

BOARD AGENDA – 23 JUNE 2021

ITEM	AGENDA ITEM	ACTION	PRESENTED BY	PAGE NO	TIME
1	Attendance and Apologies	Noting	Chair	3	
2	Declaration of Interest	Noting	Chair	-	
3	Minutes				2:30pm
3.1	Minute of Meeting 19 May 2021	Approval	Chair	6	-
3.2	Action Sheet	Noting	Chief Executive	11	2:45pm
4	Date of Next Meeting 25 August 2021	Approval	Chair	-	
5	Health & Safety	Noting	Director of Operations	-	

ITEM	AGENDA ITEM	ACTION	PRESENTED BY	PAGE NO	TIME
6	Items For Decision				
6.1	Annual Report & Financial Statements to 31 March 2021	Approval	Director of F&CS	13	
6.2	SHR Financial Returns	Approval	Director of F&CS	83	2:45pm
6.3	Budgetary Performance for the Year ended 31 March 2021	Approval	Director of F&CS	109	
6.4	Financial Regulations	Approval	Director of F&CS	117	-
6.5	Review of Standing Orders	Approval	Chief Executive	152	
6.6	Housing Allocations Annual Report	Approval	Housing Officer (Allocations)	218	3:30pm
6.7	Management Report to 31 May 2021	Approval	Finance Manager	241	
6.8	Development Report	Approval	Development Manager	264	
6.9	Board Member Appointment	Approval	Chief Executive	273	

ITEM	AGENDA ITEM	ACTION	PRESENTED BY	PAGE NO	TIME
7	Policies for Approval				
7.1	Naming a Development Policy	Approval	Development Manager	275	3:30pm -
7.2	Risk Management Strategy	Approval	Chief Executive	281	3:35pm

ITEM	AGENDA ITEM	ACTION	PRESENTED BY	PAGE NO	TIME
8	Monitoring & Update Reports				
8.1	Management Report to 31 May 2021	Noting	Finance Manager	Moved to 6.7	3:35pm
8.2	Repairs & Maintenance Six Month Review	Noting	Assets & Contracts Manager	292	-
8.3	Board Development	Noting	Governance Officer	300	4:10pm

MEETING GOES INTO PRIVATE SESSION

Board Meetings 2020/21

Board Members	Notes	27-Aug-20	17-Nov-20	27-Jan-21	17-Mar-21	29-Apr-21	19-May-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								
John N Macleod	5								
Peter Graham	6								

1 - Appointed as a Community Member on 27 August 2020

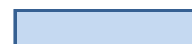
2 - Appointed as a Tenant Member on 27 August 2020

3 - Resigned as Board Member on 14 December 2020

4 - Resigned as Board Member on 9 February 2021

5 - Appointed as Council Member on 3 February 2021

6 - Appointed as Tenant Member on 17 March 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

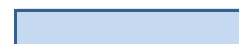
Board Members	Notes	SFHA Finance Virtual Conference	Board Member Roles & Responsibilities Refresher Training	Finance: Questions You Should Be Asking Training	Equalities & Diversity Training	Landlord Facilities Health & Safety Training
		11-Nov-20	17-Dec-20	27-Jan-21	24-Feb-21	11-Mar-21
Iain Macmillan	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 training



Member not present at training



Cancellation of travel due to weather



Unable to attend remote training due to technical difficulties



Member not required to be present

Special Leave

Business Planning Workshops 2021/22

Board Members	Population and Demand 08-Apr-21	Homelessness 22-Apr-21	Customer Experience 13-May-21	Climate Change 31-May-21	Affordability 10-Jun-21	New Build 17-Jun-21
Iain Macmillan						
Calum Mackay						
Alexander Gardner						
Fiona Macleod						
Gordon Macleod						
Norman A Macdonald						
Roddy Mackay						
Roddy Nicolson						
John N Macleod						
Peter Graham						



Member present at workshop



Member not present at workshop



Cancellation of travel due to weather



Unable to attend remote workshop due to technical difficulties



Member not required to be present at workshop

Special Leave



HEBRIDEAN HOUSING PARTNERSHIP

Board

Minutes of Meeting held remotely via Microsoft Teams on Wednesday, 19 May 2021 @ 2.30pm

PRELIMINARY ITEM																													
ATTENDANCE & APOLOGIES																													
	<u>Attendance & Apologies</u> <table><tr><td><u>Present</u></td><td><u>Staff & Consultants In Attendance</u></td></tr><tr><td>Iain Macmillan (Chair)</td><td>Dena Macleod (Chief Executive)</td></tr><tr><td>Calum Mackay (Vice-Chair)</td><td>Donald Macleod (Director of Finance & Corporate Services)</td></tr><tr><td>Alex Gardner</td><td>John Maciver (Director of Operations)</td></tr><tr><td>Roddy Nicolson</td><td>Iona France (Governance Officer – Minute Taker)</td></tr><tr><td>John Norman Macleod</td><td>Katrina Rowlands (Service Development Manager)</td></tr><tr><td><u>Apologies</u></td><td>Angus MacNeil (Assets & Contracts Manager)</td></tr><tr><td>Fiona Macleod</td><td>Katia Petteloot (Finance Manager)</td></tr><tr><td>Peter Graham</td><td>Sawan Morrison (Development Manager)</td></tr><tr><td>Norman Macdonald</td><td>Monika Fortagh (Debt Management Officer)</td></tr><tr><td>Gordon Macleod</td><td>Donalda Mackinnon (Area Manager, Lewis)</td></tr><tr><td>Roddy Mackay</td><td>Peter O'Donnell (Investment Manager)</td></tr><tr><td></td><td>Gary Macleod (Digital Transformation Manager)</td></tr><tr><td></td><td>Jonathan Fairgrieve (Corporate Services Officer)</td></tr></table> The Chair welcomed John Norman Macleod to his first meeting of the Board.	<u>Present</u>	<u>Staff & Consultants In Attendance</u>	Iain Macmillan (Chair)	Dena Macleod (Chief Executive)	Calum Mackay (Vice-Chair)	Donald Macleod (Director of Finance & Corporate Services)	Alex Gardner	John Maciver (Director of Operations)	Roddy Nicolson	Iona France (Governance Officer – Minute Taker)	John Norman Macleod	Katrina Rowlands (Service Development Manager)	<u>Apologies</u>	Angus MacNeil (Assets & Contracts Manager)	Fiona Macleod	Katia Petteloot (Finance Manager)	Peter Graham	Sawan Morrison (Development Manager)	Norman Macdonald	Monika Fortagh (Debt Management Officer)	Gordon Macleod	Donalda Mackinnon (Area Manager, Lewis)	Roddy Mackay	Peter O'Donnell (Investment Manager)		Gary Macleod (Digital Transformation Manager)		Jonathan Fairgrieve (Corporate Services Officer)
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PRELIMINARY PROCEDURAL MATTERS																													
2	<u>Declaration of Interest</u> There were no Declarations of Interest.																												
3	<u>Action Sheet</u> The Director of Operations clarified the land acquisition in Barvas was not yet finalised, therefore contracts had not been agreed and the burden of risk was with the contractor. The Action Sheet was noted.																												
4	<u>Date of Next Meeting</u> The date of the next meeting will be 23 June 2021																												
5	<u>Health & Safety</u> Nothing to report.																												

ITEMS FOR DECISION	
6.1	<u>Annual Return on the Charter 2020/21</u> The Annual Return on the Charter 2020/21 (ARC) was presented to the Board for consideration and approval, subject to the reconciliation of any queries raised. The report highlighted the variances with some of the key indicators from the 2019/20 return and it was apparent lockdown had an impact of some areas of performance. All Registered Social Landlords (RSLs) had been reporting monthly statistics throughout the period of lockdown to the Regulator, who acknowledged the datasets for 2020/21 may look very different from previous years. The Chief Executive advised the methodology for collecting data for the SHQS/EEESH indicator had changed for 2020/21 which explained the variances under these indicators. There were several indicators which were static as they related to the Tenant Satisfaction Survey which was carried out in 2018. A new Tenant Satisfaction Survey is due to be carried out in 2021. Following the publication of ARC results by the Regulator in the autumn our Tenant Report will be published and will include benchmarking with other RSLs. The Board reviewed and approved the Annual Return on the Charter 2020/21.
6.2	<u>Allocation of Housing to Priority Homeless</u> At the Board meeting on 17 March 2021, the Board considered a request from the Comhairle to increase the proportion of two-apt properties being allocated to homeless applicants in Stornoway to 100% with the exception of Amenity Housing, medical priority, new build and Foyer, for an initial period of 6 months. At that time it was agreed that further discussion with representatives of the Comhairle and the Integrated Joint Board was required, before determining this issue. A meeting subsequently took place on 22 April 2021. The Director of Operations advised there were 3 key issues identified from these discussions: • The strategic position as established in the LHS and SHIP; • The approach to the provision of support for applicants with challenging behaviors and other needs to enable them to successfully sustain a tenancy; and • The approach to homeless prevention and compliance with Scottish Government guidance. The current situation where demand from homeless applicants exceeds supply could be addressed in 4 ways: • increase the overall supply of two-apt housing in Stornoway; • increase the number of two-apt properties being made available to homeless applicants; • house applicants in areas where there is available housing; and • reduce the number of households presenting as homeless through more effective prevention and partnership working across agencies. It was agreed that only Option 2 would deliver an immediate solution as the Comhairle did not wish to pursue the third option. It was further agreed that working together with the Comhairle and other agencies to find a permanent solution to address this was essential and whilst at operational level partnership working was excellent there needed to be an improvement at a strategic level to establish priorities to support the prevention of homelessness. It was proposed that the number of properties made available be increased for a 12 month period and the impact be reviewed at that time. It is anticipated that a prevention strategy and support assessment framework will have been established by the Comhairle by May 2022 and a strategic review of housing development completed. This will in turn inform our longer term decision making with regard to homelessness allocations in Stornoway. The Board agreed the: allocation of up to 25 two-apt vacancies per annum to Statutory Homeless Applicants in the Stornoway area for an initial 12 month period; impact of the increased allocation to be reviewed after 12 months; and the increased allocation being on the basis that the Comhairle commits to establishing a cohesive preventive and housing support strategy in line with their housing development strategy, within the 12 month period.

POLICIES FOR APPROVAL	
7.1	<u>Workforce Strategy</u> The annual update to the Workforce Strategy was presented for consideration and approval for consultation with staff and the Union. The Chief Executive advised the update outlined our approach to ensuring we have a highly skilled and effective workforce for the next five years and highlighted the following: • we have an older workforce with an average age of 48. All our teams have an average age over 40+; • our working population within the islands was reducing drastically and forecasts show this is only going to worsen; • the introduction of trainee posts and the expansion of modern apprentices as a means of developing skills; • implementation of our Flexible Working Policy; • an emphasis on training and development of staff; and • a commitment to look at introducing healthy working options. The Board approved: a) the Workforce Strategy for consultation with Staff and the Union; and b) if there were no material changes to the Strategy arising from consultation, the Strategy be approved, otherwise a revised Strategy would be presented at the next meeting of the Board.
7.2	<u>Privacy Policy</u> The updated Privacy Policy was presented for approval. There were only minor updates to the Policy, primarily in relation to the implementation of UK GDPR, following the end of the transition period of the UK leaving the EU. The Board approved the revised Privacy Policy.
7.3	<u>Equalities Action Plan</u> The Equality & Diversity Policy was approved by Board on 17 March 2021 and a draft Action Plan to accompany the Policy was issued to staff for discussion within their teams. Following these discussion it was proposed, for an effective Action Plan, it would be preferable to have 3 key actions we would focus on and deliver over the year. <u>Communication</u> Review our communications: • website • letters • newsletters to make sure they are accessible and easy to understand for our customers. <u>Informing and Engaging</u> Invite a key disability speaker to at least one event per year. Review the location of where public events are held and ensure that they are fully accessible to disabled people. <u>Data</u> Improve the data collection on equalities on our customer base starting with complaints and report on a quarterly basis to the Board and Managers Meetings. Ensure that customer satisfaction surveys are carried out that allow for a review of findings by disabilities. Identify gaps in data available and put measures in place to gather data for the future. The Chair agreed with the proposal to have a more focussed Action Plan and stressed it was important to bear in mind digital inclusion when considering the Action Plan to ensure people are not left behind and the importance of face to face communications. The Chief Executive advised the Policy and Action Plan were underpinned by the commitment to "Promote a culture that respects and values difference across our customer and employee bases"- and was about valuing and treating with respect and dignity everyone we come in contact with as we deliver our services throughout the islands and beyond. Regular updates on the implementation of the Policy would be presented to the Board. The Board approved the Equalities Action Plan.

MONITORING & UPDATE REPORTS

8.1	<u>Business Plan Progress Report</u> The report presented a progress update on the Delivery Plan for the Business Plan 2019/20 to 2023/24. This was the first quarter where progress was less than on the Delivery Plan, mainly due to lockdown. The two areas where we did not meet our targets were Arrears and Voids. The Service Development Manager advised approximately 14% of the void loss was directly attributable to lockdown and a further 6% related to ongoing COVID-19 issues. Low demand properties accounted for approximately 25%. These figures were estimates and work was ongoing to confirm the finer details. The Chair asked if it there was any expectation of change for the low demand properties. The Director of Operations confirmed we were generally managing to let properties although the timescales could vary considerably depending on the location. There was one area in particular where increasing difficulties were being experienced and an initial report on the options available would be presented to the Asset Management Working Group on 27 May 2021. The Board: a) reviewed the Delivery Plan Progress report to 31 March 2021; and b) noted the action being taken to address areas where targets are not being met.
8.2	<u>Development Programme</u> This report provided an update to the Board on how we have performed to 31 March 2021 against our 5 year Development Plan and the Comhairle's Strategic Housing Investment Plan (SHIP). The Chief Executive explained that the timings of the two plans do not always coincide which can make reporting slightly challenging. We are well ahead of schedule with our own Development Plan with 26 homes built and a further 170 on site which equates to 51% of the plan. We also have funding in place for the next 4 years to carry out the planned developments. Despite the challenges faced, in respect of the SHIP, in 2020/21 we drew down over £11M grant which was significantly more than originally estimated and the highest level of grant drawn down in one financial years. The Development Manager advised on progress of the individual sites. There were delayed handovers for two sites which had been due for handover in 2020/21, Shawbost (April 2021) and Scotland Street (due in June 2021). The first tranche at Goathill, South Dell and Tarbert are the next sites due to be handed over. Land transactions were ongoing at Barvas and a planning decision for Barra was due on 3 July 2021. The planning permission for Lochmaddy had come back with an additional requirement for an otter survey, which will lead to a slight delay. The tender for Blackwater was issued on 17 May 2021 and work was continuing on the land transaction. Generally, contractors had been raising issues with supply chains, material availability and labour availability which could impact on works, in particular at the bigger projects such as Goathill. An additional building standard for fire suppression systems had been introduced by Scottish Government which would lead to additional costs. The Director of Finance & Corporate Services highlighted the grant funding for 2020/21 and advised that the Resource Planning Assumption (RPA) had been £9.7M and we drew down £11.2M with £200K rolling into 2021/22. The Development Plan approved by the Board on 23 June 2020 had a grant assumption of £8.5M for 2021/22 and the finalised budgets approved by the Board and submitted to the funder were revised down to £8.3M due to the increased spend in 2020/21. Since the budgets were approved we have received formal confirmation the RPA for 2021/22 is £9.709M. This is a considerable increase from both our budget and the £8M assumption included in the SHIP. The Director of Finance & Corporate Services reminded Board Members the RPA is a planning assumption made available to the Comhairle from Scottish Government to satisfy the requirements of the SHIP. In order for the additional money to be drawn down in 2021/22, fully funded projects and additional private finance would be required. In addition, we are constrained by the loan covenants agreed with our funders. Calum Mackay asked if there was a time limit for these additional monies to be committed and the Director of Finance & Corporate Services confirmed that works would require to be on site imminently in order to draw down the grant in 2021/22. The Director of Finance & Corporate Services confirmed our development plans were in line with the original RPA and the delivery of the SHIP. Calum Mackay queried when the Comhairle were notified of the additional RPA, when were we notified and had a meeting been arranged with Comhairle to discuss. The Chief Executive confirmed the Comhairle were notified by Scottish Government on 7 April 2021. On 9 April 2021 we received formal notification from the Comhairle and requested a meeting with the Comhairle to discuss the implications of the increased funding, given the parameters we have to work within. A meeting was set up for May but the Comhairle have postponed a meeting until June 2021. The Chair stated a meeting in June did not reflect the urgency with which this should be dealt with. It was recognised the Comhairle may have alternative avenues for spending the grant funding which we were not, as yet, aware of. It was agreed the Chief Executive would raise the matter again at the meeting with the Comhairle and the Scottish Government which was due to be held on 20 May 2021. The Board noted the: a) progress on the Development Plan for 2020/21 and our plans for 2021/22; and b) increased Scottish Government RPA of £9.7M for 2021/22 and the proposed actions.

8.3	<u>Quarterly Treasury Report</u> The Director of Finance & Corporate Services provided an update on the Treasury Management Activities for the quarter and confirmed our borrowing had not increased and remained at £4.91M. The Director of Finance & Corporate Services advised we were awaiting formal terms for the new facility with RBS and we were working towards a conclusion by the end of May 2021. Financial covenants were met for 2020/21. Calum Mackay highlighted the significant amount of money we invest in the local economy. The Board noted the: a) quarterly report on the Analysis of Investment and Borrowing; b) outstanding loans at 31 March 2021 of £4.91M; and c) cash balance at 31 March 2021 of £4.927M.
8.4	<u>Asset Management Strategy Plan Update</u> The Assets & Contracts Manager provided the annual update on the Asset Management Strategy Action Plan. The Asset Management Strategy is an integral part of our Business Plan and the Action Plan is informed by various workshops, working groups, the Digital Transformation Strategy, work around fuel poverty and heating, and regulatory requirements. Preliminary work had begun on assessing internal and consultant capacity to carry out the Stock Condition Survey and the Board would be informed when this was completed with an estimated timeline of when the work would be carried out. The Board noted the progress on the Asset Management Strategy Action Plan.
8.5	<u>SHR Engagement Plan</u> The report is to inform the Board of our Engagement Plan for 2021/22 which has been prepared by the Scottish Housing Regulator (SHR). The key issue highlighted was ensuring the impact of the pandemic on our development plans is reflected in our Business Plan and that we keep the Regulator informed of any material changes which might affect our financial position or our reputation as per the notifiable events guidance. The Board had previously requested updates on 6 of the ARC indicators and for completion an update on our performance was provided. The Board noted the: a) SHR Engagement Plan for 2021/22; and b) Performance Indicators.
8.6	<u>Review of Corporate Registers</u> This report assured Board Members that our Corporate Registers are functioning in accordance with the our constitutional documents, regulatory and legal requirements and that they are fully up to date. The Board noted the review of Corporate Registers.
MEETING GOES INTO PRIVATE SESSION	

Chairperson Mr Iain Macmillan

SIGNED

DATE

Board Action Sheet

ACTION POINT	MINUTE NUMBER	ACTION TO BE TAKEN	DEADLINE/TIMESCALE	ACTION BY	PROGRESS
1	19 May 2021 (6.1)	Annual Return on the Charter to be submitted to Regulator	31 May 2021	Governance Officer	Submitted 25 May 2021
2	19 May 2021 (7.1)	Workforce Strategy to be issued for consultation with staff and Unison & Tenants	4 June 2021	Governance Officer	Consultations issued on 20 May 2021 to run until 4 June 2021
3	19 May 2021 (7.3)	Communications to be accessible and easy to understand for all our customers	31 March 2022	Executive Office Manager	
4	19 May 2021 (8.1)	Report to AMWG on Calabhaigh, Lochboisdale	27 May 2021	Director of Operations	Completed
5	19 May 2021 (8.1)	KPI targets to be reviewed as part of the Business Plan review	30 Nov 2021	Chief Executive	
6	19 May 2021 (8.2)	Chief Executive to arrange meeting with CNES' Housing Team to discuss increased RPA		Chief Executive	Meeting arranged for 10 June 2021
7	17 Mar 2021 (6.4)	Development at Crowlista to be progressed	June 2021	Development Manager	Cost increases reported by contractor and discussions taking place with Scottish Government
8	17 Mar 2021 (6.5)	Procurement of external Tenant Participation Service 2021 to 2023 to be progressed	May 2021	Director of Operations	Completed. Contract awarded to TPAS (Scotland).
9	27 Jan 2021 (8.3)	Re-wiring tender to be procured out with the Investment Framework.	June 2021	Director of Operations	Tender to be issued June 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	June 2021	Director of Operations	Land acquisition expected to be finalised 8 June 2021. 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	April 2021	Director of Operations	Signed agreement received from community group and work being planned.
12	26 Aug 2020 (6.1)	Housing Needs Analysis to be completed prior to finalisation of new borrowing.	October 2021	Director of Operation	Tender return being evaluated and interview held. Further information being sought.
13	20 May 2020 (8.3)	Arrange for a Board Member to attend staff meeting.	Once Office activities return to normal	Company Secretary	

ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

Board 23 June 2021

Report by Director of Finance & Corporate Services

Purpose of Report

- 1.1 To present the Annual Report and Accounts for the year ended 31 March 2021 to the Board.

Summary

- 2.1 The Annual Report and Accounts for the year ended 31 March 2021 have been prepared and are at Appendix 1.
- 2.2 The Subsidiary Accounts have been prepared for the year ended 31 March 2021 and are at Appendix 2.

Competence

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

Recommendations

- 4.1 **It is recommended that the Board:**
- a) approve the Annual Report and Accounts for the year ended 31 March 2021 at Appendix 1; and**
 - b) note the Subsidiary Accounts for the year ended 31 March 2021 at Appendix 2.**

APPENDIX 1:	Annual Report and Accounts for the year ended 31 March 2021
APPENDIX 2:	HHP Community Housing Accounts for the year ended 31 March 2021
Background Papers:	None
Writer of Report:	Donald Macleod

Tel: 0300 123 0773

Competence

Financial

- 5.1 The Annual Report and Financial Statements report on how the resources for the year ended 31 March 2021 have been utilised. The cost of auditing and producing copies of the Annual Report and Accounts has been provided for in the Annual Report and Accounts.

Legal

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

Regulatory Guidance

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

Risk

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

Report Details

- 9.1 A set of accounts for the year ended 31 March 2021 have been prepared and are at Appendix 1 to this report. An audit report will be issued at the meeting of the Committee and the Board.
- 9.2 Opportunity to ask questions regarding the Accounts and performance for the year will be given at the Board meeting.
- 9.3 The key financial factors to highlight in the Annual Accounts are that

- a) Operating surplus of £2,242,633 shows a decrease from the previous year of £494,977. The key changes are detailed below:

Area	£000's	Reason
Rental Income	282	Increase driven by annual rent increase and an increase in the number of units through new build.
Management & Maintenance Administration Costs	(141)	Internal fee income was down £250K year on year due to the reduction in investment and development spend. This was partially offset by supervision and management savings of £109K
Depreciation	(233)	Increase driven by new build properties completed and component replacements capitalised in the year
Repairs	(655)	Significant level of void repairs resulting in an increase of £100K due to an increase in the average spend per void. The smoke detector programme completed this year resulting in a £422K increase in expensed investment costs.
Increase in Grants	162	OT Aids & Adaptations funding received up £81K from last year and RHI income is up £81K.
Bad Debts	125	£125K decrease in bad debts, mainly driven by current arrears as the number of accounts owing over £1K has decreased.

- b) Increase of £710,503 in net assets reflecting the investment in our stock through the investment and development programmes.
 - c) Inclusion of the subsidiary HHP Community Housing Ltd and the decision not to prepare group accounts due to the immateriality of the trading activity of the Company during the year; and
 - d) The statement of comprehensive income includes a significant actuarial loss of £1,275,000 for 2020/21, which has arisen due to a change in the actuarial financial measurement assumptions in relation to our pension fund.
- 9.4 A separate report is being presented to the Board detailing performance for the year against the approved budget.



hebridean housing
partnership



Report & Financial Statements For the Year Ended 31 March 2021

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

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REPORT AND FINANCIAL STATEMENTS

BOARD OF MANAGEMENT, DIRECTORS AND ADVISERS

Name	Category	Changes during the year	
		Appointed	Resigned
Alasdair Mackenzie	Tenant	27 August 2020 (re-appointed)	Resigned 9 February 2021
Alex Gardner	Tenant	27 August 2020 (re-appointed)	
Peter Graham	Tenant	17 March 2021	
Calum Mackay	Community	27 August 2020 (re-appointed)	
Norman M Macleod	Community	29 August 2019 (re-appointed)	Resigned 27 August 2020
Iain Macmillan	Community	27 August 2020 (re-appointed)	
David Blaney	Community	29 August 2019	Resigned 27 August 2020
Fiona Macleod	Community	27 August 2020 (re-appointed)	
Roddy Nicolson	Community	27 August 2020 (re-appointed)	
Roddy Mackay	Councillor	17 May 2017	
Paul Finnegan	Councillor	7 March 2019	Resigned 14 December 2020
Norman A Macdonald	Councillor	7 March 2019	
John N Macleod	Councillor	3 February 2021	
Gordon Macleod	Co-Optee	27 August 2020 (re-appointed)	

Secretary and Registered Office

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

Funders

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

External Auditors

CIB Audit
63 Kenneth Street
Stornoway
HS1 2DS

Solicitors

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

Bankers

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

Directors

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

Contact Details

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(Peter Graham missing from photo)

REPORT OF BOARD OF MANAGEMENT

OVERVIEW OF BUSINESS

Our principal activity is to provide and manage good quality, affordable accommodation for people in housing need in the Outer Hebrides. We are a charitable RSL and we own and manage a range of houses for rent, primarily general needs accommodation but also some sheltered and supported accommodation. We provide accommodation for homeless people who are referred as statutory homeless and requiring permanent secure accommodation by Comhairle Nan Eilean Siar. Our stock at 31 March 2021 was 2,224 with 170 new build units under development.

2020/21 was a challenging year for all areas of society. The impact of local and national lockdowns and associated social distancing protocols impacted on our delivery plans during the year. Despite these challenges we were able to deliver a record level of spend on new houses and we are grateful to our contractors, Scottish Government and Comhairle Nan Eilean Siar for their support in achieving this. The lockdown restrictions limited our ability to enter homes and we are committed to ensuring the works which could not be performed in 2020/21 are delivered in the first half of 2021/22.

We saw a steep rise in the number of Universal Credit (UC) applications in the second quarter of 2020/21 but despite this, our arrears performance remains strong. There remains a risk that further increases in UC applications will arise when the Furlough scheme comes to an end in September 2021.

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

Throughout the 'Lockdown' we delivered an emergency service, updated our Risk Register and moved our workforce from our offices to homeworking.

CORE VALUES

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

The core value is supported by the following five values:

Customer Focus

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

Equal Opportunities

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

Quality of Service-Excellence

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

Sustainability

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

Supporting Staff

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

REGULATION

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

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

Regular meetings take place with the Regulator to review the risks and challenges facing the business and progress against the Business Plan. 30 year and 5 year financial projections are submitted to the Regulator each year. Our Annual Assurance Statement was filed with positive feedback received from the Regulator.

The Regulator has expressed satisfaction with HHP's progress for 2020/21.

STRATEGY & OBJECTIVES

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



Investment Programme

The Investment Programme for 2020/21 was significantly impacted by the pandemic and not being able to work in tenant's homes. We were unable to start the programme until June and it was then suspended at the turn of the year as we re-entered lockdown. Despite this we invested £2.545 million on improvements with our focus on trying to alleviate fuel poverty for our tenants, which remains a huge issue in our islands. 72 new air source heating systems were installed and we also upgraded 28 gas systems. Disappointingly our planned external insulation works were unable to start. Our investment in new kitchens and bathrooms continued and we completed upgrades of heat and smoke detection to meet the new regulations a year ahead of the current target. Our stock condition survey, which was carried out in 2018, provides the framework for our investment plan. We have set out a detailed 5 year programme from 2019 which has been communicated to all tenants and we remain on track to deliver that programme despite the pandemic.

We have a 4 year framework contract in place to deliver our programme with several local contractors carrying out the works.

Scottish Housing Quality Standard (SHQS)

We have continued to ensure that our homes meet the standard where achievable and to address exemptions and abeyances as opportunities arise. Our Investment Programme is designed to ensure that houses meet the standard in the long term.

Energy Efficiency Standard for Social Housing (EESSH)

COVID-19 restrictions meant that some of the planned works required to meet the EESSH standard were not completed during the year. These will be carried out in 2021/22. This meant that some houses did not meet the standard by the target date of 2020.

Repairs & Maintenance

Our new Repair and Maintenance contract with FES FM commenced in April 2020 at the beginning of the first lockdown. This was a very challenging period and we were extremely pleased with the commitment from FES to maintain service delivery to tenants throughout the year. The strong working partnership and trust which has been developed between HHP and FES over the years was fundamental to our ability to rise successfully to the challenges experienced.

New Build Programme

The Comhairle received a major increase in funding for new build housing over the 3 year period to March 2021. We have worked closely with the Comhairle to deliver this very ambitious programme which seeks to deliver housing across all our islands. Despite the lockdowns seen nationally and locally, we delivered a record spend on new houses in 2020/21. Over £11M was drawn down from the Scottish Government Affordable Housing Supply Programme and works on site continue to progress well. Development of the new care provision in Stornoway on the Goathill site owned by HHP continues at pace. This project will see us deliver a 50 bed housing with extra care development and 74 houses on the site.

Our development contractors all worked well to restart projects once restrictions were eased.

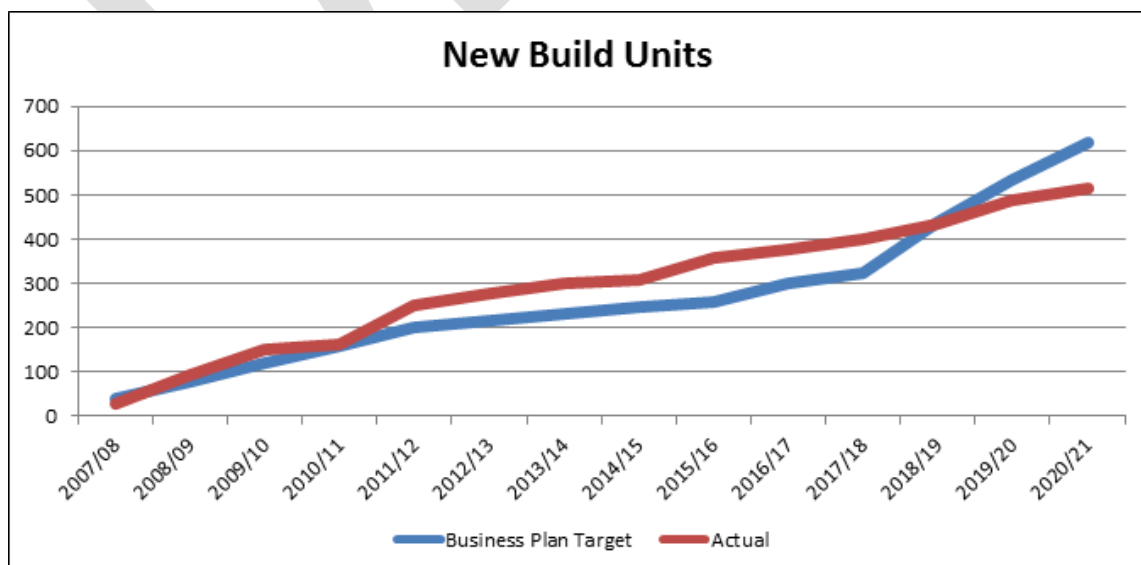
At 31 March 2021 there were 170 houses under construction across 10 sites with a further 34 houses either due to start or at tendering stage.

26 houses were completed during the year.

Future New Build Projects

Our Board have agreed a 5 Year Development Plan which is aligned with the Comhairle's Strategic Housing Investment Plan (SHIP). We have carried out feasibility studies on over 30 sites and are working with communities and the construction sector to identify and progress sites for the future. Our Board committed to carry out a Housing Needs and Demand Study to inform our future development plans. This study is expected to be completed during 2021.

Completed Developments



DYNAMICS OF THE SOCIAL LANDLORD

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

KEY RISKS IMPACTING ON THE FUTURE

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

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

The number one risk on our risk register is the impact of COVID-19. The negative impact the pandemic has had on society and the national and local economies will take many years to recover from. Furlough and the extension of the £20 a week uplift on Universal Credit has helped many families through this difficult time. Our arrears increased in September 2020 due to a large rise in UC claimants as furlough was due to come to an end. It is anticipated that there will be another increase in tenants claiming UC when the latest furlough scheme ends in September 2021. Efficiencies in the timing of the receipt of UC monies has resulted in a reduction in current arrears at 31 March 2021.

