 2020.
- Garrabost Care Unit to be completed February 2021.
- Howmore on site January 2021.

PROGRAMMES WITH TIME DELAYS

- All projects are delayed following site closures due to COVID-19.
- Balivanich Low Flyer - cost savings complete and contractor appointed. Cash flow received - project to completed in January 2022. On site delayed until February 2021.
- Tarbert Police Station - following termination of previous contract, it has been retendered. On site in October 2020.
- Shawbost to be completion delayed until April 2021 due to subcontractor delays.
- Goathill delays due to Tier 4 restrictions

PROGRAMMES WITH PROJECTED BUDGET OVERRUNS

- 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.

PROPOSALS FOR BRINGING PROGRAMME WITHIN BUDGET

- Barvas is on site at risk awaiting land transfer for formal contracts to be issued.

New Build Updates APPENDIX 2

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

Development Name	Number of Units	Progress	Contractor	Grant 2020/21
Lochmaddy	2 x 1 bed 4 x 2 bed 2 x 3 bed	Developer Led Proposal. Letter of intent issued to contractor 15 December 2020. Planning & Building Warrant applications were submitted by 26 February 2021.	Macinnes Bros	£100,000
Barra Cleit Road	2 x 2 bed 4 x 3 bed	Land purchase ongoing. Preferred Contractor status awarded. Cost savings ongoing. Building Warrant validated. Planning to be submitted.	Preferred contractor	£68,486
		Total Grant for new site starts 20/21		**£168,486**

New Build Updates APPENDIX 2

Table 1.2 Five Year Development Plan Year 1 Progress on Site - February 2021

Development Name	Progress	Units in Development		Demand Before Allocation	Demand After Allocation	Expected Handover	Grant 2020/21
		No of Beds	Units				
South Dell	On site and progressing to programme.	1	2	5 (1 bed)	Not yet allocated	June 2021	£635,000
		2	2	6 (2 bed)			
		3	2	2 (3 bed)			
				1 (4 bed)			
Johnstone Court, Balivanich	On site 1 February 2021.	1	4	18 (1bed)	Not yet allocated	November 2021	£230,000
		2	2	5 (2 bed)			
		3	4	6 (3 bed)			
Mackenzie Avenue	Complete November 2020	1	10	Not recorded at time	154 (1bed)	Completed	Completed
		2	16		64 (2 bed)		
		3	4		54 (3 bed)		
		4	2		15 (4 bed)		
Breasclete, Isle of Lewis	Properties complete 1 October 2020.	1	2	13 (1 bed)	11 (1 bed)	Completed	Completed
		2	2	2 (2 bed)			
		3	2	1 (3 bed)			
Cnoc a Runnaire, Tolsta, Isle of Lewis	Complete October 2020.	4	3	6 (1 bed)	6 (1 bed)	Completed	Completed
				4 (2 bed)	4 (2 bed)		
				3 (3 bed list)	0 (3 bed)		
Sinclair Avenue, Stornoway	Housing contractor is now on site. Progressing well.	1	30	299 (1- 4 beds)	Not yet allocated	April 2021	£3,825,766
		2	19				
		3+	9				

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				
Garrynamonie	Snagging inspections carried out.	3	4	3 (3 bed list)	None	January 2021	Completed
		6	1				
Torlum	Complete 1 December 2020	2	2	5 (2 bed list)	3 (2 bed list)	Completed	Completed
Winfield Close	Complete 1 December 2020	3	1	13 (3 bed list)	12 (3 bed list)	Completed	Completed
Scotland Street	Handover delayed due to services installation.	1	4	299 (1 – 4 bed)	Not yet allocated	March 2021	£3,978
		2	2				
Tarbert Police Station	On site. Progressing well.	2	8	14 (1 bed) 15 (2 bed) 6 (3 bed)	Not yet allocated	July 2021	£635,000
Garrabost Care Unit	Complete.	1	1	11 (1 bed)	14 (1 bed)	January 2021	£61,500
		2	1	13 (2 bed)	14 (2 bed)		
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
Goathill HWEC	On site.		50	N/A	N/A	2022	£4,640,300
Howmore	On site January 2021.	2	2	1 (1 bed)	Not yet allocated	TBC	£190,000
		2	3	2 (2 bed) 1(3 bed)			
Barvas	On site in January 2021 awaiting land transaction.	1	2	8 (1 bed)	Not yet allocated	January 2022	£291,058
		2	4	3 (2 bed)			
		3	2	1 (3 bed)			
Total Grant for Ongoing Sites in 2020/21							**£10,833,459**
Blackwater site purchase	Full planning permission achieved.						

	Harper Macleod pursuing resumption with Trust's solicitors. Will not settle in March 2021.						
						Total Grant in 2020/21	**£11,001,945**

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

New Build Updates

APPENDIX 2

Table 3.2 Comhairle's approved SHIP 2021-2026

Year 1	RPA	£8,000,000	Year 2	RPA	£6,300,000	Year 3	RPA	£7,500,000	Year 4	RPA	£5,000,000	Year 5	RPA	£5,000,000
2021/22	**Units**	**Cost**	**2022/23**	**Units**	**Cost**	**2023/24**	**Units**	**Cost**	**2024/25**	**Units**	**Cost**	**2025/26**	**Units**	**Cost**
Blackwater Ph1	14	£1,540,000	Blackwater Ph2	30	£3,300,000	Barra HWEC	10	£1,920,000	Benbecula	4	£440,000	Sty Regeneration	14	£1,540,000
Crowlista, Uig	4	£532,736	Scott Rd Ph1	14	£1,820,000	Rural lewis	8	£880,000	South Uist	6	£660,000	Rural Lewis	8	£880,000
North Lochs (Keose)	2	£220,000	North Uist	6	£660,000	Blackwater Ph3	30	£3,300,000	North Uist	6	£660,000	North Uist	6	£660,000
Barvas (Developer led)	8	£840,000	South Uist	6	£660,000	Scott Rd Ph2	14	£1,300,000	Stornoway Regeneration	12	£1,320,000	Barra	6	£660,000
									South Harris	6	£660,000	Balivanich	4	£440,000
									Point	8	£880,000			
c/f from 20/21														
Goathill RENT		£910,283												
Goathill HWEC		£584,926												
Balivanich		£570,053												
Lochmaddy Hospital		£725,472												
Howmore		£342,736												
Barra/Vatersay		£640,000												
Tarbert Police Station		£106,418												
	28	**£7,012,624**		**56**	**£6,440,000**		**62**	**£7,400,000**		**42**	**£4,620,000**		**38**	**£4,180,000**

New Build Updates APPENDIX 2

Table 4.1 Year 2 of Development Plan (2021/22)

Development Area	Number of Units	Progress
Goathill	29	On site
Goathill HWEC	50	On site
Howmore	4	Expected on site 20/21, completion in Year 2
Tarbert Police Station	8	On site 20/21, completion in Year 2
Low Flyer, Balivanich	10	On site 20/21, completion in Year 2
South Dell	6	On site 20/21, completion in Year 2
Lochmaddy	8	Expected on site 20/21, completion in Year 2
Barra – Cleit Road	6	Was expected on site 20/21, completion in Year 2
Barvas	8	Decrofting progressing. Site start in 20/21 at risk.
Scott Road/ Coastguard Site	10	Feasibility complete and reviewed. Discussions with Scottish Government underway.
Benbecula	6	Desktop feasibility complete
Arnol	6	Developer Led Proposal Submitted
Crowlista, Uig	4	Developer Led Proposal submitted.
Keose Glebe	4	Full feasibility complete.
Stornoway Regeneration	14	To be identified by Comhairle
Total Units	**173**	

TENANT PARTICIPATION DEVELOPMENT SERVICE

Board 17 March 2021

Report by Director of Operations

Purpose of Report

1.1 To present to the Board the options for delivering effective Tenant Participation services to our tenants.

Summary

2.1 Since the Tenant Participation Officer role was introduced in May 2015 we have seen an increase in tenant engagement satisfaction measures.

2.2 There is strong evidence that having a dedicated resource for tenant participation has directly improved our satisfaction scores therefore the role should be continued.

2.3 Delivering the role in house would be lower cost and it could be argued that it would be more fully aligned to our core competencies, values and business plan objectives.

2.4 Delivery via a third party would maintain impartiality; allow the role to directly support RTOs; and reinforce the perception of the role being tenant led.

2.5 Initial consultation results show that tenant organisations support delivery via a third party.

2.6 The Executive Team have reviewed the options in detail and recommend outsourcing the role.

Competence

3.1 The legal, financial or other constraints arising directly from the recommendations in this report are at paragraph 5.1 – 8.1.

Recommendations

4.1 **It is recommended that the Board approve the:**

a) Tenant Participation Officer role continue and the procurement of the external delivery of Tenant Participation Development Services; and
b) tendering the contract on a two year basis with the option to extend for a further two years.

APPENDIX 1:	Consultation Response from the Forum	
Background Papers:	Tenant Participation – 16 November 2016 – Item 11	
Writer of Report:	Gary Macleod	Tel: 0300 123 0773

Competence

Financial

5.1 Provision for delivering tenant participations services has been made within current budgets.

Legal

6.1 RSLs have a legal duty to consult with and actively engage with tenants on decision making. There is a clear requirement in the Regulatory framework that landlords have tenants at the centre of service planning and delivery.

6.2 As stated in the Scottish Government Guide to Tenant Participation there is no "legislation nor associated guidance specifically states what activities landlords should resource. This is because resource requirements will differ significantly from area to area". Essentially, there is freedom to outsource our activities.

6.3 The current contract cannot be extended under our Procurement Policy. Competition for any tender is expected to be limited to a small number of suppliers.

6.4 TUPE guidelines would be followed as good practice if there were a transfer of provision for these services.

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.

7.2 This report provides ongoing assurance of evidence CH2 and RS2.4 in relation to our Annual Assurance Statement.

Risk

8.1 There are no specific risks associated with this report.

Report Details

Considerations

9.1 The Tenant Participation Officer role, delivered via TPAS Scotland, was introduced in May 2015 and the 2015 Tenant Satisfaction Survey was carried out between June and August of that year.

9.2 The results from the 2015 survey showed that our engagement performance was below average with only 71% of tenants satisfied with their opportunities to take part in our decision making process compared with the Scottish average of 81%.

9.3 Following the 2015 survey, our first Tenant Participation Strategy was developed and implemented with the majority of the action plan delivered before the 2018 Tenant Satisfaction Survey was completed.

9.4 The 2018 Tenant Satisfaction Survey showed a significant increase across the board on tenant engagement and satisfaction measures:

Indicator		2015	2018
How good or poor do you feel HHP is at keeping you informed about their services and decisions?	HHP	81%	92%
	Scottish Average	91%	92%
How satisfied or dissatisfied are you with options given to you to part in HHP's decision making process?	HHP	71%	84%
	Scottish Average	81%	86%
Taking everything into account, how satisfied or dissatisfied are you with the overall service provided by HHP?	HHP	83%	88%
	Scottish Average	89%	90%
Are you aware of the Homeward newsletter?		Yes – 87%	Yes – 95%

9.5 These results coincide with the delivery of the action plan developed as part of the Tenant Participation Strategy. Although it is not possible to directly evidence, there is a strong likelihood that the resource of a Tenant Participation Officer to deliver the strategy had a significant influence on the positive results.

Options

9.6 In 2014 when the post was established the options for delivery of the role were outlined as:

Option 1

Direct provision by landlord – this would be where the worker would be a direct employee of HHP and would be directly responsible to and line managed by HHP.

Option 2

Arm's length provision – this model would entail tenant participation support being contracted via a third party following tender.

9.7 The advantages and disadvantages of each option were set out in 2014 as shown in the table below. New advantages/disadvantages have been added in bold:

Option 1 – Direct Provision		**Option 2 – Arm's Length Provision**	
Advantages	**Disadvantages**	**Advantages**	**Disadvantages**
Likely to be lower cost	Perceived by tenants as being a landlord led agenda rather than tenant led	Perceived as being tenant led	Likely to be higher cost as provider would charge a fee
Direct control by HHP	Potential for resource being directed towards landlord duties at times	Directly supports The Forum and other Registered Tenant Organisations	Less direct control by HHP
Closer working relationships with frontline staff	**NO PROFESSIONAL SUPPORT INCLUDED IN THIS MODEL**	Professional support and network are built into model. Advice to Registered Tenant Organisations and scrutiny of landlord more impartial	
Alignment with HHP core competencies, values and objectives.	**INCREASED COSTS OF TRAINING AND DEVELOPING STAFF, NETWORKS AND SUPPORT STRUCTURES**	Fully trained resource with defined support networks and connections	
		Continuity of service delivery for tenants	

9.8 The contact for delivering Tenant Participation services has been tendered three times, with TPAS Scotland being selected as the preferred supplier each time. It is expected that TPAS Scotland and a small number of other suppliers would compete for any new tender.

9.9 Transfer of Undertakings (Protection of Employment) regulations (TUPE) may apply to any decision to change the service provision but it is unlikely as "Transfers within the public sector aren't usually covered by TUPE" Gov.co.uk (2020).

9.10 The Forum have stated option 2 is their preference for delivery of the role. The Chair of the Forum clearly states there are "no positives...for tenants" in delivering the role in house and that it could be seen as "going back to the bad old days". The full response is at Appendix 1.

9.11 Further consultation with the newly formed tenant's panel is ongoing and results will be shared during the Board meeting.

9.12 Given the increased performance and the importance of the role in delivering the current Tenant Participation Strategy, it is recommended that the post is continued. The Executive Team have reviewed the options in detail and recommend outsourcing the role.

9.13 It is recommended that the contract is tendered on the basis of a two year period with the option to extend for a further two years. The tender will be issued in March 2021 with a view to a contract start in May 2021.

Option 1 – Direct Provision		Option 2 – Arm's Length Provision	
Advantages	**Disadvantages**	**Advantages**	**Disadvantages**
Likely to be lower cost (Lower cost is not always best value)	Perceived by tenants as being a landlord led agenda rather than tenant led (Extra staffing costs would be involved, also professional training costs would have to be added, possibly negating the cost factor.)	Perceived as being tenant led (Professional support is built in to the cost)	Likely to be higher cost as provider would charge a fee (Possibly not a higher cost, or if so given the advantages of a professional Arm's Length provider, this could be negligible)
Direct control by HHP (This would not be seen as a good move by Tenants, and the last time TP Provision lay on someone's desk, it was pushed aside as you have rightly stated as a disadvantage, as less time would be spent on TP than it is currently).	Potential for resource being directed towards landlord duties at times (Perceived by Tenants as HHP, and not acting in their interests, but for the body that pays their salary, HHP)	Directly supports The Forum and other Registered Tenant Organisations (Another advantage, is that the Regulator is delighted that some Housing Associations are moving towards arm's length TP provision, as they see it as being Tenant led, and not Landlord led.)	Less direct control by HHP (This should be seen as an ADVANTAGE, rather than a disadvantage.)
Closer working relationships with frontline staff (This I would not perceive as an advantage, but a failing on HHPs behalf, as staff in the past have not engaged efficiently with the TP worker, I.E. THE TP WORKER SHOULD HAVE A DESK WITHIN THE HHP OFFICE, instead of a (cupboard) in the FES office) obviously since the Covid-19 pandemic, this would become more difficult	(there is not any professional support included in this model)	Professional support and network are built Into model. Advice to Registered Tenant Organisations and scrutiny of landlord more impartial	
Alignment with HHP core competencies, values and objectives. (this is a failing on HHP in not involving the TP officer, and possibly RTOs more than in the past)	(No fully trained resource with defined support networks and connections)	Fully trained resource with defined support networks and connections	
(No positives in this model for the tenants)	(Tenants would perceive this as going back to the bad old days, where TP was just a document, rather than an active engagement with tenants)	Continuity of service delivery for tenants (This would be seen by tenants a big positive, and in my opinion the post should be Full time Arm's length)	

ALLOCATION OF HOUSING TO PRIORITY HOMELESS APPLICANTS

Board 17 March 2021

Report by Director of Operations

Purpose of Report

1.1 This report is to advise Board Members of a request from the Comhairle's Housing Team to increase the proportion of vacancies being made to Statutory Homeless applicants in the Stornoway area.

Summary

2.1 In June 2020, the Board agreed the quota for allocating properties in Stornoway remain at 50% for homeless applicants; 15% transfer applicants and 35% for other waiting list applicants. This has been our commitment for several years.

2.2 Due to the impact of COVID-19 and the requirements of the CNES Rapid Rehousing Transition Plan the Homeless team consider that 50% of allocation is insufficient to meet current needs and to clear the existing backlog of statutory homeless households. They believe that it is necessary to substantially increase the proportion of allocations to homeless applicants for an interim period and for this to be reviewed on an ongoing basis.

2.3 The Comhairle are specifically requesting that the proportion of allocations of 2 apt properties in Stornoway be increased to 100% of all allocations with the exception of Amenity Housing (Murray Place), medical priority, new build and Foyer. This increase would be for six months initially.

Competence

3.1 The financial, legal and other constraints arising directly from the recommendations in this report are detailed at paragraph 5.1 – 8.1.

Recommendations

4.1 **It is recommended that the Board consider whether they wish to increase the proportion of vacancies in Stornoway allocated to Statutory Homeless applicants.**

Appendix 1:	Housing List Demand by Area & Size	
Background Papers:	Allocations Policy	
	Allocations Annual Report	
Writer of Report:	Mina Maclean	Tel: 0300 123 0773

Competence

Financial

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

Legal

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

6.2 We are required to provide reasonable preference when allocating properties to applicants who are homeless.

6.3 Ministerial guidance issued in response to the pandemic has stressed the importance of continuing to prioritise and house homeless applicants

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.

7.2 This report provides assurance of evidence AN3 in relation to our Annual Assurance Statement.

Risk

8.1 Demand for housing is an important issue for HHP. The demand for housing in Stornoway area is relatively high and if more allocations are made to Priority Homeless applicants this has a bearing on applicants on the housing list.

Report Details

Background

9.1 The Scottish Government set up the Homelessness and Rough Sleeping Action Group (HARSAG) in October 2017 to recommend short and longer term solutions to end homelessness and rough sleeping, and to transform the use of temporary accommodation in Scotland.

9.2 One of the HARSAG's key recommendations is a transition to a Rapid Rehousing approach, including Housing First where appropriate. The current system is a 'temporary accommodation by default' approach. Homeless households requiring support may spend some time in temporary accommodation until they are assessed as ready to sustain their own tenancy. The HARSAG recommends that Rapid Rehousing becomes the default position for all homeless households with low or no support needs. Rapid Rehousing means:

- Mainstream housing is provided as quickly as possible;
- Intensive support is provided as required to enable the person to sustain that tenancy;
- Time spent in any form of temporary accommodation is reduced to a minimum, with the fewer transitions the better; and
- When temporary accommodation is needed, the optimum type is mainstream, furnished and within a community.

9.3 The Rapid Rehousing approach requires a move away from the 'tenancy readiness' culture and language, and removal of barriers to accessing some social housing such as rent in advance or requiring detailed tenancy histories. Where support needs are identified, these should be addressed in the person's own settled home. For households with multiple and complex needs, Housing First should be offered. Highly specialist provision within small, shared, supported and trauma informed environments should be provided if mainstream housing, including Housing First, is not possible or preferable.

9.4 In order to facilitate this, local authorities were tasked with producing a Rapid Rehousing Transition Plan and it was anticipated that, if the plans are implemented successfully, the volume of temporary accommodation and length of stay should be significantly reduced across Scotland.

<u>CNES - Rapid Rehousing Transition Plan</u>

9.5 Comhairle nan Eilean Siar carried out a consultation with partner agencies, including HHP and submitted its Rapid Rehousing Transition Plan to the Scottish Government in December 2018. This plan estimated that the proportion of allocations to Priority Homeless applicants would need to increase from 24.5% of all lets in 2017/18 to 50% per year for a five year period. This was stated as being required to allow the existing backlog of Priority Homeless cases to be cleared and a position to be reached whereby Priority Homeless applicants could then be rapidly rehoused after presenting as homeless.

<u>Supply and Demand</u>

9.6 In the period 1 April 2019 to 31 March 2020, 89 homeless households were provided with a permanent tenancy under homelessness legislation. This figure represented 40% of all allocations made (223). This was an increase of 35% on homeless allocations made in the preceding year.

9.7 Of the allocations made in 2019/20 in Stornoway, 43% were to statutory homeless household. The greatest demand is for 2 apt properties. At present 29 Priority Homeless applicants are awaiting a 2 apt property where Stornoway is their first area of choice and a further 4 where Stornoway is their second area of choice.

Table 1 - Current Overall Position

	2 apt	3 apt	4 apt	5 apt	6 apt	Total
No of stat homeless applicants SY	29	26	6	3	0	64
Average no of vacancies /annum SY	31	34	12	2	1	80
No of stat homeless applicants outwith SY (Landward Lewis)	9	3	1	0	0	13
Average no of vacancies /annum outwith SY	41	54	36	1	1	133
Total current homeless applicants (Western Isles)	48	34	12	3	0	99
Average annual supply of vacancies	72	88	48	2	1	211

9.8 The table below shows the current Housing List and Homeless list for Stornoway.

Table 2

Housing List – Stornoway excl Homeless app	Priority Homeless List - Stornoway
218	64

9.9 The table below shows the percentage of tenancies which had been sustained for over twelve months as at 31 March 2020 and demonstrates that homeless applicants are sustaining their tenancy longer than housing list applicants.