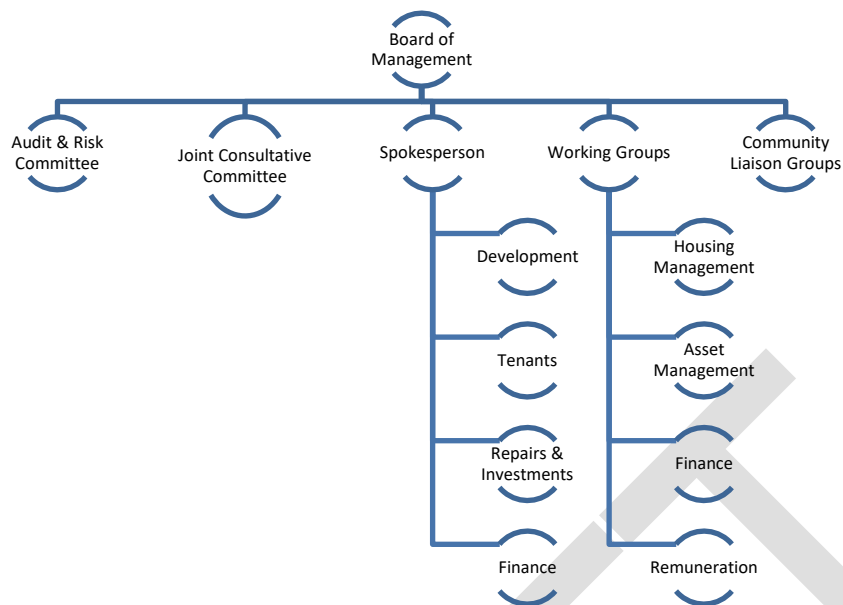
GOVERNANCE & MANAGEMENT

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

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

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

Figure 1 Board of Management



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

The Partnership's Standing Orders allow for two Standing Committees and four Community Liaison Groups.

The Board comprises up to 15 members - 4 tenant members, 3 Comhairle Nan Eilean Siar nominees, 5 community representatives and up to 3 co-optees. The Board may use two of the three co-opted Board Member places to appoint an Appointed Board Member whom the Board considers will enhance the skills, knowledge, diversity and/or objectivity of the Board and its decision-making. There are currently 10 Board members.

HHP's Rules require that two community and two tenant members step down each year. There will be elections for the vacant positions at the Annual General Meeting in August 2021.

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

During 2020/21 two shares were issued to new members.

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

- Approval of Business Plan;
- Delivery of Business Plan;
- Publishing an annual Assurance Statement;
- Ensuring compliance with our values and key objectives;
- Establishing strategic plans to achieve objectives;
- Appraising the annual financial statements;

- Establishing a framework of delegation and system of internal control; and
- Achieving the highest standards of governance.

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

Audit & Risk

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

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

Joint Consultative Committee

To establish workable and effective arrangements for good industrial relations, for the avoidance of any misunderstanding and for the promotion of joint participation in all matters of common interest and concern on a genuine consultative and negotiating basis at Organisation level.

Tenant Participation

The COVID-19 restrictions inevitably seriously hampered the opportunities for tenant participation and in particular prevented any face to face meetings and community based work. Our partnership with TPAS continued but with a change of personnel during the year. We have sought to engage with tenants online where possible and TPAS are working to strengthen a tenants panel which will act as a consultative forum and sounding board. We seek to strengthen opportunities for tenants to engage with HHP and to actively participate in a way that suits them. We have also supported the tenants Forum but again their activities have been constrained, although they have worked to maintain networks on line.

Our community grant fund was available through the year and one application was received and approved during the year.

Our Housing teams have supported community groups where possible and a number of initiatives are being progressed.

Health & Safety

The Board places the highest priority on the Health and Safety of tenants, staff and contractors. There was obviously a very strong focus on COVID-19 precautions throughout the year to ensure the safety of our tenants, staff and contractors. Our offices remained closed in accordance with Government guidance with staff only attending for essential reasons on a controlled basis. A Health and Safety group chaired by the Director of Operations meets regularly with a remit to ensure the Health and Safety requirements are being met. Our Health & Safety policies and procedures are regularly reviewed and a third party audit was performed during the year.

Political & Charitable Donations

- a) There were no political donations made by HHP during the financial year.
- b) A total of £5,000 was donated during the year to the following local charities:
- | | |
|--------|---|
| £1,000 | Western Isles Association for Mental Health |
| £1,000 | Western Isles Hospital League of Friends |
| £1,000 | Western Isles Cancer Care Initiative |
| £1,000 | Hebridean Mountain Rescue Team |
| £1,000 | Volunteer Centre Western Isles |

Auditors

A resolution to appoint CIB Audit as auditors for the next financial year will be proposed at the Annual General Meeting in August 2021.

Employee Policies

The 30 year Business Plan recognises that the well-being of staff is critical to successful service delivery. A core objective is to be a good, flexible employer that attracts and retains high quality staff. We will ensure that there is sufficient and well trained staff to deliver high quality services.

Recruitment

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

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

Training

We are committed to the training and development of all our employees and Board Members. Regular training needs assessments are carried out for Board Members which feed into Training Plans and a training programme for staff has been compiled from training needs highlighted during the staff appraisal process. We have delivered a comprehensive training plan for staff and Board Members over the last year utilising remote training through webinars and online training platforms.

INTERNAL FINANCIAL CONTROL

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

Framework of Internal Control

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

Management Structure

The organisation for which the Board has overall responsibility is governed by a set of Standing Orders, which reserves specific powers to the Board and delegates functions and powers to its Officers, Committees and Working Groups.

Audit & Risk Committee

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

System of Internal Control

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

- Regular meetings of the Board, which has a schedule of matters specifically reserved for its approval and which are the subject of regular standard reports as required;
- Appointment of Internal Auditors who work to the standards of the Institute of Internal Auditors and produce an annual internal audit plan and regular internal audit reports;
- The review of reports prepared by Internal Auditors by the Audit and Risk Committee on a regular basis;
- A corporate financial plan with a detailed annual budget, regularly revised forecasts, a comparison of actual with budget and key performance indicators all of which are reviewed by the Board.

Identification of Business Risk

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

The three most significant risks identified during 2020/21 were the implications of the COVID-19 pandemic, climate change and the changing demographics and reducing population. Other significant risk factors include the impact of BREXIT and Universal Credit and the potential impact from a severe weather event.

Increased costs are also being experienced by local contractors on supplies which will inevitably lead to increased costs in maintenance and new build. These are continually reviewed to ensure value for money to our tenants.

Corporate Risk

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

Management Information Systems

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

Internal Audit

On 1 October 2019 the Board appointed Wylie & Bisset as their Internal Auditors. The Internal Auditors report directly to the Audit and Risk Committee.

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

Investment Appraisal

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

Investment

On 1 June 2010 HHP Community Housing Limited was formed as a non-charitable subsidiary of the Partnership. During 2020/21 there was no activity. The Board during its business planning sessions have asked officers to explore potential new areas of business activity.

BOARD STATEMENT ON INTERNAL FINANCIAL CONTROL

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

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

STATEMENT OF BOARD RESPONSIBILITIES

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

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

The Board has reviewed the effectiveness of the system of internal financial control in existence in the Partnership for the year end 31 March 2021. No weaknesses were found in internal financial controls which results in material losses, contingencies or uncertainties which require disclosure in the financial statements or in the auditor's report on the financial statements.

The Board of Management is responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Partnership and to enable them to ensure the Financial Statements comply with the Co-operative & Community Benefits Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2019. It is also responsible for safeguarding the assets of the Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. It is also responsible for ensuring the Partnership's suppliers are paid promptly.

STATEMENT OF DISCLOSURE TO AUDITORS

In so far as the Board of Management are aware:

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

On behalf of the Board

Iain Macmillan
Chair



OPERATING AND FINANCIAL REVIEW

PERFORMANCE AND FINANCIAL REVIEW

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

Housing Services

Our Housing Services team worked throughout the year to reach out to tenants to check on their welfare and support needs as lockdown and ongoing restrictions posed huge challenges for many. Emotional and practical support was provided with food parcels being delivered, fuel vouchers being provided, laptops and tablets sourced and for many just a friendly sympathetic ear.

There was a significant rise in Universal Credit claims throughout the year as a result of COVID-19 related job losses and the furlough scheme. Officers have worked to support tenants with claims and to support them in achieving sustainable payment arrangements. This has presented significant challenges as numbers increased and claimants have struggled to adapt to the new system. We have continued to work closely with our tenants and partners to help with the transition. Our 'trusted partner' status with DWP has assisted in this and the very good relationship with the local DWP team has been very useful to enable us to provide some additional help to tenants.

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

Restrictions in letting and in the letting process meant that void rent loss increased significantly as did the average number of days taken to let properties. As restrictions eased officers have worked to deal with backlogs and to assist the Comhairle in complying with guidance from the government to address the needs of homeless applicants and those suffering domestic abuse. Low demand continues to impact on performance in many of our most rural areas.

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

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

The level of anti-social behavior remained low during the year but there were a number of cases which were exacerbated by the restrictions which people were living under and which were time consuming for officers. Our partnership working with Police Scotland and the Comhairle is strong.

Partnership working is very important to us and never more so than during 2020/21. We worked with Partners to deliver an emergency response and ongoing support throughout the pandemic including through the Care for People Group and Food Distribution Group. This was coupled with our contribution to the Community Planning Partnership and other multi-agency partnerships including Domestic Abuse Forum and Poverty Action Group to deliver good outcomes for our tenants and communities.

Tenant Participation

Tenant Participation activity was significantly reduced during the year. However we continued to aspire to provide opportunities for tenants to take part in ways that suit them. We have sought to develop links with interested tenants across the islands and to encourage and support existing tenant groups and encouraging new ones. The Western Isles Housing Association Communities Forum is trying to establish itself as a focus for participation across the islands and is supported by our partnership with TPAS. Providing a choice in participation is important in a large and sparsely populated area such as the Outer Hebrides where there is a high number of small schemes consisting of less than 20 houses which makes participation challenging. We were not able to hold any of our normal tenant events during the year.

We have supported tenant participation through other informal tenant and resident groups as in Tarbert, Howmore, Daliburgh and Lochboisdale. Staff promote and encourage such engagement and actively work with groups to improve neighbourhoods and build relationships. We will seek to build on these opportunities as communities and individuals regain ability and confidence to engage in group activities.

OPERATIONAL REVIEW

Planned & Cyclical Maintenance

We were able to deliver our 5 year Planned Maintenance Programme during the year. This programme seeks to protect homes and their wider environment. The benefits of this can be seen as we reach the mid-point of a third cycle of this approach. The large amount of fencing within housing areas does continue to pose a challenge in terms of maintenance. Work to these has been limited as priority is given to the fabric of the houses themselves. However, our Investment Programme of environmental works is addressing this and improving the appearance of our housing areas.

Cyclical maintenance programmes were completed during the year ensuring that gas, air source and oil heating systems were serviced within a 12-month period, or as close to that period as restrictions and individual tenants circumstances allowed. Servicing of fire alarms, stair lighting, door entry systems and stair-lifts was also carried out. Additional landlord safety inspections were undertaken for electrical works, anti-scald valves and legionella.

Investment Programme

This was the second year of our new 4 year framework contract and £2.545M was invested in tenant's homes delivering the following improvements during 2020/21:

	Units		Units
Heating Systems	105	Kitchens	1
Bathrooms	28	Windows	4
Doors	1	Fire Doors	5
Fencing/ Environmental	34	Smoke Detectors	1271

Addressing the challenge of fuel poverty is a key priority and this is demonstrated by our investment in new heating systems and our commitment to replacing Total Heating Total Control systems. We installed further 72 Air Source Heat Pumps in off-gas areas which delivers a more controllable and affordable solution for our tenants. We also replaced 28 gas heating systems with new high efficiency boilers.

Aids & Adaptations

We were awarded £313K of funding from the Scottish Government which delivered 299 different measures benefiting 109 tenants with health and mobility problems. We worked closely with the Occupational Therapy Service in assessing need and determining priorities and waiting time was kept to a minimum for those requiring assistance despite the COVID-19 restrictions.

Fuel Poverty & EESSH

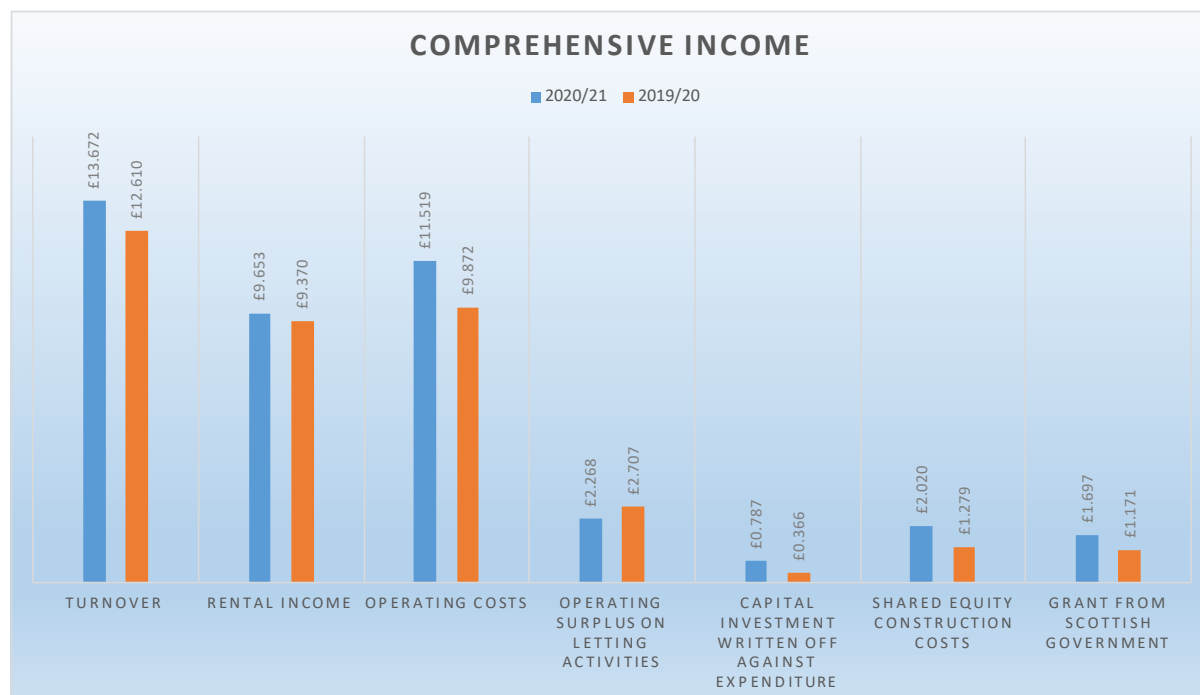
Levels of fuel poverty in the Outer Hebrides are amongst the highest in the UK. As noted previously we invest heavily in tenants homes to meet the requirements of EESSH and improve energy efficiency. In particular we have replaced almost all our solid fuel heating systems with Air Source Heating and are making good progress on replacing storage systems which are on restricted tariffs such as THTC.

We jointly work with TIG and CAB to provide impartial advice and assistance to tenants on switching energy suppliers.

Work also continues with other Highland RSL's and Councils on lobbying MSPs, the Government, OFGEM and SSE on prices within the Highlands & Islands, which are the highest in the UK. This has included making representations on the Scottish Government's Fuel Poverty approach.

FINANCIAL REVIEW

Comprehensive Income



There were 12 Shared Equity properties sold during the year (2020: 8).

Funds are being transferred into designated reserves for:

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

Financial Position

HHP's Financial Position is shown on Page 32. The key factors affecting the balance sheet are:

- a) The value of housing properties under construction has increased as a result of the increase in the Partnership's development plan;
- b) The addition of 26 new units for rent funded largely from Affordable Housing Supply Programme (AHSP) Grant from the Scottish Government;
- c) An Increase in Trade and Other Debtors due to an increase in accrued grant income on our development programme;
- d) An increase in Deferred Capital Grants reflecting the continued investment in new homes.

Cash Flow

The Cash Flow is shown on page 33. The net change in cash equivalents was £0.221 million (2020: £1.546m). The principal cash outflows were operating, development

costs and investment in assets with cash inflow boosted by proceeds from sales and grants received.

Current Liquidity

At 31 March 2021 HHP had cash and short-term deposits of £4.977 million (2020: £4.757m). It is anticipated that there will be a requirement to draw down funds from our borrowing facility during 2021/22.

Capital Structure & Treasury Management Policy

HHP's activities are funded on the basis of a Business Plan, which is updated annually. The main elements of HHP's long term funding are a loan facility arranged with the Royal Bank of Scotland (RBS) and grant provided by The Scottish Government. The RBS loan facility which has been re-structured in June 2021, allows us to borrow up to £25 million. In broad terms, the current Business Plan assumes that borrowing will increase each year until the maximum of £25 million is reached in 2025 reflecting the significant investment in improving our current stock and building new homes in the first ten years of the plan. Debt is progressively paid off in subsequent years and is projected to be fully paid off by 2046.

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

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

PLANS FOR THE FUTURE

HHP plans to invest £14.408 million over the next 4 years ensuring the Scottish Housing Quality Standard is maintained in all its properties. £23.971 million of private finance has been earmarked for the new build projects due for completion in the next 4 years. 2020/21 was a record year for HHP in terms of investment in new build homes with over £11M drawn from the Affordable Housing Supply Programme.

INDEPENDENT AUDITORS REPORT

Opinion

We have audited the financial statements of Hebridean Housing Partnership (the 'Partnership') for the year ended 31 March 2021 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Reserves, the Cashflow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Partnership's affairs as at 31 March 2021 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Co-operative and Communities Benefit Societies Act 2014, the Housing (Scotland) Act 2010, the Determination of Accounting Requirements 2019.

Basis for Opinion

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

Conclusions Relating to Going Concern

In auditing the financial statements, we have concluded that the committee of management's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the society's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the committee of management with respect to going concern are described in the relevant sections of this report.

Other Information

The Board of Management are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to Report by Exception

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

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

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

We have nothing to report in respect of these matters.

Responsibilities of the Board of Management

As explained more fully in the Boards' Responsibilities Statement set out on page 16, the Board of Management are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board of Management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud.

As part of the audit engagement, we:

- gain an understanding of the legal and regulatory framework applicable to the Partnership and assess compliance with that framework;
- enquire of management and those charged with governance around actual and potential litigation and claims;
- review the financial statements disclosures and test to supporting documentation to assess compliance with applicable laws and regulations;
- consider the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud, through discussion with management and those charged with governance;
- perform audit work to ensure the transactions included within the financial statements are properly recorded and authorised;
- consider whether the assumptions and judgements applied by management within significant accounting estimates are reasonable.

There are inherent limitations in the audit procedures described above that result in an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with International Standards on Auditing (UK). The further removed non-compliance with laws and regulations is from the events and financial transactions in the financial statements, the less likely the auditor is to become aware of it or

recognise non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment through forgery, collusion, omission or misrepresentation.

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

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

This description forms part of our auditor's report.

Use of our report

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

CIB Audit
Chartered Accountants
Statutory Auditor
Stornoway

Date: 23 June 2021

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

Corporate Governance

In addition to our audit of the Financial Statements, we have reviewed your statement on page 14 concerning the Partnership's compliance with the information required by the Regulatory Standards (for systemically important RSLs) in respect of internal financial controls contained within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes which are issued by the Scottish Housing Regulator.

Basis of Opinion

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

Opinion

In our opinion the Statement on Internal Financial Control on page 14 has provided the disclosures required by the relevant Regulatory Standards (for systemically important RSLs) within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes issued by the Scottish Housing Regulator in respect of internal financial controls and is consistent with the information which came to our attention as the result of our audit work on the Financial Statements.

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

CIB Audit
Chartered Accountants
Statutory Auditors
Stornoway

Date: 23 June 2021



FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME AS AT YEAR 31 MARCH 2021

		31 March 2021	31 March 2020
		£	£
	Notes		
Turnover	3	13,762,124	12,610,198
Operating expenditure	3	(11,519,491)	(9,872,590)
Other Income			
Operating surplus	3	2,242,633	2,737,609
Loss on disposal of property, plant & equipment		(206,411)	(416,801)
Interest receivable	6	5,438	23,511
Interest payable and financing costs	7	(333,753)	(344,865)
Decrease in valuation of housing properties		(75,821)	-
Surplus before tax		1,632,086	1,999,453
Actuarial (loss)/gain in respect of pension scheme	22	(1,275,000)	1,216,000
Total comprehensive income for the year		357,086	3,215,453

The results for the year relate wholly to continuing activities.

These financial statements were approved by the Board on 23 June 2021 and were signed on its behalf by:

Iain Macmillan

Chair

Dena Macleod

Secretary

Calum Mackay

Board Member

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

STATEMENT OF CHANGES IN RESERVES AS AT YEAR 31 MARCH 2021

	Share Capital £	Unrestricted Fund £	Total Reserves £
Current Year			
Balance at 1 April 2020	208	35,832,228	35,832,436
Movement in Share Capital	2		2
Surplus from statement of comprehensive income		357,086	357,086
Balance at 31 March 2021	210	36,189,315	36,189,525
Prior Year			
Balance at 1 April 2019	206	32,356,579	32,356,785
Movement in Share Capital	2		2
Surplus from statement of comprehensive income		3,122,232	3,122,232
Prior Year adjustment		353,416	353,416
Balance at 31 March 2020	208	35,832,228	35,832,436

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

STATEMENT OF FINANCIAL POSITION AS AT YEAR 31 MARCH 2021

		31 March 2021	31 March 2020
		£	£
	Notes		
Fixed Assets			
Tangible Assets-Social Housing	8	104,289,489	94,160,115
Tangible Assets-Property, plant & equipment	9	1,893,124	1,844,031
Investments	10	2	2
		<u>106,182,615</u>	<u>96,004,148</u>
Current Assets			
Stock		516,555	1,127,058
Trade and other debtors	11	2,535,926	1,364,580
Investments		3,122,269	3,109,329
Cash and cash equivalents		1,855,004	1,647,257
		<u>8,029,754</u>	<u>7,248,223</u>
Less: Creditors amounts falling due within one year	12	<u>(2,277,357)</u>	<u>(2,373,355)</u>
Net current assets		<u>5,752,397</u>	<u>4,874,869</u>
Total assets less current liabilities		111,935,013	100,879,017
Creditors: amounts falling due after more than one year	13	(10,491,996)	(10,491,996)
Deferred Capital Grants	14	(62,316,492)	(53,201,585)
Pension Liability	15	<u>(2,937,000)</u>	<u>(1,353,000)</u>
Net Assets		<u>36,189,525</u>	<u>35,832,436</u>
Reserves			
Share Capital	16	210	208
Income & Expenditure reserve		<u>36,189,315</u>	<u>35,832,228</u>
		<u>36,189,525</u>	<u>35,832,436</u>

These financial statements were approved by the Board on 23 June 2021 and were signed on its behalf by:

Iain Macmillan

Chair

Dena Macleod

Secretary

Calum Mackay

Board Member

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

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

		31 March 2021	31 March 2020
		£	£
Net Cash inflow from operating activities	Note 1	3,246,804	3,243,689
Cashflow from investing activities			
Purchase of tangible assets		(13,370,179)	(13,119,283)
Proceeds from sale of tangible fixed assets		1,217,530	970,280
Grants received		9,372,077	7,576,858
Interest received		5,438	23,511
Cashflow from financing activities			
Interest paid		(250,982)	(240,798)
Net change in cash equivalents		<u>220,687</u>	<u>(1,545,744)</u>
Cash and cash equivalents at the beginning of the year		4,756,586	6,302,330
Cash and cash equivalents at the end of the year		<u>4,977,273</u>	<u>4,756,586</u>
		<u>220,687</u>	<u>(1,545,744)</u>

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

NOTES TO THE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

Cashflow from Operating Activities

	2021 £	2020 £
Surplus for the year	2,242,633	2,737,609
<i>Adjustments for non-cash items:</i>		
Depreciation of tangible fixed assets	3,352,206	3,119,041
Decrease/(Increase) in stock	626,292	(454,408)
(Increase)/Decrease in trade and other debtors	(1,034,377)	834,007
(Decrease)/Increase in trade and other creditors	(370,998)	(1,135,311)
Pension costs less contributions payable	275,000	460,000
Carrying amount of tangible fixed asset disposed	(337,380)	(678,351)
<i>Adjustments for investing or financing activities:</i>		
Proceeds from the sale of tangible fixed assets	(206,411)	(416,801)
Government grants utilised in the year	(1,382,934)	(1,326,165)
Interest payable	82,771	104,068
Interest receivable		
	<u>3,246,804</u>	<u>3,243,689</u>

NOTE 1 - ACCOUNTING POLICIES

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

Base of Accounting

The Financial Statements of the Partnership are prepared in accordance with FRS 102 as issued by the Financial Reporting Council and comply with the requirements of the Co-operative and Community Benefit Societies Act 2014, Part 6 of the Housing (Scotland) Act 2010, the Determination of Accounting Requirements 2019 issued by the Scottish Housing Regulator and the Statement of Recommended Practice (SORP) for social housing providers issued in 2018.

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

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

Preparation of Consolidated Financial Statements

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

Turnover

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

Grant Income

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

Deposit and Liquid Resources

Cash, for the purpose of the cash flow statement comprises cash in hand and deposits repayable on demand, less overdrafts repayable on demand. Liquid resources are current asset investments that are disposable without curtailing or disrupting the

business and are readily convertible into known amounts of cash at, or close to, their carrying value.

Pension Costs

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

Housing Properties

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

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

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

Improvements to Housing Properties

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

Impairment

Reviews for any impairment of housing properties are carried out on an annual basis where the estimated remaining economic life of those properties exceeds 50 years. Impairment is recognised where the carrying value of an income generating unit exceeds the higher of its net realisable value or its value in use. Value in use represents the net present value of expected future cash flows expected from the continued use of these assets. Any impairment of assets would be recognised in the Statement of Comprehensive Income.

Shared Ownership

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

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

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

Commercial Properties

Commercial Properties are valued at existing use value.

Provisions

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

Taxation

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

Depreciation

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

Housing Properties & Offices

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

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

Other Fixed Assets

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

	Years
Furniture, Fittings and Office Equipment	5
Computer Hardware and Software	4
Motor Vehicles	25% reducing balance

Sale of Housing Accommodation

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

Capitalisation of Development Overheads

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

Value Added Tax

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

Bad & Doubtful Debts

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

Leased Assets

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

Designated Reserves

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

Financial Instruments

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

Change in accounting policy

The estimated useful life of heating distribution systems has been increased from 20 to 30 years. The depreciation policies detailed above have been amended to reflect this change in estimated useful life.

This change reflects the current guidance from the manufacturer with regard to the estimated useful life of the equipment.

As the impact of these adjustments on prior years would be material, the financial statements have been restated.

The effect of the change in accounting policy is as follows:

	Reduction in depreciation	Reduction in grant amortisation	Net effect on Statement of Comprehensive Income
	£	£	£
Year ended 31 March 2021	120,869	13,933	106,935
Year ended 31 March 2020	123,217	29,996	93,221
Aggregate for previous periods	488,255	228,061	260,194

NOTE 2 – CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

Going Concern

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

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

- Increased rent arrears when COVID-19 support schemes cease to operate;
- Delays to programmed works due to supply and labour shortages;
- Increased costs in delivering our development and investment programmes;
- Increased pension costs due to deteriorating stock market values;
- Increased insurance premiums being charged on housing stock.

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

NOTE 3 – TURNOVER, OPERATING COSTS AND OPERATING SURPLUS

	2021			2020		
	Operating Turnover £	Operating Costs £	Operating Surplus £	Operating Turnover £	Operating Costs £	Operating Surplus £
Income and Expenditure from Lettings						
Social Lettings (Note 4)	11,701,431	(9,433,205)	2,268,226	11,235,882	(8,528,823)	2,707,059
Other Activities (Note 5)	2,060,693	(2,086,286)	(25,593)	1,374,317	(1,343,767)	30,550
TOTAL	13,762,124	(11,519,491)	2,242,633	12,610,198	(9,872,590)	2,737,609

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

	General Needs Housing £	Supported Accommodation £	Shared Ownership £	Total £	2020 £
Income from rent and service charges					
Rent receivable net of service charges	9,521,449	72,856	3,842	9,598,146	9,316,088
Service charges	51,630	-	2,896	54,526	53,656
Gross Income from rents and service charges	9,573,078	72,856	6,738	9,652,672	9,369,744
Less voids	(97,247)	-	-	(97,247)	(60,266)
Net Income from rents and service charges	9,475,831	72,856	6,738	9,555,426	9,309,478
Release of deferred capital grant	1,382,934	-	-	1,382,934	1,326,165
Other Revenue Grants	763,072	-	-	763,072	600,239
Total Turnover from social letting activities	11,621,837	72,856	6,738	11,701,431	11,235,882
Expenditure					
Management and Maintenance Administration costs	2,564,799	23,075	3,461	2,591,335	2,450,474
Planned and Cyclical Maintenance including major repairs	1,824,586	8,504	-	1,833,089	1,275,370
Reactive Maintenance	1,625,206	9,830	-	1,635,035	1,537,705
Bad Debts-rents and service charges	21,539	-	-	21,539	146,233
Depreciation of social housing	3,329,805	22,402	-	3,352,206	3,119,041
Operating costs for social letting activities	9,365,934	63,810	3,461	9,433,205	8,528,823
Operating surplus on letting activities for 31 March 2021	2,255,903	9,046	3,277	2,268,226	2,707,059
Operating surplus on letting activities for 31 March 2020	2,606,489	6,223	1,126	2,613,838	

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

	Grants from Scottish Ministers	Other Revenue Grants	Other Income	Total Turnover		Other Operating Costs		Operating Surplus/ Deficit	
	£	£	£	2021 £	2020 £	2021 £	2020 £	2021 £	2020 £
Factoring	-	-	4,156	4,156	4,180	3,398	3,282	758	898
Development & construction of Property Activities	-	-	29,999	29,999	84,754	55,699	54,469	(25,700)	30,285
Sale of Developments	933,939	-	1,086,560	2,020,499	1,279,226	2,020,499	1,279,226	-	-
Management Services	-	-	6,038	6,038	6,157	6,690	6,790	(652)	(633)
Total from other activities 2021	933,939	-	1,126,754	2,060,693		2,086,286		(25,593)	
Total for other activities 2020	570,496	-	803,821		1,374,317		1,343,767		30,550

NOTE 6 - INTEREST RECEIVABLE AND OTHER INCOME

Interest Receivable and Other Income		
	2021	2020
	£	£
Interest receivable on deposits	5,186	22,503
Interest receivable on loan to subsidiary	252	1,008
	<u>5,438</u>	<u>23,511</u>

NOTE 7 – INTEREST PAYABLE AND SIMILAR CHARGES

Interest Payable and Similar Charges		
	2021	2020
	£	£
Interest Payable	215,848	222,944
Other Financing costs	83,905	67,921
Net Cost on pension	34,000	54,000
	<u>333,753</u>	<u>344,865</u>

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

NOTE 8 – TANGIBLE FIXED ASSETS SOCIAL HOUSING

Tangible Fixed Assets				
SOCIAL HOUSING	Housing Properties held for letting £	Housing Properties under construction £	Shared Ownership held for letting £	Total £
Current Year Cost				
At start of the year	106,991,877	11,095,781	127,643	118,215,301
Additions during the year	1,337,974	12,438,443	-	13,776,417
Transfers in year	5,653,648	(5,653,648)	-	-
Impairment	(109,379)			(109,379)
Disposals	(506,807)	(128,908)	-	(635,714)
At end of year	113,367,312	17,751,669	127,643	131,246,625
Depreciation				
At start of year	(24,587,945)	-	(78,713)	(24,666,658)
Provided in year	(2,629,355)	-	(2,127)	(2,631,483)
Impairment	33,558			33,558
Eliminated on Disposal	307,448	-	-	307,448
At end of year	(26,876,295)	-	(80,840)	(26,957,135)
Net Book Value				
At end of year	86,491,017	17,751,669	46,803	104,289,489
Prior Year				
At start of the year	100,596,509	5,363,147	127,643	106,087,299
Additions during the year	4,412,326	9,127,415	-	13,539,741
Transfers in year	3,377,132	(3,377,132)	-	-
Disposals	(1,394,090)	(17,649)	-	(1,411,738)
At end of year	106,991,877	11,095,781	127,643	118,215,301
Depreciation				
At start of year	(22,185,939)	-	(76,586)	(22,262,525)
Transfers in year	611,473	-	-	611,473
Provided in year	(3,135,394)	-	(2,127)	(3,137,521)
Eliminated on Disposal	733,388	-	-	733,388
At end of year	(23,976,473)	-	(78,713)	(24,055,186)
Net Book Value				
At end of year	83,015,404	11,095,781	48,930	94,160,115

Development administration costs capitalised amounted to £137,823 (2020: £218,943) for which Social Housing Grants amounting to £nil (2020: £nil) were received in the year.

The loss on sale of property disposals in the year were £nil (2020: loss of £6,121).

The cost of new components capitalised in the year was £6,991,621 (2020: £7,789,458). Components with a cost of £506,807 (2020: £1,394,090), HAG of £80,309 (2020: £227,715) and accumulated depreciation of £307,448 (2020: £733,388) were disposed of in the year.