Table 3 – Tenancy Sustainment from 1 April 2019 – 31 March 2020

	Homeless	Transfer	Waiting	Total
Sustained	78 (96%)	21 (91%)	94 (86%)	193 (91%)
Not Sustained	3 (4%)	2 (9%)	15 (14%)	20 (9%)
Total	81	23	109	213

9.10 The waiting list demand for all housing applicants is shown below.

Table 4 - Waiting List Demand - Stornoway

	2 apt	3 apt	4 apt	5 apt+
Adapted Properties	4	5	2	1
Amenity (Murray Place)	4	0	0	0
Foyer	3	0	0	0
Others – Gen Waiting List	116	45	30	8
Stat Homeless	29	26	6	3
Total	156	76	38	12

9.11 The number of referrals received from the Comhairle over the past four years where Stornoway is the first area of choice is shown below:

Table 5 - Ongoing Demand Statutory Homeless – Stornoway

No of homeless referrals received	2 apt	3 apt	4 apt	5 apt+
2017/18	29	15	4	0
2018/19	27	16	11	0
2019/20	28	19	9	2
1.4.20 -31.12.20	22	25	5	1

9.12 Of the total number of Comhairle referrals made to HHP every year, an average of 25% resolve their homelessness by other means or lose contact with the Comhairle. Therefore, not all of the homeless referrals shown above will have required a permanent tenancy.

9.13 Table 5 below shows the number of vacancies arising in Stornoway since 1 April 2017. This demonstrates that, generally, the number of vacancies arising exceeds the number of referrals being made by the Comhairle. The greatest pressure is on the 2 apt and 5 apt+ lists, with variable demand on the 4 apt list,

Table 6

Stornoway	2apt	3 apt	4 apt	5 apt	6apt	Total
1.4.17 - 31.3.18	36	30	17	1	0	84
1.4.18 - 31.3.19	39	35	9	1	0	84
1.4.19 - 31.3.20	39	45	6	2	1	93
1.4.20 - 31.12.20	23	26	7	1	0	57

9.14 The number of vacancies arising from 1 April 2020 to 31 December 2020 is less than average. This would appear to be as a result of lockdown which may have led to less people being willing or able to move. However, the number of Homeless referrals being made to the Comhairle have not decreased during this period.

9.15 The table below shows the allocations made to statutory homeless applicants in Stornoway and outwith Stornoway since April 2019.

Table 7

	Stornoway	Outwith Stornoway	Total
Statutory homeless allocations 1.4.19 - 31.3.20	41	12	53
Statutory homeless allocations as a percentage of all allocations	44%	21%	
Statutory homeless allocations 1.4.20 – 31.12.20	30	9	39
Statutory homeless allocations as a percentage of all allocations	53%	35%	

9.16 To date, the numbers of allocations being made annually to statutory homeless applicants has not led to a reduction in the backlog waiting on the homeless list.

9.17 From 2015-16 to 2019-20 the average number of 2 apt vacancies per year in Stornoway has been 32 per annum. The average number of referrals from the Comhairle is 27, with 25% of these resolving their homelessness by some other means. This means that an average of 20 households per year referred by the Comhairle for a 2 apt in Stornoway will require a permanent tenancy.

Summary

10.1 The Comhairle are requesting further assistance in progressing its Rapid Rehousing Transition Plan, and to reduce the number of Priority Homeless applicants waiting on housing. To achieve this they wish a higher proportion of allocations in Stornoway to be made to applicants referred by them under homelessness legislation as this is the area for which there is highest demand.

10.2 The Board could consider increasing the percentage of allocations for 2 apt properties in Stornoway being made to statutory homeless applicants to 100% for a period of time e.g. 6 months, (excluding adapted, particular needs and new build). On an annual basis this would result in approximately 20 allocations being made against a demand of 20 referrals which would meet existing demand. This will progress the Comhairle's Rapid Rehousing Transition Plan's aims to ensure that the existing backlog is not increasing and that homeless households spend as little time as possible in temporary accommodation. However, it is unlikely to reduce the backlog of cases.

10.3 The impact of this will then be reviewed after this 6 month period.

10.4 It should be noted that if this approach is taken then there will be little prospect of waiting list applicants on the 2 apt list receiving an offer of housing. This may in turn increase homeless presentations.

Appendix 1 - Housing List Demand by Area and Size.

Area	2apt	3apt	4apt	5apt	6 apt	7 apt	Total
1A (Ness)	7	6	3	0	0	0	16
1B (Dell – Borve)	1	0	0	1	0	0	2
1C (Shader – Barvas)	3	2	2	1	0	0	8
1D (Arnol - Shawbost)	4	1	0	0	0	0	5
2A (Carloway - Breasclete)	8	3	0	0	0	0	11
2B (Heath Park - Crowlista)	5	1	1	0	0	0	7
3A (North Tolsta)	2	1	0	0	0	0	3
3B (Back - Tong)	16	6	5	3	1	0	31
3C (Stornoway)	156	76	38	12	0	0	282
3D (Knock - Aird)	3	6	0	0	0	0	9
4A (Leurbost - Ranish)	8	3	2	1	0	0	14
4B (Balallan - Lemreway)	4	2	0	0	0	0	6
5A (Tarbert)	8	15	5	0	0	0	28
5B (Scalpay - Bays)	2	4	1	0	0	0	7
5C (Northton - Leverburgh)	6	2	2	0	0	0	10
6A (Berneray)	1	1	0	0	0	0	2
6B (Lochboisdale - Sollas)	6	0	2	0	0	0	8
6C (Bayhead)	1	3	0	0	0	0	4
6D (Carnish - Clachan)	0	2	0	0	0	0	2
7A (Creagorry - Kileravagh)	15	9	5	0	0	0	29
7B (Eochar - West Gerenish)	0	1	0	0	0	0	1
7C (Askernish - Bornish)	0	2	1	0	0	0	3
7D (Lochboisdale - Pollachar)	4	5	4	0	0	1	14
7E (Eriskay)	1	1	3	0	0	0	5
8A (Eoligarry - Scallery)	9	8	5	0	0	0	22
8B (Vatersay)	1	0	0	1	0	0	2
Total	271	160	79	19	1	1	531

hebridean housing partnership

Making our house your home

ITEM NO 7.1

REPAIRS AND MAINTENANCE POLICY

Board 17 March 2021

Report by Director of Operations

Purpose of Report

1.1 To present to the Board, the Repairs & Maintenance Policy for consideration and approval for consultation.

Summary

2.1 The Policy has been updated to reflect new and updated Landlord Health and Safety requirements. Minor amendments have been made to clarify and simplify the Policy and to remove duplication. In addition, the Policy incorporates a requirement for the Asset Management Working Group to review the lettable standard on an annual basis and to scrutinse the procedures and processes for rechargeable repairs.

2.2 The Policy has been aligned with the new Domestic Abuse Policy agreed by the Board on 23 June 2020.

Competence

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

Recommendations

4.1 **It is recommended that the Board approve:**

a) the Repairs and Maintenance Policy at Appendix 1 for consultation with tenants; 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:	Repairs and Maintenance Policy
Background Papers:	None
Writer of Report:	Angus MacNeil — Tel: 0300 123 0773

Competence

Financial

5.1 There are no financial implications to the recommendations of this report being implemented.

Legal

6.1 There are no legal implications to the recommendations in this report being implemented. The policy seeks to ensure we are compliant with legal and regulatory requirements on the repair and maintenance of homes.

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.

7.2 This report provides ongoing evidence/assurance of evidence point CH2 in relation to our Annual Assurance Statement.

Risk

8.1 There are no specific risks associated with this report.

Report Details

9.1 The Repairs and Maintenance Policy was last reviewed in 2017.

9.2 The Policy has been reviewed and minor amendments have been made to clarify some issues and to reflect changes in our responsibilities as a landlord for Health and Safety.

9.3 The provisions for rechargeable repairs have been aligned with the Domestic Abuse Policy approved by the Board on 23 June 2020. The Policy now stipulates that repairs will not be recharged to a tenant who is the victim of domestic abuse in that tenancy.

9.4 The Policy captures requirements for the Asset Management Working Group to formally review the lettable standard on an annual basis and to review and scrutinise the rechargeable repairs process. This work is currently being carried out by the group.

9.5 The section on Tenant's Rights to Carry out Alterations and Improvements has been updated to prohibit improvements which would affect compliance with SHQS or be detrimental to the energy efficiency of the property.

9.6 New or amended maintenance requirements to ensure compliance with our Health and Safety obligations have been reflected in the Policy.

9.7 Repairs and Maintenance Targets - the definition has been update to reflect Working Days and exclude the 24-hour category which has been superseded with 1 Working Day. Completions have also been updated to reflect average times to complete, in lieu of percentage completed on time, to reflect the new requirements of the Annual Return on the Charter (ARC).

APPENDIX 1

hhp | hebridean housing partnership

Repairs & Maintenance Policy

Effective Date:
Review Date:
Approved by HHP Board:

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REPAIRS & MAINTENANCE POLICY

INTRODUCTION

1.1 We believe that the quality of our maintenance service is of great importance, not only to ensure the satisfaction of tenants but also to protect the value of our housing stock.

1.2 Maintenance Procedures set out how the Maintenance Policy will be implemented and are contained in a separate document.

1.3 Our policy on the procurement of maintenance works is detailed in the Procurement Policy.

AIMS

2.1 We recognise that the quality of the repair and maintenance service provided to tenants is extremely important and the service provided must be responsive, efficient, cost effective and environmentally sustainable.

2.1.1 The aim and key features of the repair and maintenance policy are:

(i) to ensure that we discharge our legal responsibilities for repairing and maintaining properties;

(ii) to maintain clear property records together with a system for recording reported repairs, works instructed, any insurance details, completion dates and final costs;

(iii) to ensure that tenants and factored owners are fully informed of both their responsibility and our responsibility for repairs and maintenance;

(iv) to ensure that tenants are fully informed of the procedures for reporting repairs and of the procedures for seeking approval to carry out improvements and their right to compensation;

(v) to ensure that aids and adaptations are administered in line with the Special Needs Housing Policy and the Occupational Therapy referral process;

(vi) to ensure that our performance in carrying out repair and maintenance functions are adequately managed.

LEGAL OBLIGATIONS

3.1 We will meet all our legal requirements in terms of repairs, maintenance and improvements carried out by tenants and will comply in all respects with the relevant legislation and regulations.

3.2 The respective liability of landlord and tenants for repairs and maintenance will be clearly defined in the Scottish Secure Tenancy Agreement, a copy of which will be provided to all tenants.

3.3 We will support tenants' rights to carry out improvements as part of our policy of maintaining our houses to the highest standard and will seek to assist any tenant wishing to exercise this right.

3.4 Our legal obligations through the Scottish Secure Tenancy Agreement, include the following:

- Keep houses in a condition which is habitable, wind and watertight and, in all respects, reasonably fit for human habitation. Ensure all repairs are carried out within a reasonable period.
- Keep in repair the structure and exterior of all dwellings and common areas;
- Keep in repair and proper working order installations for the supply of water, gas, electricity, sanitation, space and water heating; etc.
- Undertake tenant consultation;
- Permit reasonable tenants' alterations and improvements; and
- Offer compensation for improvements at termination of tenancy.

3.5 We will maintain our houses so that they meet the five broad housing criteria of the Scottish Housing Quality Standard (SHQS) which is the Scottish Government's principal measure of housing quality in Scotland.

RECORD KEEPING

4.1 We will maintain the following records:

(i) A record will be maintained for each asset to record the specification and life cycle of key attributes.

(ii) A record will be kept for each property and each asset detailing:

- Details of repairs reported
- Details of repair and maintenance instructions issued to Contractors
- Cost of repairs and maintenance work
- Details of recoveries due from tenants/insurance company/others

(iii) A record of tenant improvement applications, together with supporting documentation on approvals, inspections, etc.

(iv) An insurance Register will be maintained to record the level of cover for each property and the date of policy renewal.

INFORMATION TO TENANTS

5.1 We recognise that we have a duty to keep tenants informed of repair procedures and tenant/landlord obligations in respect of repairs and maintenance. Information for tenants will be clear and the information provided will incorporate:

(i) Our Policy on Repairs and Maintenance.

(ii) The Scottish Secure Tenancy Agreement.

(iii) Guidance leaflets including information on repairs procedures, right to repair, right to compensation for improvements, etc.

(iv) information on performance against repairs and maintenance targets annually.

(v) We will make information available in other languages and formats where possible and on request.

Reporting Repairs

5.2 We will provide an emergency service for reporting repairs. During working hours, general and emergency repair requests can be reported to any of our offices. All tenants requesting a repair will be given a repair request number that the caller can use to follow through a repair. We have an arrangement with Comhairle nan Eilean Siar to provide a service that will allow emergency repair requests out with working hours to be reported and actioned via the Faire Control Centre which is staffed on a 24 hour basis.

5.3 We have an appointment system for routine repair works that is managed by our contractor.

RECHARGEABLE REPAIRS

6.1 We recognise there may be occasions when a tenant requests that we carry out a repair, which is their responsibility. We may agree to such requests where there is Health and Safety concern for the well-being of the tenant or other occupants of the property.

6.2 Invoices for such work will be charged to tenants within 14 days of HHP making payment for the works unless there are exceptional reasons for not doing so, such as health or welfare concerns. We will ensure there is a clear and consistent approach to identifying charges.

6.3 Rechargeable repairs are where damage has been willfully or negligently caused to the property by the tenants, their household or by visitors to their home. Damage that is due to fair wear and tear will not be recharged.

6.4 Rechargeable repairs on voids include costs incurred due to willful or negligent action by the tenant or visitors to their home and where the tenants does not meet their responsibility to leave the property and garden in a clean and tidy condition and to remove all furnishings

6.5 Costs will not be recharged to tenants where they are the victims of domestic abuse in that property and where this is a factor in the damage caused or in the tenant leaving the property. This will be determined by the Area Manager.

6.6 The Asset Management Working Group will scrutinize the procedures and processes governing rechargeable repairs to ensure these are effective and efficient.

TENANTS' RIGHT TO CARRY OUT ALTERATIONS AND IMPROVEMENTS

7.1 Tenants have a right to carry out improvements. Applications to carry out improvements (other than internal decoration) shall be made in writing to the Partnership and considered by the relevant Manager and approval will not be unreasonably withheld.

7.2 We will make information and application forms available on our website and at our offices.

7.3 We will not permit improvements that are to the detriment of SHQS and the energy efficiency of homes.

Permission will normally be granted subject to the following conditions:

a) We must be satisfied that any proposed improvements will meet relevant standards of safety and workmanship.

b) The tenant is responsible for ensuring building warrant and planning consents are obtained where applicable.

c) The work will not detract from the future letting of the property.

d) Upon receipt of an application, we will normally advise the applicant of the outcome within twenty-eight days of all relevant information being available.

e) An inspection will be required before any work proceeds and upon completion.

7.4 On termination of a tenancy, we will assess whether the tenant is entitled to a payment under the right to compensation for improvements regulations.

7.5 If an applicant is not satisfied with the outcome of an application to carry out an improvement, then the tenant shall have the right to question that decision through our Complaints Policy.

7.6 Any external alterations shall be removed by the tenant at the end of a tenancy or earlier if deemed to be in poor condition or unsafe.

7.7 We will review permitted improvements and requirements to remove these as we develop our Environmental Policy.

RIGHT TO COMPENSATIONS FOR IMPROVEMENTS

8.1 The Housing (Scotland) Act 2001 Section 30 imposes the duty for landlords to compensate tenants for qualifying works as defined in the regulations.

8.2 When the tenant has carried out certain improvement works with our consent they are entitled to be compensated for the cost of those works when the tenancy comes to an end.

8.3 "Qualifying Works" are only those works that were started after 30 September 2002.

8.4 Compensation is not payable when any of the following criteria apply:

- The work was carried out without the Partnership's consent
- The value of work is less than £100
- The tenancy has been terminated by a court order

8.5 A tenant must lodge their claim for compensation in the period from 28 days before termination of the tenancy to 21 days after.

8.6 We will respond within 28 days and will assess the appropriate compensation based on the regulations that apply at that time.

Repairs and Maintenance Targets

9.1

Priority	Completion target
Emergency	Complete within 4 hours
Urgent -Priority 1	Complete within 1 working day
Urgent - Priority 2	Complete within 3 working days
Urgent – Priority 3	Complete within 7 working days
Routine Day to Day Repairs	Complete within 20 working days

The definition of repairs to be carried out in these categories is set out below.

Emergency Repairs – 4 hours

9.2 This will include any repairs where there is a risk to tenant's health and safety or a risk of serious damage to property. This will include:

- Major roof leaks;
- Burst pipes and flooding;
- Blockage of the only toilet in the property;
- Full loss of heating;
- Complete loss of electrical power or lighting;
- Blocked drains which are backing up; and
- Broken windows.

9.3 The contractor will make sure that the property is made safe. Any follow up repair work that is required will be issued under the appropriate priority.

Urgent Repairs

9.4 Faults that require prompt attention but are not of an emergency nature will be dealt with under this category. Urgent repairs will be responded to within 1, 3 or 7 days depending on their seriousness.

1 Day (by the end of the following working day)

These are mainly repairs covered by the Scottish Government Right to Repair Scheme and include:

- Insecure windows or doors;
- Partial loss of electrical power;
- Toilet not flushing;
- Partial loss of heating;
- Unsafe access path or step; and
- Blocked drains.

3 Days or 7 Days

These are repairs which are essential to prevent or remove significant inconvenience to tenants or which if not attended to quickly could result in damage to the property.

Routine Repairs – 20 Days

9.5 These are repairs that require attention but do not fall into the emergency or urgent categories. They can wait a short time before they are dealt with.

Performance Management

9.6 A Performance Management system is in place and performance will be measured on indicators including:

- average time for completions for each repair category;
- Tenant Satisfaction;
- Right First Time;
- Appointments arranged and kept; and
- Quality of completed work.

9.7 Performance Management will develop and evolve. Performance measures will not be confined to the above.

Planned Maintenance

9.8 A 5 year planned maintenance programme is in place to maintain the fabric of properties and their environment and to take a preventative approach to maintenance. Cyclical maintenance programmes are also undertaken to fulfil our legal requirements and to protect Health and Safety. These works include:

a) Gas Servicing (annually) ;

b) Air Source Servicing (annually);

c) Fire Doors (annually);

d) Thermostatic mixing valves, (annually);

e) Fire detection systems and emergency lighting (twice annually);

f) Communal lighting, stair lifts/hoists, door entry systems, communal TV/satellite systems (annually or more frequent);

g) Electrical Condition Reports (every 5 years);

h) Legionella measures (at voids and where risk flagged);

i) Cleaning of gutters and downpipes (every 2 years);

j) Flue Cleaning for solid fuel heating systems (annually)

k) Communal area inspections (annually); and

l) Play park inspections (annually).

Long Term Planned Maintenance and Improvements

9.9 This category will include works of replacement and/or renewal of fixtures and fittings to maintain and improve the housing stock for example:

a) Replacement of kitchen units

b) Replacement of bathroom fittings

c) Replacement of heating systems

d) Replacement of windows/ doors/ roof windows

e) Re-roofing

9.10 The Asset and Contracts Manager will prepare an annual investment programme based on stock condition surveys for Board approval.

STOCK CONDITION SURVEY

10.1 We will carry out a systematic independent condition survey every five years. The survey will be rotated across the stock, where possible, to ensure all houses are captured over time in the surveys. The stock condition survey will inform the long-term investment strategy for maintenance.

CHANGE OF TENANCY

11.1 Before the commencement of a new tenancy we will inspect the house and identify any works necessary to make the house wind and watertight and fit for human habitation in accordance with our lettable standard.

11.2 The Asset Management Working Group will formally review the lettable standard on an annual basis and will identify recommendations for alteration or improvement as appropriate.

11.3 We will notify the tenant of any work that requires to be carried out where that work will not be complete before the tenancy commences.

RIGHT TO REPAIR

12.1 Under the Housing (Scotland) Act 2001, Scottish Secure Tenants and short Scottish secure tenants have the right to have small urgent repairs carried out by their landlord within a given timescale. This is called the Right to Repair scheme. The scheme covers certain emergency or urgent repairs up to the value of £350. These repairs are known as 'qualifying repairs.'

12.2 We must attend and make secure or provide a facility by the stated deadline or the tenant has the right to:

1. Instruct another contractor from our list of approved contractors to do the work;
2. Receive compensation. The amount tenants may be eligible for is calculated at £15 and then £3.00 for every working day in the period,

commencing on the day after the last day of what would have been the maximum and ending with the day on which the qualifying repair is completed, subject to a maximum amount of £100.

12.3 Any outstanding debts to us will be deducted from any compensation to be paid.

Exceptions

12.4 These rights do not apply if:

1. There are circumstances of an exceptional nature beyond the control of the landlord or the contractor who is carrying out the repair that prevent the repair being carried out.
2. The repair value is over £350 (the scheme only applies to small urgent repairs).
3. Access has not been available for the contractor or surveyor.