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

TANGIBLE FIXED ASSETS							
Property, Plant & Equipment	Heritable Property £	Commerical Property £	Office Equipment £	Computer Equipment £	Motor Vans £	Other Equipment £	Total £
Current Year Cost							
At start of the year	879,915	939,280	92,486	516,952	38,950	95,112	2,562,696
Additions during the year	-	17,279	-	23,613	-	-	40,892
Transfers in year	126,564	-	-	-	-	-	126,564
Disposals	-	(25,851)	-	(2,062)	-	-	(27,913)
At end of year	1,006,479	930,708	92,486	538,504	38,950	95,112	2,702,239
Depreciation							
At start of year	-	(211,548)	(90,183)	(318,575)	(3,246)	(95,113)	(718,665)
Transfers in year	-	-	(645)	645	-	-	-
Provided in year	-	(22,173)	(1,444)	(76,706)	(8,926)	-	(109,249)
Eliminated on Disposal	-	18,800	-	-	-	-	18,800
At end of year	-	(214,922)	(92,272)	(394,636)	(12,172)	(95,113)	(809,115)
Net Book Value							
At end of year	1,006,479	715,786	214	143,867	26,778	(0)	1,893,124
Prior Year							
At start of the year	1,313,012	939,280	91,840	459,955	-	95,112	2,899,199
Additions during the year	27,905	-	-	57,644	38,950	-	124,499
Disposals	-	-	-	-	-	-	-
At end of year	879,915	939,280	92,486	516,952	38,950	95,112	2,562,696
Depreciation							
At start of year	-	(189,049)	(87,793)	(243,563)	-	(93,523)	(613,928)
Provided in year	-	(22,499)	(2,390)	(75,013)	(3,246)	(1,590)	(104,737)
Eliminated on Disposal	-	-	-	-	-	-	-
At end of year	-	(211,548)	(90,183)	(318,575)	(3,246)	(95,113)	(718,665)
Net Book Value							
At end of year	879,915	727,732	2,303	198,377	35,704	(0)	1,844,031

NOTE 10 – INVESTMENTS

Investments			
		2021	2020
		£	£
Investment in subsidiary undertaking		1	1
Investment in Hebrides Energy CIC		1	1
		<u>2</u>	<u>2</u>
	<u>Activity</u>	<u>Registered</u>	<u>Shareholding</u>
HHP Community Housing Ltd	Dormant	Scotland	100%
Hebrides Energy	Offer competitive electricity tariffs	Scotland	11.1%

NOTE 11 – TRADE & OTHER RECEIVABLES

Trade and other receivables			
		2021	2020
		£	£
Rental Arrears		187,611	252,477
Less: provision for bad debts		(151,241)	(191,195)
		<u>36,370</u>	<u>61,283</u>
Amounts owed by subsidiary undertaking (due within 1 year)		17,812	17,560
Amounts owed by related parties		-	-
Other debtors		1,932,391	722,141
Prepayments and accrued income		418,965	418,624
Amounts owed by subsidiary undertaking (due in more than 1 year)		-	-
Other debtors (due in more than 1 year)		130,388	144,972
Total		<u>2,535,926</u>	<u>1,364,580</u>

NOTE 12 – CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

Creditors-Amounts falling due within one year			
		2021	2020
		£	£
Trade payables		688,781	629,755
Contract retentions		225,470	267,151
Accruals and deferred income		1,051,936	899,124
Rent in advance		85,679	55,905
HAG creditor		224,538	136,642
RTB Receipts Repayable on demand		954	384,778
Total		<u>2,277,357</u>	<u>2,373,355</u>

Outstanding retentions will be financed initially from cash balances.

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

Creditors-Amounts falling due after more than one year		
	2021	2020
	£	£
Bank term loans	4,908,996	4,908,996
RTB Receipts due to the Scottish Government	5,583,000	5,583,000
Total	10,491,996	10,491,996
Bank Term loans are secured by specific charges on the Partnership's properties and are repayable at varying rates of interest.		
The above creditors are due are follows:		
	£	£
Between one and two years	-	-
Between two and five years	-	-
In five years or more	10,491,996	10,491,996
	10,491,996	10,491,996

At the year end the Partnership's outstanding loan balance was £4.908 million. A committed facility of £15 million was available from the Royal Bank of Scotland along with an uncommitted overdraft facility of £0.250 million. Loan arrangement fees incurred in setting up this facility are included in debtors and are being amortised over the period of the loan drawdown. The Partnership have refinanced their borrowing facility with RBS in June 2021 to increase the committed facility to £25M in line with our Business Plan. Security over the housing properties has been granted to the Royal Bank for the period of the lending facility.

NOTE 14 – DEFERRED CAPITAL GRANTS

Deferred Capital Grants					
	Housing Properties held for letting £	Housing Properties under construction £	Shared Ownership held for letting £	Property Plant & Equipment £	Total £
Current Year Cost					
At start of the year	(42,838,890)	(9,543,041)	(47,378)	(772,276)	(53,201,585)
Additions during the year	(80,309)	(10,597,914)	-	-	(10,678,222)
Disposals during the year	80,309	84,283	-	-	164,592
Transfers in year	(3,408,973)	3,424,763	-	-	15,790
Amortised in year	1,380,495	-	2,060	379	1,382,934
At end of year	(44,867,368)	(16,631,908)	(45,318)	(771,897)	(62,316,492)
Prior Year					
At start of the year	(41,669,784)	(4,338,390)	(49,438)	(1,273,555)	(47,331,167)
Additions during the year	(114,320)	(7,163,712)	-	-	(7,278,032)
Disposals during the year	227,715	-	-	-	227,715
Transfers in year	(2,635,825)	1,959,062	-	500,502	(176,262)
Amortised in year	1,353,324	-	2,060	777	1,356,161
At end of year	(42,838,890)	(9,543,041)	(47,378)	(772,276)	(53,201,585)

NOTE 15 – PROVISIONS FOR LIABILITIES & CHARGES

Pension Fund		
	2021 £	2020 £
At 1 April 2020	1,353,000	2,055,000
Created in Year	1,584,000	(702,000)
At 31 March 2021	2,937,000	1,353,000

NOTE 16 – SHARE CAPITAL

Share Capital		
	2021 £	2020 £
Shares of £1 each issued and fully paid		
At 1 April 2020	208	206
issued during period	2	2
At 31 March 2021	210	208

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

Norman Macleod

Calum Mackay

Iain Macmillan

Alasdair Mackenzie

David Blaney

Alex Gardner

Fiona Macleod

Roddy Nicolson

Gordon Macleod

NOTE 17 – KEY MANAGEMENT EMOLUMENTS

OFFICER'S EMOLUMENTS		
	2021 £	2020 £
Senior Officers are defined as the Chief Executive, the Director of Finance & Corporate Services and Director of Operations		
Aggregate emoluments payable to Directors exceeding £60,000 (excluding pension contributions and benefits in kind)	220,899	212,027
Emoluments payable to the highest paid officer (excluding pension contributions)	89,281	87,078
During the period the Directors' emoluments (excluding pension contributions) fell within the following band distributions:		
More than £60,000 but not more than £70,000	2	2
More than £70,000 but not more than £80,000	-	-
More than £80,000 but not more than £100,000	1	1
Pension contributions	39,636	37,913
The directors are members of the Highland Superannuation Fund and employer's contributions are paid on the same basis as other members of staff.		
Total Expenses reimbursed in so far as not chargeable to UK Income Tax		

NOTE 18 – EMPLOYEE INFORMATION

The average number of persons employed during the year was: 51

At 31 March 2021 the number of employees of the Partnership, including Directors, was 44 (FTE), (2020 – 45 FTE).

EMPLOYEE INFORMATION		
	2021	2020
	£	£
Staff costs (for the above persons)		
Wages and Salaries	1,567,899	1,463,109
Social Security costs	155,889	139,443
Employers' pension costs	284,259	271,905
FRS102 Pension Adjustment (Note 22)	275,000	460,000
	2,283,047	2,334,457
Staff costs capitalised	(331,352)	(580,573)
	1,951,695	1,753,884

NOTE 19 – OPERATING SURPLUS

OPERATING SURPLUS		
	2021	2020
	£	£
Operating surplus is stated after charging:		
Depreciation	3,352,206	3,242,259
Amortised capital grants	(1,382,934)	(1,356,161)
Repairs:cyclical, major, day to day	3,468,125	2,813,075
Auditor's remuneration		
-in their capacity as auditors	11,340	11,340
-in respect of other services	-	-

NOTE 20 – TAXATION

The Partnership is a registered charity and is therefore exempt from Corporation Tax on its charitable activities. No corporation tax was due on the non-charitable activities in the year (2020: nil).

NOTE 21 – CAPITAL COMMITMENTS

CAPITAL COMMITMENTS		
	2021	2020
	£	£
Capital expenditure which has been contracted for but has not been provided for in the financial statements	21,663,104	27,167,633
Capital expenditure which has been authorised by the Board but is not contracted	44,585,966	22,846,067
	<u>66,249,070</u>	<u>50,013,700</u>
This is to be funded by:		
Funding from the Scottish Government	8,377,200	16,317,500
Private Finance	57,871,870	33,696,200
	<u>66,249,070</u>	<u>50,013,700</u>

NOTE 22 – PENSIONS

The Partnership participates in the Highland Superannuation Fund (HSF) which, as part of the Local Government Pension Scheme is a defined benefit statutory scheme based. From 1 April 2011 the scheme has operated the career average revalued earnings with 1/120th accrual benefit rate. Contributions are charged to the Income and Expenditure Account so as to spread the cost of pension over employees' working lives. These contributions are determined by formal actuarial valuation which takes place every three years, the last valuation was to 31 March 2020. The main purpose of the valuation is to determine the financial position of the Scheme in order to determine the level of future contributions required so that the Scheme can meet its pension obligations as they fall due.

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

During the accounting period, the Partnership paid contributions at a rate of 18% of pensionable salaries.

As at the balance sheet date there were 52 active members of the Scheme employed by the Partnership. All new employees join the scheme and have the option to withdrawn after a short period if they so choose.

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

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

The Scheme Actuary has prepared an Actuarial Report that provides an approximate update on the funding position of the scheme as at 31 March 2021. The funding update revealed an increase in the assets of the Scheme to £12.386 million and indicated an increase in the shortfall of assets compared to liabilities to approximately £2.937 million.

Since the contribution rates payable to the Scheme have been determined by reference to the last full actuarial valuation the following notes relate to the formal actuarial valuation as at 31 March 2020.

Employer Membership Statistics			
	Number	Total Salaries/Pensions £000's	Average Age
	31-Mar-20	31-Mar-20	31-Mar-20
Actives	52	1482	52
Deferred Pensioners	28	63	51
Pensioners	18	172	66

Investment Returns

The return on the Fund in market value terms for the period to 31 March 2021 is estimated below based on actual Fund returns as provided by the Administering Authority and index returns where necessary. Details are below:

Actual returns from 1 April 2020 to 31 December 2020	24.40%
Total returns from 1 April 2020 to 31 March 2021	26.10%

Major Categories of Plan Assets as a % of Total Plan Assets

The bid value of the Fund's assets are estimated to be £2,380,708,043 based on information provided by the Administering Authority.

Period Ended	31-Mar-21	31-Mar-20
Equities	70%	66%
Bonds	12%	16%
Property	10%	12%
Cash	8%	6%

Financial Assumptions

Period Ended	31-Mar-21	31-Mar-20
Pension increase Rate	2.85%	1.90%
Salary increase Rate	3.65%	2.80%
Discount Rate	2.00%	2.30%

Historic Mortality

Period Ended	Prospective Pensioners	Pensioners
31-Mar-21	CMI 2018 model assuming an allowance for smoothing of recent mortality experience and a long term-rate of improvement of 1.25% p.a.	CMI 2018 model assuming an allowance for smoothing of recent mortality experience and a long term-rate of improvement of 1.25% p.a.

Commutation

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

Changes in Fair Value of Plan Assets Defined Obligation & Net Liability For The Year Ended 31 MARCH 2021

Period ended 31 March 2021	Assets £000's	Obligations £000's	Net Liability/ Asset £000's
Fair Value of Plan Assets	9,821	-	9,821
Present Value of liabilities	-	11,145	(11,145)
Present value of unfunded liabilities	-	29	(29)
Opening Position at 31 March 2020	9,821	11,174	(1,353)
Service Cost	-	558	(558)
Net Interest			
Interest on income on plan assets	228	-	228
Interest cost on defined benefit obligation	-	262	(262)
Total Net interest	228	262	(34)
Total defined benefit cost recognised in P & L	228	820	(592)
Cashflows			
Plan Participants contributions	103	103	-
Employers contributions	282	-	282
Contributions in respect of unfunded benefits	1	-	1
Benefits paid	(201)	(201)	-
Unfunded benefits paid	(1)	(1)	-
Expected closing position	10,233	11,895	(1,662)
Remeasurements			
Changes in demographic assumptions	-	(122)	122
Changes in financial assumptions	-	3,352	(3,352)
Other experience	(203)	198	(401)
Return on assets excluding amounts in net interest	2,356	-	2,356
Total remeasurements recognised in Other Comprehensive Income (OCI)	2,153	3,428	(1,275)
Fair Value of plan assets	12,386	-	12,386
Present value of funded liabilities	-	15,292	(15,292)
Present value of unfunded liabilities	-	31	(31)
Closing position at 31 March 2021	12,386	15,323	(2,937)

NOTE 23 – PROPERTY STOCK

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

Property Stock				
The number of units of accommodation owned by the Partnership was as follows:				
	Units in Management		Units under Development	
	2021	2020	2021	2020
Unimproved				
New Build	462	440	158	158
Improved	1,761	1,761	-	-
General Needs Housing	<u>2,223</u>	<u>2,201</u>	<u>158</u>	<u>158</u>
Shared Ownership Accommodation	3	3	-	-
Supported Housing Accommodation	20	20	-	-
Total Housing Stock	<u>2,246</u>	<u>2,224</u>	<u>158</u>	<u>158</u>
Other Property				
Garages	42	42	-	-
Commercial	6	6	-	-
Heritable-Partnership's offices	3	3	-	-
Total Other Property	<u>51</u>	<u>51</u>	<u>-</u>	<u>-</u>

NOTE 24 – REVENUE COMMITMENTS

Operating Leases		
	2021	2020
At 31 March 2021 the Partnership had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:	£	£
Within one year	4,851	4,851
In the second to fifth year inclusive	2,426	4,851
	<u>7,277</u>	<u>9,702</u>

NOTE 25 – RELATED PARTY TRANSACTIONS

Board Members

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

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

Transactions entered into with members and rent arrear balances at 31 March 2021 are as follows:

Rent Charges	£9,009.25

Arrears	£666.24

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

HHP Community Housing Ltd

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

At the year-end HHP Community Housing Ltd owed Hebridean Housing Partnership £17,812 (2020: £17,560) which is included in other debtors Note 11.

NOTE 26 – LEGISLATIVE PROVISIONS

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



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

Email: info@hebrideanhousing.co.uk

Web: www.hebrideanhousing.co.uk

Phone: 0300 123 0773

Registered Number: SC379412 (Scotland)

HHP COMMUNITY HOUSING LIMITED
REPORT OF THE DIRECTORS AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD 1 APRIL 2020 TO 31 MARCH 2021

HHP COMMUNITY HOUSING LIMITED
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FOR THE PERIOD 1 APRIL 2020 TO 31 MARCH 2021

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HHP COMMUNITY HOUSING LIMITED
FINANCIAL STATEMENTS
FOR THE PERIOD 1 APRIL 2020 TO 31 MARCH 2021

DIRECTORS:

Calum Mackay
Fiona Macleod
Iain Gordon Macleod
Roderick Nicolson

SECRETARY:

Calum Mackay

REGISTERED OFFICE:

Gleann Seileach Business Park
Willowglen Road
Stornoway
Isle of Lewis
HS1 2QP

REGISTERED NUMBER:

SC379412 (Scotland)

HHP COMMUNITY HOUSING LIMITED
FINANCIAL STATEMENTS
FOR THE PERIOD 1 APRIL 2020 TO 31 MARCH 2021

The Directors present their report with the financial statements of the Company for the period 1 April 2020 to 31 March 2021.

PRINCIPAL ACTIVITY

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

INCORPORATION

The Company was incorporated on 1 June 2010.

DIRECTORS

The Directors who have held office during the year from 1 April 2020 to the date of this report are as follows:

Directors	Changes during the year	
	Appointed	Resigned
Calum Mackay	13 September 2012	
Alasdair Mackenzie	27 June 2012	9 February 2021
Norman M Macleod	27 June 2012	23 June 2020
Fiona Macleod	23 June 2020	
Iain Gordon Macleod	23 June 2020	
Roderick Nicolson	23 June 2020	

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

STATEMENT OF DIRECTORS

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

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

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

HHP COMMUNITY HOUSING LIMITED
FINANCIAL STATEMENTS
FOR THE PERIOD 1 APRIL 2020 TO 31 MARCH 2021

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

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

ON BEHALF OF THE BOARD

Director:

22 June 2021

HHP COMMUNITY HOUSING LIMITED
FINANCIAL STATEMENTS
FOR THE PERIOD 1 APRIL 2020 TO 31 MARCH 2021

INCOME & EXPENDITURE ACCOUNT

		31 March 2021	31 March 2020
		£	£
	Notes		
Turnover		-	-
Operating Costs		-	-
Operating Surplus		-	-
Surplus on sale of fixed assets			
-housing properties		-	-
-other assets		-	-
Interest receivable and other income		-	-
Interest payable and other charges		(252)	(248)
Loss on ordinary activities, before transfer to Reserves		(252)	(248)
Tax on surplus on ordinary activities		-	-
Deficit for the Year		(252)	(248)
Revenue Reserve at 1 April 2020		(17,560)	(17,312)
Revenue Reserve at 31 March 2021		(17,812)	(17,560)

HHP COMMUNITY HOUSING LIMITED
FINANCIAL STATEMENTS
FOR THE PERIOD 1 APRIL 2020 TO 31 MARCH 2021

BALANCE SHEET

		31 March 2021	31 March 2020
		£	£
	Notes		
Current Assets			
Cash at bank and in hand		1	1
		1	1
Creditors: amounts falling due within one year	2	(17,812)	(17,560)
Net current assets		(17,811)	(17,559)
Total assets less current liabilities		(17,811)	(17,559)
Capital and Reserves			
Called up Share Capital	3	1	1
Revenue Reserve	4	(17,812)	(17,560)
SHAREHOLDERS FUNDS		(17,811)	(17,559)

AUDIT EXEMPTION STATEMENT

The Company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the period ended 31 March 2021 relating to small companies.

The Members have not required the Company to obtain an audit of its financial statements for the period ended 31 March 2021 in accordance with Section 476 of the Companies Act 2006.

For the financial year ended 31 March 2021 the Company was entitled to exemption from audit under Section 480 Companies Act 2006 relating to dormant companies.

Directors' responsibilities:

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

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

Approved by the Board and authorised for issue on 22 June 2021

Director

Company Registration No: SC379412

The notes form part of these financial statements.

1. ACCOUNTING POLICIES

Accounting Convention

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

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

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

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

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

2. CREDITORS: Amounts falling due within one year

	2021	2020
	£	£
Intercompany Creditor	17,812	17,560

3. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal Value	2021	2020
			£	£
1	Ordinary	£1	<u>1</u>	<u>1</u>

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

4. REVENUE RESERVE

	2021	2020
	£	£
Accumulated surplus at 1 April 2020	(17,560)	(17,312)
Loss for the year	<u>(252)</u>	<u>(248)</u>
Accumulated surplus at 31 March 2021	<u>(17,812)</u>	<u>(17,560)</u>

SHR RETURNS 2020/21

Board 23 June 2021

Report by Director of Finance & Corporate Services

Purpose of Report

- 1.1 To present the Scottish Housing Regulator (SHR) returns for Loan Portfolio (2020/21), Audited Financial Statements (2020/21) and Five Year Plans (2021-2026) for consideration and approval.

Summary

- 2.1 The SHR require RSLs to submit three returns on an annual basis. The Loan Portfolio Return, the Audited Financial Statements and Five Year Financial Plans can be found at Appendices 1-3.
- 2.2 The SHR has not yet opened the Audited Financial Statements return on the portal but this return will be filed as per the Audited Financial Statements at Board Item 6.1.
- 2.3 The Re-financing Agreement will be completed in June 2021 and an updated Loan Portfolio Return will be filed with the Regulator in accordance with the new loan terms.

Competence

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

Recommendations

- 4.1 **It is recommended that the Board approve for submission to the Scottish Housing Regulator the:**
- a) **Loan Portfolio Return for 2020/21 at Appendix 1;**
 - b) **Five Year Plan Return for 2021-2026 at Appendix 2; and**
 - c) **Audited Financial Statements at Board Agenda item 6.1.**

APPENDIX 1: Loan Portfolio Return 2020/21

APPENDIX 2: Five Year Plans 2021 – 2026

Background Papers: None

Writer of Report: Donald Macleod

Tel: 0300 123 0773

Competence

Financial

- 5.1 The Five Year Plan considers the resources the Partnership requires for 2021-26 in line with the assumptions in the 30 Year Business Plan which was approved by the Board in July 2020.
- 5.2 The Five Year Plan has been set in accordance with current accounting standards.

Legal

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

Regulatory Guidance

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

Risk

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

Loan Portfolio Annual Return 2020-2021



Scottish Housing
Regulator

Landlord name:	Hebridean Housing Partnership Ltd
RSL Reg. No.:	359
Report generated date:	17/06/2021 19:03:28

Approval	
Date approved:	
Approver:	
Approver job title	

Submission	
Nil return	No
Date of Return	3/31/2021 12:00:00 AM
Accounting year-end	March
Number of housing units owned by RSL	2,223
Number of housing units used for Security	2,212
Unencumbered housing units	11
What Percentage of unencumbered housing units in Question (7) has a Positive value?	100.00%
Does a Lender have a floating charge over the company assets?	No
Submission Comments	
Unencumbered housing units increase driven by the timing of transferring security to our funder as new build developments completed in stages.	

Covenants for Loans

Covenant Sequence Number	Type of Covenant applied	How is this Covenant calculated?	Required levels	Frequency of reporting to lender	Actual levels achieved at that date
1	Interest Cover	Annual Cashflow Deficit Covenant In respect of each Financial Year specified in Part A where the ratio in column 2 (total interest paid divided by net operating cashflow except in years where there is a deficit) is less than zero, the Annual Cashflow Deficit for that Financial Year shall not be a greater negative figure than that set out in Part A of Schedule 5, as amended each year by the Lender in line with the agreed Business Plan. Net Operating Cashflow Covenant In respect of each Financial Year specified in Part B where the ratio in column 2 is equal to or greater than zero, the ratio of Net Operating Cashflow to Total Interest for that period shall not be less than the ratio set out in Part B of Schedule 5, as amended each year by the Lender in line with the agreed Business Plan. Part A 31March2019 3,450,000 31March2020 5,434,000 31March2021 8,053,000 31March2022 2,551,000 31March2033 402,000 Part B 31March2023 1.27 31March2024 1.51 31March2025 1.81 31March2026 4.49 31March2027 4.28 31March2028 2.92 31March2029 3.41 31March2030 2.52 31March2031 3.89 31March2032 3.98 31March2034 3.90	Cashflow deficit of £8.053m for 2020/21	Annually	Cashflow Surplus of £0.22M

Covenant Sequence Number	Type of Covenant applied	How is this Covenant calculated?	Required levels	Frequency of reporting to lender	Actual levels achieved at that date
		31March2035 5.93 31March2036 18.99 31March2037 0.00 31March2038 0.00 31March2039 0.00 31March2040 0.00 31March2041 0.00 31March2042 0.00			

Facilities

Facility Reference Number	Name of Lender	Charge holder	Security Trustee in place?	Start Date	End Date	Total Facility (£'000s)	Balance of Facility Outstanding (£'000s)	Facility Undrawn (£'000s)	Next five years?	Undrawn Facility for?	Details	Funds Committed?
HHPRBS001	Royal Bank of Scotland plc		No	18/09/2015	10/09/2041	5,000.0	3,500.0	1,500.0	Yes	New Build - Social Housing		Yes
HHPRBS2162	Royal Bank of Scotland plc		No	18/09/2015	17/09/2025	5,000.0	0.0	5,000.0	Yes	New Build - Social Housing		No
HHPRBS2163	Royal Bank of Scotland plc		No	18/09/2015	17/09/2025	5,000.0	1,408.7	3,591.3	Yes	New Build - Social Housing		No
Totals						15,000.0	4,908.7	10,091.3				

Facilities

Facility Reference Number	Name of Lender	Fees - Arrangement	Fees - Non-utilisation	Fees - Other	Fees - Details	All lenders within this syndicate	Facility Comments
HHPRBS001	Royal Bank of Scotland plc	Yes	Yes	No			
HHPRBS2162	Royal Bank of Scotland plc	Yes	Yes	No			
HHPRBS2163	Royal Bank of Scotland plc	Yes	Yes	No			

Loans

Facility Reference Number	Loan Reference Number	Loan Type	Purpose of Loan	Loan Purpose Details	Total Loan Amt (£'000s)	Balance O/S (£'000s)	Repmnt Terms	Ref Int Rate	Margin Over Ref Int Rate (%)	'All in' Fixed Rate (%)	First Cap Repmnt Date	Final Cap Repmnt Date	First Int Pmnt Date	Interest is being
HHPRBS001	RBSFIXED002	Fixed Rate Loan	Affordable Housing Development		3,500.0	3,500.0	Interest only followed by structured capital repayments	Fixed Rate Percentage		5.4830%	01/04/2027	31/03/2035	19/10/2015	Paid
HHPRBS2163	RBSVAR1043	Variable Rate Loan	Affordable Housing Development		1,500.0	1,408.7	Interest only then capital and interest	LIBOR 3 month	1.2500%		29/09/2017	10/09/2041	28/10/2015	Paid
Totals					5,000.0	4,908.7								

Loans

Facility Reference Number	Loan Reference Number	Start Date	Fin cap Rep Date Ind	Current deal expiry date	Forward fixes neg with Lender?	Fees - Arrangement	Fees - Non-utilisation	Fees - Other	Fees - Details	Percentage of Security provided by Social Housing assets (%)	Value of Security provided by Social Housing units (£'000s)	Basis of valuation	Date of valuation	Loan Comments
HHPRBS001	RBSFIXED002	18/09/2015	No	17/04/2027	No	Yes	Yes	No		100.00%	47,715.0	EUV-SH without sales	31/03/2021	
HHPRBS2163	RBSVAR1043	18/09/2015	Yes			Yes	Yes	No		100.00%	47,715.0	EUV-SH without sales	31/03/2021	

Loans Covenants

Facility Reference Number	Loan Reference Number	Covenant Sequence Number	Type of Covenant applied	How is this Covenant calculated?	Required levels	Frequency of reporting to lender	Actual levels achieved at that date
HHPRBS001	RBSFIXED002	1	Interest Cover	Annual Cashflow Deficit Covenant In respect of each Financial Year specified in Part A where the ratio in column 2(total interest paid divided by net operating cashflow except in years where there is a deficit) is less than zero, the Annual Cashflow Deficit for that Financial Year shall not be a greater negative figure than that set out in Part A of Schedule 5, as amended each year by the Lender in line with the agreed Business Plan. Net Operating Cashflow Covenant In respect of each Financial Year specified in Part B where the ratio in column 2 is equal to or greater than zero, the ratio of Net Operating Cashflow to Total Interest for that period shall not be less than the ratio setout in Part B of Schedule 5, as amended each year by the Lender in line with the agreed Business Plan. Part A 31March2019 3,450,000 31March2020 5,434,000 31March2021 8,053,000 31March2022 2,551,000 31March2033 402,000 Part B 31March2023 1.27 31March2024 1.51 31March2025 1.81 31March2026 4.49 31March2027 4.28 31March2028 2.92 31March2029 3.41 31March2030 2.52	Cashflow deficit of £8.053m for 2020/21	Annually	Cashflow Surplus of £0.22M

Facility Reference Number	Loan Reference Number	Covenant Sequence Number	Type of Covenant applied	How is this Covenant calculated?	Required levels	Frequency of reporting to lender	Actual levels achieved at that date
				31March2031 3.89 31March2032 3.98 31March2034 3.90 31March2035 5.93 31March2036 18.99 31March2037 0.00 31March2038 0.00 31March2039 0.00 31March2040 0.00 31March2041 0.00 31March2042 0.00			
HHPRBS2163	RBSVAR1043	1	Interest Cover	Annual Cashflow Deficit Covenant In respect of each Financial Year specified in Part A where the ratio in column 2 (total interest paid divided by net operating cashflow except in years where there is a deficit) is less than zero, the Annual Cashflow Deficit for that Financial Year shall not be a greater negative figure than that set out in Part A of Schedule 5, as amended each year by the Lender in line with the agreed Business Plan. Net Operating Cashflow Covenant In respect of each Financial Year specified in Part B where the ratio in column 2 is equal to or greater than zero, the ratio of Net Operating Cashflow to Total Interest for that period shall not be less than the ratio set out in Part B of Schedule 5, as amended each year by the Lender in line with the agreed Business Plan. Part A 31March2019 3,450,000 31March2020 5,434,000 31March2021 8,053,000 31March2022 2,551,000 31March2033 402,000 Part B	Cashflow deficit of £8.053m for 2020/21	Annually	Cashflow Surplus of £0.22M

Facility Reference Number	Loan Reference Number	Covenant Sequence Number	Type of Covenant applied	How is this Covenant calculated?	Required levels	Frequency of reporting to lender	Actual levels achieved at that date
				31March2023 1.27 31March2024 1.51 31March2025 1.81 31March2026 4.49 31March2027 4.28 31March2028 2.92 31March2029 3.41 31March2030 2.52 31March2031 3.89 31March2032 3.98 31March2034 3.90 31March2035 5.93 31March2036 18.99 31March2037 0.00 31March2038 0.00 31March2039 0.00 31March2040 0.00 31March2041 0.00 31March2042 0.00			

Embedded Interest Rate Derivatives

Facility Reference Number	Loan Reference Number	Sequence Number	Derivative Type	Amount (£'000s)	Date From	Date To	Margin Over Ref Int Rate (%)	'All in' Fixed Rate (%)

IGF Lend

Sequence Number	Name of the organisation that the funding is provided to	Relationship to RSL	Amount Provided (£'000s)	Balance O/S (£'000s)	Purpose of loan	Details	Duration of funding arrangement (months)	Start Date	End Date	First repayment date	Is Funding Provided Part of Funds Borrowed?	Loan Reference Number	Lender aware of on Lending Arrangement?
1	HHP Community Housing Ltd	Subsidiary	17.8	17.8	Working Capital		48	01/03/2018	28/02/2022	28/02/2022	Yes	RBSFIXED002	Yes
Totals			17.8	17.8									

IGF Lend

Sequence Number	Name of the organisation that the funding is provided to	Security taken?	Type of Security	Type of Security details	Value of Security (£'000s)	Loan Agreement in Place?	Loan Type	Repayment Period (months)	Repayment terms	Reference Interest Rate	Margin Over Ref Int Rate (%)	'All in' Fixed Rate (%)	IGF Lend Comments
1	HHP Community Housing Ltd	No				Yes	Bridging Finance	48	Payment start date deferred-bullet repayment of interest and capital at maturity	Base	1.0000%		

IGF Borrow

Sequence Number	Name of organisation that the funding is provided from	Relationship to RSL	Amount Received (£'000s)	Balance O/S (£'000s)	Purpose of loan	Details	Duration of funding arrangement (months)	Start Date	End Date	First repayment date

IGF Borrow

Sequence Number	Name of organisation that the funding is provided from	Security taken?	Type of security	Details	Value of security (£'000s)	Loan Agreement in place?	Loan Type	Repayment period (months)	Repayment terms	Reference Interest Rate	Margin Over Ref Int Rate (%)	'All in' Fixed Rate (%)	IGF Borrow Comments

ISDAs

Sequence Number	Name of Lender	Amount (£'000s)	Start Date	End Date	Reference Interest Rate	Margin Over Ref Int Rate (%)	'All in' Fixed Rate (%)	Mark to Market Threshold before collateral calls (£'000s)	Mark to Market Value (£'000s)	Date of Mark to Market Valuation	Implied loss or gain on Mark to Market Valuation (£'000s)	Type of collateral calls	Under which method are they marked?	Frequency of Call	ISDA Comments

ISDA Covenants

ISDA Sequence Number	Sequence Number	Type of covenant applied	How is this Covenant calculated?	Required levels	Frequency of reporting to lender	Date of last report to lender	Actual levels achieved at that date

Landlord Name:	Hebridean Housing Partnership Ltd
RSL Reg No.:	359
Report generated date:	18/06/2021 09:12:46

Approval

Development Assumption ☐

Development Assumption Comment

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

STATEMENT OF COMPREHENSIVE INCOME

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
	£'000	£'000	£'000	£'000	£'000	£'000
Gross rents	9,598.1	9,869.9	10,746.0	11,261.7	12,114.7	12,743.3
Service charges	54.5	50.0	51.5	53.0	54.6	56.0
Gross rents & service charges	9,652.6	9,919.9	10,797.5	11,314.7	12,169.3	12,799.3
Rent loss from voids	97.2	199.2	216.7	226.2	241.7	252.2
Net rent & service charges	9,555.4	9,720.7	10,580.8	11,088.5	11,927.6	12,547.1
Developments for sale income	2,020.5	1,318.8	145.2	0.0	0.0	0.0
Grants released from deferred income	1,382.9	1,004.4	1,314.2	1,370.4	1,559.7	1,636.7
Grants from Scottish Ministers	0.0	0.0	0.0	0.0	0.0	0.0
Other grants	763.1	797.8	420.0	420.0	420.0	420.0
Other income	40.2	5.0	5.2	5.3	5.5	5.6
TURNOVER	13,762.1	12,846.7	12,465.4	12,884.2	13,912.8	14,609.4
Less:						
Housing depreciation	3,352.2	3,660.5	4,394.1	4,669.4	4,880.4	5,093.0
Impairment written off / (back)	75.8	0.0	0.0	0.0	0.0	0.0
Management costs	2,591.3	2,713.1	2,815.2	2,904.4	3,012.3	2,963.6
Service costs	0.0	50.0	51.5	53.0	54.6	56.0
Planned maintenance - direct costs	1,833.1	988.8	1,084.2	1,114.7	1,164.0	1,716.7
Re-active & voids maintenance - direct costs	1,635.0	1,479.1	1,552.4	1,601.3	1,740.1	1,795.1
Maintenance overhead costs	0.0	0.0	0.0	0.0	0.0	0.0
Bad debts written off / (back)	21.5	197.3	212.0	221.5	235.9	247.2
Developments for sale costs	2,020.5	1,318.8	145.2	0.0	0.0	0.0
Other activity costs	0.0	0.0	0.0	0.0	0.0	0.0
Other costs	65.8	180.0	0.0	0.0	0.0	0.0
	8,167.2	6,927.1	5,860.5	5,894.9	6,206.9	6,778.6
Operating Costs	11,595.2	10,587.6	10,254.6	10,564.3	11,087.3	11,871.6
Gain/(Loss) on disposal of PPE	(206.4)	2.0	24.0	4.0	4.0	0.0
Exceptional Items - (Income) / Expense	0.0	0.0	0.0	0.0	0.0	0.0
OPERATING SURPLUS/(DEFICIT)	1,960.5	2,261.1	2,234.8	2,323.9	2,829.5	2,737.8
Interest receivable and other income	5.4	16.0	9.1	8.1	13.3	27.2
Interest payable and similar charges	333.8	479.2	912.8	1,129.9	1,563.9	1,641.1
Increase / (Decrease) in Negative Goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Other Gains / (Losses)	0.0	0.0	0.0	0.0	0.0	0.0
SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAX	1,632.1	1,797.9	1,331.1	1,202.1	1,278.9	1,123.9
Tax on surplus on ordinary activities	0.0	0.0	0.0	0.0	0.0	0.0
SURPLUS/(DEFICIT) FOR THE YEAR AFTER TAX	1,632.1	1,797.9	1,331.1	1,202.1	1,278.9	1,123.9
Actuarial (loss) / gain in respect of pension schemes	(1,275.0)	0.0	0.0	0.0	0.0	0.0
Change in Fair Value of hedged financial instruments.	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	357.1	1,797.9	1,331.1	1,202.1	1,278.9	1,123.9

STATEMENT OF FINANCIAL POSITION

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
	£'000	£'000	£'000	£'000	£'000	£'000
Non-Current Assets						
Intangible Assets & Goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Housing properties - Gross cost or valuation	131,246.6	158,309.2	173,769.7	188,297.2	196,729.6	199,124.8
Less:						
Housing Depreciation	26,957.1	30,617.7	35,011.7	39,681.1	44,561.6	49,654.5
Negative Goodwill	0.0	0.0	0.0	0.0	0.0	0.0
NET HOUSING ASSETS	104,289.5	127,691.5	138,758.0	148,616.1	152,168.0	149,470.3
Non-Current Investments	0.0	0.0	0.0	0.0	0.0	0.0
Other Non Current Assets	1,893.1	829.6	772.6	715.6	658.6	644.2
TOTAL NON-CURRENT ASSETS	106,182.6	128,521.1	139,530.6	149,331.7	152,826.6	150,114.5
Current Assets						
Net rental receivables	36.4	0.0	0.0	0.0	0.0	0.0
Other receivables, stock & WIP	3,016.1	484.3	517.5	517.5	517.5	517.5
Investments (non-cash)	0.0	0.0	0.0	0.0	0.0	0.0
Cash at bank and in hand	4,977.3	1,788.0	1,809.3	1,331.6	4,175.5	6,862.7
TOTAL CURRENT ASSETS	8,029.8	2,272.3	2,326.8	1,849.1	4,693.0	7,380.2
Payables : Amounts falling due within One Year						
Loans due within one year	0.0	0.0	0.0	0.0	0.0	0.0
Overdrafts due within one year	0.0	0.0	0.0	0.0	0.0	0.0
Other short-term payables	2,277.4	0.0	0.0	0.0	0.0	21.5
TOTAL CURRENT LIABILITIES	2,277.4	0.0	0.0	0.0	0.0	21.5
NET CURRENT ASSETS/(LIABILITIES)	5,752.4	2,272.3	2,326.8	1,849.1	4,693.0	7,358.7
TOTAL ASSETS LESS CURRENT LIABILITIES	111,935.0	130,793.4	141,857.4	151,180.8	157,519.6	157,473.2
Payables : Amounts falling due After One Year						
Loans due after one year	10,492.0	20,583.0	22,583.0	28,083.0	30,083.0	30,583.0
Other long-term payables	0.0	0.0	0.0	0.0	0.0	0.0
Grants to be released	62,316.5	69,286.0	77,019.0	79,640.2	82,700.2	81,063.5
	72,808.5	89,869.0	99,602.0	107,723.2	112,783.2	111,646.5
Provisions for liabilities & charges	0.0	0.0	0.0	0.0	0.0	0.0
Pension asset / (liability)	2,937.0	2,937.0	2,937.0	2,937.0	2,937.0	2,937.0
NET ASSETS	36,189.5	37,987.4	39,318.4	40,520.6	41,799.4	42,889.7
Capital & Reserves						
Share capital	0.2	0.2	0.2	0.2	0.2	0.2
Revaluation reserve	0.0	0.0	0.0	0.0	0.0	0.0
Restricted reserves	0.0	0.0	0.0	0.0	0.0	0.0
Revenue reserves	36,189.3	37,987.2	39,318.2	40,520.4	41,799.2	42,889.5
TOTAL CAPITAL & RESERVES	36,189.5	37,987.4	39,318.4	40,520.6	41,799.4	42,889.7
Intra Group Receivables - as included above	0.0	0.0	0.0	0.0	0.0	0.0
Intra Group Payables - as included above	0.0	0.0	0.0	0.0	0.0	0.0

STATEMENT OF CASHFLOWS

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
	£'000	£'000	£'000	£'000	£'000	£'000
Net Cash from Operating Activities						
Operating Surplus/(Deficit)	1,960.5	2,261.1	2,234.8	2,323.9	2,829.5	2,737.8
Depreciation & Amortisation	3,352.2	3,717.5	4,451.1	4,726.4	4,937.5	5,107.3
Impairments / (Revaluation Enhancements)	0.0	0.0	0.0	0.0	0.0	0.0
Increase / (Decrease) in Payables	(371.0)	(2,277.4)	0.0	0.0	0.0	0.0
(Increase) / Decrease in Receivables	(1,034.4)	2,213.1	0.0	0.0	0.0	0.0
(Increase) / Decrease in Stock & WIP	626.3	451.2	(33.2)	0.0	0.0	0.0
Gain / (Loss) on sale of non-current assets	(55.2)	(2.0)	(24.0)	(4.0)	(4.0)	0.0
Other non-cash adjustments	(1,231.6)	(1,100.4)	(1,314.3)	(1,370.3)	(1,559.8)	(1,648.8)
NET CASH FROM OPERATING ACTIVITIES	3,246.8	5,263.1	5,314.4	5,676.0	6,203.2	6,196.3
Tax (Paid) / Refunded	0.0	0.0	0.0	0.0	0.0	0.0
Return on Investment and Servicing of Finance						
Interest Received	5.4	16.0	9.1	8.1	13.3	27.2
Interest (Paid)	(251.0)	(479.2)	(912.8)	(1,129.9)	(1,563.9)	(1,641.1)
RETURNS ON INVESTMENT AND SERVICING OF FINANCE	(245.6)	(463.2)	(903.7)	(1,121.8)	(1,550.6)	(1,613.9)
Capital Expenditure & Financial Investment						
Construction or acquisition of Housing properties	(12,032.2)	(20,486.6)	(11,795.9)	(10,613.5)	(7,224.0)	0.0
Improvement of Housing	(1,338.0)	(5,572.5)	(3,701.1)	(3,919.6)	(1,214.4)	(2,395.2)
Construction or acquisition of other Land & Buildings	0.0	0.0	0.0	0.0	0.0	0.0
Construction or acquisition of other Non-Current Assets	0.0	0.0	0.0	0.0	0.0	0.0
Sale of Social Housing Properties	1,217.5	5.0	60.0	10.0	10.0	0.0
Sale of Other Land & Buildings	0.0	0.0	0.0	0.0	0.0	0.0
Sale of Other Non-Current Assets	0.0	0.0	0.0	0.0	0.0	0.0
Grants (Repaid) / Received	9,372.1	7,973.9	9,047.6	3,991.2	4,619.7	0.0
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	(2,780.6)	(18,080.2)	(6,389.4)	(10,531.9)	(3,808.7)	(2,395.2)
NET CASH BEFORE FINANCING	220.6	(13,280.3)	(1,978.7)	(5,977.7)	843.9	2,187.2
Financing						
Equity drawdown	0.0	0.0	0.0	0.0	0.0	0.0
Debt drawdown	0.0	10,091.0	2,000.0	5,500.0	2,000.0	500.0
Debt repayment	0.0	0.0	0.0	0.0	0.0	0.0
Working Capital (Cash) - Drawn / (Repaid)	0.0	0.0	0.0	0.0	0.0	0.0
NET CASH FROM FINANCING	0.0	10,091.0	2,000.0	5,500.0	2,000.0	500.0
INCREASE / (DECREASE) IN NET CASH	220.6	(3,189.3)	21.3	(477.7)	2,843.9	2,687.2
Cash Balance						
Balance Brought Forward	4,756.7	4,977.3	1,788.0	1,809.3	1,331.6	4,175.5
Increase / (Decrease) in Net Cash	220.6	(3,189.3)	21.3	(477.7)	2,843.9	2,687.2
CLOSING BALANCE	4,977.3	1,788.0	1,809.3	1,331.6	4,175.5	6,862.7

ADDITIONAL INFORMATION

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
	£'000	£'000	£'000	£'000	£'000	£'000
Number of units added during year to:						
New Social Rent Properties added	22	110	68	26	104	42
New MMR Properties added	0	0	0	0	0	0
New Low Costs Home Ownership Properties added	0	0	0	0	0	0
New Properties - Other Tenures added	0	0	0	0	0	0
Total number of new affordable housing units added during year	22	110	68	26	104	42
Number of units lost during year from:						
Sales including right to buy	0	0	12	2	2	0
Demolition	0	0	0	0	0	0
Other	0	0	0	0	0	0
Units owned						
Social Rent Properties	2,223	2,333	2,389	2,413	2,515	2,557
MMR Properties	0	0	0	0	0	0
Low Costs Home Ownership Properties	0	0	0	0	0	0
Properties - Other Tenures	0	0	0	0	0	0
Number of units owned at end of period	2,223	2,333	2,389	2,413	2,515	2,557
Number of units managed at end of period (excl. factored units)	0	0	0	0	0	0
Financed by:						
Scottish Housing Grants	3,288.9	13,902.0	8,502.9	2,860.0	11,356.5	4,620.0
Other public subsidy	120.0	0.0	0.0	0.0	0.0	0.0
Private finance	2,244.7	10,050.7	4,566.6	1,612.0	6,622.7	2,604.0
Sales	0.0	0.0	0.0	0.0	0.0	0.0
Cash reserves	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
Total cost of new units	5,653.6	23,952.7	13,069.5	4,472.0	17,979.2	7,224.0
Assumptions:						
General Inflation (%)	2.5	2.5	2.5	2.5	2.5	2.5
Rent increase - Margin above General Inflation (%)	0.0	0.0	1.0	1.0	1.0	1.0
Operating cost increase - Margin above General Inflation (%)	0.0	0.0	0.5	0.5	0.5	0.5
Direct maint. cost increase - Margin above General Inflation (%)	0.0	0.0	0.4	0.4	0.4	0.4
Actual / Assumed average salary increase (%)	0.0	0.0	0.0	0.0	0.0	0.0
Average cost of borrowing (%)	5.0	4.5	4.4	5.0	5.5	5.5
Employers Contributions for pensions (%)	18.0	18.0	18.0	18.0	18.0	18.0
Employers Contributions for pensions (£'000)	284.0	285.0	292.1	299.4	306.9	314.6
SHAPS Pensions deficit contributions (£'000)	0.0	0.0	0.0	0.0	0.0	0.0
Min. headroom cover on tightest interest cover covenant (£'000)	10,197.9	467.8	616.0	489.8	3,033.0	1,831.4
Minimum headroom cover on tightest gearing covenant (£'000)	0.0	0.0	0.0	0.0	0.0	0.0
Minimum headroom cover on tightest asset cover covenant (£'000)	0.0	0.0	0.0	0.0	0.0	0.0
Total staff costs (including NI & pension costs)	2,008.0	2,144.9	2,235.2	2,291.0	2,348.3	2,407.0
Full time equivalent staff	44.0	47.0	49.0	49.0	49.0	49.0
ESSH Revenue Expenditure included above	0.0	0.0	0.0	0.0	0.0	0.0
ESSH Capital Expenditure included above	435.4	1,813.4	1,204.4	1,275.5	395.2	779.4
Total capital and revenue expenditure on maintenance of pre-1919 properties	0.0	0.0	0.0	0.0	0.0	0.0
Total capital and revenue expenditure on maintenance of all other properties	435.4	1,813.4	1,204.4	1,275.5	395.2	779.4

RATIOS

Financial capacity	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Interest cover	1,295.697%	1,101.649%	583.206%	503.062%	397.500%	379.227%
Gearing	15.238%	49.477%	52.835%	66.019%	61.981%	55.305%
Efficiency						
Voids	1.007%	2.008%	2.007%	1.999%	1.986%	1.970%
Arrears	0.381%	0.000%	0.000%	0.000%	0.000%	0.000%
Bad debts	0.225%	2.030%	2.004%	1.998%	1.978%	1.970%
Staff costs / turnover		16.696%	17.931%	17.781%	16.879%	16.476%
Turnover per unit	£6,191	£5,507	£5,218	£5,339	£5,532	£5,713
Responsive repairs to planned maintenance ratio	1.9	4.4	3.1	3.1	1.4	2.3
Liquidity						
Current ratio	3.5					343.3
Profitability						
Gross surplus / Deficit	14.246%	17.601%	17.928%	18.037%	20.337%	18.740%
Net surplus / Deficit	11.859%	13.995%	10.678%	9.330%	9.192%	7.693%
EBITDA / revenue	29.432%	2.717%	23.487%	23.856%	46.687%	37.206%
Financing						
Debt Burden ratio	0.8	1.6	1.8	2.2	2.2	2.1
Net debt per unit	£2,481	£8,056	£8,696	£11,086	£10,301	£9,277
Debt per unit	£4,720	£8,823	£9,453	£11,638	£11,961	£11,961
Diversification						
Income from non-rental activities	18.619%	15.677%	14.118%	13.937%	14.269%	14.116%

Comments

Page	Field	Comment
SOFP	Housing properties - Gross cost or valuation	Increase in line with Development and Investment programme
SOFP	Housing depreciation	Increase in line with Development and Investment programme
Additional Information	Scottish Housing Grants	This represents grant received for units completed in that year. Grant may have been received over more than one year.
Additional Information	Private finance	This represents private finance paid for units completed in that year. Private Finance may have been paid over more than one year.
Additional Information	Rent increase - Margin above General Inflation (%)	RPI +1%
Additional Information	Actual / Assumed average salary increase (%)	Salaries are assumed to move with RPI
Additional Information	Minimum headroom cover on tightest gearing covenant (£'000)	N/A
Additional Information	Minimum headroom cover on tightest asset cover covenant (£'000)	N/A
Additional Information	Full time Equivalent Staff Curr Year	Modern Apprentice Post and IT Trainee

BUDGETARY PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2021

Board 23 June 2021

Report by Director of Finance & Corporate Services

Purpose of Report

- 1.1 To present for approval a report on the performance against budget for the year ended 31 March 2021.

Summary

- 2.1 The report on the performance against budget, including consultancy spend and Board Members expenses for the year ended 31 March 2021 is at Appendix 1.
- 2.2 Our capital investment programme has been significantly impacted by COVID-19 slippage with a £2.2M budget underspend. As a result our management costs are over budget due to a reduction in internal fee income from our capital investment programme. Financial covenants were met for the year.

Competence

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

Recommendations

- 4.1 **It is recommended that the Board:**
- a) **review the performance against budget for the year ended 31 March 2021 as at Appendix 1;**
 - b) **note the Financial Covenant for 2020/21 as detailed in Appendix 2; and**
 - c) **approve a recommendation to the AGM that £5,000, or another sum, of the surplus be donated to local charities during 2021/22.**

APPENDIX 1: Budgetary Performance for 2020/21
APPENDIX 2: Financial Covenant 2020/21
Background Papers: Corporate Sponsorship 17 March 2012
Writer of Report: Donald Macleod

Tel: 0300 123 0773

Competence

Financial

- 5.1 The report deals with how the financial resources of the Partnership have been utilised.

Legal

- 6.1 The following Partnership Rules are applicable:
- | | |
|-----------|--|
| Rule 79.1 | The Partnership must not distribute its surpluses to Members. |
| Rule 79.2 | The Board shall set and review periodically its policy for the donation of funds to charities. Such donations must further the objects of the Partnership and the Board shall report to the Members on such donations. |
- 6.2 The following Standing Orders are applicable:
- | | |
|-----------|---|
| Part 2 a) | Approval and Amendment of Strategy, Business Plans and Budgets, including virements to or from a budget head in excess of £100,000. |
|-----------|---|

Regulatory Guidance

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

Risk

- 8.1 The budgets approved by the Board ensure that the Financial Covenant for the financial year will be achieved. Failure to contain spend within approved budgets could result in the Financial Covenant not being achieved with the corresponding penalties being applied by the Funder which could have a significant impact on our finances. The Financial Covenant for 2020/21 was a maximum cash flow deficit of £8,858,300. Appendix 2 shows the covenant position at 31 March 2021.

Report Details

- 9.1 Actual performance has been reviewed against budget and the report at Appendix 1 provides explanations for material variances against approved budgets.
- 9.2 In June 2020 the Board approved a recommendation to the membership of the AGM that £5,000 be donated to 5 local charities. The donations were very much appreciated by the local charities and it is proposed that a similar recommendation be placed before the membership of the 2021 AGM.

APPENDIX 1

Line	2017/18 ACTUAL £	2018/19 ACTUAL £	2019/20 ACTUAL £	2020/21 ACTUAL £	2020/21 BUDGET £	VARIANCE	
						£	%
1 Net Rental Income	(8,282,597)	(8,250,863)	(8,787,442)	(9,479,361)	(9,295,608)	183,753	(2.0%)
2 Grants	(446,387)	(489,690)	(624,038)	(763,072)	(732,999)	30,072	(4.1%)
3 Grant Amortisation	(1,209,599)	(1,249,903)	(1,288,781)	(1,382,934)	(1,410,000)	(27,066)	1.9%
4 (Profit)/Loss on Disposal of Assets	127,511	117,424	242,482	206,411	206,411	0	
5 Other Income	(394,210)	(1,422,484)	(1,019,333)	(64,721)	(51,390)	13,330	(25.9%)
6 Interest Received	(9,330)	(15,330)	(23,045)	(5,438)	(5,200)	238	(4.6%)
7 Total Income	(10,214,613)	(11,310,845)	(11,500,158)	(11,489,114)	(11,288,787)	200,327	(1.8%)
8 Employee Costs	1,420,710	1,501,647	1,614,635	2,233,197	2,098,325	(134,871)	(6.4%)
9 Premises Costs	36,514	38,379	38,086	46,299	48,527	2,229	4.6%
10 Supplies and Services	210,407	249,755	239,484	226,479	235,209	8,730	3.7%
11 Administration Costs	83,376	83,500	97,343	53,976	68,288	14,312	21.0%
12 Corporate Expenses	465,808	498,574	507,104	428,523	492,593	64,070	13.0%
13 Total Management Costs	2,216,815	2,371,855	2,496,652	2,988,474	2,942,942	(45,531)	(154.7%)
14 General Repairs	1,227,907	1,215,311	1,321,003	1,495,856	1,416,985	(78,871)	(5.6%)
15 Specific Repairs	57,200	63,967	92,317	42,143	68,525	26,382	38.5%
16 Rechargeable Repairs	29,903	23,433	59,075	10,552	15,200	4,648	30.6%
17 Insurance Repairs	52,210	47,696	39,221	64,273	42,500	(21,773)	(51.2%)
18 Non Dwelling Repairs	21,087	18,953	20,753	22,212	19,701	(2,511)	(12.7%)
19 Total Response Repairs	1,388,307	1,369,359	1,532,369	1,635,035	1,562,911	(72,125)	(4.6%)
20 Planned Maintenance	622,601	652,698	650,768	889,028	939,182	50,155	5.3%
21 Estate Works	33,668	74,071	129,289	65,930	69,500	3,570	5.1%
22 Total Planned Maintenance	656,269	726,770	780,058	954,958	1,008,682	53,725	5.3%
23 Investment Programme	4,217,963	3,875,911	4,235,093	2,545,443	4,453,350	1,907,907	42.8%
24 Development Programme	3,168,364	4,095,038	2,500,262	951,903	1,231,700	279,797	22.7%
25 Non Housing Investment	225	197	210,783	40,141	52,451	12,310	23.5%
26 Total Capital Investment	7,386,552	7,971,146	6,946,138	3,537,487	5,737,501	2,200,014	3834.4%

Commentary on Performance

Total Income

£200K over budget for the year. This was mainly driven by a reduction in the bad debt provision and lower than anticipated write offs.

Grant funding is £30K higher than budget due to additional RHI income received in the year.

Grant Amortisation under budget by £27K due to the increase in the useful life of heating distribution systems.

Total Management Costs

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

Total Response Repairs Cost

General repairs were 5.6% over budget driven by Responsive Repairs £36K and Void Repairs £39K.

Specific repairs were under budget by £26K driven by a reduction in council tax on empty homes / decaration & compensation allowances.

Insurance repairs were high this year with a large number of repairs under the excess level leaving us over budget by £19K.

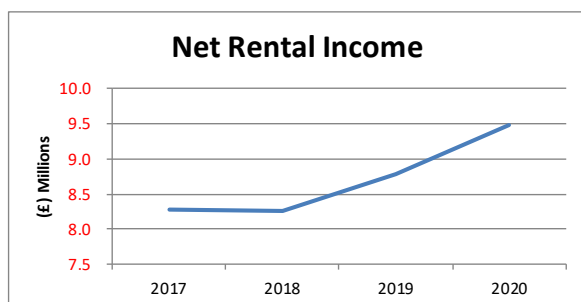
Total Planned Maintenance Cost

£53.7K under budget mainly due to other servicing works (Electrical testing & Swedish Timber works) which were not conducted in the year.

Total Capital Investment

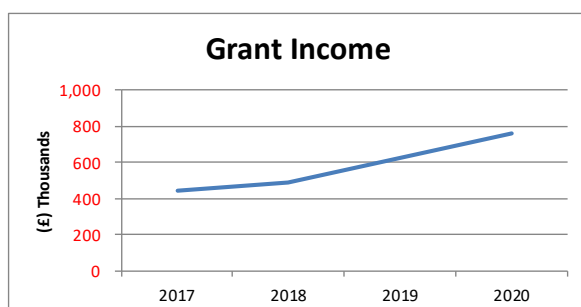
Covid-19 has resulted in significant slippage on our investment program in the last quarter of the year. These works will be completed in 2021/22 and have been incorporated into the approved 2021/22 budgets.

The Development program is £280K better than budget due to the delays in getting onto site and availability of materials in the fourth quarter.



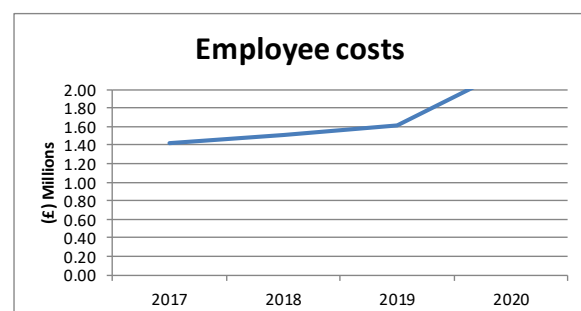
Commentary on Net Rental Income

Net Rental Income over budget by 2%. This was due mainly to the better performance in bad debts and grant funding.



Commentary on Grant Income

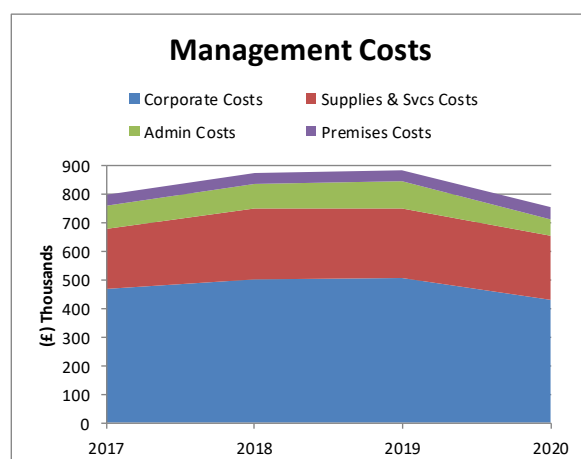
Grant income slightly better than anticipated. This is mainly due to higher than budgeted RHI grants. OT Grant funding has increased £80K year on year.



Commentary on Employee Costs

Employee costs were over budget by £135K

Salaries & NI	£10.7k Under
Pensions	£158k Over Budget due to FRS102 pension adjustment
Travel & Sub	£3.5k No travel due to lockdown
Other Costs	£8.9k Driven by savings on uniforms



Commentary on Management Costs

Management costs are £89k under budget as summarised below:

Premises	£2.3k
IT & Telecoms	£8.6K
Administration	£14k
Mainly due to:	
Postage & Printing	£6.9k
Health & Safety	£5k
Community Support	£1.2k
Corporate Exp	£64k
Mainly due to:	
Consultancy	£58.6k
Insurance	£1k
Governance	£1.3K
Bank Charges	£2.1k

CONSULTANCY SPEND 2020/21							
Area	Consultant	Cost (£)	Budget (£)	Responsible Officer	Scope of Works	Summary of Performance	Value for Money (Y/N)
Consultants Funders Valuation	Jones Lang LaSalle Ltd	10,620	15,000	Donald Macleod	Providing a valuation for our funders for 2021	Desktop Valuation performed and submitted to Bank in accordance with engagement letter	Y
Consultants General	Tenant Participation Advisory Service	30,222	30,500	John Maciver	Development of tenant participation opportunities.	Independent service valued by tenants. Links with tenants continue to be developed in variety of ways	Y
Consultants General	Universal Credit Advice	432	500	John Maciver	Annual Membership	Specialist advice on UC and welfare benefits more widely.	Y
Consultants Treasury Management	Chatham Financial	12,000	26,000	Donald Macleod	Debt Advisory and related treasury advisory services	Additional scope of works this year to cover the re-financing agreement. Delays in finalising the agreement will result in the remainder of the budget being utilised in 2021/22.	Y
Property Consultants	Corgi Technical Services	4,794	5,000	John Maciver	Audit of gas servicing work and overall process	Specialist service.	Y
Property Consultants	ALT Procurement	3,500	4,000	John Maciver	Procurement of investment framework 2020/21-2022/23	Good performance and procurement carried out in line with target timescales and cost	Y
Property Consultants	MacIver Consultancy Services Ltd	18,240	30,000	John Maciver	Unadopted Infrastructure Fees	Condition reports and design for systems completed. Good standard of work and communication throughout	Y

BOARD MEMBER EXPENSES 2020/21

- 1.1 Expenses are claimed at the end of every calendar month using the approved Claim Form with all necessary receipts attached.
- 1.2 All Claim Forms are checked and approved for payment by the Company Secretary and payment made within 10 working days.
- 1.3 The chart overleaf details the areas of expenditure incurred during the year against budget.
- 1.4 On analysing the data, there has been an overall underspend of 92% on the total budget allocated to Board Members.
- 1.5 Reasons for underspend have been ascribed to:
 - a) all Boards meetings have been held remotely since 23 March 2020, therefore no travel or subsistence expenses incurred:

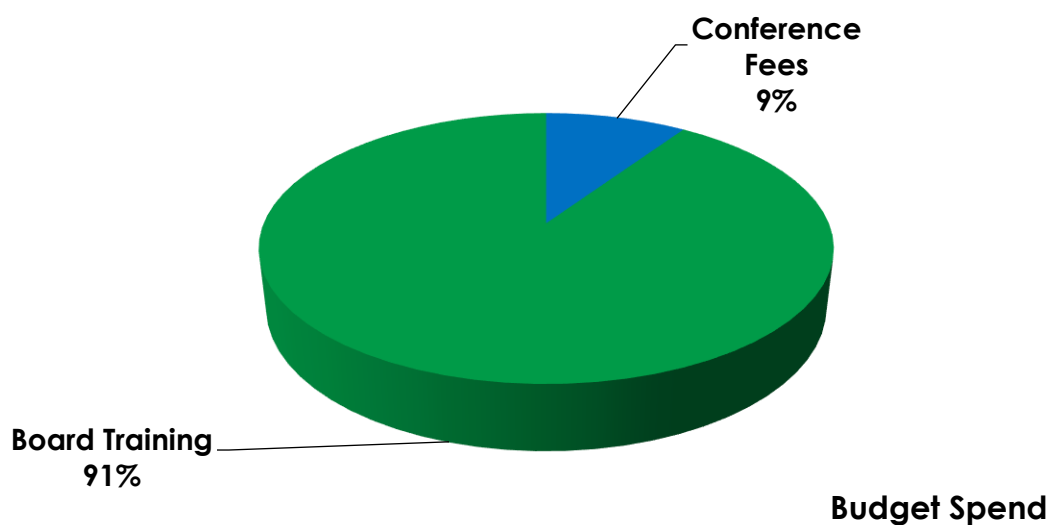
Target Attendance	85%
Actual for 2020/21	86%
Actual for 2019/20	79%
Actual for 2018/19	71%

- b) all training events have been held remotely since 23 March 2020, therefore no travel or subsistence expense incurred:

Target Attendance	85%
Actual for 2020/21	57%
Actual for 2019/20	47%
Actual for 2018/19	55%

- 1.6 Holding Board meetings and training remotely has seen attendance performance indicators improve.

BOARD MEMBERS' EXPENSES



	hebridean housing partnership	Board & Area Committee Members Expenses 20/21					
	Conference Fees	Mainland Travel	Mainland Subsistence	Island Travel	Island Subsistence	Board Training	Total
Norman Macleod							-
Calum Mackay							-
Alasdair Mackenzie							-
Alex Gardner							-
David Blaney							-
Fiona Macleod							-
Gordon Macleod							-
Iain Macmillan							-
Norman A Macdonald							-
Paul Finnegan							-
Roddy Mackay							-
Roddy Nicolson	220.00						220.00
John N Macleod							-
Peter Graham							-
Board Catering							-
Board General						2102.00	2,102.00
Totals	220.00	-	-	-	-	2,102.00	2,322.00
Budget Allocation for 2020/21							£27,850.00
Board & Area Committee Members Budget Allowance Underspend							8%

Annual Cashflow Deficit

Line	Detail	Current Position	Forecast
	Income	£	£
1	Dwelling rents (net)	9,463,805	9,648,583
2	Non Dwelling rents (net)	15,556	13,630
3	Grant Funding	763,072	732,999
4	Other Income	64,721	45,384
5	Grant received for New Build	10,601,108	6,800,804
6	Sale of LIFT received	1,086,560	1,412,906
7	Grant on LIFT received	784,997	-
8	Insurance Receipts	3,245	61,557
9	Total Income	22,783,063	18,715,862
	Expenditure		
10	Supervision & Management	2,977,688	3,136,272
11	Response Repairs	1,635,035	1,608,389
12	Estate Works	65,930	68,800
13	Planned/Cyclical Maintenance	889,028	790,391
14	Investment Programme	2,224,878	5,025,342
15	Office Alterations and IT	40,141	141,111
16	LIFT Costs	1,198,429	1,310,675
17	Opening Balances		
18	Development Costs	12,083,977	19,658,968
19	Total Expenditure	21,115,106	31,739,948
20	Net Operating Cashflow	1,667,957	(13,024,086)
21	Interest Paid	333,753	344,200
22	Interest Collected	(5,438)	(5,200)
23	Total Interest	328,315	339,000
24	Annual Cashflow Surplus/(Deficit)	1,339,641	(13,363,086)
	Interest Ratio	20%	-3%
	Covenant Requirement		
	Maximum Annual Cashflow deficit	(8,858,300)	(8,858,300)
	Tolerance	10,197,941	(4,504,786)
		-310%	137%

REVIEW OF FINANCIAL AUTHORITIES & FINANCIAL REGULATIONS

Board 23 June 2021

Report by Director of Finance & Corporate Services

Purpose of Report

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

Summary

- 2.1 The Financial Regulations and Financial Authorities are required to be reviewed on an annual basis.
- 2.2 The Financial Regulations at Appendix 1 have been reviewed with minor updates to remove any references to EU policy on procurement.
- 2.3 The Financial Authorities at Appendix 2 have been reviewed with no updates required.