TENANT CONSULTATION

13.1 The setting of priorities for long-term maintenance will involve tenants and will be taken forward in accordance with the Tenant Participation Strategy and in consultation with Registered Tenant Organisations.

13.2 Consultation will take place with tenants on any major review of this policy or significant changes in the way the services are delivered.

13.3 The specification of components incorporated in improvement programmes e.g. windows, doors, kitchen units and sanitaryware, will be to a high standard. Tenants will have the opportunity to participate in the setting of standards through the Tenant Participation Strategy and input to procurement tenders. Tenants will also be able to participate in the design of works where possible including kitchen layouts and choice of units.

13.4 Our policy on heating systems is to install gas central heating where a supply is available. Where there is no gas supply, air source heating will be installed and in some smaller house types, infrared heating will be offered.

13.5 This list is not exhaustive and each contract will be considered on its own merits and appropriate tenant choices included in the contract.

INSURANCE

14.1 Where repairs are the subject of insurance claims, the insurance company shall be notified as soon as possible of the impending claim and the minimum requirements of the insurance company in terms of inspection, number of quotations, etc., will be complied with.

HANDYMAN SERVICE

15.1 We have an in-house handyman service to provide a fast and effective response to minor repairs and to provide an enhanced service to the elderly and disabled.

PROCEDURES FOR REPAIRS AND MAINTENANCE

16.1 Procedural guidance and process maps will be maintained to set out the detail of how the policy is implemented. This will include details on IT systems and on the recording and storage of information.

AIDS & ADAPTATIONS

17.1 We will carry out aids and adaptations to existing properties to meet tenants' special needs subject to budgetary provision and support from Scottish Government.

17.2 We will work closely with NHS Occupational Therapy services who will advise on the assessment and prioritisation of individual cases.

BUDGETING

18.1 We will produce an annual maintenance and repair budget for all areas of expenditure, which will be approved by the Board. The position against budget will be reported monthly through the management accounts and areas of exception highlighted with proposed actions.

CONFLICT OF INTEREST

19.1 We are a Registered Social Landlord (RSL) and a Scottish Charity. We are part of a sector that has a strong reputation for integrity and accountability to our Stakeholders, service users and to our Regulators.

19.2 The terms of our Entitlements, Payments and Benefit Policy also apply to any Repairs and Maintenance Works. Our Staff and Board Members are required to register and declare any interests in accordance with the EPB Policy and their Code of Conduct.

19.3 Declaration of interest forms are available from the Executive Office.

REVIEW

20.1 The policy will be reviewed every three years.

20.2 The Board of Management shall receive the following reports:

(i) Investment Programme Strategy (Annual)

(ii) Performance against Investment Strategy (Annual)

(iii) Repairs and Maintenance Contract Service Review (Every 6 months)

(iv) Repairs and Maintenance Tenant's Satisfaction Survey (Quarterly)

(v) Included within monthly management reports-

a. Budget v Actual

b. Material variances from Investment Strategy

RELATED POLICIES

21.1 The following policies and procedures are referenced as part of this Policy:

- Entitlements, Payments and Benefits Policy;
- Code of Conduct for Staff Members;
- Code of Conduct for Board Members;
- Health & Safety Policy;
- Procurement Policy;
- Particular Housing Needs Policy; and
- Comments, Compliments and Complaints Handling Policy.

POLICY CHANGE HISTORY

Version	Change Applied	Date	By
2.1	Revisions to incorporate Board decisions and position with factoring. Revisions to ensure consistency with other policies.		
2.2	Revisions to repair targets and changes to align with Investment Policy	November 2017	John Maciver
3	Revisions to Planned Maintenance to reflect Landlord Health and Safety policies General review of policy with minor amendments to simplify and clarify provisions and to ensure consistency between policies Exclusion to provisions for recharges for victims of domestic abuse consistent with domestic abuse policy	November 2020	John Maciver

INTERPRETATIONS & ABBREVIATIONS

The following interpretation and abbreviations are used in this policy:

Word	Interpretation
HHP or Partnership	Hebridean Housing Partnership
Board	Means the Board of the Hebridean Housing Partnership
Board Members	All Members of the Board including co-opted Members
SHQS	Scottish Housing Quality Standard
Working hours	Working hours are 9am-5pm Mon-Fri excluding Public Holidays, Christmas Eve and 27-31 December
Minute of a Lease	
All references to the masculine gender in this policy shall read as equally applicable to the feminine gender	

PROCUREMENT POLICY & PROCUREMENT STRATEGY

Board 17 March 2021

Report by Director of Finance & Corporate Services

Purpose of Report

1.1 To present an updated Procurement Policy and Procurement Strategy to the Board.

Summary

2.1 The Procurement Policy was approved in February 2020 for a period of 1 year to ensure we capture any legislative changes arising from the UK's withdrawal from the European Union (EU).

2.2 No significant changes to UK or Scottish legislation have taken place in the last 12 months. Statutory instruments have been used to incorporate EU regulations into UK and Scottish Acts following Brexit.

2.3 This policy has therefore only had some minor updates, primarily in relation to the renaming and UK implementation of former EU related procurement processes.

2.4 Our Procurement Strategy focuses on the continuing implementation of the above legislation as well as developing processes and performance information relating to three main priority areas - a strong procurement function, local supplier base and supplier relationships.

2.5 There are no changes to the Strategy this year, other than a change to the target for electronic invoicing. Following a successful uptake exercise carried out by the Finance Team, we are now meeting the existing target (75%) and a new higher target (95%) has been set.

2.6 Our current contracts and community benefits registers are at Appendices 5 & 6 respectively, for noting.

Competence

3.1 The financial, legal and other constraints arising from the consideration of the recommendations are detailed at paragraph 5.1 – 8.2.

Recommendations

4.1 **It is recommended that the Board:**

a) approve the revised Procurement Policy at Appendix 1;
b) note the Procurement Plan for 2021/22 at Appendix 2;
c) approve our updated Procurement Strategy 2021-2022 and performance measurement framework at Appendix 3;
d) note the procurement performance for 2020 set out in Appendix 4; and
e) note the Contracts & Community Benefit Registers at Appendices 5 & 6.

Competence

5.1 There are no financial costs arising directly from consideration of this report however, failure to follow policy and procurement legislation could leave us open to reputational, legal and financial penalties.

Legal

6.1 The Procurement Reform (Scotland) Act 2014 made it a requirement for an organisation with a regulated procurement spend of greater than £5M to prepare a procurement strategy.

6.2 The Strategy must include details on a number of mandatory topics; these include how procurement will contribute to achieving the organisation's purposes; how we will treat economic operators equally and without discrimination; how we will act in a transparent and proportionate manner in relation to procurement; and how this procurement will be undertaken sustainably.

6.3 It also requires statements on the use of community benefit, consultation, the payment of a living wage, compliance with health and safety and prompt payment provisions.

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.

7.2 This report provides ongoing assurance of evidence RS2.2, RS4.6 and RS5 in relation to our Annual Assurance Statement.

Risk

8.1 There are no risks arising directly from the consideration of this report. However, it should be noted that we are still in the early stages of formally leaving the EU, and the rollout and implementation of the trade deal agreed between the UK and the EU. We therefore face uncertainty and possible cost increases and other barriers in relation to the procurement of materials and equipment sourced from the EU and beyond.

8.2 The Procurement Strategy aims to reduce a number of risks highlighted in our Risk Register. Through better contract management and evaluation of supplier and customer satisfaction, we will look to minimise the impact of the failure of a major contractor.

APPENDIX1:	Procurement Policy	
APPENDIX 2:	Procurement Plan for 2021/22	
APPENDIX 3:	Procurement Strategy 2021-2023	
APPENDIX 4:	HHP Procurement Performance Report 2020	
APPENDIX 5:	Contracts Register 2021	
APPENDIX 6:	Community Benefits Register 2021	
Background Papers:	None	
Writer of Report:	Angus Smith	Tel: 0300 123 0773

hebridean housing partnership

Procurement Policy

Effective Date:
Review Date:
Approved by HHP Board:

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PROCUREMENT POLICY

INTRODUCTION

1.1 This policy governs all Hebridean Housing Partnership (HHP) procurement.

1.2 Procurement is defined as the acquisition of goods, services and works from third parties, whether under formal contract or otherwise.

1.3 This can relate to the purchase of routine supplies and services as well as formal tendering processes for larger projects and undertakings.

AIMS & OBJECTIVES

2.1 Our primary aims are to comply with all relevant legislation.

2.2 As part of our Business Plan, we are required to demonstrate value for money and to promote efficiency and effectiveness.

2.3 In addition, our procurement process is based on the following principles:

- To treat relevant economic operators equally and without discrimination;
- To act in a transparent and proportionate manner;
- To comply with the sustainable procurement duty;
- To improve the economic, social (reducing inequality) and environmental wellbeing of the islands;
- To facilitate the involvement of small and medium enterprises, third sector bodies and supported business in the process; and
- To promote innovation.

LEGAL FRAMEWORK

3.1 We are, in relation to procurement, defined as a 'Public Contracting Authority'. In this regard, therefore, it is bound by specific legislation.

3.2 The primary legal framework for public procurement includes:

- Procurement Reform (Scotland) Act 2014;
- Public Contracts (Scotland) Regulations 2015 and 2016;
- The Public Procurement etc. (Scotland) (Amendment) (EU Exit) Regulations 2019; and
- National Case Law.

3.3 Other Related legislation:

- Late Payment of Commercial Debts (interest) Act 1988;
- Health & Safety at Work Act 1974;
- Prevention of Corruption Act 1906; and
- Data Protection Act 2018

3.4 Formerly, EU Treaty Obligations covered all levels and values of public procurement, with specific Scottish Government and EU Procurement Directives processes applying over specific defined contract thresholds.

3.5 These EU processes and thresholds have now been incorporated without significant changes into Scottish legislation, and the former Europe wide tendering process (OJEU) now being replaced by the British 'Find a Tender' Service.

3.6 The associated threshold levels are unchanged, with a review cycle now planned for every two years. The next review is expected in 2022.

3.7 Currently, these thresholds are:

	Scottish	FTS
Goods and Services	£50,000	£189,330
Works	£2,000,000	£4,733,252

3.8 For the purposes of the legislation, when considering threshold applicability the estimated value of a contract is the total value (not including Value added Tax) which the contracting authority expects to be payable under or by virtue of the contract over its lifetime.

3.9 Developer led proposals, due to the fact that the proposal is owned by the developer, will not be subject to a competitive procurement process. Such proposals will be subject to a financial appraisal by the Director of Finance & Corporate Services and will be presented to the Board for approval together with the updated Development Plan.

3.10 In addition to procuring goods and services through a competitive procurement process, we will look to maximise value for money, by utilising any existing procurement frameworks which we have access to. e.g., Scottish Government Procurement Frameworks. Access to such frameworks may be gained directly by us or indirectly through an approved sub-contractor.

GIFTS AND HOSPITALITY

4.1 All gifts and hospitality in relation to procurement will comply with our Entitlements, Payments & Benefits Policy.

HHP'S PROCUREMENT FUNCTION

5.1 We will operate an internal procurement function in order to provide a single point of enquiry for suppliers and to facilitate adequate separation of duties between budget managers and suppliers.

5.2 Responsibility for administration of Procurement lies with the Director of Finance and Corporate Services, with oversight by the Audit & Risk Committee.

5.3 We will also task its internal auditors to review the procurement process and to test that our internal control systems are adequate and effective.

5.4 The day-to-day procurement function is carried out by the Corporate Resources Team.

DEFINING HHP'S PROCUREMENT NEEDS

6.1 At the beginning of each calendar year we will publish a procurement plan for the year ahead, and with reference to our Procurement Strategy, how it intends to carry out this procurement.

6.2 In order to ensure that we gain the best and most cost effective solution for our procurement needs, we will seek to engage with all interested parties using a competitive process in which the parties are judged on cost and other criteria.

6.3 Subject to any relevant legal obligations, the form of competition selected will be appropriate to the value and complexity of the goods, services and works required.

6.4 This will include the use of written quotations, Co-operative and Collaborative Procurement and Tendering processes.

6.5 The expenditure thresholds at which the different forms of competition apply and how suppliers will be made aware of them are shown at Appendix 1.

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

6.7 All the required outcomes and evaluation criteria will be provided in the Request for Quotation (RFQ) or Invitation to Tender (ITT).

6.8 While Value for Money will be an overarching consideration, we will base our evaluation of suppliers on different and weighted criteria, depending on what is being procured.

6.9 In order to promote innovation, we will also, where relevant and appropriate, state the required outcomes rather than how goods or services should be delivered.

6.10 Value for Money in this context relates to whole life costs/quality and may also include implementation costs, ongoing and end of life disposal costs.

6.11 Where competitive dialogue or negotiation is required, we will strictly follow the legislative regulations.

6.12 Where appropriate, we will advertise its procurement on a number of websites but will primarily use the Public Contracts Scotland Portal.

6.13 The Public Contracts Scotland Portal is the official site used for compliance with legislation, and provides auditable functionality for all levels of procurement.

6.14 Our procurement is carried out in a dynamic environment, subject to real world events, to case law and legal interpretation. If any required procurement or process falls outwith the guidance and scope of this policy it requires the express permission of the Chief Executive before it is undertaken.

6.15 For example, insurance works would normally require competitive quotations/tenders but in emergency situations it may be procured by single quotation/tender based on discussions with Loss Adjusters.

6.16 Alternatively, given our location and purchasing requirements, there may be, on occasion, limited available parties to provide the necessary number of quotations.

CONTRACT AWARDS

7.1 After due evaluation and consideration, contracts may be awarded and the relevant parties notified.

7.2 If we do not find a supplier who meets all the required criteria, we reserve the right to cancel and re-run the process, again after duly notifying parties with the reasons for doing so.

7.3 All awarded contracts and procurement, showing the successful supplier as well as, where appropriate, the length of contract, will be shown on our website. This is in addition to any Scottish or UK legislative requirements (such as recording this information on the Public Contracts Scotland Portal).

7.4 A Community Benefit register, as part of our regulated procurement, will also be shown on our website.

7.5 Our Financial Regulations and Authorities state which members of staff are authorised to procure or sign a contract of behalf of the Partnership.

7.6 Contracts will be in writing (unless in exception circumstances approved by the Director of Finance and Corporate Services) and suppliers will be notified that goods, services and works should only be provided on receipt of an appropriate contract or purchase order.

7.7 Payments for contracts will be made within the agreed terms, on the basis that the goods or services have been provided. Where no prior payment terms are agreed, within 30 days of receipt of a valid invoice following delivery of the relevant goods or service.

GOVERNANCE AND MONITORING

8.1 All regulated procurement, over £50,000 will be registered in our Contract Register. The Contract Register will be available on our website.

8.2 We will also report to the Board annually after year end in terms of:

- A review of whether our procurement complied with this policy;
- Spend by Type of Organisation;
- Procurement Type;
- Type of Goods/Service/Works; and
- Geographical location of suppliers.

8.3 As laid out in the relevant legislation, suppliers have the right to make formal challenges or complaints regarding our procurement process.

REVIEW OF POLICY

9.1 The Procurement Policy will be reviewed every 3 years with thresholds to be updated in line with any legislative changes.

APPENDIX 1 – PROCUREMENT THRESHOLDS

Value of Purchase (excluding VAT)	**Minimum Requirement**
Up to £1999.99	1 written quotation
£2000 - £9999.99	Either 2 independent written quotations or quotation(s) obtained through using the PCS Quick Quote facility
£10,000 – Scottish Procurement Threshold	Formal Tender process or quotation(s) obtained through using the PCS Quick Quote facility
Supplies threshold and above	Full UK Find a Tender Service (FTS) tendering procedures

In addition to procuring goods and services through a competitive procurement process, we will look to maximise value for money by utilising any existing procurement frameworks which we have access to. e.g., Scottish Government Procurement Frameworks. Access to such frameworks may be gained directly by us or indirectly through an approved sub-contractor.

POLICY CHANGE HISTORY

Version	Change Applied	Date	By
1.1	All previous non development procurement policies consolidated into one document and updated to reflect current Scottish and European legislation.	September 2014	Angus Smith
1.2	Updating thresholds and primary legal framework	January 2017	Angus Smith
1.3	Updating thresholds and implementing internal audit improvements.	January 2018	Angus Smith
1.4	Updated thresholds and underpinning legislation	January 2019	Angus Smith
1.5	Updated EU threshold	January 2020	Seonaid Matheson
1.6	Review of Policy, removal of any EU reference since Brexit and updated Appendix 1 Threshold table	February 2021	Seonaid Matheson

INTERPRETATIONS & ABBREVIATIONS

The following interpretation and abbreviations are used in this policy:

Word	Interpretation
We/Our	Hebridean Housing Partnership
Board	Means the Board of the Hebridean Housing Partnership
Board Members	All Members of the Board including co-opted Members
RFQ	Request for Quotation
ITT	Invitation to Tender
All references to the masculine gender in this policy shall read as equally applicable to the feminine gender	

hebridean housing partnership

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HHP PROCUREMENT PLAN 2021/22

Contract	Quantities/Length of Contract	Procurement Method	Planned Procurement Date	Planned Contract Start Date
Housing Management System	4 years	Public Tender	February/March 2021	TBC
Howmore Septic Tank Replacement	One off Replacement	Quick Quotes	March 2021	May 2021
Garden Assistance Programme (Lewis & Harris)	2 years	Quick Quotes	February 2021	April 2021
Garden Assistance Programme (Uist & Barra)	2 years	Quick Quotes	February 2021	April 2021
Housing Needs Assessment	One off Survey	Quick Quotes	April 2021	June 2021
Tenant Participation Services	2 Years + 2 Year Extension	Quick Quotes	April 2021	May 2021

Notes:
1. HHP's current Contract Register is available at www.hebrideanhousing.co.uk
2. New build plans are currently being developed and details will be made available throughout the year, and added to this plan once formalised.
3. Any new procurement requirements will be added to this plan as they become known.

hebridean housing partnership

Procurement Strategy 2021/22

Effective Date:
Review Date:
Approved by HHP Board:

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PROCUREMENT STRATEGY 2021-2023

INTRODUCTION

1.1 The purpose of this strategy is to support the delivery of services and high quality homes, with an effective procurement process that supports our strategic objectives, offers value for money, takes account of best practice and meets Scottish and UK procurement legislation.

1.2 This strategy therefore sets out our approach to regulated procurement, places it in context, lists strategic goals and objectives and highlights challenges for the period 2021 to 2023. It also includes an action plan as to how these objectives will be met.

1.3 Our aim in this document is to:

- set out clear strategic objectives;
- to ensure our compliance with statutory requirements;
- to improve access and opportunities, particularly for Small and Medium sized Enterprises (SMEs); and
- to continually strive to improve our procurement service.

1.4 We require to be flexible to be able to respond to the rapidly changing procurement environment, and to learn from our experiences and the experiences of others.

PROCUREMENT VISION/MISSION STATEMENT

2.1 We have four strategic goals. These are:

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; and
4. Working with partners to contribute to the wellbeing of communities throughout the Outer Hebrides.

2.2 From the above, our Procurement Vision is to:

"Procure goods, services and works, in an open, effective, sustainable, economic and efficient manner, and in so doing, meeting the needs of the business, our tenants, and our community."

2.3 Our Procurement Mission Statement is to:

"Provide clear and focused leadership and administration of the procurement process, with the aim of fostering innovation, improving efficiencies and delivering cost savings, with transparency and fairness for the supplier community."

STRATEGY RATIONALE/CONTEXT

3.1 Hebridean Housing Partnership is a charitable not-for-profit housing association governed by a Board of 15 members.

3.2 We became a Registered Social Landlord on 12 September 2006 following the transfer of the Local Authorities housing stock, and subsequently merged with 5 smaller Housing Associations to form a single social housing provider covering the whole of the Outer Hebrides.

3.3 Over the last 15 years, we have planned and implemented a significant improvement program for the fabric of our homes, and developed a new build program to meet housing demand, whilst at the same time balancing issues of affordability and access.

3.4 We now manage over 2200 properties and factor 140 more across 12 islands in this 120 mile long archipelago, with an aim of providing a high standard of home and service to all, irrespective of location or distance.

3.5 Procurement in this environment often raises difficulties in terms of a limited supplier base, high costs and transportation difficulties. In addition, we face significant challenges in the years ahead as a result of an aging population, economic decline, significant outward migration and depopulation, lack of existing infrastructure and fuel poverty.

3.6 We will therefore strive to work with tenants, communities, and stakeholders to address these issues, and attempt to use innovation to meet needs and create opportunity.

3.7 Our procurement of food and drink is minimal, however we will work to put in place affordable contracts, if appropriate, that meet nutrional requirements of all users who would benefit from the provision of food and drink.