Competence

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

Recommendations

- 4.1 **It is recommended that the Board:**
- a) **approve the updated Financial Regulations at Appendix 1; and**
 - b) **note the Financial Authorities at Appendix 2 have been reviewed with no changes required.**

APPENDIX 1: Financial Regulations

APPENDIX 2: Financial Authorities

Background Papers: HHP Rules & Standing Orders

Writer of Report: Donald Macleod

0300 123 0773

Competence

Financial

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

Legal

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

Regulatory Guidance

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

Risk

- 8.1 Legislation and Regulatory Changes are itemised at number 6 on the Risk Register.

Report Details

- 9.1 The Financial Regulations require to be reviewed annually.
- 9.2 Only minor amendments were required this year to capture changes to procurement regulations post Brexit. Mainly the removal of references to EU procurement thresholds.
- 9.3 No changes were identified in reviewing the Financial Authorities at Appendix 2.



hebridean housing
partnership



► Financial Regulations

June 2021

Effective Date: ► 23 June 2021

Review Date: ► June 2022

Approved by HHP Board: 23 June 2021

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INTRODUCTION

WHY DO WE HAVE FINANCIAL REGULATIONS

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

STATUS OF FINANCIAL REGULATIONS

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

STATEMENT OF PRINCIPLES

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

THE PRINCIPLES

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

FINANCIAL MANAGEMENT

THE BOARD

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

COMMITTEE STRUCTURE

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

MATTERS OF URGENCY OUT WITH MEETINGS

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

BOARD MEMBER

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

RESPONSIBLE OFFICERS

The Chief Executive

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

The Company Secretary

- 3.6.1 The Company Secretary is responsible for advising all Board members and employees about who has the authority to take a particular decision and whether a decision is likely to be considered contrary to the policy framework.

The Director of Finance & Corporate Services

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

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

Money Laundering Reporting Officer

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

General

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

ACCOUNTING

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

FINANCIAL PLANNING AND CONTROL OF EXPENDITURE

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

BUDGET PREPARATION

- 4.2.1 The budget must be prepared in a form agreed by the Board, and must be in line with our objectives and Corporate Business Plan. When reaching the Board, the budget should be accompanied by recommendations from the Finance working group on its acceptability and on its impact on overall finances.
- 4.2.2 The budget is to be prepared according to the requirements defined in the detailed financial procedures. Once approved, the budget is to be used as the basis for authority to incur expenditure and for comparison with actual monthly and quarterly results. The approval for each officer to incur expenditure is defined in the detailed financial procedures, and may be amended from time to time by the Board.
- 4.2.3 When the budget has been approved, the Director of Finance & Corporate Services shall allocate various amounts to delegated budget managers, in accordance with their responsibilities, and shall notify in writing such employees of the budgeted amounts. All references to individual responsibilities within these Financial Regulations assume that authority is restricted to these amounts.
- 4.2.4 The Director of Finance & Corporate Services will prepare and present budgets to the Board for
- a) Income & Expenditure
 - b) Investment
 - c) Development
 - d) Non-Housing investment
- 4.2.5 The introduction of new items after the Budget has been approved (where such items exceed the £100K virement delegation in place for directors) requires the advance approval of the Board.
- 4.2.6 The Board must approve any slippage from one year to the next for Investment and Development Programmes.

BUDGETARY CONTROL

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

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

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

BORROWING

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

RESERVES

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

VIREMENTS

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

RISK MANAGEMENT AND CONTROL OF RESOURCES

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

INTERNAL CONTROL

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

Systems of Internal Control

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

Segregation of duties

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

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

Year End and Retention of Records

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

TREASURY MANAGEMENT (INVESTMENT & BORROWINGS)

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

INSURANCE

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

SECURITY PROCEDURES

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

PAYMENTS & BENEFITS

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

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

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

EXTERNAL AUDIT

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

INTERNAL AUDIT

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

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

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

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

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

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

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

5.11.6 If the suspected irregularity potentially involves:

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

SYSTEMS AND PROCEDURES

GENERAL CONTROLS

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

EXPENDITURE

Purchasing Arrangements

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

Orders of Work, Goods and Services

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

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

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

Orders under Procurement (Other Services)

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

Orders under Procurement (Building Works)

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

Orders under Procurement Frameworks

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

General

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

Contracts

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

Payments of Accounts

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

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

Petty Cash

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

Company Credit Cards

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

Expenditure Authorisations

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

- 6.6.4 Where changes to the authorisation schedule are required ahead of the annual review of financial regulations and procedures, the Director of Finance & Corporate Services shall instruct, or confirm, changes in writing to Heads of Service, and other appropriate staff and Board Members.
- 6.6.5 Authorisations can be obtained through e-signatures, e-mail, system authorisations or physical signatures in accordance with the delegations permitted in the Financial Authorisations.

INCOME & BANKING

Banking Arrangements

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

Income

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

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

- 6.8.13 A limit is imposed on the cash amount received in settlement for the payment for goods and services of £5,000 in any one transaction. This limit is required to ensure that the Partnership complies with the Money Laundering Regulations.
- 6.8.14 The Director of Finance & Corporate Services is responsible for implementing credit arrangements and indicating a period in which different types of invoice must be paid, and for implementing procedures and instructions for the allocation of sums received to individual constituent elements of tenants' rent accounts.

Control of Cash, Stock, etc.

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

Writing off Irrecoverable Items of Income

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

SALARIES AND WAGES

Salaries, Wages and Pensions

- 6.10.1 Salaries paid to permanent staff must be on the basis of the appointment as agreed by the Board.
- 6.10.2 All staff are paid on a set day each month as specified in the Partnership's Terms and Conditions of Employment.
- 6.10.3 All payments shall be made by the Director of Finance & Corporate Services.

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

Travel and Subsistence

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

TAXATION

- 6.12.1 Compliance with taxation rules is important for the Partnership to meet its legal requirements and avoid unnecessary costs. Failure to comply with tax legislation can result in penalties and interest payments or may lead to the overpayment or under-recovery of taxes.
- 6.12.2 Heads of Service must ensure all staff are aware of the various tax regimes that impact on their areas of operational activity and ensure they are compliant with legislation governing tax and the detailed standards below.

VAT standards

- 6.12.3 Officers should be aware of the Partnership's VAT guidance, available from the Finance Manager and where to access primary reference documents for VAT related matters.
- 6.12.4 VAT must be paid and recovered within the time constraints laid down by H.M. Revenue and Customs.
- 6.12.5 Officers are responsible for obtaining and issuing proper tax documents (e.g. invoices, receipts) to ensure compliance with VAT law and to facilitate full recovery on expenditure.

Other Tax Standards

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

FIXED ASSETS

Fixed Asset Register

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

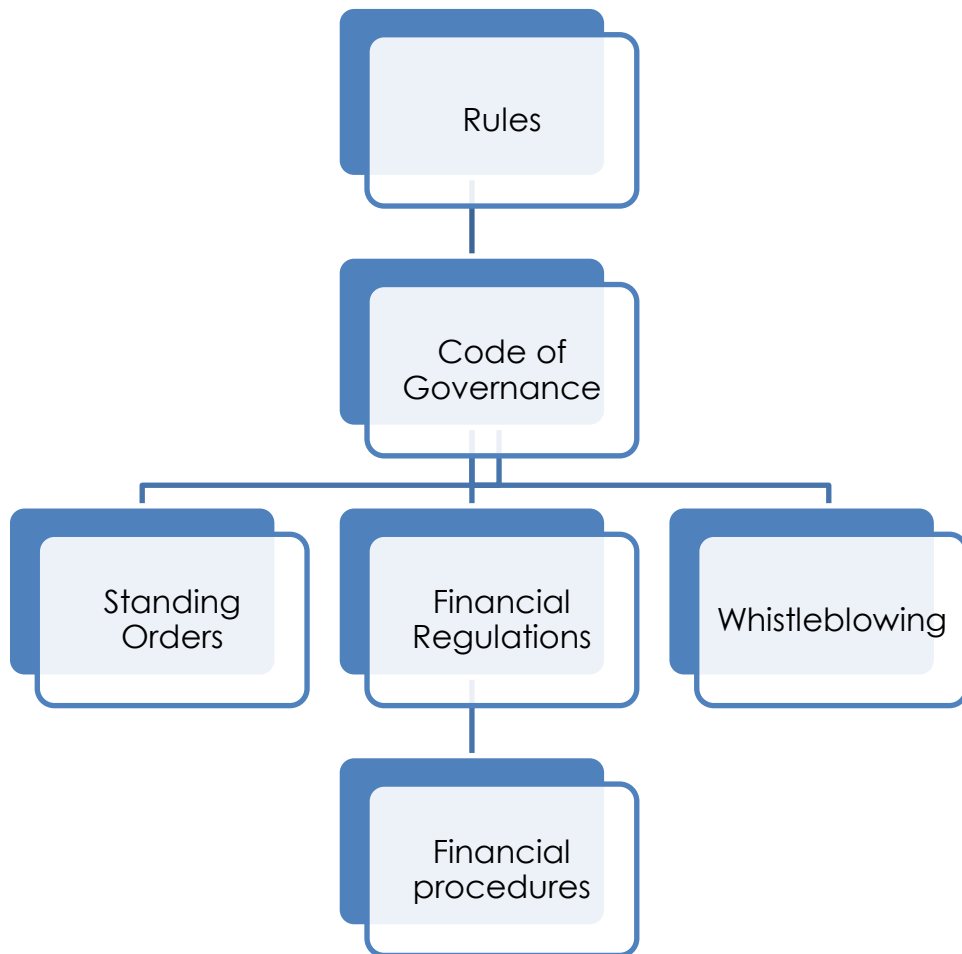
Inventories

- 6.14.1 Inventories shall be maintained by the appropriate Director and Chief Executive, recording an adequate description of furniture, fittings and

equipment, plant and machinery and other small items of equipment used up during developments. The form in which the inventories shall be kept shall be determined by the Director of Finance & Corporate Services.

- 6.14.2 Each Head of Service shall be responsible to the Director of Finance & Corporate Services for maintaining an annual check of all items on the inventory in line with the closing of accounts timetable, for taking action in relation to surplus or deficiencies and noting on the inventory accordingly.
- 6.14.3 The Partnership's property must not be removed from its normal location other than in accordance with the ordinary course of the Partnership's business or used other than for the Partnership's purposes except in accordance with specific directions issued by the Director concerned.
- 6.14.4 Each Head of Service must be responsible for the care and custody of the stocks and stores under his/her control, and for the maintenance of the relevant inventories.
- 6.14.5 Significant stock losses & losses on the disposal of components ahead of their natural replacement must be reported to the Board.
- 6.14.6 Scheme inventories must be separately identified and recorded.

APPENDIX 1 – RELATIONSHIP WITH CONSTITUTION



APPENDIX 2 – PROCUREMENT ARRANGEMENTS

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

PROCUREMENT THRESHOLDS (FROM 1 FEBRUARY 2021)

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

INTERPRETATIONS & ABBREVIATIONS

The following interpretation and abbreviations are used in this policy:

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



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

Email: info@hebrideanhousing.co.uk

Web: www.hebrideanhousing.co.uk

Phone: 0300 123 0773

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

Financial Authorities		
Bank Authorisations		
Type	Item	Authorised Signatories
1	Individual cheques or BACS/CHAPS payments up to £5,000 to be signed by one of the following	Chief Executive
		Director of Finance & Corporate Services
		Director of Operations
		Finance Manager
		Head of Executive Office
2	Individual cheques or BACS/CHAPS payments to a supplier up to £50,000 to be signed by one of the following	Chief Executive
		Director of Finance & Corporate Services
		Director of Operations
		Head of Executive Office
3	Individual cheques or BACS/CHAPS payments to a supplier over £50,000 to be signed by two of the following	Chief Executive
		Director of Finance & Corporate Services
		Director of Operations
		Head of Executive Office
4	BACS payment run to multiple suppliers up to £100,000 to be signed by one of the following	Chief Executive
		Director of Finance & Corporate Services
		Director of Operations
		Head of Executive Office
5	BACS payment run to multiple suppliers over £100,000 to be signed by two of the following	Chief Executive
		Director of Finance & Corporate Services
		Director of Operations
		Head of Executive Office

Financial Approval Matrix				
Role	Requisition Item	Requisition Approval	Invoice Item	Invoice Approval
Requisitioners				
Customer Services Officer (Uist)	£ 1,000,000.00	£ -	£ -	£ -
Corporate Resources Officer	£ 1,000,000.00	£ -	£ -	£ -
Corporate Resources Administration Officer	£ 1,000,000.00	£ -	£ -	£ -
Property Services Administration Assistant	£ 1,000,000.00	£ -	£ -	£ -
Invoice Inputters				
Debt Management Officer	£ -	£ -	£ 1,000,000.00	£ -
Debt Management Officer	£ -	£ -	£ 1,000,000.00	£ -
Financial Accountant	£ -	£ -	£ 1,000,000.00	£ -
Finance Assistant	£ -	£ -	£ 1,000,000.00	£ -
Fixed Asset Accountant	£ -	£ -	£ 1,000,000.00	£ -
Authorisers				
Personal Assistant	£ -	£ 1,000.00	£ -	£ 1,000.00
Area Manager	£ -	£ 1,000.00	£ -	£ 1,000.00
Service Development Manager	£ -	£ 1,000.00	£ -	£ 1,000.00
Governance Officer	£ -	£ 1,000.00	£ -	£ 1,000.00
Area Manager	£ -	£ 1,000.00	£ -	£ 1,000.00
Assets & Contracts Manager	£ -	£ 50,000.00	£ -	£ 50,000.00
Corporate Resources Manager	£ -	£ 50,000.00	£ -	£ 50,000.00
Finance Manager	£ -	£ 50,000.00	£ -	£ 50,000.00
Development Manager	£ -	£ 50,000.00	£ -	£ 50,000.00
Investment Manager	£ -	£ 50,000.00	£ -	£ 50,000.00
Head of Executive Office	£ -	£ 50,000.00	£ -	£ 50,000.00
Director of Finance & Corporate Services*	£ -	£ 100,000.00	£ -	£ 100,000.00
Director of Operations	£ -	£ 100,000.00	£ -	£ 100,000.00
Chief Executive	£ -	£ 1,000,000.00	£ -	£ 1,000,000.00

Notes:-

* Denotes mandatory "Over-budget" approver

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

REVIEW OF STANDING ORDERS

Board 23 June 2021

Report by Chief Executive

Purpose of Report

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

Summary

- 2.1 In accordance with Standing Order 36.6, the Standing Orders shall be subject to an annual review to be completed before the Annual General Meeting.
- 2.2 The Standing Orders were last approved on 27 January 2021 following an update to our Rules to ensure consistency with the updated Rules.
- 2.3 The key changes applied to the Standing Orders following this review are detailed at 9.1 of the report.

Competence

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

Recommendations

- 4.1 **It is recommended that the Board:**
- a) approve the revised Standing Orders at Appendix 1, and;**
 - b) note the summary of key changes at 9.1 of this report.**

APPENDIX 1: Composite Standing Orders v12.1

Background Papers: HHP Rules

Writer of Report: Iona France

0300 123 0773

Competence

Financial

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

Legal

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

Regulatory Guidance

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

Risk

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

Report Details

9.1 Summary of Key Changes:

Standing Order	Area	Comment
5.2	Membership of the Board	Updated to reflect the requirement for a skills assessment prior to appointment
14.3	Office Bearers	Added to address the vacancy in the Head of Executive Office post
17.4	Notice of Meetings & Agendas	Updated
20.4	Quorum for Board, Committees & Working groups (and throughout)	Updated to reflect change from 3 categories to 2 categories of Board Member in accordance with the Rules
20.5	Quorum for Board, Committees & Working groups (and throughout)	Added to clarify quorum for Working Groups as opposed to Committees/Board
24.1	Minutes of Meeting	Timescale added
Pt 3 8.1b	Appointment of Chair	Updated to reflect different arrangement for Remuneration Working Group
2.5/2.6	Working Group Remits	Timescales for papers to be issued added
Part 4	Scheme of Delegation	Updated throughout to reflect the Head of Executive vacancy, the role of Executive Office Manager and the resultant changes to responsibilities.

9.2 There have been minor updates throughout the document for clarity, consistency and good practice.



hebridean housing
partnership



► Composite Standing Orders

Effective Date: ► 23 June 2021
Review Date: ► 23 June 2022
Approved by HHP Board: 23 June 2021

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COMPOSITE STANDING ORDERS

PART 1 – REGULATION OF BUSINESS AND PROCEEDINGS

AIMS AND OBJECTIVES

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

INTRODUCTION

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

COMMENCEMENT

- 3.1 These Standing Orders shall apply and have effect from 23 June 2021.

MEMBERSHIP

MEMBERSHIP OF THE PARTNERSHIP

- 4.1 The Board has delegated responsibility for assessing and approving applications from Community or Tenants members, to the Company Secretary.
- 4.2 Before an application for either Community or Tenant Membership is approved, the Company Secretary will ensure by appropriate checks that the applicant fulfils the respective membership criteria.
- 4.3 In the case of an application by a Tenant, this will include checking that the applicant does reside within the geographic catchment areas by checks of the Partnership's tenancy records or the electoral register. If the applicant's address cannot be verified by means of these standard checks, the applicant will be required to show by clear evidence that the membership criteria detailed in the Membership Policy are satisfied.
- 4.4 Each application for Community or Tenant Membership shall be considered by the Company Secretary as soon as reasonably practicable after receipt of the written application and any additional information required.
- 4.5 If the Company Secretary resolves to admit or refuse admission of an applicant to membership, they shall notify the applicant in writing within a period of seven days of the decision being taken and give reasons in the case of a refusal.
- 4.6 Whilst it is the Partnership's intention to encourage membership, the Board has absolute discretion in deciding on applications for membership and the following shall constitute grounds for refusal of an application for membership:
 - 4.6.1 Where membership would be contrary to the Partnership's Rules or policies;
 - 4.6.2 Where a conflict of interest may exist which, even allowing for the disclosure of such an interest, may adversely affect the work of the Partnership;
 - 4.6.3 Where the Board considers that accepting the application would not be in the best interests of the Partnership or would be likely to compromise the independence of the Partnership; or
 - 4.6.4 an applicant does not satisfy the 'local connection' criteria of having a main or principal place of business or operation in the Outer Hebrides and having lived or operated in the Outer Hebrides for a period of three consecutive years.
 - 4.6.5 A re-application within five years after an expulsion may also face a refusal decision depending on the circumstances at the time of the application.
- 4.7 If a Community Member ceases to maintain a local connection with the Outer Hebrides and when the Board become aware that a Community Member has ceased, the Board will end that person's membership and cancel their share.

- 4.8 Community Members who become tenants shall have the option of maintaining their membership as a Community Member or ending their membership in that category and applying to become a Tenant Member.
- 4.9 If a Tenant Member ceases to be a tenant of the Partnership but meets the qualifying criteria to become a Community Member, the Member will automatically become a Community Member from the date on which the tenancy ended. The Register of Members will be changed to reflect the change in category.

MEMBERSHIP OF THE BOARD

- 5.1 Members of the Board are elected to serve in accordance with the Partnership's Rules and the Code of Governance.
- 5.2 Membership of the Board is not transferable and shall cease on resignation, retirement or on death for Tenant Board Members and Community Board Members and as otherwise set down in the Rules. The Council's representative on the Board, called the Council Appointed Board Members, will be chosen by Comhairle Nan Eilean Siar, following a satisfactory assessment their skills, knowledge and objectivity will enhance the Board's decision making, and are subject to change at any time.
- 5.3 In accordance with Rule 37.7 the Board must determine whether to let Board Members serving for a continuous period of nine years or more continue in service. Any Board Member fulfilling this criteria and who wishes to remain on the Board will be asked to complete a self-evaluation questionnaire to demonstrate their continued effectiveness, and a report will be prepared by the Company Secretary, which the Board will then assess.
- 5.4 If the Board is not satisfied of the Board Member's continued effectiveness in terms of Rule 37.7, the Board must not allow the Board Member to stand for re-election or re-appointment.
- 5.5 The Board shall have up to thirteen Board Members and up to two co-opted Members.
- 5.6 Other than co-opted Members, Board Membership at all times shall be divided into two main categories, these are: the Tenants Category comprising of up to four members of any geographical location in the Outer Hebrides, and the Community Category comprising of up to four members. There will also be up to three Council Appointed Members and the Board may also elect to appoint up to two Board Appointed Members who may be appointed should there be a need or requirement to appoint a Board member with a particular skill or experience to the Board. Board Membership of the Partnership is governed by Rules 37 to 44 of the Partnership's Rules and the Partnership's Membership Policy.
- 5.7 The Tenant and Community Board Members are subject to change on a regular basis and are elected in conformity with Rule 40.1 – 40.5. Any vacancies that occur through resignation will be filled by nominations and ballot in the case of Tenant Board Members and Community Board Members at the next Annual General Meeting following such resignation. Nominations shall be in writing and submitted on an approved form to the registered office of the Partnership not later than thirty-five days prior to the Annual General Meeting. A retiring member may stand for re-election without nomination. Where the

number of retiring Board Members and nominations exceeds the numbers available, a ballot of the membership will be taken at the Annual General Meeting.

- 5.8 In accordance with Rule 37.2.4 the Board may use up to two places to appoint Board Appointed Members whom the Board considers will enhance the skills, knowledge, diversity and/or objectivity of the Board and its decision-making. The appointees must be Members of the Partnership. The manner of identifying, selecting and appointing a Board Appointed Member shall be determined by the Board from time to time. When appointing Board Appointed Members the Board must determine the proposed duration of the appointment, which must be no longer than three years. A retiring Board Appointed Member may be re-appointed accordingly.
- 5.9 In the interim between the date of a Member's resignation and the next following Annual General Meeting, the Board can appoint a casual vacancy to take the place of the Member who has resigned or who otherwise becomes non-eligible in terms of the Rules to continue to be a Board Member but the casual vacancy must stand down at the next Annual General Meeting. Any member who replaces a Board Member in this way must come from the same category of membership as the vacancy.
- 5.10 Board Members shall confirm in writing that they agree with the terms of the Partnership's Code of Governance for Board Members before they can discharge any aspect of their role as a Board Member. If such an agreement in writing is not received within fourteen days of the person's election to the position of Board Member and no good reason is given for the delay, the Board shall convene a special meeting under Rule 44.5 to have the Member removed from the Board.

Community Board Membership

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

Tenant Board Membership

- 7.1 Any person who has entered into a lease with the Partnership in respect of an individual house whether jointly or alone, shall be entitled to apply for membership as a Tenant Member.

Council Board Membership

- 8.1 The Comhairle is represented by up to three council representatives and shall be nominated by the Council in terms of Rule 40.7 of the Rules.

TERMINATION OF MEMBERSHIP

- 9.1 The Partnership's Rules describe the circumstances under which:
- a) A Board Member shall be removed from office; (Rule 44)

- b) A Board Member shall not be eligible for election or re-election (Rule 43)
 - c) A Board Member shall no longer be a Board Member; (Rule 44) and
 - d) Board Membership shall cease, including retirement by rotation. (Rules 39.1 to 39.4 and 43.2)
- 9.2 Any person wishing to withdraw from holding office of Board Member shall give one month's written notice to the Partnership. The Notice should be addressed to the Chair with a copy to the Secretary. On expiry of the Notice the person shall cease to be a Board Member.

REGISTER OF MEMBERS

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

CO-OPTED MEMBERS

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

RECRUITMENT OF BOARD MEMBERS

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

THE ROLE AND REMIT OF THE BOARD

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

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

OFFICE BEARERS

- 14.1 In accordance with Rule 59.1 the Partnership shall have three officer bearers: the Chair, the Vice-Chair and the Secretary. The role of the Chair is outlined in Rules 59.6 to 59.11 and the duties relating to this post are shown at paragraph 23.1 to 23.6 of the Standing Orders. In the Chair's absence the Vice-Chair will perform the same role and duties as the Chair.
- 14.2 The Head of Executive Office, in accordance with the job description of that post, shall undertake the duties of Company Secretary listed in Rule 59.
- 14.3 If the post of Head of Executive Office is vacant the duties of Company Secretary will be undertaken by Executive Office Manager, failing which the Chief Executive.
- 14.4 The Board shall elect the Chair and Vice-Chair at a meeting held immediately after the Annual General Meeting, and they will serve until the end of the next Annual General Meeting.
- 14.5 Should the post of Chair or Vice-Chair become vacant during the year, the Board will elect a replacement office bearer who will serve for the remainder of that year until the next AGM.
- 14.6 A person may serve in the post of Chair for a maximum of five consecutive terms, and then will not be eligible for election to that post for a period of one year.
- 14.7 A person may serve in the post of Vice-Chair for a maximum of five consecutive terms, and will then not be eligible for election to that post for a period of one year.

CONDUCT OF BOARD MEETING

FREQUENCY

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

LENGTH OF MEETINGS

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

NOTICE OF MEETINGS AND AGENDAS

- 17.1 The Secretary shall ensure that each meeting of the Board and its committees shall be called by written notice posted, or sent by email, and that the agenda, minutes and reports relating to each meeting shall be made available to Board Members for downloading to their Tablet device at least eight days before the date of the meeting.
- 17.2 Public notice of the time and place of meetings of the Board shall be given at least seven clear days before the meeting or, if the meeting is convened at shorter notice, as soon as possible after it has been convened. Notices will be posted at all offices from which the Partnership operates, on the Partnership's website and social media platforms.
- 17.3 The proceedings at any meetings of the Board shall not be invalidated by reason of any failure of delivery of any notice, any vacancy in its membership, any defect in the appointment of any Member, or any informality or defect in the calling of the meeting.
- 17.4 The appropriate Chair should be provided with advance notice of Agenda items and discussions therefrom should be with the relevant advisor to the Board or Committee. In the case of the Board this will be the Chief Executive.
- 17.5 Depending on prevailing circumstances, meetings may be convened remotely using the Partnership's video conferencing facilities. The Secretary shall take all reasonable steps to ensure that all Board Members are able to access and participate in the meeting if it is being held in this manner. If meetings are due to take place in person, the Secretary shall also ensure a video conferencing option is available for anyone who cannot attend in person.

ATTENDANCE AT BOARD MEETINGS

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

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

COMMITTEES, WORKING GROUPS AND SPOKESPERSONS

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

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

- 19.6 Where the Chair is unable to act as our Gaidhlig spokesperson the Board will appoint a Gaidhlig spokesperson to assist the Chief Executive respond to media enquiries.
- 19.7 The remit of the Spokesperson is in Part 3 of the Standing Orders.

QUORUM FOR BOARD, COMMITTEES AND WORKING GROUPS

- 20.1 For any meeting or any item of business, any Member who is able to participate by telephone or videoconference or web link will be regarded as being present, and will count towards the quorum.
- 20.2 Co-opted Members will not count for the purpose of determining a quorum.
- 20.3 Consistent with the terms of Rule 48, no item of business shall be transacted at a meeting of the Board unless at least four Board Members, who must represent at least two of three different Board Member Categories, are present and entitled to vote on that item.

- 20.4 No item of business shall be transacted at a meeting of a committee unless at least three Board Members are present and entitled to vote on that item, one of whom must be either a tenant or community Board Member.
- 20.5 The quorum for working groups will be three Board Members.
- 20.6 If there are insufficient Members present to form a quorum within half an hour after the time appointed for the meeting to commence, no business will be transacted and the meeting will be adjourned to a time and place agreed by the Secretary and the Members who turned up for the meeting.

QUORUM FOR GENERAL MEETINGS

- 21.1 All General Meetings other than the Annual General Meeting shall be called Special General Meetings. A Special General Meeting shall be convened in conformity with the Rules.
- 21.2 No item of business shall be transacted at an Annual General Meeting or a Special General Meeting unless:
- a) At least seven Members, including at least one Member from each of the three main Board Member Categories, are present and entitled to vote on that item; or
 - b) Where the membership exceeds 70 persons, at least one tenth of the membership, including at least one Member from each of the two main Board Member Categories, are present or represented by proxies, but with at least half of the quorum being present and entitled to vote on that item.
- 21.3 If there are insufficient Members present to form a quorum within half an hour after the time appointed for a General Meeting to commence, no business will be transacted and the meeting will be re-scheduled for the same day the following week at the same time and place, unless such date is clearly unsuitable, in which case the meeting will be re-scheduled to a time and place agreed by the Secretary. Where a meeting is adjourned, at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting and indicating the general nature of business to be transacted.
- 21.4 A resolution put to a vote at the meeting shall be decided on a show of hands unless before, or on, the declaration of the result of the show of hands, a poll is demanded by a tenth of those entitled to vote. However, in accord with Rule 29.1, where appointed proxies are present, they shall advise the Chair and the Chair shall direct that the vote is by poll. The poll shall be carried out by the Secretary. In the event of a tied vote, the Chairperson has a second and deciding vote.
- 21.5 Where a meeting is adjourned then no further business shall be transacted. Where a meeting is adjourned for 30 days or more, at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting and indicating the general nature of business to be transacted.

MATTERS OF URGENCY OUTWITH MEETINGS

- 22.1 When, in the opinion of the Board Chair, a decision is urgently required which is reserved to the Board or a Committee, the Board Chair may make such decision on behalf of the Board as the Chair considers to be in the interest of

the Board. When the decision relates to a matter delegated to a Committee, the Chair of that Committee shall be consulted before the decision is made. Any such decision and the reason why it was dealt with under this Standing Order shall be reported to the next meeting of the Board, homologated and minuted.

DUTIES OF THE CHAIR

- 23.1 The appointment of the Chair and the procedure for chairing Board meetings will be in accordance with Rule 59.6.1 to 59.6.12.
- 23.2 At every meeting of the Board, including General Meetings, the Chair, if present, shall preside. If the Chair is absent from any meeting the Vice-Chair, if present, shall preside. If the Chair and Vice-Chair are both absent, the Members present at the meeting shall elect from among the non-co-opted Members, a person to act as Chair for that meeting.
- 23.3 The responsibilities of the Chair will be to ensure the smooth running of meeting by:
- a) Preserving order;
 - b) Making sure those who wish to, are allowed to contribute;
 - c) Ensuring that sufficient opportunity and time is given to Members who wish to speak or express their views on the subject under discussion;
 - d) Ensuring voting procedures are in place and that these are followed;
 - e) Announcing votes at meetings;
 - f) Deciding on all matters of order, competency, relevancy and procedure except as provided in the Standing Orders;
 - g) Deciding between two or more Members wishing to speak;
 - h) Ensuring that the sense of the meeting is properly ascertained with regard to any matter which is properly before the meeting;
 - i) At the Chair's discretion, determining all questions for which no express provisions are made under these Standing Orders or otherwise under the Constitutional Documents;
 - j) Providing support for and establishing a constructive working relationship with the Chief Executive;
 - k) Representing the Partnership where authorised;
 - l) Taking all other decisions that are the responsibility of the Chair as laid down in the Rules and Code of Governance for Board Members; and
 - m) Participating in training, where necessary, to enable the above responsibilities to be undertaken.
- 23.4 At all times, deference shall be paid to the authority of the Chair and on all points of order, the ruling of the Chair shall be final and not open to discussion.
- 23.5 If any Member disregards the authority of a Chair or is guilty of obstructive or offensive conduct, the Board may move to exclude the Member for the remainder of the meeting. The motion shall be put without discussion and, if it is carried, the Member shall be asked by the Chair to leave the meeting.

- 23.6 The same principles shall apply to the chairing of committees, and in the absence of the Chair, the remaining Board Members shall appoint one of their number to chair that meeting.