STRATEGIC AIMS, OBJECTIVES AND KEY PRIORITIES

4.1 There are three priority themes for action for the period 2021/22. These are:

a) Developing our Procurement function and team

i) Our Procurement function sits with the Corporate Resources Team. This allows for a separation of duties within the organisation between procurement administration and the main procurement requesters. This reinforces and promotes equality and non-discriminatory treatment of contract processes, and allows for greater transparency at all stages.

ii) The tendering process has been developed to better consider procurement options from the outset. This will allow us to consider partnership procurement in the first instance, to expand the amount of procurement being tendered, and to consider sustainability issues, particularly where it might improve the economic, social and environmental wellbeing of the islands.

b) Developing a strong supplier base (supporting local enterprise)

i) Given our remote location, and the fragile nature of the economy here, it is important for us to procure in a sustainable way, especially in relation to contracts that require a physical presence in the islands. We will look at how we can facilitate the involvement of small and medium enterprises, third sector bodies and supported businesses.

ii) We will also consider how we can promote innovation to improve service and promote value for money.

iii) We will develop and monitor local guidance on Community Benefit requirements to assist suppliers, and will consult with users and suppliers on other matters to improve the procurement and contract management process.

iv) We, as a Living Wage Employer in relation to our directly employed staff, will encourage its contractors and sub-contractors to also pay the Living Wage.

v) We, through our tendering process will require the compliance of contractors/sub-contractors in Health & Safety matters, and will promote ethical sourcing and fair trading.

c) Developing strong supplier relationships

i) We view suppliers as partners working together to improve performance, reduce costs and foster innovation.

ii) We will look to improve contract management, and to consult and seek feedback on customer and supplier satisfaction throughout the duration of the contract. We will, in discussion with the contractor, also regularly review and assess the contract process to see whether administrative improvements on either side can increase efficiency or service delivery.

4.2 To help assess performance, a number of indicators will be developed and reported on. These are listed at Appendix 1.

MONITORING/REVIEWING AND REPORTING ON STRATEGIES

5.1 Any issues that arise with respect to procurement will be reported back to our Board or Executive Team for appropriate action, helping to ensure ongoing alignment with legislation and our goals and priorities.

5.2 Our procurement process, in relation to tendered contracts, and progress on implementing the procurement action plan, will be reported to and monitored by the Audit & Risk Committee.

5.3 An Annual Procurement Report will be produced each year, listing all tendered procurements, their outcomes, and whether the procurements complied with the Procurement Strategy.

5.4 A Contract Register of all regulated procurement is published on our website, together with a Community Benefit Register.

5.5 The purchasing levels of each member of staff is reviewed regularly and listed in our Financial Authorities.

STRATEGY OWNERSHIP AND CONTACT DETAILS

6.1 Procurement administration will be undertaken by our Corporate Resources Team, overseen by:

Director of Finance & Corporate Services
Hebridean Housing Partnership
Creed Court
Willowglen Road
Stornoway
Isle of Lewis
HS1 2QP

POLICIES, TOOLS AND PROCEDURES

7.1 Our Procurement Policy, and its related procedures, governs the administration of all procurement in relation to works, the supply of goods and the provision of services.

7.2 The policy is subject to the provisions of United Kingdom and Scottish legislation, and is maintained and updated subject to guidance periodically issued by the UK or Scottish Governments.

7.3 Procurement will also comply with our 'Entitlements, Payments and Benefits' policy and refer to our Risk Register.

7.4 The Scottish Government Procurement Journey framework will be the key tool to ensuring best practice in procurement processes, and all procurement over £10,000 will be managed through the Public Contracts Scotland Website. Where possible, purchasing below this level will use the Public Contracts Scotland 'Quick Quotes' facility.

7.5 Key performance indicators (KPI's) will be used when measuring the success of the implementation of the Procurement Strategy and compliance with procurement best practice in the Partnership. The list of KPI's is provided in Appendix 1.

APPENDIX 1 – KEY PERFORMANCE INDICATORS

The following indicators will be implemented as part of the Strategy and will be used to manage progress in its implementation:

No	Key Performance Area/Measure	Target
Developing the Procurement function and team within HHP		
1	Compliance with procurement legislation (best practice)	100% No legal or official challenges regarding procurement process
2	Percentage of Suppliers paid within 30 days*	100%
3	The number of renewal contracts which have seen savings negotiated, or improvements have been agreed and implemented	50%
4	Tenders Notified within the target timescales	100%
Developing a strong supplier base (with local supplier)		
5	Percentage of HHP spend† being tendered	90%
6	Percentage of contracts where a local supplier ∞ submits a tender	95%
7	Percentage of spend with local suppliers	90%
8	Number of invoices received electronically as a percentage of total invoices processed	95%
Developing strong supplier relationships		
9	Customer Satisfaction with contractor performance (Repairs Surveys)	90%
10	Number of invoices received electronically as a percentage of total invoices processed	95%
11	Contract compliance	100% of suppliers successful completing contract. No contracts terminated due to poor performance.

* Following delivery of goods or services

† Above the £10K threshold level

∞ Company defined as local if based in the Outer Hebrides, or operates and employs staff from an island location.

POLICY CHANGE HISTORY

Version	Change Applied	Date	By
1.1	New strategy created	07.11.16	Angus Smith
1.2	Updated following recommendations of internal audit and in light of supplier feedback and KPI performance.	19.01.18	Angus Smith
1.3	Minor amendments and update of KPI measurements	29.01.19	Angus Smith
1.4	Review of Strategy	08.01.2020	Seonaid Matheson
1.5	Review of Strategy and removal of any EU reference since Brexit . Electronic invoicing target increased from 75% to 95%	16.02.2021	Seonaid Matheson

INTERPRETATIONS & ABBREVIATIONS

The following interpretation and abbreviations are used in this policy:

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

HHP Procurement Performance Report 2020

1.1 Performance data for the procurement function have now been collected for the years 2018/19, 2019/20 and 2020/21 up until 31 December 2020:

No.		2018	2019	2020	Target
	Developing the Procurement Function & Team within HHP				
1	Compliance with Procurement Legislation (tenders)	100%(42)	100% (20)	100% (23)	100%
2	% of Suppliers paid within 30 days (invoices)	95% (1369)	95% (2019)	93% (1764)	100%
3	Number of renewal contracts with savings etc	50% (2 of 4)	66% (2 of 3)	*	50%
4	Tenders notified within the target timescales	100%	100%	100%	100%
	Developing a Strong Supplier Base (with local Suppliers)				
5	% of HHP spend being tendered*	87% (18)	93% (24)	96% (23)	90%
6	% of Tenders with local supplier involvement (tenders)*	84% (9)	95% (19)	96% (22)	95%
7	% of spend with local suppliers*	75% (1223)	74% (1550)	76% (1042)	90%
8	% of invoices received electronically (invoices)	58% (705)	65% (787)	93% (1474)	95%
	Developing Strong Supplier Relationships				
9	Customer Satisfaction with Contractor Performance (Repairs Surveys)	98% (313)	100% (107)	99% (156)	90%
10	% of invoices received electronically (invoices)	51% (823)	86% (1742)	93% (1764)	95%
11	Contract Compliance	90%*	100%	100%	100%

Notes

2.1 No. 2: A number of payments are now made by DD, and depending on the suppliers direct debit policies, some of these payments fall outside the 30 day target. This does not reflect on HHP's performance here, and if these invoices are excluded, the indicator is 96% for 2020.

2.2 No.3 No comparable contracts in this period

2.3 No. 4 is defined as being the contracts in place prior to target timescales.

2.4 No.5: Not all of HHP's spend meets the £10k threshold.

2.5 No 6 & 7: Not all of HHP's procurement requirements have available local providers in specialist areas.

2.6 No 11: Two contracts were terminated which had been tendered in 2018.

HHP's Contract Register

APPENDIX 5

Date of Award	Description of Works/Services Supplied under Contract (Total Contract Works Exceeding £50k)	Contractor	Estimated Value (£k)	Start Date	End date	Extended End Date	Extension Available (Months)
02.12.2009	Legal Services	Harper Macleod	£73k	01.01.2010			
01.09.2012	Housing Software Support	MIS	£54k per annum	11.09.2012	No end date		
01.09.2018	ICT 2018 - 2022 Hosting & Support	Kick ICT	£106k	01.10.2018	31.09.2022		48
11.12.2018	Investment Framework 2019-2023	Alex Murray Construction	£16,000k	01.04.2019	31.03.2023		
		FES FM					
		Neil Mackay & Co					
		O'Mac Construction					
		D MacDonald & Co					
21.04.2017	Tenant Participation Support & Development Services	TPAS Scotland	£60k	01.05.2017	30.04.2019	30.04.2021	
23.08.2017	Consultancy Services for Feasibility Services for New Developments	TIG	£55k	01.09.2017	30.08.2020	31.08.2021	12
11.10.2017	Consultancy Services for Project Management for New Developments	TIG	£81k	11.10.2017	10.10.2021	31.10.2021	12
15.02.2018	Funders Valuation	Jones Lang Lasalle	£49k	31.03.2018	31.03.2022		
10.09.2018	Goathill HWEC - CNES (50 houses)	McLaughin + Harvey	£11,300k	CNES are contracting body			
20.12.2018	HHP Uist Smaller Sites 2018/19	Calmax Construction	£1,362k	12.08.2019	30.06.2020	01.03.2021	
10.07.2019	Goathill Housing Development	O'Mac Construction	£10,040k	06.01.2020	06.03.2022		
11.11.2019	Scotland Street Development	Lewis Builders Ltd	£1,034k	01.09.2019	30.09.2020	01.03.2021	
21.11.2019	Barvas Development, Isle of Lewis	Calmax Construction	£1,298K	11.01.2021	20.01.2022		
04.12.2019	Planned, Cyclical & Responsive Maintenance Services & Void Works	FES FM	£14,000k	01.04.2020	31.03.2025		48
31.08.2020	Social Housing Insurance	NIG	£208k	01.10.2020	30.09.2021		
11.09.2020	8 Flats at Tarbert, Isle of Harris	Alex Murray Construction	£1,509k	12.07.2020	12.07.2021		
24.02.2020	Shawbost Development, Isle of Lewis	Calmax Construction	£584K	24.02.2020	01.03.2021		
23.06.2020	Low Flyer Balivanich Development, Isle of Benbecula	Calmax Construction	£1,784k	01.12.2020	01.02.2022		
24.08.2020	South Dell Development, Isle of Lewis	Alex Murray Construction	£945k	31.08.2020	28.06.2021		
18.09.2020	Howmore Development, Isle of South Uist	Macinnes Bros	£730k	12.10.2020	12.07.2021		
15/12/2020	Lochmaddy Development, Isle of South Uist	Macinnes Bros	£1,560K	TBC	26.07.2022		

HHP COMMUNITY BENEFIT REGISTER

APPENDIX 6

Project	Start Date	End Date	Community Benefit
HHP Uist Smaller Sites 2018-19	12.08.2019	30.06.2020	The contractor is currently negotiating community benefit but has stated in their tender that they propose the following benefits: Employ local tradesmen and staff, buy materials locally and when staying in remote areas use local accommodation and shops. Contact with the local councillors to provide suggestions for community benefit and provide community benefit to a value of up to £2000.00. Provide works up to this value or provide a donation towards some of the community groups or to the local schools for them to invest as they choose.
Goathill Housing Development	06.01.2020	06.03.2022	Since the commencement of the Goathill Development in early 2020 the contractor has taken on an apprentice Joiners, two apprentice Bricklayers and are currently looking to take on an apprentice Painter and Decorator. We have also employed two trainee Scaffolders who are embarking on their training at the Goathill site, we are also up-skilling a number of labourers to Plant Operatives.
Scotland Street Development	01.09.2019	30.09.2020	The contractor is currently negotiating community benefit.

HHP COMMUNITY BENEFIT REGISTER			APPENDIX 6
Project	**Start Date**	**End Date**	**Community Benefit**
Planned, Cyclical & Responsive Maintenance Services & Void Works	01.04.2020	31.03.2025	The contractor is currently negotiating community benefit but has stated in their tender document that they propose the following benefit **FES Apprenticeship Scheme** New apprenticeship position **Work Placement** Provide a structured period of work experience for a Nicolson Institute pupil **SME Engagement** Work with Scottish Enterprise and other stakeholders such as the local Chamber of Commerce on opportunities for economic development, training and other funded assistance to help support the and maximise the potential positive influences on the local communities, economies and supply chain. **Social Enterprises: Our Endeavours** Continually striving to work with Social Enterprises on our projects and believe strongly in the social, economic and environmental contributions which can be made to the local and wider community by doing so. **Community Enhancement** Deliver community projects in association with HHP Contribute to local charities and organisations

HHP COMMUNITY BENEFIT REGISTER

APPENDIX 6

Project	Start Date	End Date	Community Benefit
8 Flats at Tarbert, Isle of Harris	12.07.2020	12.07.2021	**Community Benefit** AMC will make a donation of £2,000 to various local charities. This gesture will ensure that the community will look at the development in a positive light and will improve the image of HHP and AMC in the process. **Work Experience** AMC will offer work experience to pupils in the local schools and colleges who may wish to take part. Having run similar schemes in the past, it encourages young people to join the construction industry and gives them excellent on-site experience. **School Tours** AMC will invite classes in the local schools along to site for a tour with their class teachers. Health and safety precautions will be taken to ensure that any risks are eliminated. **Local Employment** AMC will seek to recruit local employees so as to carry out the necessary work on site. This will lessen the need for travel and will also create much needed work in the area. AMC currently employ approximately 20 apprentices and would consider recruitment of several new apprentices following award of the contract. **Client liaison** AMC to understand the HHP aspirations for this contract and to discuss how they may be implemented within the contract structure

HHP COMMUNITY BENEFIT REGISTER

APPENDIX 6

Project	Start Date	End Date	Community Benefit
Low Flyer Balivanich Development, Isle of Benbecula	01.12.2020	01.02.2022	The contractors will contact the local councillors to provide suggestions for community benefit, to provide community benefit to a value of up to £2000.00. The contractor would consider either providing works up to this value or provide a donation towards some of the community groups or to the local schools for them to invest as they choose.
South Dell Development, Isle of Lewis	31.08.2020	28.06.2021	£500 cash donation to local community groups.
Howmore Development, Isle of South Uist	12.10.2020	12.07.2021	The contractor would support, the local school, Iochdair Primary School would be supported through a MIB management team visit to lead a pupil talk in the process of Recycling and Environmental management within Construction and House building. This would be further supported though a MIB donation of suitable building materials for pupils to engage in 'loose parts play' which Play Scotland promote as it encourages creativity, gross motor skills and team building. MIB already sponsor the Iochdair Primary Football Team, however MIB would purchase much needed Gymnastics equipment for the Uist Gymnastics Club, which a large number of local young people attend.
Barvas Development, Isle of Lewis	11.01.2021	20.01.2022	The contractor is currently negotiating community benefit.
Shawbost Development, Isle of Lewis	24.02.2020	01.03.2021	£500 cash donation to local Foodbank.
Lochmaddy Development , Isle of South Uist	TBC	26.07.2022	The contractor is currently negotiating community benefit.

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EXPENSES POLICIES

Board 17 March 2021

Report by Director of Finance & Corporate Services

Purpose of Report

1.1 To provide the Board with an update on the review of the Staff and Members' Expenses Policies.

Summary

2.1 The Members' & Staff Expenses Policies were last updated in March 2020 and should be reviewed on an annual basis in compliance with the Policy Review Schedule.

2.2 Both policies have been reviewed and there are no changes as HMRC allowances remain unchanged since 2020.

2.3 With the onset of the pandemic and the default working from home position, employees are signposted to the appropriate HMRC guidelines on working from home allowances and tax reliefs available.

2.4 A guidance note was issued to staff who require to travel using private vehicles, in September 2020 and remains in place today. This allows staff to claim mileage from their home to their final destination. Staff are not entitled to mileage when travelling to the office.

Competence

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

Recommendations

4.1 **It is recommended that the Board note the review has been conducted with no changes required to the existing policies.**

Background Papers	None	
Writer of Report	Donald Macleod	Tel: 0300 123 0773

Competence

Financial

5.1 The financial implications arising directly out of consideration of this report will be met within existing budgets.

Legal

6.1 There are no legal implications arising directly out of consideration of this report.

Regulatory Guidance

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

7.2 This report provides ongoing assurance of evidence points RS3 and RS6.6 in relation to our Annual Assurance Statement.

Risk

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

Making our house your home

ITEM NO 7.4

CORPORATE PAYROLL POLICY

Board 17 March 2021

Report by Chief Executive

Purpose of Report

1.1 To present an updated Corporate Payroll Policy to the Board for review and approval for consultation with staff and Unison.

Summary

2.1 The policy has been updated to taken into account the revised grading structure approved in 2019 and the Board's position on the UK Government's Furlough scheme.

2.2 The other material change to the policy is the inclusion of a Joint Consultative Committee for the purposes of agreeing the annual pay award.

2.3 The consultation period will run from 18 March 2021 to 15 April 2021 and, if required, the final policy will be presented to the Board meeting for approval in May 2021.

Competence

3.1 There are no financial, legal or other constraints to implementing the recommendations in this report.

Recommendations

4.1 **It is recommended that the Board approve:**

a) The updated Corporate Payroll Policy at Appendix 1 for consultation with staff and Unison; 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	Corporate Payroll Policy	
Background Papers	None	
Writer of Report	Dena Macleod	Tel: 0300 123 0773

hebridean housing
partnership

Corporate Payroll Policy

Effective Date:
Review Date:
Approved by HHP Board:

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CORPORATE PAYROLL POLICY

INTRODUCTION

1.1 Good practice states that it is important for an organisation to have an effective pay policy. For the employer an effective pay policy is one which:

a) Enables an organisation to attract and retain employees of the calibre needed to achieve the objectives of the organisation;
b) Is competitive with local and business sector market; and
c) Is affordable, particularly in terms of the impact on total costs and viability.

For the employee, an effective pay policy is one which they feel:

a) Rewards effort;
b) Recognises contribution;
c) Acknowledges internal differentials;
d) Is competitive; and
e) Enables them to maintain a reasonable standard of living.

1.2 The management of a pay policy should be seen as a tool which helps management to achieve corporate goals both in the long term and the short term. The policy should communicate to employees and others the values and standards of the organisation.

AIMS

2.1 To have a policy for payroll which provides a clear reference point for all payroll matters.

PAY STRUCTURE

<u>Grades</u>

3.1 A new grading structure came into effect on 1 April 2019 which is used for all posts in the organisation with the exception of the Chief Executive who is on a fixed point salary set by the Board.

3.2 Staff will progress through the points in their band following confirmation from their line maanger that satisfactory progress has been made during the year and necessary qualifications (where applicable) have been achieved. Increments will be awarded 1 October each year.

3.3 Staff on short term or fixed term contracts may have increments payable on the delivery of specific goals within agreed timeframes.

3.4 The payscales at 1 April 2020 are at Appendix 1.

<u>Benchmarking</u>

3.5 Salaries will be benchmarked every three years.

<u>Overtime</u>

3.6 Overtime must be authorised in advance and will only be paid in exceptional circumstances. Overtime will not be paid to Officers on Grades F to H.

Pay Award

3.7 A Joint Consultative Committee was established in 2019 and will be the starting point for discussions on cost of living pay claims. Unison are currently the only recognised Union in the Partnership. Pay awards are part of the signed collective agreement therefore any agreements on pay offers will be reached with Unison. Non-Union members will be kept informed throughout the process.

3.8 The Remuneration Working Group will consider pay claims for the cost of living award from Unison and make recommendations to the Board on the annual pay award for all staff.

3.9 The Remuneration Working Group will make a recommendation to the Board on the cost of living award for the Chief Executive and where necessary will engage consultancy support.

3.10 Where a multi-year deal is agreed it will form Appendix 2 to the Policy.

Scottish Government Living Wage

3.11 All staff will be paid at least a minimum hourly rate of the Scottish Government Living Wage. The exception will be Modern Apprentices. The rates for the Modern Apprentice are below:

			Annual
Year 1	HHP Apprentice Rate April 2020	£6.45	£11,739
Year 2 & 3	Living Wage from Nov 2020	£9.50 per hour	£17,290

Temporary Staff

3.12 Temporary staff will be paid at the bottom of the grade unless a good case is presented for being paid at a higher point and approved by the Chief Executive.

Jury Service

3.13 Jury Service is a public duty. Normal salary will be paid for Jury duty up to a period of 4 weeks, thereafter Jurors will have to claim compensation for loss of earnings under the Juror's Allowances Regulations 1978. An employee must not claim for loss of earnings and a salary for the same period.

EQUAL PAY

4.1 We are committed to the principle of equal pay for all our employees. We aim to eliminate any sex bias in our pay systems.

4.2 We understand that equal pay between men and women is a legal right under both domestic and European law.

4.3 It is in the interest of the organisation to ensure that we have a fair and just pay system. It is important that employees have confidence in the process of eliminating sex bias and we are therefore committed to working in partnership with recognised trade unions. As good business practice we are committed to working with trade union/employee representatives to take action to ensure that we provide equal pay.

4.4 We believe that in eliminating sex bias in our pay system we are sending a positive message to our staff and customers. It makes good business sense to have a fair, transparent reward system and it helps us to control costs. We recognise that avoiding unfair discrimination will improve morale and enhance efficiency.

4.5 Our objectives are to:

a) Eliminate any unfair, unjust or unlawful practices that impact on pay; and

b) Take appropriate remedial action;

4.6 We will:

a) Implement an equal pay review in line with EOC guidance for all current staff and starting pay for new staff (including those on maternity leave, career breaks or non-standard contracts);

b) Plan and implement actions in partnership with trade union/employee representatives;

c) Provide training and guidance for those involved in determing pay;

d) Inform employees of how these practices work and how their own pay is determined;

e) Respond to grievances on equal pay as a priority; and

f) In conjunction with trade union/employee representative, monitor pay statistics annually.

PAY PROTECTION

5.1 From time to time it may be necessary for the organisation - for business reasons - to undertake a restructuring exercise, redeploy staff to different post, re-evaluate jobs or amend its pay system. Where any of these actions are necessary, the organisation will commit to protecting employees pay in certain circumstances as defined below.

5.2 Pay Protection applies to all employees of the organisation, regardless of job type or grade. In order to qualify for protection, however, the employee must have a minimum of one year's continuous service with the organisation at the time the change is implemented.

Conditions of Eligibility

5.3 The circumstances in which employee's pay will normally be protected are where:

a) an employee is transferred to a job on a lower grade, or to a job to which a lower salary applies as a result of:

1) restructuring or organisational change;

2) redundancy; or

3) long-term personal ill-health or disability;

b) an employee's job is re-graded under a new or revised grading system or job evaluation scheme;

c) the employer makes substantial changes to its pay system resulting in a change to the salary payable in respect of an employee's job; or

d) an employee's duties are altered for organisational reasons, with the result that a lower salary is appropriate.

5.4 Pay protection will not apply where:

a) a change of job or job duties is requested by the employee;

b) the reduction in pay is caused only by a reduction in hours worked;

c) an employee is transferred or demoted to a job with a lower salary as a consequence of disciplinary action or performance management proceedings; or

d) an employee who has, by agreement acted up to a more senior position for a temporary period subsequently resumes his or her normal job duties.

The Scope of Pay Protection

5.5 Pay protection will apply only to basic pay, and not to allowances, shift payments, bonuses, commission or overtime payments.

5.6 Where pay is variable, for example as a result of an irregular shift pattern, pay protection will be calculated on the basis of the employee's average basic earnings over the 13 weeks/three months immediately prior to the change in role/grade.

5.7 Sick pay, holiday pay and maternity, paternity and adoption pay will, where payable be calculated in line with the employee's protected pay rate.

5.8 Any non-pay benefits applicable to the employee's previous role but not applicable to the new role will not be protected.

5.9 Pay protection does not apply to general terms and conditions of service, which following transfer to a new post to which pay protection applies, will be adjusted if necessary to reflect the normal terms and conditions applicable to the new post.

5.10 Pay protection arrangements will cease if an employee applies for, and is appointed to a different post.

The Protection Period

5.11 Pay protection arrangements will be applied for a maximum of three years and will over that time period be phased out as follows:

YEAR	Percentage of Pay Protection
First year	100% protection
Second year	75% protection
Third year	50% protection
Fourth year	Pay will be reduced to the top rate of the new grade, or the normal rate for the new job

5.12 Pay protection will automatically cease if the employee's basic pay for the new post increases (for any reason) to the extent that it is equal to or greater that the protected basis pay.

5.13 If, on transfer to a new post, the employee's hours of work are increased, the additional hours will be paid at the rate applicable to the new job, and not the rate attached to the employee's previous job.

5.14 If, on transfer to a new post, the employee's hours of work are reduced, the level of pay protection will also be reduced proportionately.

Support For Employees Whose Pay Is Protected

5.15 During the protected period, the organisation, will where appropriate and practicable:

a) assist the employee, if he wishes to apply for redeployment within the organisation to a post at his or her previous grade or rate of pay.

b) offer the employee training or other form of development to enable him to apply for posts at a higher grade or rate of pay.

Future Pay Increases

5.16 During the period of pay protection, no pay increases will be applied to the employee until/unless his rate of pay falls within the normal band for the job.

5.17 Alternatively, at management discretion, cost-of-living increases may be awarded as part of a general salary review.

Pensions

5.18 Where an employee's pay is reduced under this policy after the first year of full pay protection, the effect on the employee's pension will depend on whether he is within 10 years of retirement age under the organisation's pension scheme.

5.19 Normally, where an employee is within 10 years of pensionable age, his pension will be protected.

5.20 Employees should, however, seek detailed advice from Director of Finance & Corporate Services.

PANDEMIC ADDENDUM

6.1 Appendix 3 outlines the provisions which will apply in the Coronavirus pandemic. This Appendix will be updated and refreshed as required and the timescales will be in line with Government Guidance.

MONITORING AND REVIEW OF POLICY

7.1 This policy will be fully reviewed every three years and the pay scales at Appendix 1 will be refreshed annually.

POLICY CHANGE HISTORY

Version	Change Applied	Date	By
1.0	First Draft	2 March 2010	Dena Macleod
2.0	First three yearly review	3 June 2013	Dena Macleod
3.0	Incorporation of decisions regarding proposals from Remuneration Work Group in respect of pay award and Scottish Government Living Wage.	15 November 2015	Angela Smith
4.0	Updated for method of annual pay award	1 February 2017	Dena Macleod
4.1	Updated for Modern Apprentice rates	21 March 2018	Dena Macleod
5.0	Updated for new Pay & Grading scheme	1 April 2019	Dena Macleod
6.0	Updated for COVID-19	17 April 2020	Dena Macleod
7.0	Updated for annual pay award process	17 March 2021	Dena Macleod

INTERPRETATIONS & ABBREVIATIONS

The following interpretation and abbreviations are used in this policy:

Word	Interpretation
HHP or Partnership	Hebridean Housing Partnership
Board	Means the Board of the Hebridean Housing Partnership
Board Members	All Members of the Board including co-opted Members and Area Committee Members
Close Relative and/or Member of the family	A person is a close relative or a member of the family if: a) he or she is the spouse or he or she cohabits with that person (whether the same or different sexes), or he or she is that person's parent, grandparent, child, stepchild, grandchild, brother, sister.
EOC	Equal Opportunities Commission

All references to the masculine gender in this policy shall read as equally applicable to the feminine gender

If there is conflict between this policy and any statotory provision or regulation, the latter shall prevail.

APPENDIX 1 – GRADES AT 1 APRIL 2020

			01 April 2020	Notes
H4	H	4	£65,344	
H3	H	3	£63,166	
H2	H	2	£61,059	
H1	H	1	£59,024	
G4	G	4	£54,453	
G3	G	3	£52,638	
G2	G	2	£50,883	
G1	G	1	£49,187	
F5	F	5	£43,563	
F4	F	4	£41,929	
F3	F	3	£40,356	
F2	F	2	£38,843	
F1	F	1	£37,387	
E5	E	5	£34,850	
E4	E	4	£33,543	
E3	E	3	£32,285	
E2	E	2	£31,075	
E1	E	1	£29,910	
D5	D	5	£28,316	
D4	D	4	£27,254	
D3	D	3	£26,232	
D2	D	2	£25,248	
D1	D	1	£24,302	
C4	C	4	£23,959	
C3	C	3	£23,161	
C2	C	2	£22,388	
C1	C	1	£21,642	
B4	B	4	£19,603	
B3	B	3	£18,949	
B2	B	2	£18,318	
B1	B	1	£17,708	
A1	A	Living Wage	£17,290	(i)
MA1	MA	Modern Apprentice	£11,739	(ii)

NOTES

(i) to be increased in line with Govt Announcements

(ii) Rate for the 1st year of a Modern Apprenticeship, Year 2 will be the Living Wage

APPENDIX 2 – MULTI YEAR AGREEMENTS

None in place at present – 23 February 2021

APPENDIX 3 – CORONAVIRUS AMENDMENTS

1.1 This Appendix outlines the changes required to our Corporate Payroll Policy to take account of the impact of COVID-19. The changes will be backdated to 24 March 2020, the period the initial lock down began. The amendments will kept under regular review.

1.2 EVH have produced Guidance for members on COVID-19 on how to implement the various measures introduced by the Government for our staff.

1.3 We will follow the EVH Guidance and the advice on following amendments:

Coronavirus Job Retention Scheme-

a) We will pay 100% of the salaries of staff who are furloughed due to shielding letters and who are unable to work from home with the following conditions:
   - Holiday which accrues during the period of shielding must be taken during the shielding period including public holidays;
   - Staff cannot work for another employer;
   - Periods of sickness during shielding should be reported in the normal manner.

b) Whilst the reduction in our annual income is less than £100k, we will pay 100% of the salaries of staff who require to be furloughed because they are unable to work from home.

c) For staff furloughed due to a reduction in our income we will apply to the Government Coronavirus Job Retention Scheme and pay the additional 20% required.

Self-isolation

d) For staff who are required to self-isolate and who are unable to work, the first 14 days will be paid and will not be deducted from their entitlement to sickness allowance.

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ITEM NO 7.5

EQUALITY & DIVERSITY POLICY

Board 17 March 2021

Report by Chief Executive

Purpose of Report

1.1 To seek approval to consult with Unison and staff on the revised and updated Equality & Diversity Policy at Appendix 1.

Summary

2.1 The Policy has been reviewed and updated to take into account best practice recommended by Employers in Voluntary Housing and is at Appendix 1.

2.2 The name of the Policy has been amended from Equal Opportunities to Equality and Diversity. A draft Equalities Action Plan is at Appendix 2.

2.3 As the Policy has been expanded significantly we will be consulting with the staff and Unison on the changes.

Competence

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

Recommendations

4.1 **It is recommended that the Board approve:**

a) The updated Equality & Diversity Policy at Appendix 1 and the draft Action Plan at Appendix 2 for consultation with Unison and staff; and

b) if there are no material changes to the Policy or draft Action Plan arising from the consultation, that the Policy and Action Plan are approved, otherwise a revised Policy and Action Plan be presented to the next meeting of the Board.

APPENDIX 1:	Equality & Diversity 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 the recommendations in this report.

Legal

6.1 The approval and amendment of policies, including personnel policies, is a matter reserved to the Board.

6.2 Employers are liable under the Equality Act 2010 for any act of discrimination carried out by any of their employees in the course of their employment. Employers can only defend themselves against claims of discrimination if they can show that they took all reasonable steps to prevent their staff from behaving in a discriminatory way.

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.

7.2 This report provides ongoing assurance of evidence AN3 and EH1 in relation to our Annual Assurance Statement.

Risk

8.1 A breach of the policies 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 correct Policies, Procedures and Staff Guidance in place to prevent problems and to provide the appropriate support and information.

8.2 The implementation and operation of the Equality and Diversity Policy should mitigate the risk of employees breaching the requirements of the Equality Act 2010.

hebridean housing partnership

Equality & Diversity Policy

Effective Date:
Review Date:
Approved by HHP Board:

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EQUALITY & DIVERSITY POLICY

INTRODUCTION

1.1 HHP is committed to promoting an environment of respect, understanding, encouraging diversity and eliminating discrimination by providing equal opportunities for all. Throughout HHP there will be a consistent approach to promoting equality and diversity across all areas through the entire employment relationship from the recruitment process to the termination of employment.

1.2 All employees are required to abide by this policy, which covers discrimination by and towards members of the public, governing body, contractors and staff from other agencies.

1.3 HHP opposes all forms of unlawful discrimination in relation to employment.

AIMS

2.1 This Policy aims to:

- Integrate equality and diversity practices into all that we do;
- Ensure that employees are treated with fairness and respect from each other, members of the public, governing body members and contractors.
- Require HHP to implement fair employment practices ensuring that no job applicant or employee will receive less favourable treatment on any grounds .
- Ensure that people are recruited and employees promoted solely on the basis of their own merit, ability and potential. This applies throughout the entire duration of employment as all decisions will be based on only relevant merits.
- Provide an environment appropriate to the needs of those from all walks of life and a culture that respects and values difference and promotes dignity, equality and diversity.

BACKGROUND

3.1 Tackling inequality is not something new. UK Governments have been addressing equality and diversity issues for many years. Although progress has been made, inequalities still exist in Scotland and within the UK. As the Government continues to tackle discrimination, promote equality, address inequalities and inconsistencies that were present in the previous discrimination legislation, the new Equality Act 2010 was introduced. The introduction of the Act saw previous discrimination legislation abolished and replaced with one single piece of legislation. This policy will be compliant with the current legislation and promote a culture of dignity and respect for all.

3.2 Lack of equal opportunities is not only a serious moral issue but also has a significant impact on business performance. Studies have shown that high levels of motivation are achieved in an environment of respect and fairness. We will aim to ensure that all employees are treated with fairness and respect and not be discriminated on the grounds of marriage & civil partnership, sex, race, disability, age, religion or belief, gender reassignment, pregnancy & maternity and sexual orientation, or disadvantaged by any conditions or requirements which cannot be shown to be relevant to performance. We will therefore ensure all employees are provided with equality of opportunity in the course of their employment starting from recruitment.

DEFINITIONS

Diversity

4.1 Diversity is about valuing individual differences. We are committed to valuing and managing people's differences to enable all employees to contribute and realise their full potential. We recognise that people with different backgrounds, skills, attitudes and experiences can bring fresh ideas and perceptions that will benefit HHP and our customers.

Equality

4.2 Equality is making sure people are treated fairly and given fair chances. Equality is not about treating everyone in the same way, but recognises that their needs are met in different ways. Equality focuses on those areas covered by the law, and described as the Protected Characteristics of race, sex, disability, age, gender reassignment, marriage & civil partnership, pregnancy & maternity, religion or belief and sexual orientation.

Protected Characteristics

4.3 The grounds on which discrimination claims can be made

Age	Disability	Gender Reassignment
Marriage & Civil Partnership	Pregnancy & Maternity	Race
Religion or Belief	Sex	Sexual Orientation

Type of Discrimination

Direct Discrimination

4.4 Treating someone less favourably than another based on a protected characterisation.

Indirect Discrimination

4.5 A policy, practice, procedure or criteria that applies to everyone in the same way but might disadvantage a particular protected group and which cannot be justified in relation to the job.

Harassment

4.6 Conduct that violates a person's dignity or creates an intimidating, hostile, degrading, humiliating or offensive working environment. The intention of the perpetrator is irrelevant. It is the impact which determines whether harassment has taken place.

Victimisation

4.7 Treating someone less favourably and discriminating against them because they have pursued or intend to pursue their rights relating to alleged discrimination, complained about the behaviour of someone harassing them or given evidence in someone else's discrimination complaint.

Positive Action

4.8 Addressing imbalances in the workforce, by encouraging members of under represented groups to apply for jobs. Positive action may be applicable in setting equality targets. We will not set any quotas but equality targets may be set to encourage people from a particular group or groups to apply for a vacancy in HHP in comparison to the local community where they are under represented.

Failure to make Reasonable Adjustments

4.9 Where arrangements disadvantage an individual because of a disability and reasonable adjustments are not made to overcome the disadvantage.

Associated Discrimination

4.10 Discrimination against a person because they have an association with someone with a particular protected characteristic. E.g. a non disabled person is discriminated against because of the action they need to take care of disabled dependent.

Perceptive Discrimination

4.11 Discrimination against a person because the discriminator thinks the person posses that characteristic. E.g. a person is not shortlisted for a job on the bases that the recruiter assumes the applicant does not have the correct VISA to work in the UK as they have a foreign looking name on their application.

Employees

4.12 All permanent, temporary fixed term staff, relief staff including all Managers, Directors, Chief Executive and agency workers.

Stakeholders

4.13 Contractors, consultants, tenants, customers, service users, other outside agency workers.

IMPLEMENTATION OF THE POLICY

5.1 While the Head of Executive Office will be responsible for, implementing the operation of this policy, it is the responsibility of every Manager, Supervisor and employee to ensure that the terms of the policy are observed. All new employees and Board Members will receive training on this policy as part of the induction process. Copies of the Policy are freely available on line and displayed in all our offices.

5.2 Appropriate training and guidance will be available to promote equality and diversity among staff.

5.3 This policy applies to everyone in HHP and everyone has a responsibility to be alert to discriminatory behaviours and practices should they occur. Unacceptable behaviour and practices must not occur, however if a situation arises, it will be dealt with immediately. Breaches of the Equality and Diversity Policy will be regarded as misconduct and will lead to disciplinary action which may include dismissal.

RECRUITMENT & SELECTION

6.1 It is our policy that all recruitment decisions will be based completely on the merits and abilities of candidates alone and no other criteria will be used. In order to achieve this, equality and diversity practices will be integrated into every stage of the recruitment and selection process.

6.2 A fair recruitment process will remove barriers to the employment of people of different backgrounds. This will enable us to recruit from the widest pool of talent, potentially raising the standard of their intake and therefore increasing the opportunity of a more diverse workforce which reflects the community it is serving. A more diverse workforce will improve the organisation's service delivery, as it will include staff with more knowledge and experience, meet and aid in meeting the needs and aspirations of service users and potential service users.

6.3 To highlight our commitment to promoting equality and diversity from the beginning of the employment relationship, all vacancies will be aimed at as wide a group as possible and any advertisement for a vacancy within HHP will state that an equality and diversity policy is in place. In addition the advert will also display any signs of equality bodies that HHP is affiliated with. The information contained in the advert and all vacancy literature will be clear and accurate to attract the most appropriate candidates from all groups across society, to allow them to decide their own suitability for the vacancy and whether they wish to proceed with applying. For those that wish to apply we will ensure that all applications have clear instructions for completion and application forms will be free from personal questions that are not relevant to the vacancy and that may lead to discrimination.

6.4 Our Recruitment Policy is consistent with the Equality & Diversity Policy. All staff involved at any stage in the recruitment and selection process will receive equality and diversity awareness training. This is to ensure that everyone involved in recruitment will not discriminate knowingly or unknowingly by asking questions, which may lead to discrimination.

TERMS & CONDITIONS OF EMPLOYMENT

7.1 As part of the employment relationship being covered under this Equality and Diversity Policy all contracts of employment will be issued in accordance with the job role and not the job holder. Employee's terms and conditions will be standard across all employees regardless of any of the protected characteristics. Employees will not receive less favourable terms and conditions for any reason other than relating specifically to the job role and the grade it attracts.

TRAINING AND DEVELOPMENT

8.1 Equality and diversity will apply throughout all training activities and resources. Training and development opportunities will be given to all employees according to their job role. It is crucial that all employees are able to participate and enjoy any training opportunities or activities without discrimination or fear of harassment. Every attempt will be made to ensure learning materials will provide a positive image of people reinforcing an image and of equality of opportunity.

REDUNDANCY SELECTION

9.1 Redundancy selection will be made according to the statutory requirements and in line with HHP's Redundancy Policy. Criteria will be discussed with the Trade Union and or nominated representatives. The criteria will be set out and will be objectively fair and consistent. This will ensure that employees selected for redundancy are selected according to the chosen selection criteria and not in any discriminatory way either indirectly or directly.

COMPLAINTS: EMPLOYEES

10.1 Where an employee feels they have been discriminated against, victimised or harassed by another employee (including Managers), the aim should be to deal with it informally in the first.

<u>Informal Stage</u>

10.2 An employee should aim to resolve the matter informally as it may be that the discriminatory action is unconscious and easily resolved once the situation is highlighted. This is often the most efficient way with dealing with such circumstances and helps maintain good working relations.

10.3 The employee should raise the issue informally with their Line Manager (if the complaint is against their Manager then the Manager next in line.) The Manager will speak to the employee whom the complaint is against. If it is found that the behaviour was in breach of this policy, an appropriate level of sanction will be decided in line with our Disciplinary Policy.

10.4 In addition, a file note of the incident will be kept on the complaining employee's file, including a statement that the note will only be taken into account if there are any further incidents.

10.5 Dealing with the matter informally does not remove the complaining employee's right to have the matter dealt with formally.

Formal Stage

10.6 If the employee is dissatisfied with the outcome, or the complaint is very serious, they should raise the matter in writing, detailing the complaint to their Line Manager. The complaint should then be dealt with under our Grievance Policy. In line with this process an investigation into the complaint will be carried out. Employees who feel they are being subjected to harassment should raise the issue in line with Any Organisations Dignity at Work Policy.

10.7 If the outcome of the investigation is that a formal disciplinary hearing should take place this will be conducted in line with our Disciplinary Procedures. (Please refer to the Disciplinary Policy for full details).

Complaints Made Against Employees

10.8 Where a complaint is made against an employee by another employee, Board/Committee Member or stakeholder, it will be investigated and dealt with under our Disciplinary Policy.

COMPLAINTS: STAKEHOLDERS

11.1 The right to be treated equally with dignity and respect extends to outside contractors, partners, service users, customers and any other agencies that are associated with us. Therefore, stakeholders also have a right to have any issues addressed under this policy. We will investigate any complaints and appropriate action will be taken.

11.2 If a stakeholder feels that they are being discriminated against in the course of their working day with HHP, the following procedure should be followed.

Informal Stage

11.3 Where possible, incidents should be dealt with informally. The stakeholder should report the matter to their lead contact within HHP as soon as possible. It maybe that the discriminatory action is unconscious and easily resolved once the situation is highlighted.