MINUTES OF MEETINGS

- 24.1 The Secretary shall ensure that a competent Minute of the proceedings of any meeting of the Board or its committees is drawn up within seven days of the meeting, sent to the appropriate Chair for information and comment and thereafter submitted to the next meeting of the Board or committee, for approval.
- 24.2 Only Members who were present at a meeting may move or second a motion for the approval of the Minutes as an accurate record of the meeting's proceedings. After a Minute is approved, and any agreed amendments are made to it, the Chair of that meeting shall sign it. If no Members who were present at a meeting are available to approve the minute, e.g., following resignations or retirements, officers who were present at the meeting can confirm the Minute is an accurate record of the meeting's proceedings which will enable the Board to approve the minute.
- 24.3 To expedite business, the Chair of a Committee may present a report of recommendations from the Committee to the next meeting of the Board for approval, before the Committee has approved the Minute of the Committee. The Board on the motion by the Chair of the appropriate Committee, or in his absence, by any other Member of the committee, may approve recommendations presented in a report from a committee. If any matter in the report is challenged, the Board may resolve to withdraw the item so that it will be considered with the approved Minute at the next meeting, or if it is a matter of some urgency, proceed to determine the matter.
- 24.4 For consistency, and so that the reader can follow the Minutes, each set of Minutes of a meeting shall be drafted in conformity with a Corporate Standard for Minutes approved by the Board, and which is likely to be in the following order:
- a) Minute Header and meeting details;
 - b) The Members of the Board or committee present at the meeting;
 - c) The Members who submitted an apology for their non-attendance at the meeting before the start of the meeting;
 - d) Participating Officers;
 - e) Any declaration of interest by a Board Member; and
 - f) Number, narrative and decision relating to each agenda item including the approval of the minutes of the previous meeting.
- 24.5 Minutes may be adopted "*subject to*" the inclusion of an amendment to correct or clarify a point. Any amendment(s) required must be formally proposed, seconded and approved by a majority of Board Members present, prior to the formal adoption of the minutes.
- 24.6 The approved and signed Minutes of the committees shall be submitted to the next meeting of the Board to note the activities of the committee and to approve any recommendations submitted to the Board for decision.

- 24.7 The Secretary shall keep a register of the approved and signed Minutes of the Board and its Standing Committees as the definitive record of the Board's proceedings.
- 24.8 A Board Member who was not present at a particular meeting of that Board, may request clarification of a point in the minutes at the following meeting, but may not re-open the discussion on any item where a decision was made at the previous meeting.
- 24.9 A Board Member who is not a member of a particular committee may request clarification of a point in the respective minutes but may not re-open the discussion on any item, except where the committee has referred an item to the Board for consideration.

OPENNESS AND TRANSPARENCY

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

PROCEDURE OF MEETINGS

ANNUAL GENERAL MEETING

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

BOARD MEETINGS

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

MOTIONS AND AMENDMENTS

- 28.1 Subject to the provisions of the following paragraph, any Member of the Board who wishes to have a particular matter discussed, may submit for consideration by the Board at any ordinary meeting a motion or resolution, by giving notice thereof in writing to the Secretary at least fourteen days prior to the date of the meeting at which it is intended to be submitted. The Secretary shall incorporate such notice in the agenda issued with the notification of the

meeting and the Member will be entitled to speak to the motion and seek a seconder. The matter may be determined at the Board meeting or referred on to another meeting for further discussion.

- 28.2 A motion or resolution relating to any matter directly arising from Minutes or an Agenda may be moved without prior notice having been given. If, in the opinion of the Chair of the meeting, any motion or resolution so submitted does not arise directly from the Minutes or Agenda, the Chair may require the mover to give notice thereof.
- 28.3 If a motion, intimation of which is specified in the notice calling the meeting, is not moved by the Member, or by some other Member on his behalf, it shall, unless postponed by leave of the Board, be considered as withdrawn and shall not be moved without further notice.
- 28.4 The following shall apply to motions and amendments:
- a) Every amendment shall be relevant to the motion and may include a proposition that is the direct negative of the motion;
 - b) A motion or amendment moved but not seconded shall not be put to the meeting, but dissent may be recorded in terms of Standing Order 29.1;
 - c) No Member shall move or second:
 - i) An amendment if that Member has moved or seconded the motion;
 - ii) More than one amendment to a motion.
 - d) If a motion or amendment is withdrawn, the mover and the seconder shall, prior to formal debate commencing, be able to move or second another motion or amendment;
 - e) There shall be no discussion on any motion or amendment except by the mover until such motion or amendment is seconded;
 - f) When a motion and two or more amendments have been proposed, the Chair of the meeting shall determine in what order the motion and amendments shall be put to the meeting; and
 - g) Any motion or amendment proposing either expenditure or a reduction in income shall identify the source of funding to meet the additional expenditure or income foregone, and an amendment failing to identify such source shall be incompetent.
- 28.5 Subject to the right of reply of the mover of a motion or amendment, no Member shall speak more than once or for longer than five minutes, provided always that a Member may speak to a point of order or in explanation with the consent of the Chair of the meeting.
- 28.6 The movers of a motion and amendments in their right of reply in terms of Standing Order 28.4 (f) and (g), shall speak for no longer than five minutes and shall confine themselves strictly to summing up, answering points made by previous speakers but shall not introduce new material.
- 28.7 When a motion has been made and is under debate, no other motion shall be moved except a motion:
- a) To adjourn the meeting;
 - b) To suspend Standing Orders;

- c) To exclude a Member or Officer from the meeting;
 - d) To exclude the press and public from the meeting;
 - e) To take the vote by ballot or roll call; or
 - f) That “the question be now put”.
- 28.8 At the close of any speech, any Member who is not the mover or seconder of the motion or of any amendment to that motion that is before the meeting and who has not spoken on the question before the meeting, may move that the “*question be now put*”. If this is seconded, the Chair of the meeting, if of the opinion that the matter has been fully discussed, shall without further debate and without speeches on the motion that the question be put, have a vote taken on that motion. If the motion is carried, the movers of the original motion and any amendments thereto shall have the right to reply in terms of Standing Order 28.4 and the question shall be put to the meeting.

ORDER OF DEBATE

- 29.1 Every motion or amendment shall be moved and seconded, and shall, if required by the Chair of a meeting, be reduced to writing and read before being put to the meeting for approval or formal debate. No motion, to which an amendment has been moved, or amendment shall be altered or withdrawn without the consent of the mover and the seconder.
- 29.2 The order of debate shall be as follows:
- a) The mover of the motion;
 - b) The movers of amendments in the order moved;
 - c) The seconds of the motion’;
 - d) The seconds of the amendments in the order moved;
 - e) Any other Member of the Board who has not spoken in the debate;
 - f) The movers of the amendments, in reply to points and to sum up, in the reverse of the order in which the amendments were moved; and
 - g) The mover of the motion in reply to points and to sum up.
- 29.3 The mover of a motion and any mover of an amendment have the right of reply before a vote is taken but may not introduce any new matter after this stage. After the mover of the motion has exercised his right of reply, no other Member may speak on the question unless:
- a) To raise a point of order;
 - b) To adjourn the meeting;
 - c) To suspend the Standing Orders; or
 - d) To exclude a Member or Officer from the meeting.
- 29.4 Subject to the right of reply of the mover of a motion or amendment, no Member shall speak more than once or for longer than five minutes, provided always that a Member may speak to a point of order or in explanation with the consent of the Chair of the meeting.

- 29.5 The movers of a motion and amendments in their right of reply in terms of Standing Order 28.4 (f) shall speak for no longer than five minutes and shall confine themselves strictly to summing up, answering points made by previous speakers but shall not introduce new material.
- 29.6 The Chair shall decide when the resolution or motion is to be put to the vote after debate has concluded.

ENTERING OF DISSENT

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

VOTING/DECISION

- 31.1 All acts of, and all questions coming and arising before the Board, shall be done and decided by a majority of the Members present and voting at that meeting of the Board. Majority agreement may be reached by a consensus without a formal vote. Where there is doubt, a formal vote shall be taken.
- 31.2 In the case of an equality of votes, the person presiding at the meeting, in addition to a deliberative vote, shall have a second or casting vote. Where the Chair chooses not to use his second or casting vote the matter shall be determined by lot.
- 31.3 Voting shall be taken by Members by a show of hands; or when the majority of Members present and entitled to vote so determines, by ballot.
- 31.4 Co-opted Members shall not be entitled to vote on matters affecting membership of the Partnership or on the election of Partnership office bearers.

POINTS OF ORDER

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

LENGTH OF MEETINGS AND ADJOURNMENTS

- 33.1 Meetings will continue for no more than two hours beyond the stated starting time, unless at least two-thirds of the Members present and entitled to vote agree, on the expiry of that time, to continue the meeting.
- 33.2 If there is insufficient support to continue, the meeting will either:
- a) be closed formally, with the remaining business being added to the agenda for the next scheduled meeting (this option will be followed if there are no matters requiring a decision before the next scheduled meeting); **OR**
 - b) be adjourned to a time and place agreed at the meeting to complete the business, if there are matters requiring a decision before the next scheduled meeting.

- 33.3 An adjourned meeting will be regarded as a continuation of the original meeting. All decisions etc. will be recorded as having been made on the date of the additional meeting. No business will be dealt with at the additional meeting other than the matters not reached or left unfinished at the original meeting.
- 33.4 A motion for the adjournment of a meeting may be made at any time, shall have precedence over all other motions and shall be put to the meeting without amendment or discussion. Unless the time and place are specified in the motion for adjournment, the adjournment shall be until the day of and before the next ordinary meeting.

OFFICER ADVISORS AT BOARD MEETINGS

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

POLICY SAFEGUARDS

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

APPLICATION, VARIATION AND SUSPENSION OF STANDING ORDERS

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

- 36.6 The Standing Orders shall be subject to an annual review to be completed before the Annual General Meeting.

USE OF THE COMMON SEAL

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

PART 2 – SCHEDULE OF DECISIONS RESERVED TO THE BOARD

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

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

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

PART 3 – SCHEME OF ADMINISTRATION FOR COMMITTEES

PURPOSE OF SCHEME

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

IMPLEMENTATION

- 2.1 This scheme shall come into effect on 23 June 2021, following consideration of a report by the Secretary and subject to the prescribed procedural requirements, be amended or suspended at any time by a decision of the Board.
- 2.2 Members shall be appointed to the Standing Committees at the first Board meeting after the AGM each year.

INTERPRETATION

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

COMMITTEES, COMMUNITY LIAISON GROUPS & WORKING GROUPS

COMMITTEES

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

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

COMMUNITY LIAISON GROUPS

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

WORKING GROUPS

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

APPOINTMENT OF MEMBERS

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

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

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

APPOINTMENT OF CHAIR

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

QUORUM

- 9.1 Unless otherwise determined by the Board, no item of business shall be transacted at a meeting of the Standing Committee unless at least three Board Members are present and entitled to vote on that item, one of whom must be either a tenant or community Board Member. Co-opted Members shall not count towards a quorum.

DELEGATION TO WORKING GROUPS AND HEADS OF SERVICE

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

REFERRED FUNCTION

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

DELEGATED FUNCTIONS

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

relation to any matter, instead of making a decision thereon, to make a recommendation thereon to the Board or committee. In which event, the matter shall be decided by the Board or committee after consideration of the officer's, or committee's recommendation.

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

CONDITIONAL DELEGATION

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

VARIATION OF SCHEME OF ADMINISTRATION

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

AUDIT & RISK COMMITTEE

TERMS OF REFERENCE

OBJECTIVES

The main objectives are to ensure that:

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

CONSTITUTION

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

QUORUM

- 2.1 The quorum of the Committee shall be three Members, one of whom must be either a tenant or community Board Member. Co-opted Members will not count towards the quorum.

COMMITTEE CHAIR

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

FREQUENCY

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

OFFICER ATTENDANCE

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

REPORTING TO THE BOARD

- 6.1 After a meeting of the Committee has approved the Minutes of the previous meeting as a correct record of proceedings, an approved copy of those Minutes shall be presented to the next ordinary meeting of the Board in accordance with 24.5.
- 6.2 If there is a need to expedite business arising from a recommendation of the Committee, the Chair, or in his absence, a Member of the Committee, may present a report of such recommendations from the Committee to the next meeting of the Board for approval, notwithstanding that the minute of the Committee relating to such recommendations has not been approved by the Committee.

REFERRED FUNCTIONS

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

Internal Control and Corporate Governance

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

Internal Audit

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

External Audit

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

Constitutional Documents

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

Annual Accounts

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

General

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

JOINT CONSULTATIVE COMMITTEE

TERMS OF REFERENCE

OBJECTIVES

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

CONSTITUTION

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

QUORUM

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

COMMITTEE CHAIR

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

FREQUENCY

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

STATUS OF RESOLUTIONS

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

COMMUNICATIONS

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

COMMUNITY LIAISON GROUPS

TERMS OF REFERENCE

OBJECTIVE

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

CONSTITUTION

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

WORKING GROUP REMITS

ASSET MANAGEMENT WORKING GROUP REMIT & TERMS OF REFERENCE

1.1 The Asset Management Working Group's Remit is to:

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

MEMBERSHIP

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

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

FREQUENCY OF MEETINGS

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

FINANCE WORKING GROUP REMIT & TERMS OF REFERENCE

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

MEMBERSHIP

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

FREQUENCY OF MEETINGS

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

HOUSING MANAGEMENT WORKING GROUP REMIT & TERMS OF REFERENCE

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

MEMBERSHIP

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

FREQUENCY OF MEETINGS

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

REMUNERATION WORKING GROUP REMIT & TERMS OF REFERENCE

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

FREQUENCY OF MEETINGS

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

SPOKESPERSON

REMIT AND TERMS OF REFERENCE

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

Development

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

Tenant Liaison & Housing Management

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

Repairs & Investment

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

Finance

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

PART 4 – SCHEME OF DELEGATION

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

GENERAL

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

SAFEGUARDS

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

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

DELEGATION

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

ALL HEADS OF SERVICE

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

- 4.9 Subject to prior consultation with the Director of Finance and Corporate Services and the maintenance of records of such transactions, to determine scrap or surplus to the Board's requirements items of plant, equipment, furnishings or other material where the estimated value of such an item is less than £10,000.
- 4.10 To vire expenditure between Budget Heads subject to a maximum of total annual virement of 5% of the total budget or up to a maximum of £100,000 for the department.
- 4.11 Provided they have a relevance to the duties of the post, to authorise the attendance of:
- a) Employees attending as delegates at seminars, conferences, courses or meetings, which are organised by, recognised bodies;
 - b) Employees invited to lecture in their professional capacity; and
 - c) Employees attending meetings of professional bodies of which they are Members.

CHIEF EXECUTIVE

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

- 5.18 With the agreement of the Chair of the Board, to approve the appointment of staff whose purpose is to obtain new funding and where delay would jeopardise the obtaining of such funding.
- 5.19 With the agreement of the Chair of the Board, to approve urgent items of capital expenditure where the time scale for a decision does not allow the matter to be considered by the Board.
- 5.20 To arrange, in consultation with the relevant Chair, for an external speaker to address a meeting of the Board, a Committee, working group or an informal meeting of Members of the Board, Committee or working group.
- 5.21 To implement the Pay Model approved by the Board and ensure any new posts are assessed and graded in line with the Pay Model
- 5.22 To authorise the acceleration of an employee within his salary, wage, grade (or such extended grade as may be provided for under the relevant condition of service) who, in the opinion of the employee's Head of Service, has achieved advancement within an approved career grade or who is temporarily undertaking duties at a higher level and has met the requirements of the Competency Framework.
- 5.23 To determine applications for leave with pay to employees to attend meetings of Trade Unions recognised by the Board
- 5.24 Consistent with national agreements, to pay acting-up allowances to staff within the service in respect of periods during which the employee has been authorised by the Head of Service to undertake duties above the employee's current grading
- 5.25 To issue Contracts of Employment.
- 5.26 To develop and implement a Corporate Risk Assessment framework

DIRECTOR OF FINANCE & CORPORATE SERVICES

- 6.1 To open tenders in the presence of another officer of the Board.
- 6.2 To accept a tender other than the lowest only in exceptional circumstances and upon advice from the instructing Head of Service and after prior consultation with the Chief Executive. A report giving the reasons for the acceptance of such tender shall be submitted to the next meeting of the Board.
- 6.3 To draw down and sign for cash from the Scottish Government in accordance with the Board's funding allocation.
- 6.4 To approve applications for financial assistance from outside bodies up to a maximum of £2,500.
- 6.5 To approve all new acquisitions of information technology hardware and software, consistent with relevant standards as may set from time to time by the Board in the Information & Communication Technology Strategy.
- 6.6 To dispose of heritage and lease on the basis of terms recommended by the District Valuer, subject to prior approval of the disposal by the Board.
- 6.7 To determine arrangements for the payment of debts to the Partnership.

- 6.8 In relation to sundry debts, to select and implement appropriate methods of recovery of arrears.
- 6.9 To authorise the payment of expenses and allowances to Members and officers of the Board and to Partnership's Directors, subject to the Chief Executive's having been certified first by the Board's Chair.
- 6.10 To determine requests from directors or officers for advance payment of expenses or allowances.
- 6.11 To determine at what stage the police should be contacted having regard to the terms of the Partnership's Fraud and Corruption Policy.
- 6.12 To determine the type and level of resource to be used in the investigation of suspected fraud.
- 6.13 To undertake all responsibilities under the terms of the Partnership's Fraud and Corruption Policy.
- 6.14 To arrange and review all insurance cover and negotiate all claims.
- 6.15 To authorise the payments of accounts.
- 6.16 To effect the arrangements for the borrowing and lending of money as required by the Partnership in accordance with the Partnership's borrowing and lending policies and the CIPFA "Treasury Management in Housing Partnerships: A Code of Practice."
- 6.17 To ensure compliance with the CIPFA "Treasury Management in Housing Partnerships: A Code of Practice" and to ensure compliance with the approved Treasury Management Policy Statement.
- 6.18 In consultation with the originating Head of Service, to write off individual debts which are irrecoverable, up to a maximum of £1,500.
- 6.19 To authorise the arrestment of wages or salaries in respect of Partnership employees.
- 6.20 To open bank accounts as required, in the name of the Hebridean Housing Partnership and in the name of Hebridean Community Housing Limited.
- 6.21 To apply for purchasing cards for approved users.
- 6.22 To maintain a list of those officers, who are authorised to sign cheques and other payable orders drawn on the Partnership's accounts with commercial Banks. This "List of Authorised Signatories" will include specimen signatures and will specify the level of delegated authority for each signatory.
- 6.23 To maintain also in the "List of Authorised Signatories" a list of authorised officers for such other purposes as are specified in the Financial Regulations.
- 6.24 To ensure that all discretionary fees and charges are submitted for annual review to the Board for approval before the start of the financial year.
- 6.25 Authorising auditors' reports, signing of cheques & other instructions to bankers, signature for tax liabilities.

DIRECTOR OF OPERATIONS

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

- 7.20 To invite and accept tenders for house construction and improvements subject to financial provision and approved budgets.

EXECUTIVE OFFICE MANAGER

- 8.1 To act as the Company Secretary and carry out all duties associated with this role and as set out at Item 9.1 - 9.7.
- 8.2 To authorise Board Members' expenses claims.
- 8.3 To determine the suitability of a particular post for job share, in consultation with the relevant Head of Service.
- 8.4 To interpret conditions of service and to authorise the implementation of revised conditions of service, such as Islands Allowance and First Aid Allowance, and as approved by the Board in respect of employees of the Partnership.
- 8.5 To determine applications for leave with pay to employees to attend examinations related to recognised qualifications within the Training Policy.
- 8.6 To determine applications for leave with pay to employees to serve on a jury, subject to the deduction of the allowance received.
- 8.7 To determine requests for training in line with the approved Training Plan.
- 8.8 To apply for Air Discount Scheme Cards for approved Staff and Board Members.
- 8.9 Implement a Performance Management System.
- 8.10 Authorising Charity returns and any other returns relating to the Company Secretarial role.
- 8.11 To apply for Regulator's consent where it is required.
- 8.12 To authorise the implementation of agreed salary and wage awards in respect of employees of the Partnership.
- 8.13 To determine and approve authorised car users for the Partnership.
- 8.14 To determine and approve the allocation of mobile phones to posts within the Partnership.
- 8.15 To oversee the Partnership's compliance with Data Protection and Freedom of Information legislation.

COMPANY SECRETARY

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

AREA MANAGER

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

PART 5 – CODE OF GOVERNANCE (VERSION 7.0)

INTRODUCTION

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

WHO THE CODE APPLIES TO

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

HOW THE CODE IS STRUCTURED

- 3.1 The Code is based on the seven principles which are recognised as providing a framework for good governance. They demonstrate honesty, integrity and probity.

Each principle is described, as it applies to the activities of a RSL and its Governing Body Members, and supporting guidance is offered for each to provide more explanation of the Code's requirements. The guidance is not exhaustive and it should be remembered that Governing Body Members and RSLs are responsible for ensuring that their conduct at all times meets the high standards that the RSL sector is recognised for upholding.

THE PRINCIPLES

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

SELFLESSNESS

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

OPENNESS

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

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

HONESTY

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

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

OBJECTIVITY

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

INTEGRITY

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

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

ACCOUNTABILITY

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

LEADERSHIP

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

DECLARING AND MANAGING PERSONAL INTERESTS

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

BREACH OF THIS CODE

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

REVIEW

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

CHANGE HISTORY

Version	Change Applied	Date	By
V6.0	Full review and update on previous Standing Orders	August 2012	DML
V7.0	Part 4 Scheme of Delegation for Officers, amend Para 6.19 to incorporate changes made to Rent Arrears policy	18 Feb 2015	DML
V8.0	Full review and update on previous Standing Orders following Rule change	11 Aug 2015	ACS
V8.1	Amendments agreed at Board on 10 February 2016 incorporated in respect of Scheme of Delegation: 4.12 re special leave, 6.21 re opening subsidiary bank accounts and 6.38 re applying for regulatory consents.	10 Feb 2016	ACS
V8.2	Following appointment of new Chief Executive, Company Secretarial Role aligned to that post - amendments at 13.2, and 6.32 – 6.38 accordingly. References to Director of Resources amended to Director of Finance and Corporate Services, and Finance Manager amended to Finance Controller throughout.	6 Sep 2016	ACS
V8.3	Following approval at Board meeting on 15 March 2017, Working Group Remits incorporated at page 35.	17 Mar 2017	ACS
V9.0	Full review and update on version 8.3 following Rule change.	14 Feb 2018	ACS
V10.0	Full review and update on previous Standing Orders	19 June 2019	IF
V11.0	Full review and update on previous Standing Orders	5 June 2020	AC
V12.0	Review to implement updated rules following SGM 2020	22 December 2020	AC

INTERPRETATIONS & ABBREVIATIONS

The following interpretation and abbreviations are used in this policy:

Word	Interpretation
<i>Board</i>	The Board of Management of the Partnership
<i>Board Member</i>	A Member of the Board and shall include any person co-opted onto the Board.
<i>Chief Executive</i>	The Chief Executive of Partnership or anyone who is deputising for the Chief Executive.
<i>Committee</i>	A committee of the Partnership appointed by the Board shall have the same meaning as the term sub-committee used in the Rules. In the Standing Orders, the term committee shall include sub-committees unless the sense of the context indicates otherwise.
<i>Scottish Housing Regulator</i>	An independent regulator of RSLs and local authority housing services in Scotland established on 1 April 2011 under the Housing (Scotland) Act 2010.
<i>Council Board Member</i>	Shall have the same meaning as the term "Council Appointed Board Member" in the Rules.
<i>Local Connection</i>	Means having a main or principal residence or principal place of business or operation in the Outer Hebrides and having lived or operated in the Outer Hebrides for a period of three consecutive years.
<i>Rules</i>	The Rules of the Partnership incorporated under the Co-operative and Community Benefit Societies Act 2014 and registered with the Financial Conduct Authority.
<i>The Council or Comhairle</i>	Comhairle Nan Eilean Siar
<i>The Partnership</i>	Hebridean Housing Partnership
<i>Three Main Board Member Categories</i>	The three main Board Member Categories are the Tenant, Community and Council Board Member Categories.
<i>Tablet Device</i>	Or equivalent electronic device
<i>Head of Service</i>	A Director, Head of Executive Office or the Chief Executive
<i>Local Press</i>	Any local paper and/or local news website
<i>The Act</i>	Housing (Scotland) Act 2010 and 2014, and the Housing (Amendment) (Scotland) Act 2018.
Except as otherwise provided, the Standing Orders of the Board with the appropriate changes shall also be the Standing Orders of the committees of the Board.	
All references to the masculine gender in this policy shall read as equally applicable to the feminine gender	



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

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HOUSING ALLOCATIONS ANNUAL REPORT

2020/21

Board 23 June 2021

Report by Director of Operations

Purpose of Report

- 1.1 This report provides statistical information on housing allocations during 2020/21 and outlines a number of the key issues surrounding supply and demand for housing.

Summary

- 2.1 The report at Appendix 1 is our eleventh Allocations report setting out information on supply and demand. This enables us to view long term trends and helps to inform decision making on issues such as the requirement for, and location of, new supply. The report is also important for monitoring equality in terms of access to housing.
- 2.2 The level of demand for housing is an important issue for the business and one which continues to be being closely monitored. The demand, as demonstrated by waiting lists is weak, and has reduced by almost 25% over the last 11 years. This information will inform strategic planning. Options will need to be run through the Business Plan model to assess the impact of changes in demand.
- 2.3 We are carrying out a Housing Needs and Demand study in 2021 which will include engagement with communities and Community Trusts to identify any housing need and aspirations which are not evidenced by our waiting list. This will inform our Business Plan.
- 2.4 The quota of allocations to homeless applicants in Stornoway is proposed to be retained at 50%, with the exception of 2 apt properties, as the Board agreed on 19 May 2021 to increase the number of 2 apt properties allocated to 25 per annum. This will be kept under review in the context of the Comhairle's Rapid Rehousing Strategy and the Local Housing Strategy.

Competence

- 3.1 The financial, legal and other constraints arising are detailed at paragraph 5.1 – 8.2.

Recommendations

- 4.1 **It is recommended that the Board:**
- a) **note the Allocations Report 2020/21, at Appendix 1;**
 - b) **agree the quotas for allocating properties in Stornoway, with the exception of 2 apt properties which has been agreed at 25 per annum, remain at 50% for homeless applicants.**
 - c) **agree the quotas for allocating properties in Stornoway remain at 15% for transfer applicants and 35% for other waiting list applicants.**

Competence

Financial

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

Legal

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

Regulatory Guidance

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

Risk

- 8.1 Demand for housing is an important issue for HHP. Lack of demand will impact on income and the strength of the business. There is evidence that demand for housing is continuing to reduce and particularly so in rural areas and this is reflected in the risk register.
- 8.2 The trends identified in the report of a long term decline in demand while we continue to increase housing supply are not sustainable. These trends are consistent with demographic data from other sources. These present significant risk to the business if they continue and will be important issues to be addressed as the business plan is renewed later this year. At present our Business Plan does not include any further new build beyond 2025.

Appendix 1: Allocations Report 2020/21

Background Papers:

Writer of Report: Mina Maclean

Tel: 0300 123 0773



hebridean housing
partnership



► Allocations Report 2020/21

Author: ► Mina Maclean, Housing Officer (Allocations)

ALLOCATIONS REPORT 2020/21

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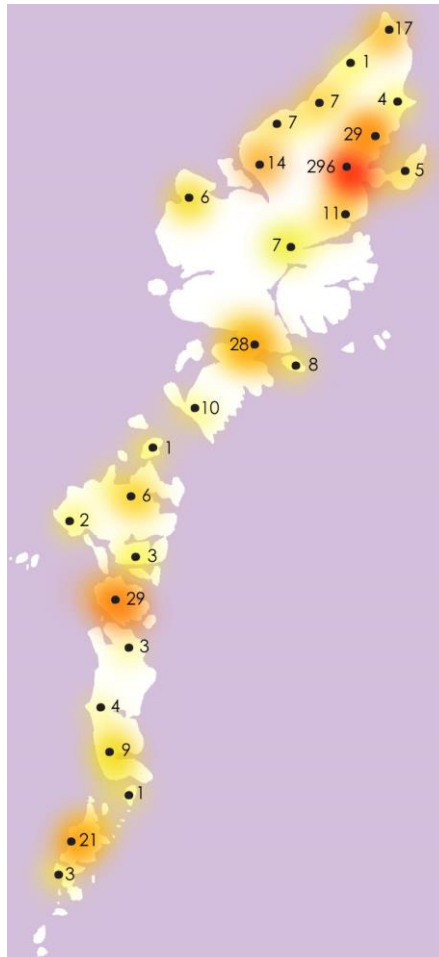
ALLOCATIONS REPORT 2020/21

AIMS

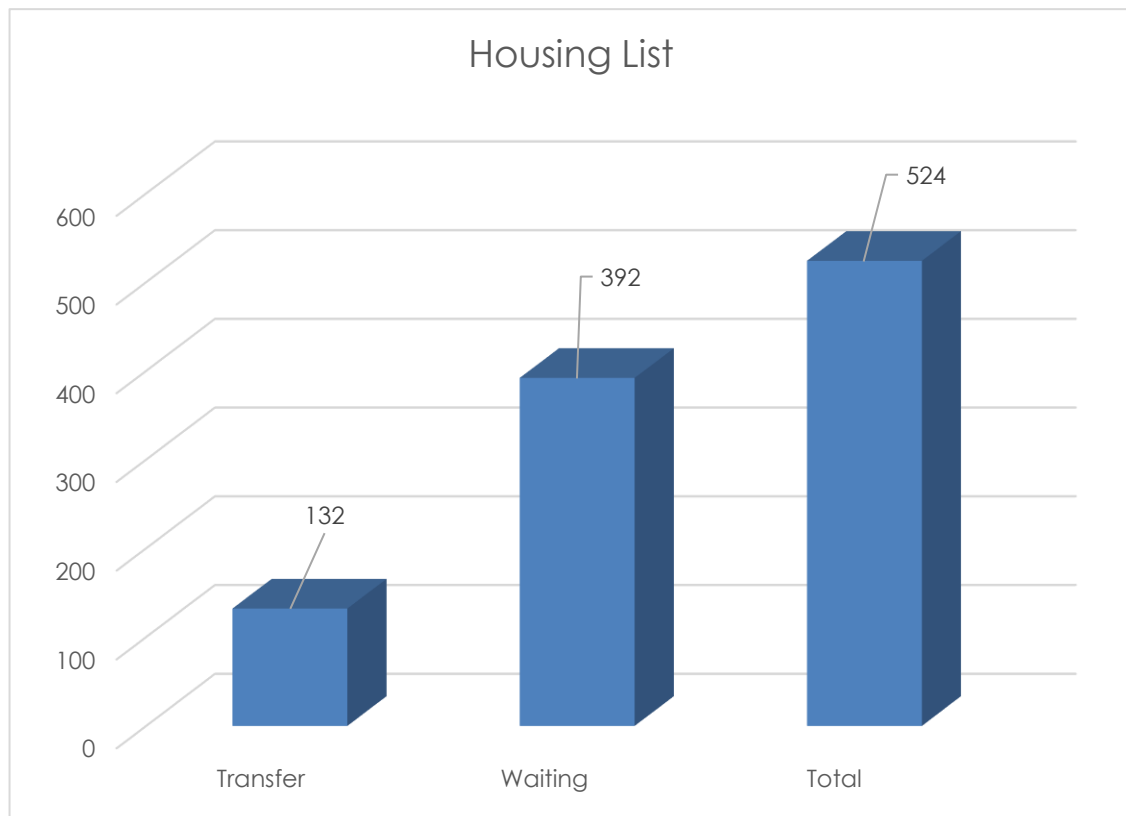
- 1.1 The aims of this report are
- to provide information on the supply and demand for social housing in the Outer Hebrides;
 - inform decisions on the requirement for, and location of, new supply; and
 - monitoring equality in terms of access to housing.