11.4 The Manager will discuss the situation with the individual whom the complaint is against and explain the expected standards of behaviour and the consequences of failing to comply with these. It will be made clear to the individual that continuation of such conduct may result in being refused access to our premises, or services

Formal Stage

11.5 Where informal action is not appropriate or the matter is of a serious nature the complaint will be dealt with using the formal procedure. Where the formal procedure is instigated a thorough investigation will take place in the first instance. Where it is found that the individual has acted in an inappropriate manner, they will be written to officially by the relevant Senior Manager informing them that their comments, actions, behaviours are not acceptable and potentially discriminatory. The letter will state that further incidents will not be tolerated and that they may result in being refused access to our premises, or contact with our customers/employees/Board Members. In cases of physical violence or serious threats the appropriate Manager will notify the Police.

Complaints Made By Stakeholders

11.6 Where stakeholders are in receipt of inappropriate behaviour from one of our employees, Board Members or another stakeholder in connection with HHP's business, the stakeholder should also raise the issue with their lead contact. The lead contact will then investigate into the complaint and deal with it in accordance with the appropriate procedure (depending whether the complaint is against an employee, a Board Member, a contractor, a partner, etc.).

COMPLAINTS: BOARD MEMBERS

12.1 Where a Board Member feels they have been discriminated against, victimised or harassed, the aim should be to deal with it informally in the first instance.

Informal Stage

12.2 If a Board Member feels they are in receipt of inappropriate behaviour from another Board Member, an employee or any stakeholder in connection with any organisation, they should raise this immediately with the appropriate Senior Manager. The Manager will discuss the issue with whom the complaint is against, explaining the required standards of behaviour and the consequences of failing to comply.

Formal Stage

12.3 Where formal action is the most appropriate, and thorough investigation will take place into the complaint. The complaint then will be dealt with in accordance with the appropriate procedure (depending whether the complaint is against an employee, a Board Member, a contractor, a partner, etc.). In cases of physical violence or serious threats an appropriate Manager will notify the Police.

Complaints Made Against a Board Member

12.4 Where a complaint is made against a Board Member, our Complaints Procedure will be used as appropriate. The complaint will be investigated by the Chair or another authorised person. If it is found that the inappropriate behaviour occurred, the Board Member will be warned and informed of consequences of failure to comply with the expected standards of behaviour, which may include removal from the Board.

GENERAL DATA PROTECTION REGULATIONS

13.1 The organisation will treat your personal data in line with our obligations under the current data protection regulations and our own Openness & Confidentiality Policy. Information regarding how your data will be used and the basis for processing your data is provided in HHP's employee privacy notice.

MONITORING AND REVIEW OF POLICY

14.1 Responsibility for monitoring the application of this policy will rest with the Chief Executive.

14.2 The policy will be reviewed every three years with amendments being made as appropriate and communicated to all staff and relevant stakeholders.

POLICY CHANGE HISTORY

Version	Change Applied	Date	By
2.00	Updated in line with legislative changes	February 2014	Angus Lamont
3.00		June 2017	Dena Macleod
4.00	Updated to the EVH's Model Policy	March 2021	Dena Macleod

INTERPRETATIONS & ABBREVIATIONS

The following interpretation and abbreviations are used in this policy:

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

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VACCINE POLICY

Board 17 March 2021

Report by Chief Executive

Purpose of Report

1.1 To consider the views of the Remuneration Working Group on the need for a Vaccine Policy and granting time off to staff for the vaccine.

Summary

2.1 At the recent meeting of the Joint Consultative Committee (JCC) the Union asked if paid time off would be given to staff in order to have the Coronavirus vaccine. The Remuneration Working Group considered the request and agreed time off should be in line with other medical appointments.

2.2 The Remuneration Working Group also reviewed a Vaccine Policy based on a Croner model policy and after some discussion agreed that it would be better to wait and see what the Government intends to do regarding Vaccine passports before putting any policy in place. A copy of the draft policy is at Appendix 1.

Competence

3.1 The total cost of granting the max of 1 hour paid leave to attend two clinics is just over £2,400. There are no other financial, legal or other constraints to implementing the recommendations in this report.

Recommendations

4.1 **It is recommended that the Board consider the recommendations from the Remuneration Working Group and agree that:**

a) it is too early to put a specific vaccine policy in place but it will be kept under review until the position of the Government is known; and

b) in line with current arrangements for appointments, staff will be allowed to attend vaccine clinics during core time but they must clock out to do so.

APPENDIX 1	Vaccine Policy	
Background Papers	None	
Writer of Report	Dena Macleod	Tel: 0300 123 0773

APPENDIX 1

hebridean housing partnership

Vaccine Policy

Effective Date:
Review Date:
Approved by HHP Board:

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VACCINE POLICY

INTRODUCTION

1.1 A vaccine to prevent serious health effects from Coronavirus has been developed and made available to the public. The purpose of this Policy is to set out our organisation's stance on the vaccine as it affects our workforce and the related rights of our employees.

VACCINE STATUS

2.1 Individual opinions on vaccines can vary greatly and we appreciate that having a vaccine is generally a personal choice, sometimes dictated by personal circumstances such as health or religion. The Government has not made the taking of the vaccine mandatory and therefore it remains a voluntary exercise.

OUR STANCE

3.1 As an employer, we have a duty to ensure the safety of our employees. In addition, the Health and Safety at Work, etc. Act 1974 requires employers to take all reasonably practicable steps to ensure the health, safety and welfare at work of all their workers. Despite the extensive measures we have taken to ensure that our workplace and our working arrangements are, and continue to be, COVID-secure, the vaccine provides a greater level of personal safety against serious illness.

3.2 Due to this, we encourage our employees to take up the opportunity to have the vaccine when it is offered to them.

3.3 We expect our employees to be treated with dignity and respect by their colleagues in relation to their decision over the vaccine. The organisation will not accept any bullying or harassment, or other unwanted behaviour, against an employee because of their decision.

MAKING AN INFORMED DECISION

4.1 It is normal that some of our employees may have concerns about having the vaccine. We encourage all of our workforce to make an informed decision by paying attention to official information sources such as the NHS. We would ask our employees to check the source of any information they read about the vaccine as we are aware that there is a certain amount of uncertified information available.

HAVING THE VACCINE

5.1 Current Government Strategy for vaccinating the UK population is formulated on a priority basis according to age, industry sector and vulnerable status. Employees will receive notification of their vaccine appointment which may be at their normal GP surgery or at one of the vaccination centres set up specifically for this purpose. The vaccine is offered free of charge. It is currently administered in two doses, to be provided at separate appointments.

5.2 We encourage employees to verify a notification purporting to provide vaccine appointment details if this appears suspicious due to a number of scams attempting to gain bank details. Employees should notify their line manager of their appointment time on each occasion, giving as much notice as possible if time off work is needed. Employees must provide written evidence of the appointment date and time to their manager.

5.3 Vaccine appointments are to be treated in the same way as other medical appointments so, where possible, employees should attempt to secure an appointment outside of their normal working hours, or as close to the start or the end of the working day as possible. Employees are required to make up time taken off work to get the vaccine, as agreed with the employee's manager

[OR]

5.3 Employees should attempt to secure a vaccine appointment outside of their normal working hours, or as close to the start or the end of the working day as possible. Where time is taken off work to attend the appointment, this will be paid to a maximum of 1 hour per appointment. Time taken in excess of this on each separate occasion will be unpaid.

MONITORING AND REVIEW OF POLICY

6.1 The use of the policy will be reported as part of the annual performance report to Board.

6.2 The policy will be reviewed every three years.

POLICY CHANGE HISTORY

Version	Change Applied	Date	By
1.0	New policy based on Croner Model	17 March 21	Dena Macleod

INTERPRETATIONS & ABBREVIATIONS

The following interpretation and abbreviations are used in this policy:

Word	Interpretation
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All references to the masculine gender in this policy shall read as equally applicable to the feminine gender	

MANAGEMENT REPORT TO 31 JANUARY 2021

Board 17 March 2021

Report by Director of Finance and Corporate Services

Purpose of Report

1.1 To present the Management Report for the month ended 31 January 2021 to the Board for review.

Summary

2.1 Works continued to progress well during January until lockdown restrictions resulted in a move from level 3 to level 4 on 30 January 2021. Delivery of repairs has been impacted as we are responding to essential repairs only and our Investment Programme is being restricted to external works only.

2.2 The construction industry remains open and development is progressing well with the full year anticipated grant drawdown expected to exceed £11M.

2.3 The Management Accounts 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 Report to 31 January 2021 as detailed in Appendix 1.**

APPENDIX 1:	Management Report to 31 January 2021	
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 £2,098,570. Virements have been processed which resulted in a revised surplus of £2,362,311. The forecasted out-turn is exceeding the revised budget by £70k to give £2,432,795.

5.2 Due to the uncertainty of timing on development as a result of the first COVID-19 lockdown, our funders advised we should operate to the existing covenant approval (Year 2 covenant from the 2019/20 Board approved plan). We are therefore tracking 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.

7.2 This report provides ongoing assurance of evidence RS2.5 and RS3 in relation to our Annual Assurance Statement.

Risk

8.1 The key risk is that we does not meet our Financial Covenants on an ongoing basis. Our Funders have advised that due to the implication of COVID-19, the Board approved budgets in March 2020 needed to be updated to reflect slippage on investment and development works. This has been completed and we are in the process of determining what the terms of the bank's discussion document will have on this plan. 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.

APPENDIX 1

hebridean housing partnership

Management Reports 2020/21

To 31 January 2021

TABLE OF CONTENTS

MANAGEMENT REPORTS

INTRODUCTION

The Management Reports for 31 January 2021 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, which includes a score card of year to date performance.

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

	INDICATOR	STATUS	COMMENT
	FINANCIAL COVENANTS		Covenants will be met for the full year.
	FORECASTED SURPLUS		Increase of £80K due to a £50K increase in Income and a £30K reduction in forecasted Expenditure.
INCOME	RENTAL INCOME		Void loss continues to out-perform budget, coupled with an increase in forecasted rental income.
	GRANT INCOME		
	DEVELOPMENT GRANTS		Grant Drawdown will be less than budget due to programme slippage
	DEVELOPMENT SALES		Demand Concerns on Breasclete (Sgeir Ghlas)
	OTHER INCOME		
EXPENDITURE	DEVELOPMENT COSTS		Slippage due to delays on development
	INVESTMENT		The move to Tier 4 has resulted in our investment program being halted with the exception of external & essential works. £2M slippage forecast to be carried into next year.
	REPAIRS & MAINTENANCE		Forecast out-turn anticipated to be £132K below revised budget
	MANAGEMENT COSTS		£117K reduction in Fees charged to capital as Tier 4 lockdown limits the amount of investment work that can be performed.
	INTEREST		

	**No Issues - On Track**
	**Requires Monitoring**
	**Issues**

SECTION 2: MANAGEMENT ACCOUNTS

STATEMENT OF COMPREHENSIVE INCOME

Line		CURRENT YEAR BUDGET Initial Budget £	Revised Budget £	BUDGET to 31-Jan-21 £	Per Ledger £	Adjustments £	ACTUAL to 31-Jan-21 £	BUDGET VARIANCE Budget to date £	Budget to date %	BUDGET REMAINING Revised Budget £	Revised Budget %	FORECAST OUT-TURN Over/ (under) £	at 31-Mar-21 £
1	Dwelling rents (net)	9,256,067	9,256,066	7,926,184	7,935,083	7,174	7,942,257	(16,072)	0%	1,313,810	14%	49,895	9,305,961
2	Non Dwelling rents (net)	13,543	13,543	13,286	13,726	-	13,726	(440)	-3%	(183)	-1%	183	13,726
3	Profit/(Loss) on Disposal of Assets	-	(213,260)	-	(178,299)		(178,299)	178,299		(34,961)	16%		(213,260)
4	Grant Funding	270,000	732,999	673,133	528,188	48,557	576,745	96,388	14%	156,255	21%		732,999
5	Other Income	51,390	51,390	42,825	48,643		48,643	(5,818)	-14%	2,747	5%		51,390
6	**TOTAL INCOME**	9,591,000	9,840,739	8,655,429	8,347,341	55,731	8,403,072	252,357	3%	1,437,668	14.61%	50,078	9,890,817
7	Supervision & Management	2,752,800	2,481,766	1,903,015	1,854,988	81,607	1,936,595	(33,580)	-2%	545,171	22%	117,000	2,598,766
8	Response Repairs	1,453,358	1,566,911	1,285,733	1,173,051	103,209	1,276,260	9,473	1%	290,651	19%	(4,000)	1,562,911
9	Estate Works	84,500	84,500	75,170	58,946	-	58,946	16,224	22%	25,554	30%	(15,000)	69,500
10	Planned/Cyclical Maintenance	867,173	1,022,352	631,661	477,420	18,795	496,215	135,446	21%	526,137	51%	(118,406)	903,946
11	**Total Operating Expenditure**	5,157,831	5,155,529	3,895,579	3,564,405	203,611	3,768,016	127,563	3%	1,387,513	26.91%	(20,406)	5,135,123
12	Operating Surplus/(Deficit)	4,433,170	4,685,211	4,759,850	4,782,936	(147,880)	4,635,056	124,794	3%	50,155	1.07%	70,484	4,755,695
13	Interest received	13,500	5,200	5,000	4,627		4,627	373	7%	573	11%		5,200
14	Interest paid	568,100	293,100	224,017	222,525		222,525	1,492	1%	70,575	24%		293,100
15	Surplus/(Deficit)	3,878,570	4,397,311	4,540,833	4,565,038	(147,880)	4,417,158	123,675	3%	(19,847)	-0.45%	70,484	4,467,795
16	Depreciation	3,160,000	3,445,000	2,827,820	2,823,993		2,823,993	3,827	0%	621,007	18%		3,445,000
17	Grant Amortisation	(1,380,000)	(1,410,000)	(1,125,667)	(1,125,416)		(1,125,416)	(250)	0%	(284,584)	20%		(1,410,000)
18	Surplus/(Deficit)	2,098,570	2,362,311	2,838,680	2,866,462	(147,880)	2,718,582	120,098	4%	(356,270)	-15.08%	70,484	2,432,795

	CAPITAL INVESTMENT												
19	Housing Investment Programme	3,916,169	4,453,350	2,159,085	1,961,613	4,414	1,966,028	193,057	9%	2,487,322	56%	-	4,453,350
20	Non Housing Investment	102,700	50,173	50,173	27,254	-	27,254	22,919	46%	22,919	46%	-	50,173
21	Development Programme	11,125,998	1,355,226	425,767	591,674	-	591,674	(165,907)	-39%	763,552	56%	(4,377)	1,350,849
22		15,144,866	5,858,749	2,635,025	2,580,541	4,414	2,584,955	50,069	2%	3,273,793	55.88%	(4,377)	5,854,372

Commentary on Performance

Works continued to progress well during January until lockdown restrictions resulted in a move from level 3 to level 4 on 30 January 2021. This will impact on the delivery of repairs as we are responding to essential repairs only and our investment programme is being restricted to external works only.

The construction industry remains open and development is progressing well with the full year anticipated grant drawdown expected to exceed £11M.

The post Brexit trade agreement is causing some supply chain issues, which are being continually monitored.

The following pages will provide a detailed breakdown of our income and expenditure, highlighting any significant deviation to budget.

STATEMENT OF FINANCIAL POSITION

		Notes	31 January 2021 £	31 March 2020 £
	Fixed Assets			
1	Tangible assets-social housing	1	91,697,885	93,548,643
2	Development & Investment Programme	2	2,395,281	-
3	Tangible assets - property, plant and equipment		885,213	964,116
4	Landbank		879,915	879,915
5	Investments		2	2
			95,858,296	95,392,676
	Current Assets			
6	Stock		239,498	1,127,058
7	Trade and other debtors due within one year		640,768	1,202,048
8	Debtors due after more than one year		144,972	144,972
9	Short-term deposits		3,120,304	3,109,329
10	Cash at bank and in hand	3	3,021,515	1,647,257
11	Loan to subsiduary		17,560	17,560
			7,184,616	7,248,223
12	**Creditors: amounts falling due within one year**		(797,422)	(1,988,577)
	Net current assets		6,387,195	5,259,646
	Total assets less current liabilities		102,245,491	100,652,321
13	**Creditors:** amounts falling due after more than one year		(10,876,774)	(10,876,774)
14	Deferred capital grants		(51,818,111)	(52,943,527)
15	Pension Liability		(1,353,000)	(1,353,000)
16	**Net Assets**		**38,197,607**	**35,479,020**
	Capital and Reserves			
17	Share Capital		210	208
18	Revenue Reserve		38,197,397	35,478,812
			38,197,607	**35,479,020**

Commentary on Performance

Note 1 - Fixed Assets
Fixed Assets are shown at gross cost and are reduced by the depreciation charge for the period. The net increase in Fixed Assets is attributed to depreciation being exceeded by the capitalization of new assets.

Note 2 – Development & Investment Programme
The value of work in progress, net of Grant, on current properties and new developments.

Note 3 – Cash at bank and in hand

Cash balances remain high due to lower spend on investment and development. With development and investment programmes progressing, the cash balances are anticipated to reduce towards the end of the financial year.

RENTAL INCOME

Line		CURRENT YEAR BUDGET		BUDGET	ACTUAL	BUDGET VARIANCE		BUDGET REMAINING		FORECAST OUT-TURN	
		Initial Budget	Revised Budget	to 31-Jan-21	to 31-Jan-21	Budget to date	Budget to date	Revised Budget	Revised Budget	Over/ (under)	at 31-Mar-21
		£	£	£	£	£	%	£	%	£	£
1	Dwelling Rent Gross	9,639,395	9,620,595	8,026,829	8,025,989	840	0%	1,594,605	16.57%	32,800	9,653,395
2	Non Dwelling Rent Gross	15,915	15,915	13,263	13,726	(463)	-3%	2,189	13.76%	183	16,098
3	Voids - Dwelling	(191,028)	(135,028)	(100,644)	(83,733)	(16,912)	17%	(51,295)	37.99%	16,912	(118,116)
4	Voids - Other	(2,372)	(2,372)	(1,977)	-	(1,977)	100%	(2,372)	100.00%		(2,372)
5	Bad Debts	(192,300)	(192,300)	-	-	-		(192,300)	100.00%		(192,300)
6	TOTAL	9,269,610	9,306,810	7,937,470	7,955,982	(18,512)	0%	1,350,827	14.51%	49,895	9,356,704

Commentary on Performance

Dwelling Rent Gross

It is anticipated that rental income will be higher than budget by £32K due to the average rental income on new build being higher than budget. This has been recognised in the forecast out-turn.

Voids Dwelling

Void losses is £16K better than budget as we have less void properties (1.04%) thus outperforming the 2% budget assumption.

SUPERVISION & MANAGEMENT COSTS

Line	Heading	CURRENT YEAR BUDGET Initial Budget £	CURRENT YEAR BUDGET Revised Budget £	BUDGET to 31-Jan-21 £	ACTUAL to 31-Jan-21 £	BUDGET VARIANCE Budget to date £	BUDGET VARIANCE Budget to date %	BUDGET REMAINING Revised Budget £	BUDGET REMAINING Revised Budget %	forecast out-turn Over/ (under) £	forecast out-turn at 31-Mar-21 £
1	Salaries & Wages	1,587,811	1,595,569	1,253,934	1,253,421	512	0%	342,148	21%		1,595,569
2	National Insurance	155,876	156,635	125,156	124,387	769	1%	32,248	21%		156,635
3	Pension Costs	303,841	305,324	227,684	227,116	568	0%	78,208	26%		305,324
4	Other Employee Costs	54,185	36,255	22,459	21,893	566	3%	14,361	40%		36,255
5	Travel & Subsistence	24,670	11,543	1,920	987	933	49%	10,556	91%		11,543
6	EMPLOYEE COSTS	2,126,382	2,105,325	1,631,152	1,627,805	3,348	0%	477,521	23%	-	2,105,325
7	Premises Costs	74,750	54,627	38,227	34,057	4,170	11%	20,570	38%		54,627
8	IT & Telecoms	181,200	172,700	149,163	143,300	5,863	4%	29,399	17%		172,700
9	Area Offices	26,040	26,856	22,380	22,380	-	0%	4,476	17%		26,856
10	Payroll & Cashdesk	6,460	6,460	5,927	5,927	-	0%	533	8%		6,460
11	Property Management Fees	4,010	5,013	4,344	4,344	-	0%	669	13%		5,013
12	Covid-19	-	16,380	14,757	12,498	2,258	15%	3,882	24%		16,380
13	SUPPLIES & SERVICES	292,460	282,036	234,798	222,507	12,291	5%	59,529	21%	-	282,036
14	Postage, Printing & Stationery	41,000	29,700	18,260	16,060	2,200	12%	13,640	46%		29,700
15	Admin Furniture & Equipment	1,000	946	946	-	946	100%	946	100%		946
16	Training Courses	64,480	42,145	16,395	14,637	1,758	11%	27,508	65%	(13,000)	29,145
17	Community Support	30,750	10,750	7,170	4,037	3,133	44%	6,713	62%		10,750
18	Health & Safety	8,470	10,024	4,921	2,318	2,603	53%	7,706	77%		10,024
19	Recruitment Costs	2,500	2,500	1,493	555	938	63%	1,945	78%		2,500
20	ADMINISTRATION COSTS	148,200	96,065	49,184	37,607	11,578	24%	58,458	61%	(13,000)	83,065
21	Professional Fees	352,894	193,096	69,287	61,340	7,946	11%	131,756	68%		193,096
22	Insurance	270,535	250,539	207,127	207,127	-	0%	43,412	17%		250,539
23	Affiliation Fees	49,350	34,910	24,613	24,146	467	2%	10,764	31%		34,910
24	Charitable Donations	5,000	5,000	5,000	5,000	-	0%	-	0%		5,000
25	Governance	27,850	9,183	1,448	975	473	33%	8,208	89%		9,183
26	Bank Charges	8,000	8,000	6,667	4,433	2,233	33%	3,567	45%		8,000
27	Public Relations / Marketing	15,080	10,563	3,435	1,878	1,556	45%	8,685	82%		10,563
28	CORPORATE EXPENSES	728,709	511,291	317,576	304,900	12,675	4%	206,392	40%	-	511,291
29	Fees Charged to Capital	(530,451)	(500,451)	(319,279)	(247,103)	(72,176)	23%	(253,348)	51%	130,000	(370,451)
30	VAT Received - Partial Exemption	(12,500)	(12,500)	(10,417)	(9,120)	(1,296)	12%	(3,380)	27%		(12,500)
31	RECHARGES	(542,951)	(512,951)	(329,696)	(256,224)	(73,472)	22%	(256,728)	50%	130,000	(382,951)
32	MANAGEMENT COST	2,752,800	2,481,766	1,903,015	1,936,595	(33,580)	-2%	545,172	7	117,000	2,598,766

Commentary on Performance

The total management cost forecast out-turn is £117K higher than the revised budget. This is mainly due to a £130K reduction in fees charged to capital due to the impact COVID-19 restrictions have had on our investment programme. The forecast out-turn remains below the initial budget by £154K due to savings already realised in prior months, mainly reduction in office overheads and professional fees.

Administration Costs

A saving in training (£13K) has been reflected in the forecast out-turn due to training being delivered online.

REPAIRS & MAINTENANCE

Line	Heading	CURRENT YEAR Initial Budget £	Revised Budget £	BUDGET to 31-Jan-21 £	ACTUAL to 31-Jan-21 £	BUDGET VARIANCE Budget to date £	Budget to date %	BUDGET REMAINING Revised Budget £	Revised Budget %	FORECAST OUT-TURN Over/ (under) £	at 31-Mar-21 £
1	Responsive Repairs	935,325	975,325	788,260	805,091	(16,831)	-2%	170,234	17%		975,325
2	Void Repairs	264,000	349,000	295,000	304,640	(9,641)	-3%	44,359	13%		349,000
3	Handyperson	83,160	92,660	77,567	77,551	16	0%	15,109	16%		92,660
4	GENERAL REPAIRS	1,282,485	1,416,985	1,160,827	1,187,282	(26,456)	-2%	229,702	16%	-	1,416,985
5	Decoration Allowance	46,530	46,530	38,775	27,430	11,345	29%	19,100	41%		46,530
6	Council Tax empty properties	19,800	17,800	14,500	3,079	11,420	79%	14,720	83%	(7,500)	10,300
7	Compensation	11,695	11,695	9,746	1,522	8,224	84%	10,173	87%		11,695
8	SPECIFIC ITEMS	78,025	76,025	63,021	32,032	30,989	49%	43,993	58%	(7,500)	68,525
9	Rechargeable Repairs	108,000	75,000	57,000	48,406	8,593	15%	26,593	35%		75,000
10	Rechargeable Repairs Recoverable	(59,800)	(59,800)	(49,833)	(46,304)	(3,529)	7%	(13,496)	23%		(59,800)
11	Insurance Repairs	105,000	105,000	87,500	40,934	46,566	53%	64,066	61%		105,000
12	Insurance Claims Recoverable	(72,500)	(62,500)	(44,375)	(2,311)	(42,064)	95%	(60,189)	96%		(62,500)
13	RECOVERABLE EXPENDITURE	80,700	57,700	50,292	40,725	9,566	19%	16,974	29%	-	57,700
14	Commercial Properties	1,200	-	-	-	-		-			-
15	Communal Lighting	10,948	16,201	11,594	16,221	(4,627)	-40%	(20)	0%	3,500	19,701
16	NON DWELLING REPAIRS	12,148	16,201	11,594	16,221	(4,627)	-40%	(20)	0%	3,500	19,701
17	Gas Servicing	73,958	74,372	59,581	63,926	(4,346)	-7%	10,446	14%	(414)	73,958
18	Estate Management	47,922	55,922	48,942	38,597	10,344	21%	17,325	31%		55,922
19	Other Servicing (incl. heating)	697,528	846,850	487,979	358,056	129,922	27%	488,793	58%	(121,288)	725,562
20	Stair Lifts and Door Entry Systems	4,030	4,139	2,124	2,754	(630)	-30%	1,385	33%	3,334	7,473
21	Gutter Cleaning	34,885	31,974	31,974	31,936	38	0%	38	0%	(38)	31,936
22	Sewage Pumps	700	945	1,062	945	117	11%	-	0%		945
23	Dun Berisay Heat	8,150	8,150	-	-	-		8,150	100%		8,150
24	CYCLICAL MAINTENANCE	867,173	1,022,352	631,661	496,215	135,445	21%	526,137	51%	(118,406)	903,946
25	TOTAL REPAIRS & MAINTENANCE	2,320,531	2,589,263	1,917,394	1,772,475	144,917	8%	816,786	32%	(122,406)	2,466,857

Commentary on Performance

General Repairs

Responsive & void repairs are higher than year to date budget. The remaining budget is considered to be sufficient to cover essential repairs until 31st March 2021.

Specific Items

Some decoration allowances relating to quarter 3 are still to be processed. The remaining budget is expected to be fully utilised by the end of the year. Savings in Council Tax for Empty properties as no large council tax bills are expected for long term empty properties.

Communal lighting

It has been identified that an additional funding of £3.5K is needed to meet an increased level of servicing costs. This is funded by the savings in Council Tax for empty properties.

Other Servicing

A £121K reduction is forecast and is mainly driven by works on electrical testing (£60K) and Swedish Timber repairs (£32K) not commencing this fiscal year.

ESTATE WORKS

Line	Heading	CURRENT YEAR BUDGET Initial Budget £	Revised Budget £	BUDGET to 31-Jan-21 £	ACTUAL to 31-Jan-21 £	BUDGET VARIANCE Budget to date £	Budget to date %	BUDGET REMAINING Revised Budget £	Revised Budget %	FORECAST OUT-TURN Over/ (under) £	at 31-Mar-21 £
1	Unadopted Infrastructure	32,527	28,527	24,395	8,170	16,225	67%	20,356	71%	(15,000)	13,527
2	Grounds Maintenance	51,974	55,974	50,775	50,775	-	0%	5,198	9%		55,974
3	TOTAL ESTATE WORKS	84,500	84,500	75,170	58,946	16,225	22%	25,554	30%	(15,000)	69,500

Commentary on Performance

Unadopted infrastructure

Surveys and design completed. Discussion underway with SEPA, planners and building control.

AIDS & ADAPTATIONS

Line	Heading	CURRENT YEAR BUDGET Initial Budget £	CURRENT YEAR BUDGET Revised Budget £	BUDGET to 31-Jan-21 £	ACTUAL to 31-Jan-21 £	BUDGET VARIANCE Budget to date £	BUDGET VARIANCE Budget to date %	BUDGET REMAINING Revised Budget £	BUDGET REMAINING Revised Budget %	FORECAST OUT-TURN Over/ (under) £	FORECAST OUT-TURN at 31-Mar-21 £
1	OT Works	120,000	312,999	202,344	192,180	10,164	5%	120,819	39%		312,999
2	**Grants**										
3	Grants Received	(120,000)	(312,999)	(187,800)	(207,342)	19,542	-10%	(105,657)	34%		(312,999)
4	TOTAL AIDS & ADAPTATIONS	-	-	14,545	(15,162)	29,706	204%	-	1%	-	-

Commentary on Performance

It is anticipated that the full OT works budget will be used by 31 March 2021.

INVESTMENT EXPENDITURE

Line	Heading	CURRENT YEAR BUDGET Initial Budget £	CURRENT YEAR BUDGET Revised Budget £	BUDGET to 31-Jan-21 £	ACTUAL to 31-Jan-21 £	BUDGET VARIANCE Budget to date £	BUDGET VARIANCE Budget to date %	BUDGET REMAINING Revised Budget £	BUDGET REMAINING Revised Budget %	FORECAST OUT-TURN Over/ (under) £	FORECAST OUT-TURN at 31-Mar-21 £
1	Roofs	-	1,540	1,492	1,492	-	0%	48	3%	(48)	1,492
2	Insulation	135,135	282,352	-	-	-		282,352	100%	(282,352)	-
3	Total Roofs	135,135	283,892	1,492	1,492	-	0%	282,400	99%	(282,401)	1,492
4	Kitchen	123,751	133,231	1,886	1,886	-	0%	131,345	99%	(131,344)	1,886
5	Bathrooms	99,768	86,106	85,670	85,670	-	0%	436	1%	(294)	85,812
6	OT Aids & Adaptations	120,000	312,999	202,344	192,180	10,164	5%	120,819	39%		312,999
7	Showers	72,213	43,818	42,123	42,123	-	0%	1,695	4%	(1,261)	42,556
8	Heating	2,571,851	2,216,928	969,663	969,662	-	0%	1,247,266	56%	(1,116,875)	1,100,054
9	Rewiring	373,797	632,631	549,668	544,386	5,281	1%	88,244	14%	(64,979)	567,652
10	Total Internals	3,361,379	3,425,713	1,851,353	1,835,908	15,445	1%	1,589,805	46%	(1,314,753)	2,110,960
11	Windows	221,352	398,743	47,587	47,586	-	0%	351,156	88%	(345,978)	52,764
12	Roughcast house & wall	-	16,500	16,500	6,750	9,750	59%	9,750	59%	1,375	17,875
13	Footpaths/Drying Areas	-	-	-	-	-		-			-
14	Other	198,304	167,730	81,380	74,292	7,088	9%	93,438	56%	(2,803)	164,926
15	Externals	419,655	582,972	145,467	128,628	16,838	12%	454,344	78%	(347,407)	235,566
16	**Total Investment excl. Unallocated Exp/Savings**	3,916,169	4,292,577	1,998,312	1,966,028	32,283	2%	2,326,549	54%	(1,944,560)	2,348,017
17	Savings Realised	-	803,916	803,916	-	803,916	100%	803,916	100%	4,417	808,333
18	Savings Re-invested	-	(643,143)	(643,143)	-	(643,143)	100%	(643,143)	100%	(103,502)	(746,645)
19	Unallocated Expenditure/ Slippage	-	-	-	-	-		-		2,043,646	2,043,646
20	**Total Investment**	3,916,169	4,453,350	2,159,085	1,966,028	193,056	9%	2,487,322	56%	-	4,453,350

Commentary on Performance

Total investment excluding unallocated expenditure and realised savings is £1.94M less than the revised budget. The first lockdown delayed the investment program for the first 3 months of the year and the investment program was re-profiled to deliver this slippage by March 2021. The move to Tier 4 has now meant that £2.04M of spend will need to be carried over into 2021/22.

Work on kitchens, bathrooms & showers, rewiring and windows ceased from 30 January 2021.

Roughcasting and fencing (other) will continue. A saving of £22K has been recognised for fencing due to shared tenure work not proceeding.

Insulation

These works have been re-scheduled to 2021/22.

Heating

Although new sources were identified for air source heating pumps, due to the Tier 4 lockdown measures now in place, no further heating replacement works will be started before the end of the year.

NON HOUSING INVESTMENT

Line	Heading	CURRENT YEAR BUDGET Initial Budget £	CURRENT YEAR BUDGET Revised Budget £	BUDGET to 31-Jan-21 £	ACTUAL to 31-Jan-21 £	BUDGET VARIANCE Budget to date £	BUDGET VARIANCE Budget to date %	BUDGET REMAINING Revised Budget £	BUDGET REMAINING Revised Budget %	FORECAST OUT-TURN Over/ (under) £	FORECAST OUT-TURN at 31-Mar-21 £
1	Heating Systems	-	17,284	17,284	17,279	5	0%	5	0%		17,284
2	Furniture & Fittings	51,350	1,350	1,350	-	1,350	100%	1,350	100%		1,350
3	IT equipment	51,350	31,539	31,539	9,975	21,564	68%	21,564	68%		31,539
4	**Total Office**	**102,700**	**50,173**	**50,173**	**27,254**	**22,919**	**46%**	**22,919**	**46%**	-	**50,173**
5	**Motor Vehicles**	-	-	-	-	-		-			-
6	**Total**	**102,700**	**50,173**	**50,173**	**27,254**	**22,919**	**46%**	**22,919**	**46%**	-	**50,173**

Commentary on Performance

IT Equipment

The forecast out-turn includes £25K of spend still to go with respect to the IT Strategy requirements for the remainder of the year. Planned costs include upgrade to photocopiers (Uist) and various software and hardware upgrades.

DEVELOPMENT EXPENDITURE

Line		CURRENT YEAR BUDGET		BUDGET	ACTUAL	BUDGET VARIANCE		BUDGET REMAINING		FORECAST OUT-TURN	
		Initial Budget £	Revised Budget £	Budget to 31-Jan-21 £	to 31-Jan-21 £	Budget to date £	Budget to date %	Revised Budget £	Revised Budget %	Over/ (under) £	at 31-Jan-21 £
1	New Build	25,720,502	12,487,022	9,552,935	7,692,921	1,860,014	19%	4,794,101	38%	(174,377)	12,312,645
2	LIFT	782,654	1,122,717	828,029	869,504	(41,475)	-5%	253,213	23%	-	1,122,717
3	Land	395,979	500,979	29,820	29,820	-	0%	471,159	94%	(455,979)	45,000
3	Unallocated	-	-	-	-	-		-			-
4	**Total Development Costs**	26,899,135	14,110,718	10,410,784	8,592,244	1,818,540	17%	5,518,473	39%	(630,356)	13,480,362
5	**Housing Association Grant**										
6	HAG - New Build	(14,406,720)	(10,615,153)	(8,163,453)	(6,400,513)	(1,762,941)	22%	(4,214,640)	40%	170,000	(10,445,153)
7	HAG - Lift	(686,938)	(689,336)	(667,500)	(716,163)	48,663	-7%	26,827	-4%		(689,336)
8	**Other Grants & Sales proceeds**										
9	Other Grants - LIFT Sales	(306,000)	(1,019,146)	(1,172,146)	(887,560)	(284,586)	24%	(131,586)	13%	-	(1,019,146)
10	Other Grants - Unallocated	(383,479)	(455,979)	-	-	-		(455,979)	100%	455,979	-
11	**Total Grants**	(15,783,137)	(12,779,614)	(10,003,099)	(8,004,236)	(1,998,863)	20%	(4,775,378)	37%	625,979	(12,153,635)
12	**Private Finance required**										
13	New Build	11,313,782	1,871,869	1,389,482	1,292,408	97,074	7%	579,461	31%	(4,377)	1,867,492
12	Retentions	-	-	-	-	-		-			-
14	LIFT	(210,284)	(585,765)	(1,011,617)	(734,219)	(277,397)	27%	148,454	-25%	-	(585,765)
15	Land	395,979	500,979	29,820	29,820	-	0%	471,159	94%	(455,979)	45,000
15	Expensed Development Cost	-	-	1,782	1,782	-	0%	(1,782)			-
16	Feasibility	10,000	24,123	16,300	1,884	14,416	88%	22,239	92%		24,123
17	Unallocated	(383,479)	(455,979)	-	-	-		(455,979)	100%	455,979	-
18	**Private Finance required**	11,125,998	1,355,226	425,767	591,674	(165,907)	-39%	763,552	56%	(4,377)	1,350,849

Commentary on Performance

Overall Spend to Date:

Work continues on site as, despite being moved to Tier 4 in January, the construction sector remains open.

Adjustments have been made to show lower spend in Balivanich as the contractor will not get on site until February 21.

The Blackwater land transaction will not be progressing this financial year. However, Barvas is being progressed this year to mitigate some of the underspend. The land transaction is anticipated to conclude in February upon once resumption granted.

The shared equity properties at Horgabost and Mackenzie Avenue are due to be sold prior to the end of financial year and 2 remaining properties at Breasclete are continuing to be marketed by our development agent TIG.

SECTION 3: KEY FINANCIAL PERFORMANCE MEASURES

FINANCIAL COVENANTS

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 £8,858,300. 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.

	Interest Cover
Covenants for 2020/21 Deficit	(£8,858,300)
At 31 January 2021	(£1,065,818)
Tolerance available	£7,792,482
Reduction in expenditure required to achieve covenant	£0

ANNUAL CASH FLOW DEFICIT

Line	Detail	Current Position	Forecast
	Income	**£**	**£**
1	Dwelling rents (net)	7,942,257	9,305,961
2	Non Dwelling rents (net)	13,726	13,726
3	Grant Funding	576,745	732,999
4	Other Income	48,643	51,390
5	Grant received for New Build	6,400,513	10,445,153
6	Sale of LIFT received	887,560	1,019,146
7	Grant on LIFT received	716,163	689,336
8	Insurance Receipts	2,311	62,500
9	**Total Income**	**16,587,918**	**22,320,212**
	Expenditure		
10	Supervision & Management	2,183,698	2,969,217
11	Response Repairs	1,276,260	1,562,911
12	Estate Works	58,946	69,500
13	Planned/Cyclical Maintenance	496,215	903,946
14	Investment Programme	1,718,924	4,082,899
15	Office Alterations and IT	27,254	50,173
16	LIFT Costs	869,504	1,122,717
17	Opening Balances		
18	Development Costs	7,692,921	12,336,767
19	**Total Expenditure**	**14,323,721**	**23,098,130**
20	***Net Operating Cashflow***	**2,264,197**	**(777,918)**
21	Interest Paid	222,525	293,100
22	Interest Collected	(4,627)	(5,200)
23	**Total Interest**	**217,898**	**287,900**
24	***Annual Cashflow Surplus/(Deficit)***	**2,046,299**	**(1,065,818)**
	Interest Ratio	10%	-37%
	Covenant Requirement		
	Maximum Annual Cashflow deficit	(8,858,300)	(8,858,300)
	Tolerance	10,904,599	7,792,482
		-332%	-237%

FINANCIAL RATIOS

Key Ratios

	Current	Forecast	2019/20
Current Ratio	8.83	4.71	3.57
(Current Assets/Current Liabilities)			
Net Debt Per Unit			
Borrowing/ stock units	£2,245.35	£4,437.53	£2,240.53
Voids%	1.04%	1.25%	0.65%
Voids as % of Rental Income Due			
Bad Debts %	0.00%	1.99%	1.57%
Bad Debts written off as % of Rental Income Due			
Staff Cost/Turnover %	19.37%	21.21%	19.62%
Gross Surplus	55.16%	47.37%	53.77%
Operating Surplus/Turnover			
Net Surplus	32.35%	23.97%	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 January 2021.

Monthly Cash Flow Forecast

Year Ended 31-Mar-21	31-Jan-21 Month 10	28-Feb-21 Month 11	31-Mar-21 Month 12	Total
Cash on Hand at beginning of month	**2,781,044**	**2,943,373**	**2,435,933**	**2,486,193**
Cash Receipts				
Rent	625,811	704,637	690,367	**9,556,042**
Sale of Assets	71,030	-	141,570	**1,019,146**
Grant Income	1,349,544	2,112,402	2,153,953	**12,249,662**
Insurance Claims	-	-	-	**206**
Other income	31,576	-	-	**242,028**
Transfer from Deposit	-	-	700,000	**700,000**
Total	**2,077,961**	**2,817,039**	**3,685,890**	**23,767,084**
Total Cash Available	4,859,005	5,760,412	6,121,823	
Cash Paid Out				
Payroll	171,381	175,000	175,000	**2,030,114**
Management Costs	46,323	90,346	119,418	**940,156**
Repairs	205,455	321,293	314,137	**2,437,597**
Investment	86,822	227,645	232,240	**2,774,725**
Development	1,341,955	2,508,395	2,701,042	**14,345,823**
Total	**1,851,935**	**3,322,679**	**3,541,836**	**22,528,414**
Cash Paid Out (Non P & L)				
Loan Interest	61,359	-	91,394	**353,162**
Deferred RTB Receipts				**383,824**
Refunds	2,338	1,800	2,400	**23,197**
Transfer to Deposit Account	-	-	-	**-**
Total	**63,697**	**1,800**	**93,794**	**760,184**
Total Cash Paid out	1,915,632	3,324,479	3,635,630	
Cash Position at End of Month	2,943,373	2,435,933	2,486,193	-
Deposit Acct At end of Month	3,112,871	3,118,520	2,418,520	
Total Funds Available	6,056,244	5,554,453	4,904,713	

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ITEM NO 8.2

INVESTMENT PROGRAMME MONITORING REPORT

Board 17 March 2021

Report by Director of Operations

Purpose of Report

1.1 To provide a progress update on the 2020/21 and 2021/22 Investment Programme.

Summary

2020/2021 Investment Programme

2.1 The majority of contracts were progressing to programme but work was stopped due to the move to Tier 4 restrictions. Works have been able to continue where these are external works, health and safety related or where properties are void.