WAITING LIST AT 31 MARCH 2021

- 2.1 The map below shows the number of applicants on the waiting list at 31 March 2021 and incorporates first choice area of preference:

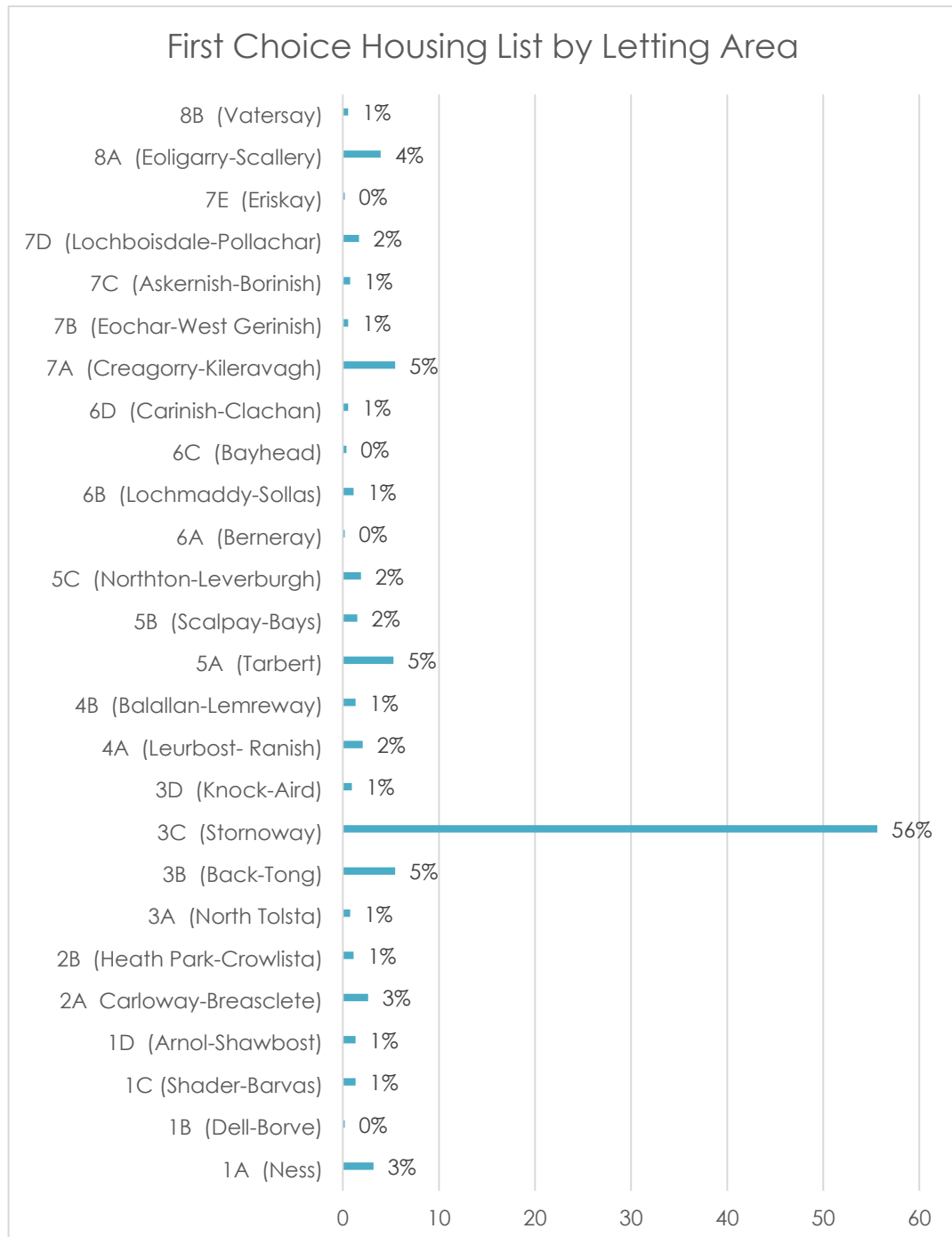


- 2.2 Demand is highest at the main centres of population and is lowest in the most rural areas.
- 2.3 The waiting list is broken down to show waiting and transfer applicants (excluding 23 suspended and 80 deferred) is below:



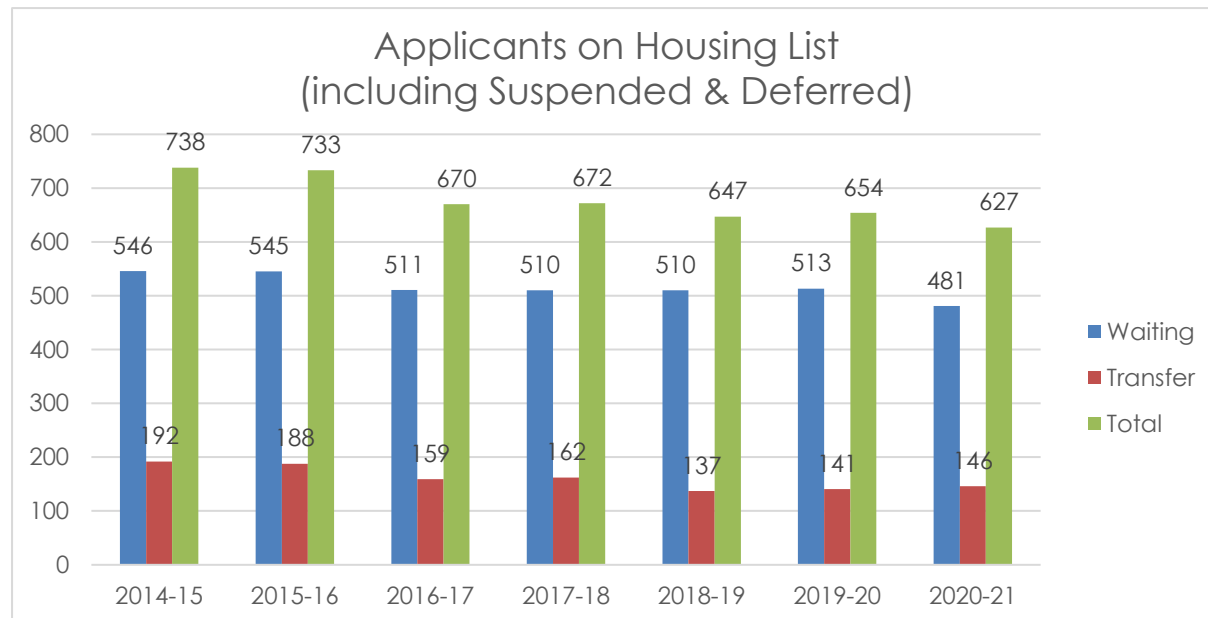
PERCENTAGE OF DEMAND BY AREA BY FIRST CHOICE

- 3.1 The chart shows that the largest demand by a considerable distance is for the Stornoway area with 56% of applicants recording this as their preference. The next largest areas of demand are Creagorry/Kileravagh, Tarbert and Back/Tong at 5% each. Eoligarry/Scallery is the next largest demand area at 4%.



BREAKDOWN OF APPLICANTS ON WAITING LIST FROM 2014-2021 (INCLUDING SUSPENDED & DEFERRED)

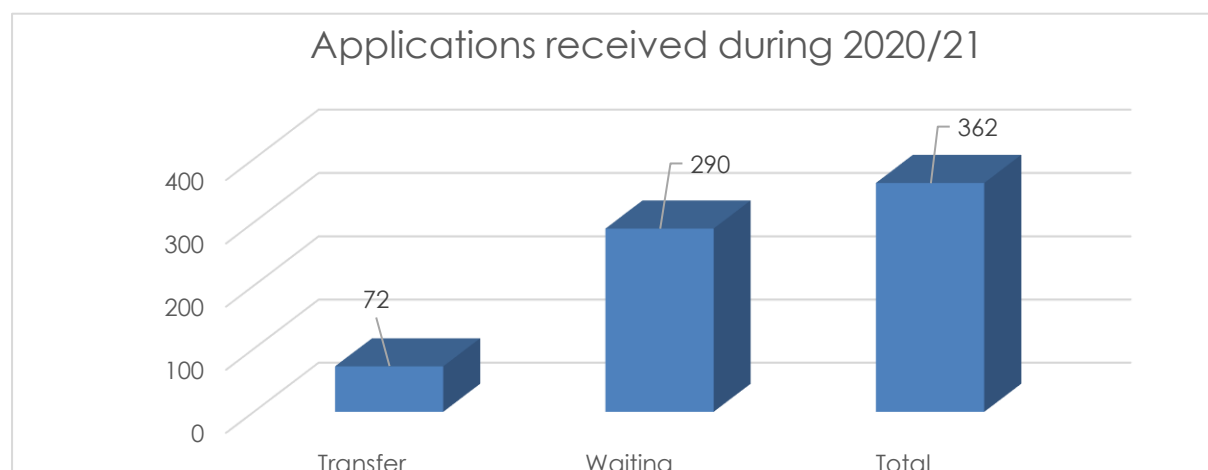
- 4.1 The chart below shows the number of applicants on the waiting list over the last seven years. The figures in this chart include, waiting, transfer and also suspended and deferred applications.



- 4.2 The number of applicants on the waiting list is 392 (excluding suspended and deferred).
- 4.3 There has been a 4.2% decrease in the total number of applicants from 31 March 2020 to March 2021 and a 6.3% decrease in the waiting list applications. Since 2011/12 waiting list applications have fallen by 24.6%.

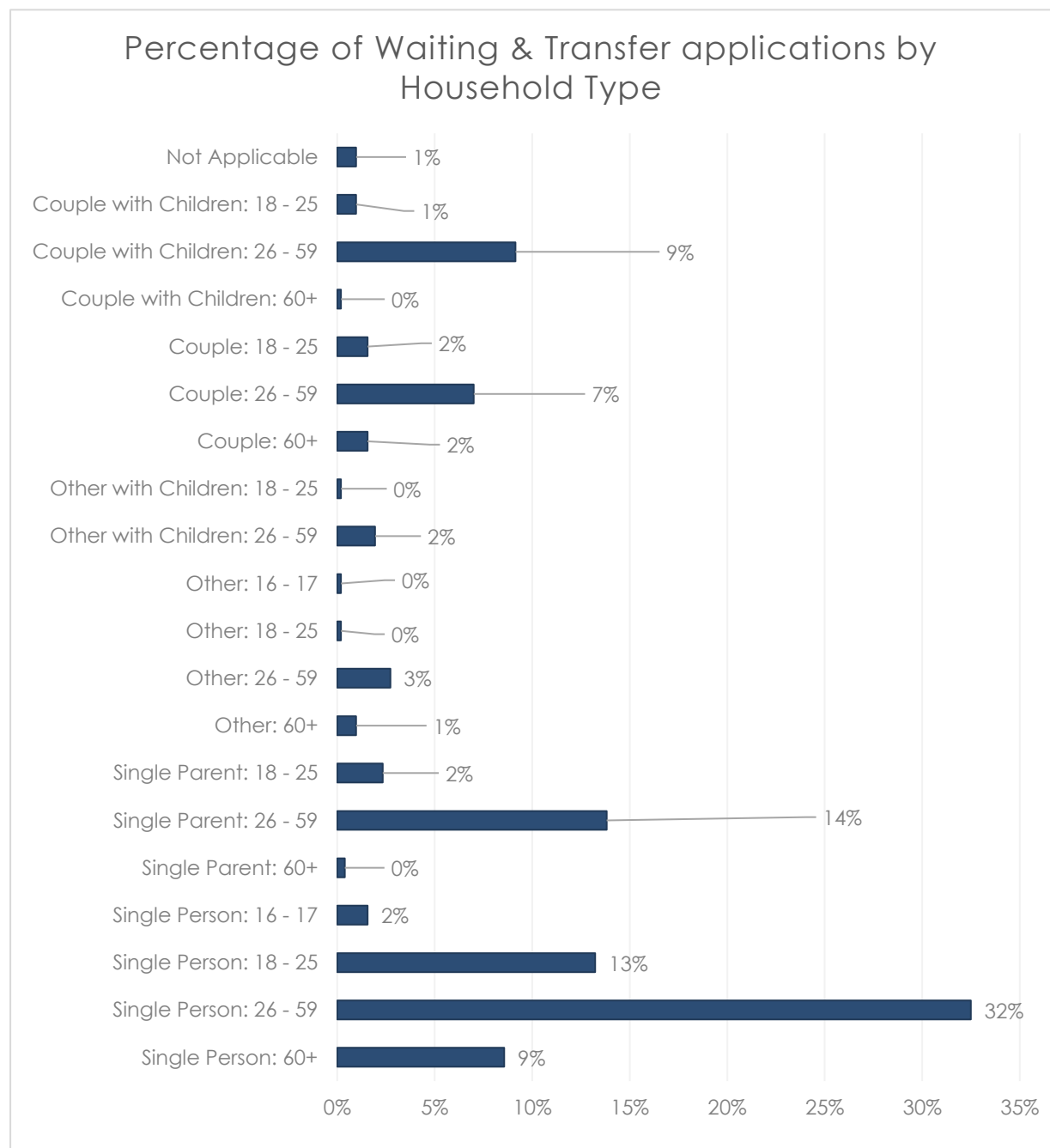
APPLICATIONS RECEIVED DURING 2020/21

- 5.1 The total number of applications received during 2020/21 was 362 a decrease of 18% from the previous year and a decrease of 16.4% since 2014/15.
- 5.2 The average time taken to process these applications was 3 days.

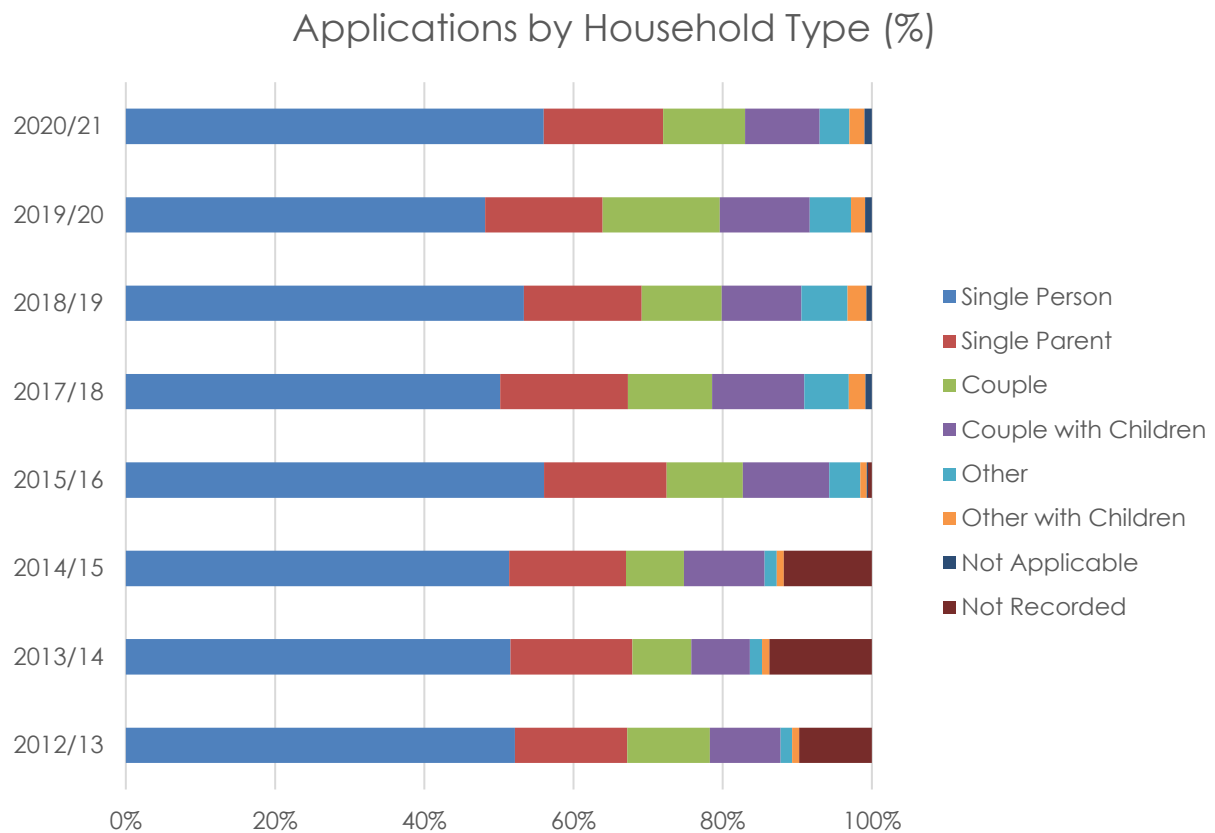


PERCENTAGE OF WAITING AND TRANSFER APPLICATIONS BY HOUSEHOLD TYPE

- 6.1 Single people make up 56% of the applicants with 32% aged 26-59. 28% of applicants are households with children.
- 6.2 In 2012/13 the figures were 52% of applicants were single and 26% were single people aged 26-59. 25% of applicants were households with children.

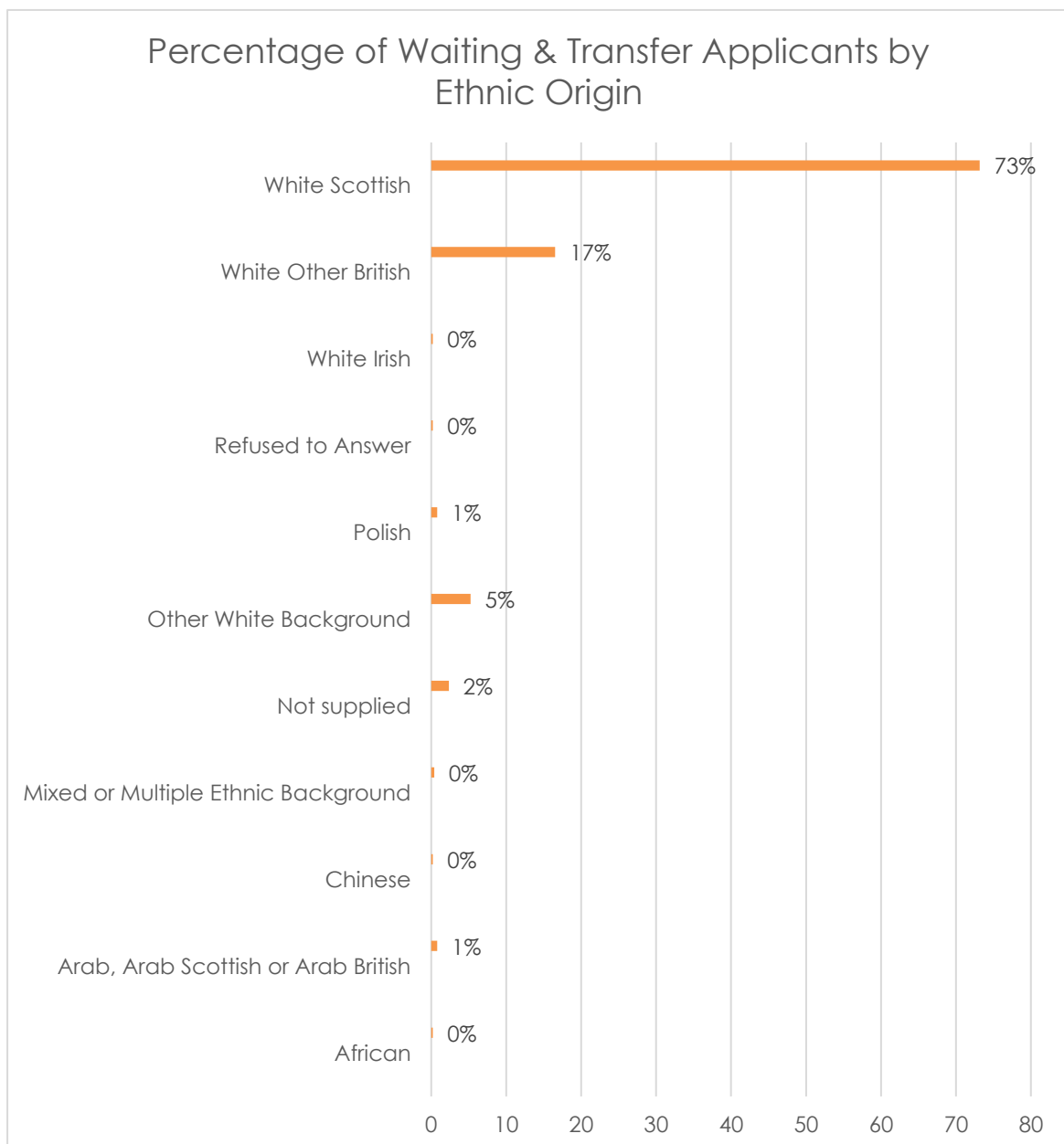


6.3 The chart below shows the applications by Household type over the last eight years. The proportion by household type appears to be steady.

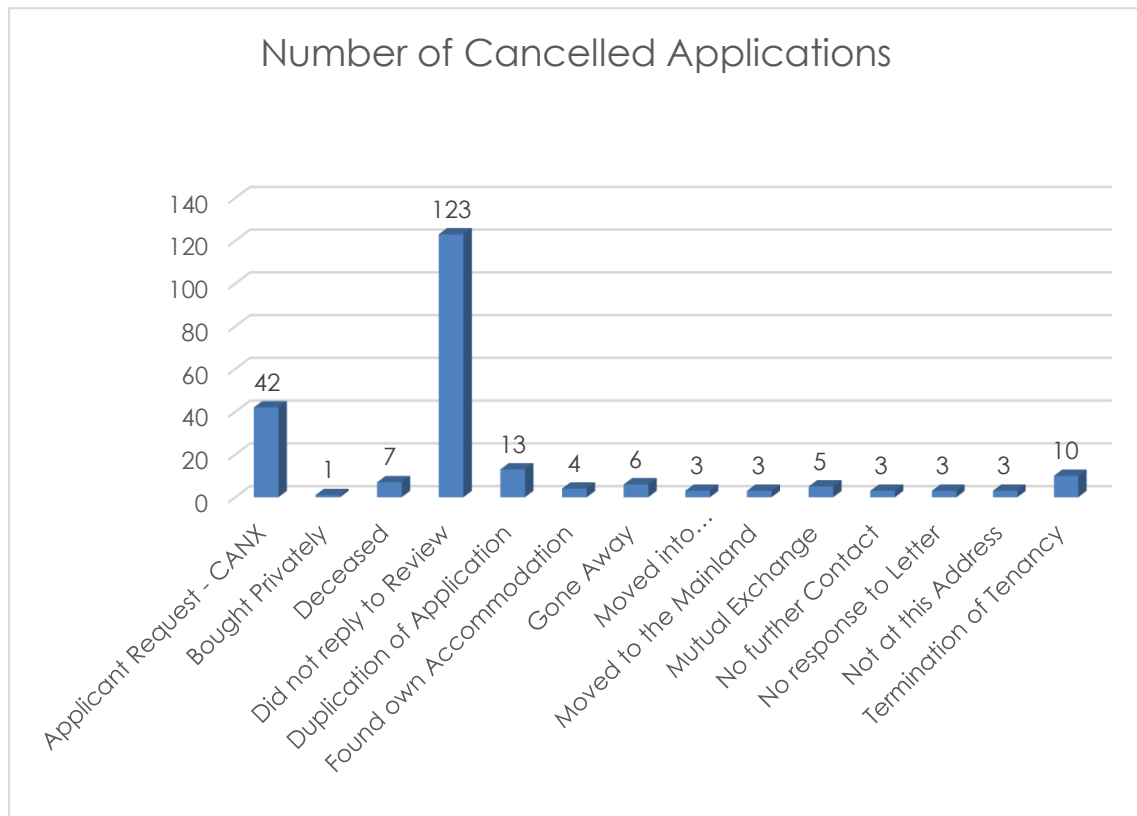


PERCENTAGE OF WAITING & TRANSFER APPLICANTS BY ETHNIC ORIGIN

- 7.1 The chart below shows that the largest applicant group is white Scottish at 73% with 17% of applicants being of other white British origin. Other white backgrounds make up 5%. 2% did not provide information.
- 7.2 In 2017/18 the percentage of White Scottish applicants was 75% with 17% being other white British origin. White Irish and other white background was 5%. 1% did not provide information.
- 7.3 In 2014/15 the percentage of White Scottish applicants was 75% with 16% being of other white British. Other white backgrounds are made up of 3%.

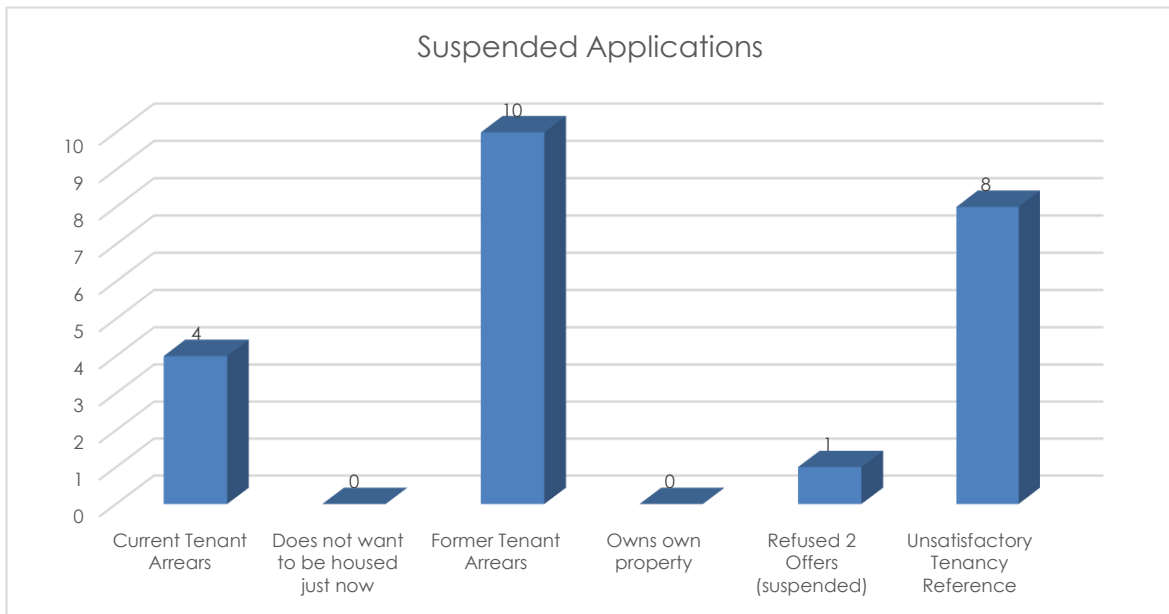


- 8.1 During the year 226 applications were cancelled. The primary reason for applications being cancelled was due to non-return of review forms indicating that people are no longer interested in being offered housing. There were 123 applications cancelled as a result of this. The rolling review process is important in keeping data live and up to date.

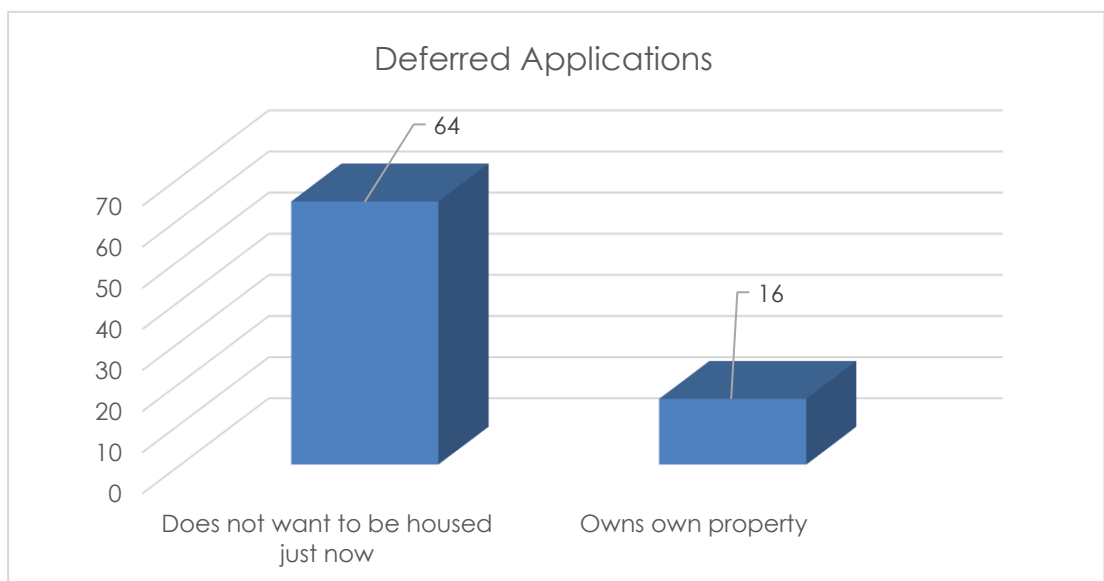


SUSPENSIONS AND DEFERRED APPLICATIONS

- 9.1 In some circumstances applicants will be suspended from the waiting list. Suspended applicants are reviewed every month to ensure that the suspension is still relevant. There are currently 23 applications suspended, 4 are suspended because of current tenant arrears, 10 are suspended because of former tenant arrears and 8 because of conduct issues. 1 applicant is suspended for refusing two offers of housing which met their choices.

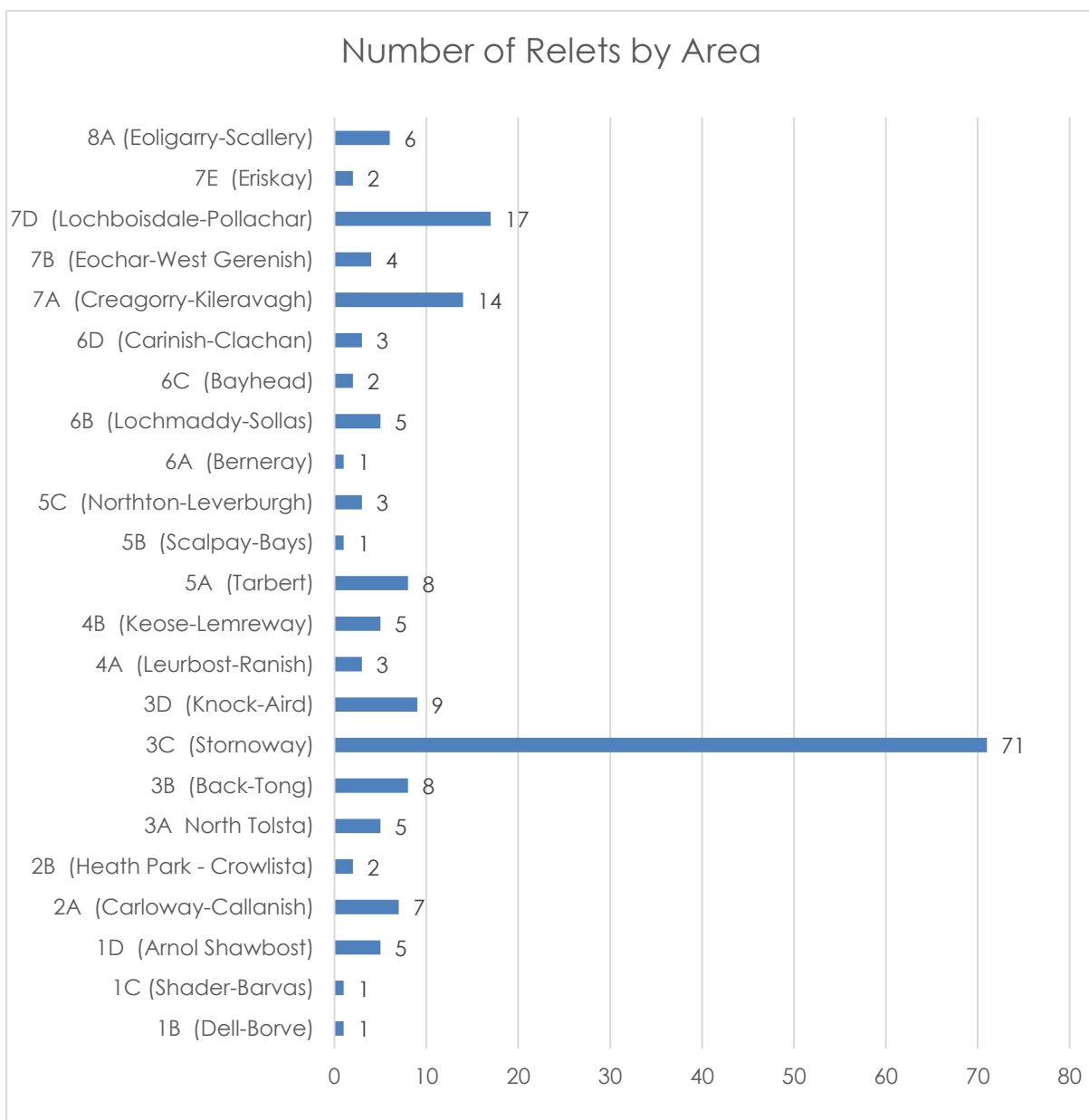


- 9.2 64 applicants do not wish to be housed at present and are deferred until such time as their circumstances change. 16 applicants are deferred as they own their own property and are not eligible for an offer of housing.

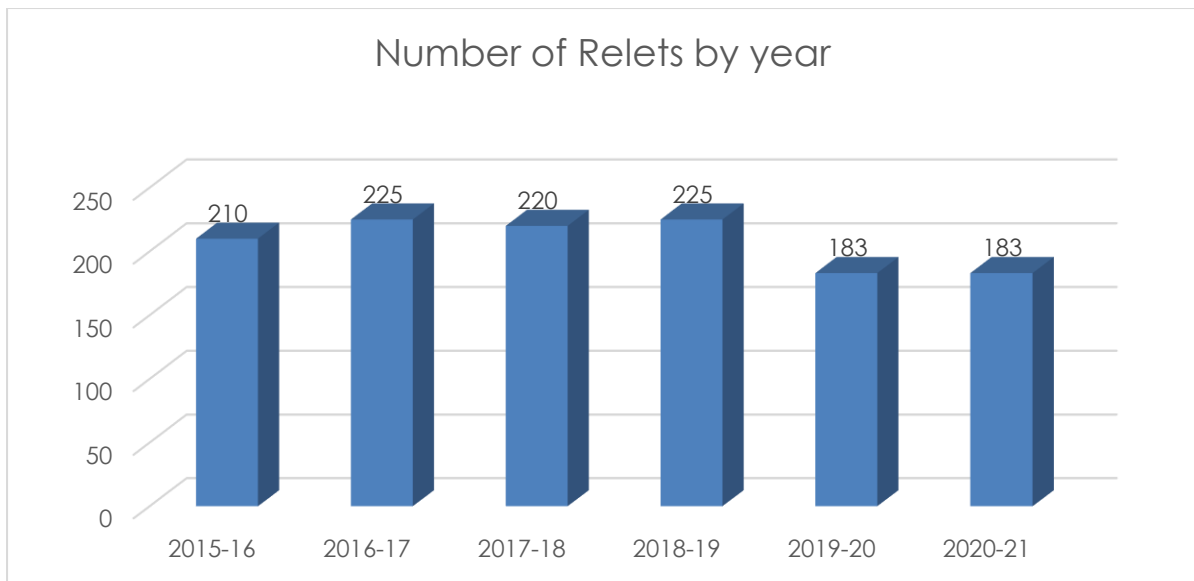


HOUSING SUPPLY

- 10.1 In total 183 properties (excluding new build) were re-let during 2020/21. There were 29 lets made to transfer applicants. There were 3 Direct Lets to other agencies.
- 10.2 The number of relets by area is shown below. 71 lets (38.80%) were in the Stornoway area with 14 lets (7.65%) in Balivanich and 17 lets (9.29%) in Lochboisdale.
- 10.3 In the 2017/18 report the figures were 77 lets (37.0%) in the Stornoway area, 10 lets (4.8%) in Balivanich and 20 lets (9.61%) in Lochboisdale.
- 10.4 In the 2012/13 report the figures were 71 lets (35.68%) in the Stornoway area, 12 lets (6.03%) in Balivanich and 21 lets (10.55%) in Lochboisdale.