2.2 Slippage of £2.04M is anticipated on the programme primarily due to COVID19 issues.

2021/2022 Investment Programme

2.3 The Board approved the Programme on 19 November 2019 as part of the two-year programme from 2020-2022. Heating and bathroom works have already been awarded as part of two-year contract packages.

2.4 3 additional Lots were tendered in January 2021 and returns are being evaluated. These are for Windows, Gas Heating and Kitchens (Lewis).

2.5 The final 4 lots are being tendered during February/March 2021 which will conclude the procurement of the annual programme. This will include Insulation, Electrical Works and Kitchens (Uist).

Aids & Adaptations 2020/21

2.6 A grant award of £288K was received from the Scottish Government for general adaptations with a further award of £25K for a major adaptation for a specific case.

2.7 General adaptations which have been completed or committed to date total £266K. The major adaptation is complete.

Competence

3.1 The legal, financial or other constraints to the recommendations in this report are contained in paragraph 5.1 – 8.4.

Recommendations

4.1 **It is recommended that the Board note the:**

a) progress on the Investment Programme; and

b) update on the provision of Aids and Adaptations.

Background Papers: Risk Register/ Management Reports to 31 January 2021

Writer of Report: Angus MacNeil Tel: 0300 123 0773

Competence

Financial

2020/21 Investment Programme

5.1 The approved Investment budget for 2020/21 is £4.45M. The forecast out turn is £2.35M as stated in Board item 8.1 – Management Report to January 2021.

5.2 A grant award from the Scottish Government for Aids and Adaptations has been confirmed at £0.313M.

5.3 The move to Tier 4 restrictions has resulted in additional slippage to that previously forecast. The slippage is forecast at £2.04M. Works will recommence as soon as guidance permits.

2021/22 Investment Programme

5.4 The proposed programme is within current approved Business Plan cash planning limits.

5.5 On 19 November 2019 the Board approved to tender up to 80% of the 2021/22 Investment Programme subject to work not being committed until budgets are agreed for the annual programme.

5.6 The Investment Programme is proposed at Item 6.2 Budgets 2021/22.

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 £100K 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 We are required to bring the housing stock up to the EESSH by December 2020. Exemptions are permitted for delays due to COIVD-19 delays, This will be the case for a number of our properties where heating installations have been delayed in the 2020/21 programme.

6.4 Scottish Government also set a legal requirement for smoke and heat detector provision to be upgraded by February 2021. They subsequently extended this by 12 months due to COVID-19 restrictions. However, our installation programme is complete with the exception of a small number of no-access properties which are being pursued.

Regulatory Guidance

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

7.2 This report provides ongoing assurance of evidence RS4 and RS7 in relation to our Annual Assurance Statement.

Risk

8.1 There are risks highlighted in the Risk Register that are relevant to Investment including the failure of a major contractor.

8.2 There are further risks highlighted in the Risk Register concerning the health of the local economy particularly the capacity of contractors to deliver programmes.

8.3 The Scottish Government expects landlords to comply with EESSH. Failure to meet the standard would be a significant issue.

8.4 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. No further systems are being installed at present and a survey of users is being undertaken to assess their experience of the systems.

Report Details

2020-2021 Investment Programme

9.1 COVID-19 related restrictions have had a significant impact on the delivery of the programme and the move of the islands to Tier 4 restrictions has disrupted the programme further. A number of contracted Lots have been delayed or are now on hold. Further information on these is detailed below:

a) Windows and doors – Lewis and Harris and Uists and Barra;

b) Gas Heating Lot 2a – Lewis and Harris;

c) Heating Lot 2b and 2c– Lewis and Harris;

d) Kitchens – Lewis and Harris and Uists and Barra; and

e) Energy Efficiency (External Wall Insulation).

9.2 These works will commence when Tier 4 restrictions are lifted but it is expected that these will be carried into the next financial year as slippage.

9.3 Progress on investment works as at 31 January 2021 is shown below with amended start and completion dates:

Work	Contractor	Start Date	Completion Date	% completion
Lewis & Harris				
Windows & Doors	Neil MacKay & Co	01/02/2021	20/05/2021	0%
Gas Heating Lot 2a	FES FM Ltd	07/09/2020	TBC	55%
Heating Lot 2b	Alex Murray Construction	17/08/2020	TBC	52%
Heating Lot 2c	Alex Murray Construction	14/09/2020	TBC	88%
Bathroom & Showers	O'Mac Construction	21/09/2020	14/12/2020	100%
Kitchens	O'Mac Construction	02/02/2021	TBC	0%
Electrical	FESFM Ltd	08/06/2020	26/03/2021	90%
Environmental Works	Alex Murray Construction	24/08/2020	25/03/2021	39%
Energy Efficiency (External Wall Insulation)	SSE	TBC	TBC	0%
Uist & Barra				
Windows	FES FM Ltd	TBC	TBC	0%
Heating Lot 10a	Alex Murray Construction	13/08/2020	TBC	41%
Heating Lot 10b	Alex Murray Construction	26/10/2020	TBC	14%
Electrical	FESFM Ltd	08/06/2020	26/03/2021	95%
Kitchens	Alex Murray Construction	TBC	TBC	0%

9.4 Occupational Therapy (OT) works are continuing due to the vulnerable nature of the clients. The final draw down of grant will be completed for the end of March 2021.

9.5 External works and the installation of smoke detectors are permitted under the Tier 4 guidance. Works continue to be carried out where the property is void and part of the investment programme.

9.6 Supply chains have been disrupted which we are monitoring as we work with contractors to achieve a resumption of works as soon as is practicable.

9.7 We are no longer on track for compliance by March 2021 due to COVID-19 restrictions. The Scottish Government have recognised that landlords may not be able to meet the EESSH 1 targets due to the pandemic and can therefore state COVID-19 as a reason for this in their EESSH return for 2020/21.

2021/22 Investment Programme

10.1 Air source heating and bathrooms were tendered as two-year contracts to encourage competition and improved discounts. The discounts apply in both years.

10.2 The position of each contract Lots is set out in table 1.

Table 1 – Procurement position

Work	Contractor	Start Date	Completion Date
Lewis & Harris			
Windows & Doors	Tenders returned and under evaluation	01/04/21	TBC
Gas Heating Lot 2a	Tenders returned and under evaluation	01/04/21	TBC
Heating Lot 2b	Alex Murray Construction	01/04/21	TBC
Heating Lot 2c	Alex Murray Construction	01/04/21	TBC
Bathroom & Showers	O'Mac Construction	01/04/21	TBC
Kitchens	Tenders returned and under evaluation	01/04/21	TBC
Electrical	To be re-tendered March 2021outwith framework		
Environmental Works	To be tendered March 2021		
Energy Efficiency (External Wall Insulation)	SSE	TBC (to follow completion of 2020/21 works)	TBC
Uist & Barra			
Heating Lot 10a	Alex Murray Construction	01/04/21	TBC
Heating Lot 10b	Alex Murray Construction	01/04/21	TBC
Electrical	To be tendered Feb 2021		
Kitchens	To be tendered March 2021		

Aids and Adaptations position

11.1 The current position on General Adaptations is at Table 1. Referrals are being progressed as they are received and regular discussions are ongoing with contractors and with Occupational Therapists to ensure works are actioned timeously.

Table 1 - Occupational Therapy referrals as at 22 February 2021

Occupational Therapy Referrals	**2020/21**
Number of Properties	101
Number of Referrals (some properties have more than one referral)	126
Number of tasks on Referrals (a referral can have multiple tasks)	256
Number of Referral tasks completed	204
Total Spend/ Committed	**£266k**
Grant Allocation – General Adaptations	**£288k**

11.2 Major Adaptation - The works have been completed.

COVID-19 and access issues

12.1 The 2020/21 Investment Programme, excluding the smoke detector contract, saw three tenants express a preference to hold off on works due to COVID-19. One of these was due to homeworking.

12.2 Twelve tenants refused investment works, which is in line with previous years. Reasons given were personal issues, health or unwillingness to give up coal fire. Again, these are consistent with previous years.

12.3 As the smoke alarm contract required access to over 1250 properties, it was expected that there would be a number of access issues due to COVID-19 or other reasons. There are now less than 5 properties outstanding in Uist and under 50 in Lewis. These are being worked through as opportunities arise e.g. alongside air source servicing and other repair works.

12.4 There was one tenant who refused access for a gas service beyond the anniversary date. This has now been resolved.

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ITEM NO 8.3

COMMUNICATIONS AND ENGAGEMENT UPDATE

Board 17 March 2021

Report by Head of Executive Office

Purpose of Report

1.1 The purpose of this report is to present a summary of recent online communication and engagement (website, press releases and social media) and to provide a framework for such external communication for 2021, to the Board for noting.

Summary

2.1 Communication and engagement with tenants, stakeholders and the general public is a key aspect of the successful delivery of our Business Plan and Strategic Goals. Communication and engagement can be to share information, publish advice, and gather opinions (e.g. consultations).

2.2 Effective use of our website and social media platforms and by issuing press releases to local press outlets (for both print and online publication) and online sector press ensures, where appropriate, our message reaches as many people as possible. We continue to use a mix of text, picture and video communication. This is in addition to regular and adhoc letters, phone calls and visits from Housing Officers which also play a key part of our communication and engagement efforts, but are not specifically considered in this paper.

Competence

3.1 The legal, financial or other constraints arising directly from the recommendations in this report are at paragraph 5.1 – 8.2.

Recommendations

4.1 **It is recommended that the Board note the:**

a) Communication and Engagement Performance Report at Appendix 1; and
b) outline plan for communication and engagement for 2021/22 at Appendix 2.

APPENDIX 1:	Communication and Engagement Performance	
APPENDIX 2:	Outline plan for Communication and Engagement 2021/22	
Background Papers:	Communications Policy and Communication Tools Policy	
Writer of Report:	Anna Coyle	Tel: 0300 123 0773

Competence

Financial

5.1 There are no financial considerations arising directly from this report.

Legal

6.1 We have obligations arising in the Equality Act and in our Policies, including the Equality and Diversity Policy to ensure that we do not discriminate directly or indirectly against anyone that has one of the protected characteristics, including disability. This requires us to produce communications that can be read and understood easily, and to take steps to ensure information is or can be provided in an accessible format, if required.

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.

7.2 This report provides assurance of evidence RS2 in relation to our Annual Assurance Statement.

Risk

8.1 Effective communication and engagement ensures continuing good stakeholder relations and helps to present HHP in a positive light in our communities.

8.2 The risk of the impact of negative social media coverage both on reputation and resources is at item 18 on the Risk Register.

Report Details

Communication and Engagement 20/21

9.1 Effective communication and engagement helps support the delivery of Strategic Goals 1, 3 and 4.

9.2 Communication and engagement items from 2020/21 are listed below. These took various forms including press releases, videos, infographs, articles, sharing and contributing to partner content, and retweeting relevant items:

1. Consultations (Rent, Business Plan, Tenant Participation);
2. Board/AGM/SGM Notices;
3. Tour of Rural Developments;
4. Job Vacancies;
5. International Women's Day;
6. Scottish Apprenticeship Week;
7. COVID-19 Updates;
8. Public Holiday/Office Closure Announcements;
9. Mental Health Week and Awareness;
10. Newsletters;
11. Shared Equity Advertising;
12. Suicide Prevention Week;
13. Scottish Housing Day (online panel discussion and video);
14. Development News;
15. Charity Donations;
16. Celebrating Trustees Week; and
17. Board Member Recruitment Drive.

Engagement Performance

10.1 A summary of our levels of engagement across our Twitter and Instagram accounts, and our website can be found at Appendix 1. This information will be tracked and provided to the Board on a quarterly basis through our Board Information Bulletin.

Outline for 2021/22

11.1 Communication and engagement for 2021/22 will focus on similar areas to previous years, as well as expanding on the use of video footage and short clips, given their popularity following the COVID-19 pandemic and their relative accessibility.

11.2 We will continue to mark significant and relevant events, such as Scottish Housing Day and our 15th Anniversary, as well as promoting and sharing other local partner publications as and when they arise.

11.3 The Consultation process, including how and when we consult with Tenants and Stakeholders is to be reviewed.

11.4 An outline plan for communications for 2021/22 is provided at Appendix 2, although this will be expanded through the course of the year in response to any events that may arise, or information that may need to be disseminated at short notice.

APPENDIX 1

2020/21 Communications Performance - Q4
(1 January 2021 - 3 March 2021)

	Instagram Feed			Twitter Feed			Website		
	Previous	**Current**	**Performance Improvement**	**Previous**	**Current**	**Performance Improvement**	**Previous**	**Current**	**Performance Improvement**
Number of followers	473	509	36	483	495	12			
Number of total likes	168	101	-67	94	33	-61			
Number of total shares / retweets	N/A	N/A	N/A	28	16	-12			
Impression (Number of views per post)	2,687	3,506	819	19,100	11,600	-7,500			
Number of posts with internal content	10	8	-2	19	9	-10	7	7	0
Number of posts with external content	1	4	3	3	3	0	1	3	2

Top 3 Posts	
	1. Breasclete NSSE
	2. Rent Consultation
	3. Lady Matheson's Seminary RTPI Award Nomination

APPENDIX 2

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COMMUNICATIONS
YEAR AT A GLANCE - 2021

Month	Item	Date	Type
January	Board Member Recruitment	Ongoing	Press, Social Media & Web
	Services at a Glance update	Ongoing	Web & Social Media
	Scottish Child Payment Promotion	12-Jan-21	Social Media
	Brew Monday	18-Jan-21	Social Media
	Rent Consultation	1-Dec-20 - 15-Jan-21	Web & Social Media
February	Breasclete NSSE Promotion	25-Feb-21	Press, Social Media & Web & Local Organisations
	Lady Matheson RTPI Award	18-Feb-21	Web, Social Media
March	International Women's Day	08-Mar-21	Social Media
	CIH Housing Festival	9-10 Mar-21	Social Media
	Goathill NSSE Promotion	TBC	Press, Social Media & Web & Local Organisations
	Information Security Update to Tenants	TBC	Web & Social Media
	Red Nose Day	19-Mar-21	Social Media
April	Earth Day	22-Apr-21	Social Media
	Goathill NSSE Promotion	TBC	Press, Social Media & Web & Local Organisations
	TPAS Conference	28-Apr-21	Social Media
May	Local & Community History Month	May 21	Social Media
	CAB Debt Advise Campaign	17-28 May 21	Social Media
June	Volunteers Week	1-7 June 21	Social Media
	World Environment Day	05-Jun-21	Social Media
	Refugee Week	20-26 June 21	Social Media
	Armed Forces Day	25-Jun-21	Social Media
July			
August	AGM	26-Aug-21	Press, Social Media & Web
	International Youth Day	12-Aug-21	Social Media
September	HHP 15th Anniversary	12-Sep-21	Press, Social Media & Web
	Scottish Housing Day	16-Sep-21	Press, Social Media & Web
	World Alzheimer Day	21-Sep-21	Social Media
	Macmillan Coffee Morning	25-Sep-21	Social Media
October	World Mental Health Day	10-Oct-21	Social Media
	Wear it Pink Day	23-Oct-21	Press, Social Media & Web
November	White Ribbon Campaign (Men against Domestic Violence)	November 21	Social Media
December	Chairs Christmas Message	17-Dec-21	Press, Social Media & Web
	Office Closure and Emergency arrangements	23-Dec-21	Social Media &Web

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ITEM NO 8.4

HOUSING NEEDS AND DEMAND STUDY

Board 17 March 2021

Report by Director of Operations

Purpose of Report

1.1 This report provides an update on our Housing Needs and Demand Study.

Summary

2.1 The Board agreed on 26 August 2020 to carry out a study of housing need and demand to inform the development of the next Business Plan.

2.2 A brief for consultancy work to carry out this study is being prepared and draft key outputs are presented at Appendix 1.

2.3 The study seeks to establish information on housing need and demand within our various communities with a particular focus on affordable housing. Analysis of existing information and engagement with agencies and community groups are envisaged as key parts of the study.

Competence

3.1 The financial, legal, and other constraints to the recommendations in this report being implemented are at 5.1 – 8.3.

Recommendations

4.1 **It is recommended that the Board note the report.**

APPENDIX 1:	Key Outputs
Background Papers:	None
Writer of Report:	John Maciver Tel: 0300 123 0773

Competence

Financial

5.1 Consultancy support will be required for the study and provision has been made for this in the 2021/22 Budgets.

Legal

6.1 There are no specific legal issues associated with the report.

6.2 The study will be carried out based on Scottish Government guidance.

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.

7.2 This report provides ongoing evidence/assurance of evidence RS1, RS3 & RS5 in relation to our Annual Assurance Statement.

Risk

8.1 The Risk Register identifies demographic trends and population decrease as key risks.

8.2 Carrying out a demand and need assessment seeks to mitigate risk and assist in decision making on development and future of existing stock.

8.3 Carrying out a demand study and seeking to engage with communities while COVID-19 restrictions are in place will present a challenge.

Report Details

Housing Market Areas

9.1 A housing market area is defined in brief 'as a geographical space or territory within which people will search for housing and within which they are willing to move while maintaining their existing economic – e.g. employment – and social relationships (this thus excludes long distance migration associated with, for example, changed employment)'

9.2 The Comhairle recognise 2 Housing Market Areas (HMAs) in the Outer Hebrides. These are:

- Stornoway (the town, Point and from Tong to Gress); and
- Rural (all other areas).

The Housing Needs and Demands Analysis (HNDA) Guidance (October 2018)

10.1 The Centre for Housing Market Analysis (CHMA) issued revised guidance in October 2018 to support local authorities carrying out Housing Need & Demand Assessments. The CHMA particularly emphasises the point that "avoiding unnecessary disaggregation will reduce the complexity of the HNDA and the amount of time and resource needed for drafting". As with all statistical estimates the more the data are disaggregated, the less precise the estimates become. For this reason authorities are encouraged to populate the CHMA's HNDA tool with the largest geographies possible.

10.2 The CHMA acknowledges that rurality presents some specific issues for HNDA including defining HMAs especially in sparsely populated areas and small numbers reducing precision and robustness.

Comhairle HNDA

11.1 While the Comhairle's HNDA will provide high level data for the 2 HMAs identified this is clearly of very limited use when attempting to identify the need and demand for housing within the various islands and communities which we serve. The Comhairle intend to update their HNDA early next year as part of the LHS development.

11.2 In the absence of such data there is a reliance on waiting list information which has limitations and only recognises the expressed demand for social housing where it already exists.

11.3 Our Housing Needs Assessment will seek to establish the need for housing, and affordable housing in particular, at a more localised level. This will inform future planning. Key to the study will be engagement with community groups, landowners and businesses amongst others to establish their views on housing need and appetite for positively engaging in the delivery of housing opportunities. This will include informal community groups such as the youth group in Uist who have raised housing issues previously.

HHP Demand Study

12.1 It is proposed that we seek to explore housing need and demand at a more localised community level particularly outwith the Stornoway Market Area. This will seek to provide information on:

- Households living in housing need;
- Households requiring affordable housing now and in the future;
- Households requiring market housing now and in the future
- Households aspiring to a different housing provision to the traditional affordable models; and
- The shortfall of affordable housing now and in the future.

These estimates will inform our future development plans and should also inform the Comhairle's HNDA when it is carried out next year.

12.2 This study will require specialist consultancy support and a brief is being developed for tendering. Key outputs from the study are being developed and the latest draft is at Appendix 1.

Timescale

13.1 The timescale for the project is as follows:

Task	Timescale
Issue Brief for Tender	March/April 2021
Tender Return and Evaluation	May 2021
Agree methodology and scope	May 2021
Fieldwork	June – September 2021
Report	September 2021

HOUSING NEED AND DEMAND STUDY – DRAFT KEY OUTPUTS

Potential key outputs from the study are being developed and refined. The latest version is set out below.

3.1 Data/Information - the following list, which is not exhaustive, shows the type of priority information that the client expects to obtain from this study

a) Supply:
- Confirmation/validation of appropriate housing sub-markets
- Supply of housing in terms of size, type and tenure and location (including housing for people with particular needs)
- Local affordability trends (rented and owner occupation)
- Inter-tenure movement
- Price
- Access to services from the council and other agencies
- Quality

b) Demand:
- Demand for affordable housing in terms of size, type, tenure and location
- New household formation and composition numbers
- Housing search patterns and reasons for moving
- Local perceptions of market and demand or aspirations for other housing models
- Residents' perceptions of "local" area
- What people are able and prepared to pay for housing
- Income
- Employment issues where these affect housing need
- Demographic indicators

c) Need:
- Need in terms of size, type and tenure
- Affordability, including ability to afford shared ownership/Mid-Market Rent, etc
- Income/rents/house prices
- Homelessness, including hidden need
- Overcrowding/under occupancy
- Perception of poor physical condition/lack of amenity
- Housing needs of differing household types, e.g. older people differentiating between need which can be addressed in situ and need requiring a move
- Locational need factors, e.g. need to live in a particular village

d) Projections
Projections of the need for affordable housing are expected to take account of future planning timescales, in particular the Local Housing Strategy, Local Development Plans and the Integrated Health & Social Care Strategic Plan. Consultants would be expected to advise as to how projections could be kept up-to-date by analysing other data such as housing waiting lists.

e) National and local factors which are likely to influence the nature and extent of new household formation will need to be identified and quantified.