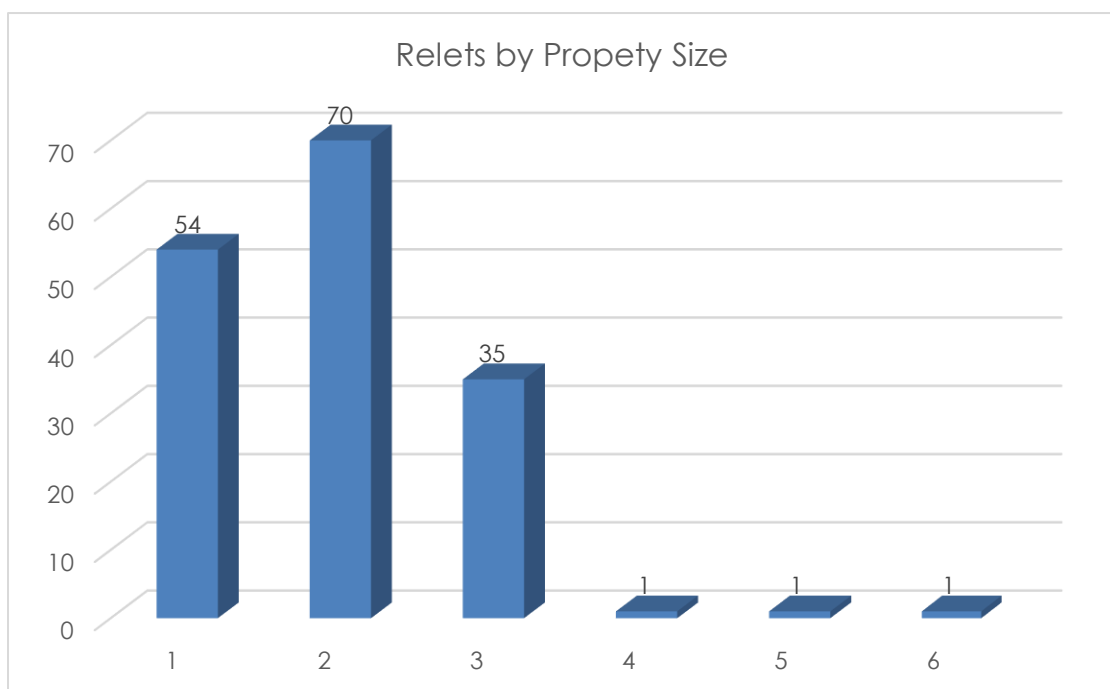
10.5 The chart below shows the relets for each year since 2015/16.



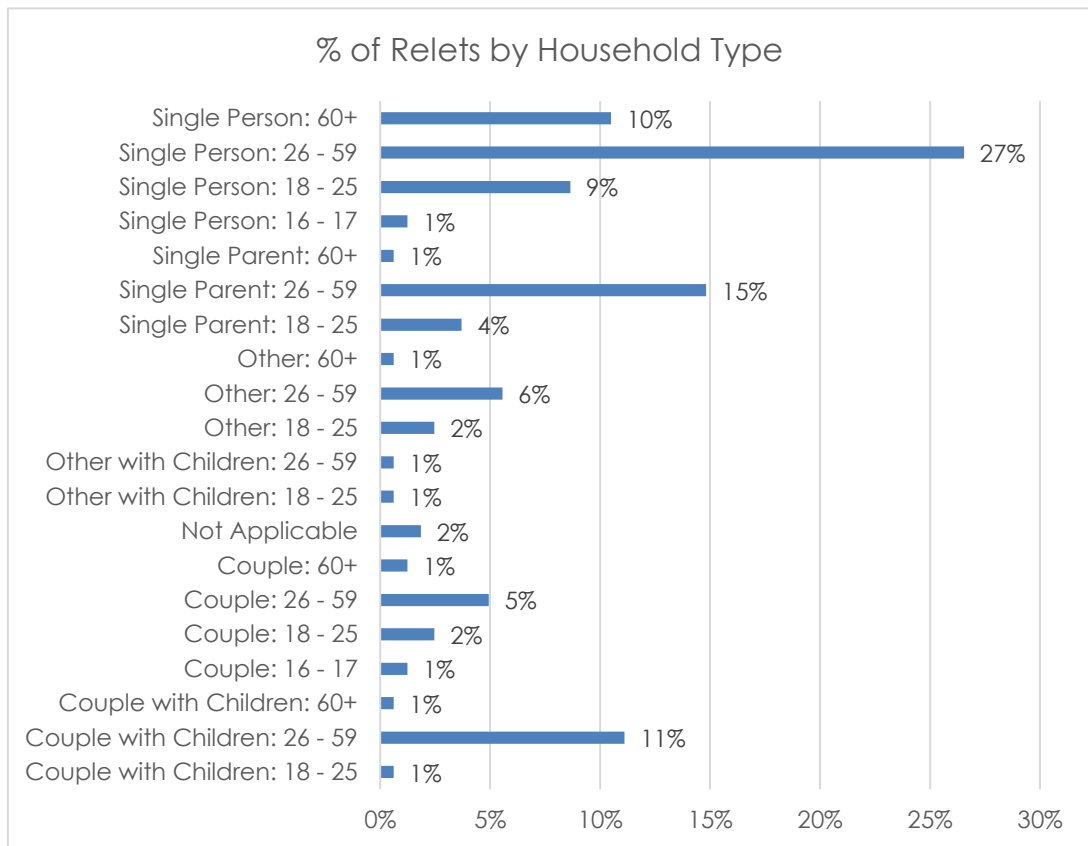
10.6 54 lets (30.51%) were for 1 bedroom properties and 70 lets (39.55%) were 2 bedroom properties. 35 lets (19.77%) were of 3 bedroom properties.

10.7 In the 2017/18 report the figures were 75 lets (36%) of 1 bedroom properties and 85 lets (40%) of 2 bedroom properties. 44 lets (21%) were of 3 bedroom properties.

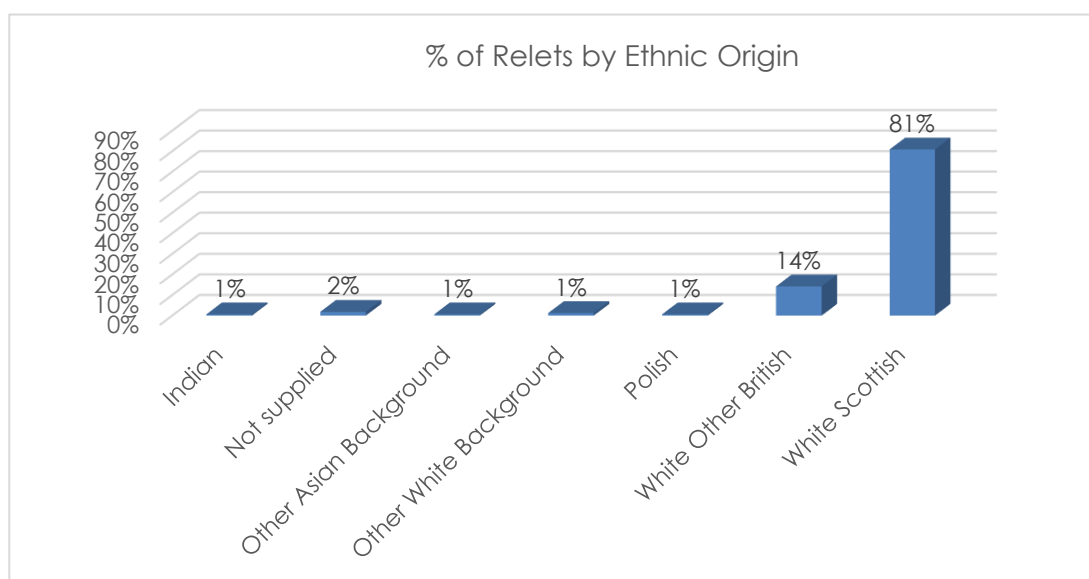
10.8 In the 2012/13 report the figures were 83 lets (42%) of 1 bedroom properties and 56 lets (28%) of 2 bedroom properties.



10.9 The graph below shows applicants housed during the year by household type and by ethnic origin. 12% of lets were to couples with children, 9% were to couples, 19% were to single parents and 47% were to single people. These figures are broadly in line with the proportion of households on the waiting list.

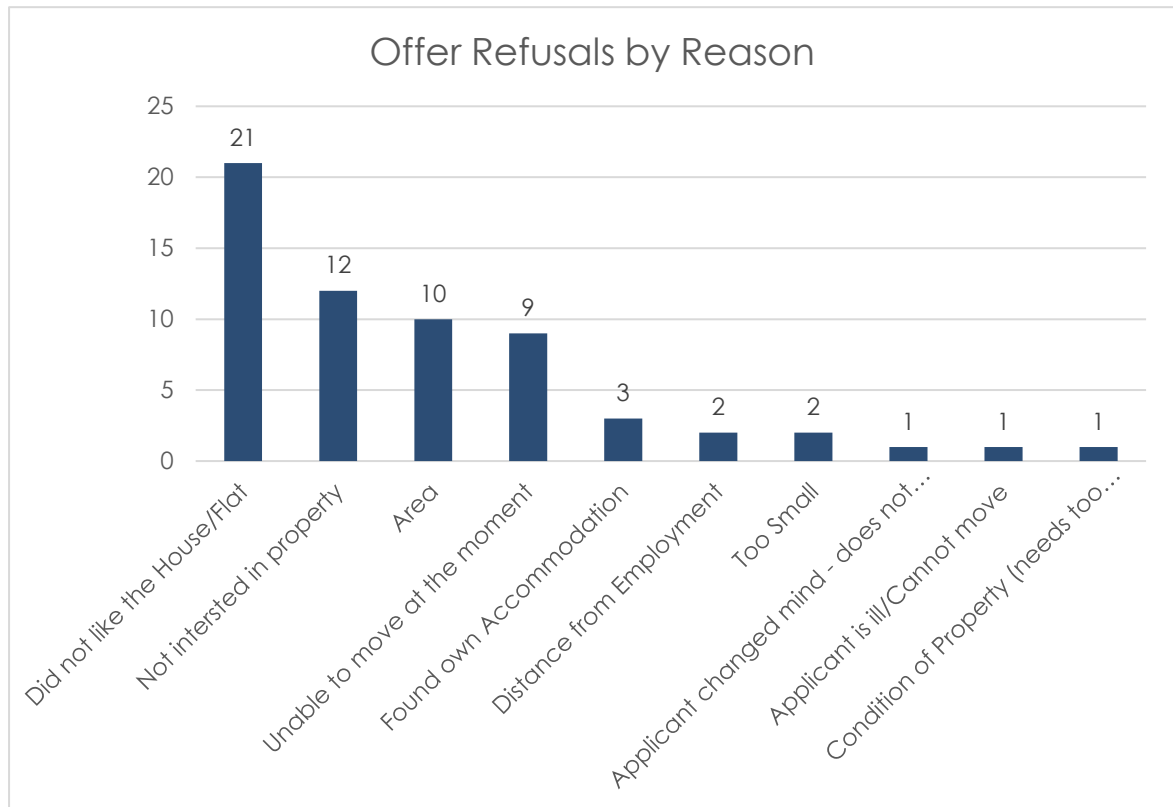


10.10 81% of lets were to white Scottish applicants and 15% to other white groups. This is broadly in line with the make-up of waiting lists.



OFFER REFUSALS BY REASON

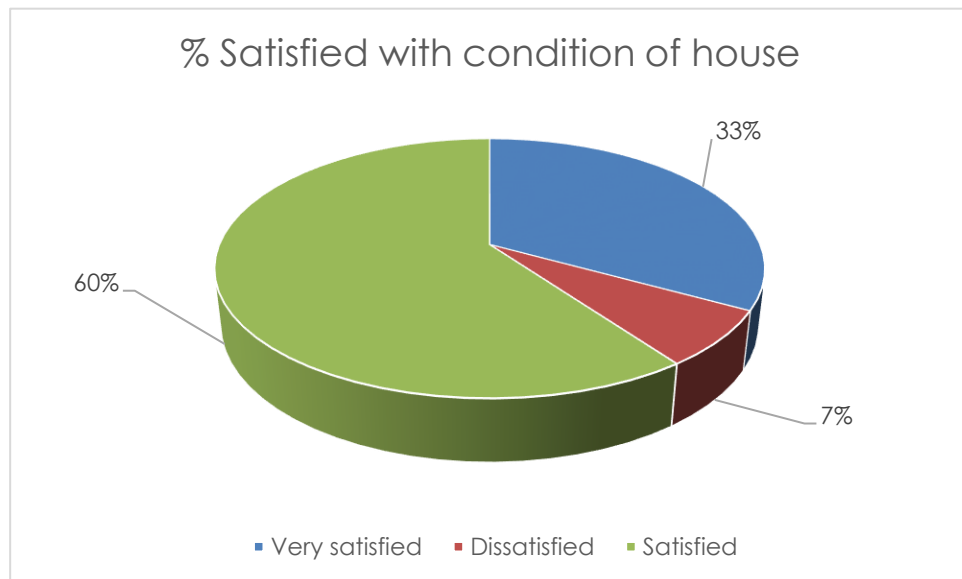
11.1 The chart below shows the offers that were refused in 2020/21 and the refusal reasons.



11.2 23% of offers were refused, of which 17% were first offer refusals.

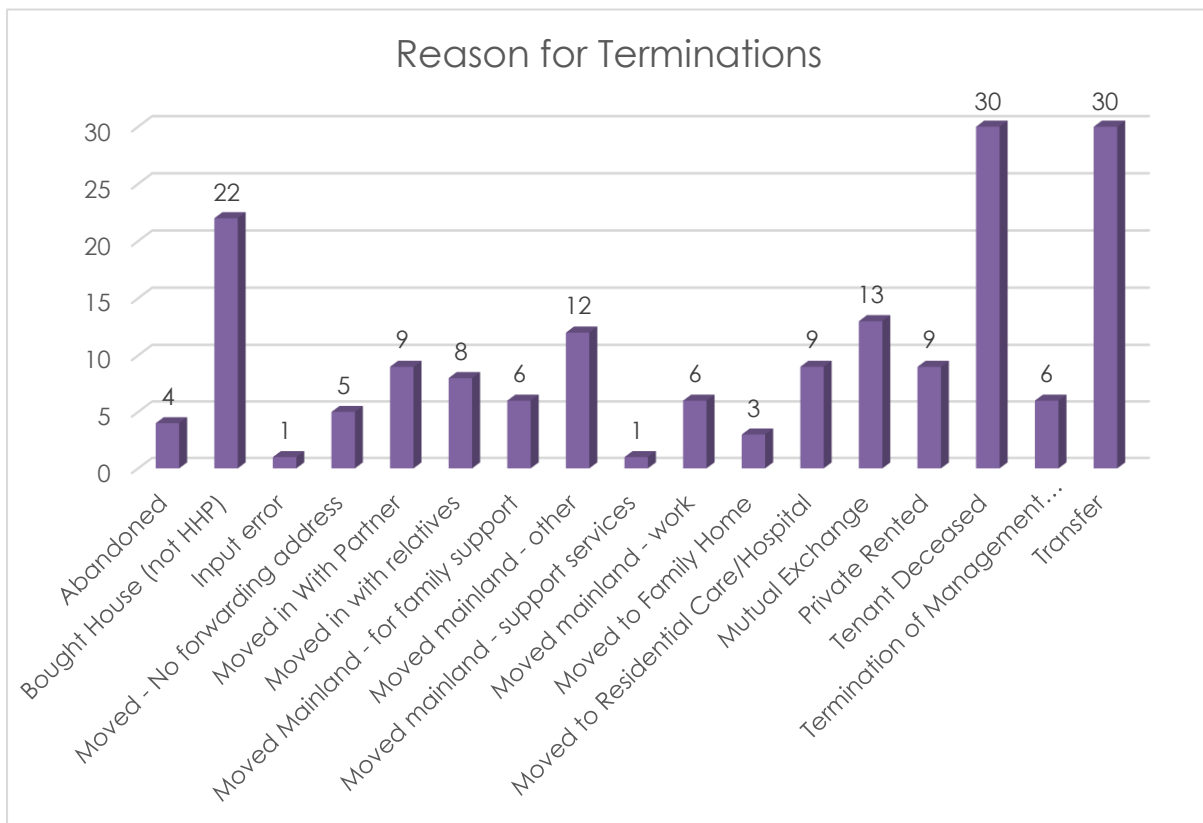
NEW TENANTS SATISFACTION WITH CONDITION OF THE HOUSE

- 12.1 A questionnaire is sent to new tenants within the first week of their tenancy starting asking various questions regarding the standard, decoration, cleanliness of the property and the quality of repairs carried out. 23% of questionnaires were returned. 93% of tenants said they were satisfied with the condition of the house. 7% were dissatisfied due to decoration and the condition of the property.



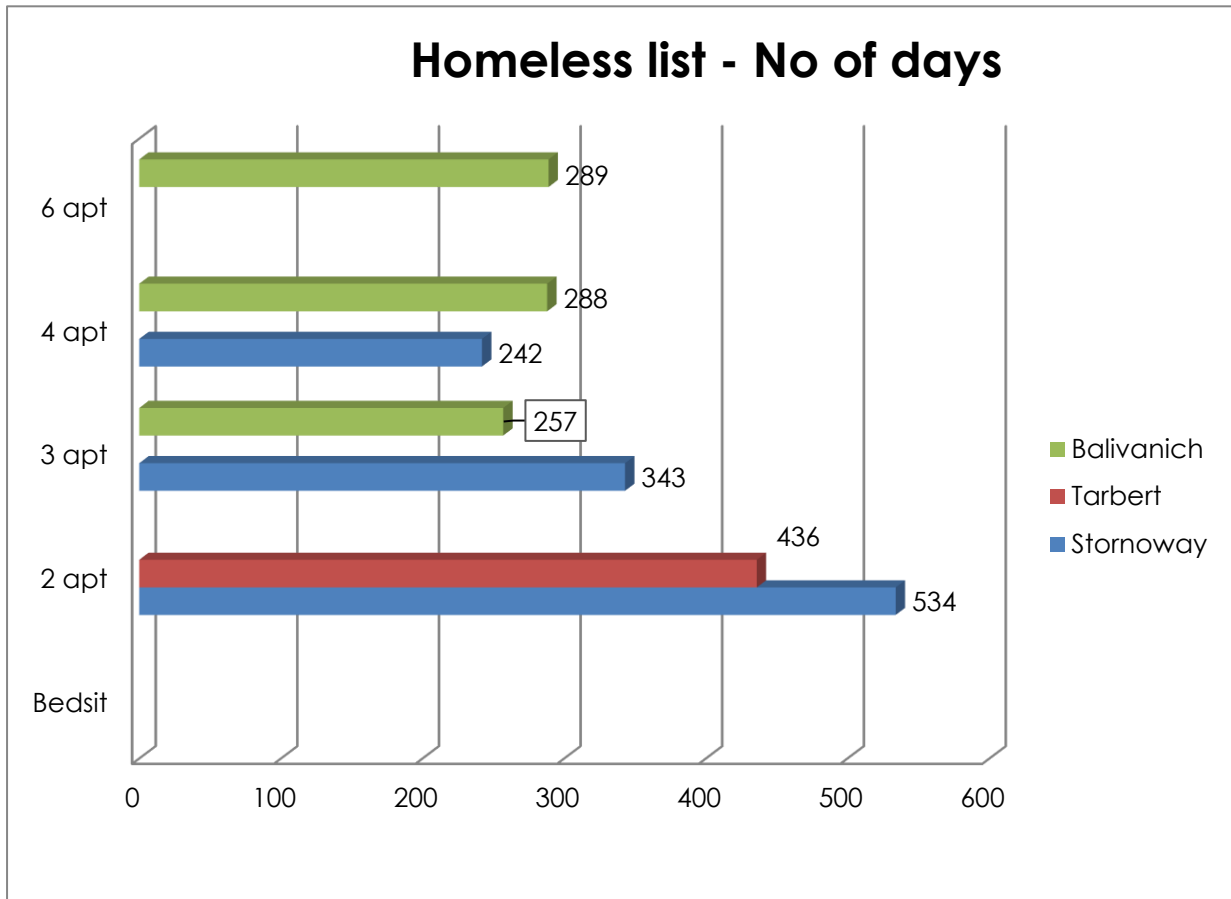
REASONS FOR TERMINATIONS

- 13.1 The reasons for terminations are, 18% moved to the private sector; while 14% moved to the mainland. 3% moved to the mainland for work.
- 13.2 If the 30 transfer applicants were removed this figure would be 22% moved to the private sector, 17% moved to the mainland and 4% moved to the mainland for work.



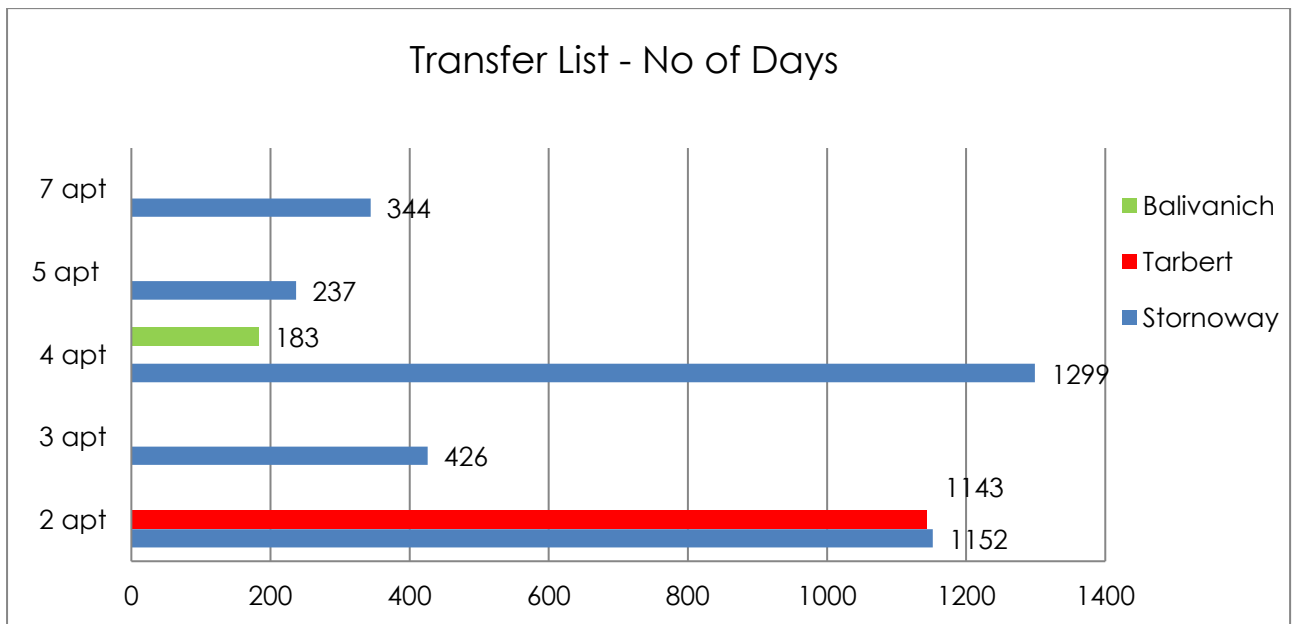
AVERAGE WAITING TIMES FOR APPLICANTS

14.1 The waiting time from the date of application to commencement of tenancy for the Homeless List.

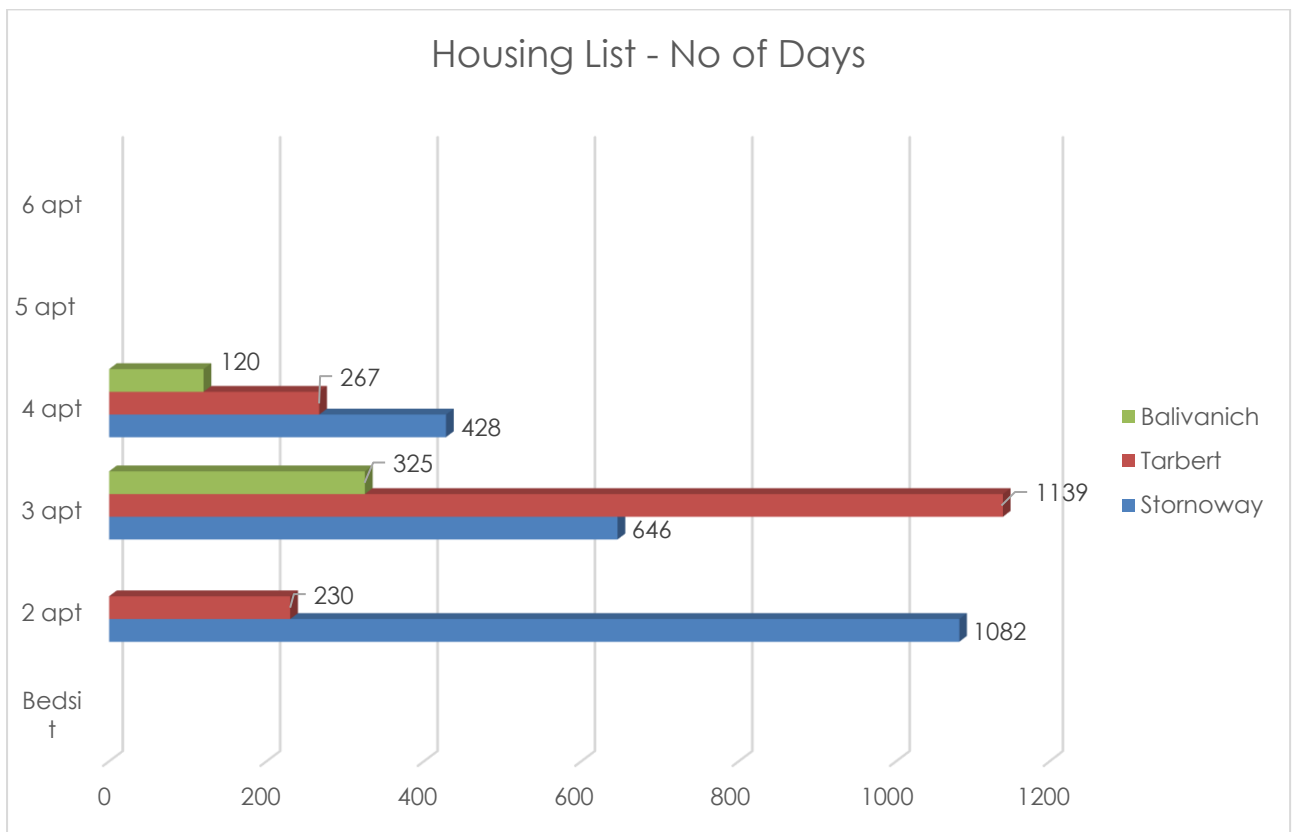


14.2 The longest time taken to allocate on the Homeless list was 534 days for a 2 apt property in Stornoway area and the shortest time taken in the Stornoway area was 242 days for a 3 apt property.

14.3 The waiting time from the date of application to commencement of tenancy for the Homeless List.



14.4 The waiting time from the date of application to commencement of tenancy for the Housing List



LOW DEMAND PROPERTIES

- 15.1 The low demand for many rural areas is increasing and is a cause for concern. At the time of writing there are four properties at Calabhaigh, Lochboisdale, one at Kenneth Terrace, Lochboisdale and one property at Casimir Place, Daliburgh which are unlet due to lack of demand.
- 15.2 At the time of writing there are no properties in Lewis which are unlet because of low demand, although there are two properties due to become void in Grinnivat Road and Doune Park which could be unlet due to lack of demand.
- 15.3 Overall 41 relets during the year were classed for ARC purposes as being low demand. Annual void loss slightly decreased from 0.8% in 2016/17 to 0.6% in 2018/19. In 2020/21 the void loss figure increased to 1% from 0.6% in 2019/20. Further information and potential interventions will be reported to future Board meetings as appropriate.

HOMELESS APPLICANTS

- 16.1 In total 69 statutory homeless applicants were housed during 2020/21. Of these 37 (53%) were housed in the Stornoway area. This is 58% of lets in Stornoway against a target quota of 50%. This quota is to be reviewed annually and it is proposed that it continue at 50% with the exception of 2 apt properties in Stornoway where the Board have agreed to increase this to a target of 25 per annum. Of all allocations made throughout the Outer Hebrides, 38% were made to statutory homeless applicants.
- 16.2 Discussions and joint working are continuing with the Comhairle regarding the Scottish Government's rapid rehousing agenda.

QUOTAS FOR ALLOCATING HOUSES

- 17.1 Within the Stornoway area it is proposed that houses will continue to be allocated on a one to one ratio between homeless applicants and mainstream/transfer applicants.
- 17.2 The quota for waiting applicants is 35% and for transfer applicants in the Stornoway area is 15%.

CONCLUSION

- 18.1 The information in this report allows trends and changes in demand and supply to be tracked. It also provides a base from which an assessment can begin to be made as to whether the allocation policy is meeting the objectives set and whether those most in housing need are being housed.
- 18.2 There are some key points to note. The supply of vacancies is primarily of 1 and 2 bedrooms which relates well to the fact that 56% of the waiting list is single people. In 2011/12 the waiting list for single people was made up of 50%.
- 18.3 The percentage of lets made by ethnic group is in line with the composition of the waiting list although the numbers are small.
- 18.4 Demand against supply needs to be closely monitored. On a simplistic level there are 481 applicants on the waiting list excluding transfer applicants. This figure includes suspended and deferred applications. If deferred and suspended applicants are excluded the figure is 392. When this is compared

to the supply of housing at an average of approximately 200 per annum the level of demand per vacancy is not high. This position is consistent with previous years and is an important issue to note in business terms.

- 18.5 There is continuing concern that we are increasing supply through the Development programme while demand is static or shrinking. Discussions are ongoing with the Comhairle and Community Planning Partnership as to how these trends can be addressed through the Local Housing Strategy development process.



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

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MANAGEMENT REPORT TO 31 MAY 2021

Board 23 June 2021

Report by Director of Finance & Corporate Services

Purpose of Report

- 1.1 To present the Management Report for the month ended 31 May 2021 to the Board for review and approval.

Summary

- 2.1 This is the Management Report to 31 May 2021 and the information is presented in compliance with regulations to provide Board Members with assurance that expenditure is within approved budgets and income collected is on target. A copy of the report is at Appendix 1.
- 2.2 The Management Accounts show that the financial covenant will be met for the year ended 31 March 2022.
- 2.3 A number of virements are required to be approved by Board and these are detailed at paragraph 9.1.

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:**
- a) **note the management information at 31 May 2021 as detailed in Appendix 1;**
 - b) **approve additional rental income of £71K be vired to reserves;**
 - c) **approve savings of £20K on void losses and additional RHI grant funding of £111K be vired to the non-housing budget to fund the Housing System project; and**
 - d) **approve that £1,029,435 be vired from the total development budget to reserves to account for project slippage and timing of grant receipts.**

APPENDIX 1: Management Report to 31 May 2021

Background Papers: None

Writer of Report: Katia Petteloot

Tel: 0300 123 0773

Competence

Financial

- 5.1 The Board approved budgets for 2021/22 in March 2021, which projected a surplus for the year of £2,197,111. The forecasted out-turn is £2,608,476.

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 evidence/assurance of evidence 3, 4, 5, 6 in relation to our Annual Assurance Statement.

Risk

- 8.1 The key risk is that HHP does not meet its Financial Covenants on an ongoing basis. Our Funders have advised that due to the implication of COVID-19, the board approved budgets in March 2021 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 banks discussion document will have on this plan. The covenant in place until the plan is approved is the Year 3 covenant from the business plan approved by the Board in March 2019. This covenant is expected to be replaced with an interest cover covenant in June 2021.

Report Details

- 9.1 The below development virements are required in order to capture slippage from 2020/21 and slippage in our current year programme:

	Project	Change to Cost Budget	Change to Grant Budget	Change to Sales Budget	Comment
RENT	GoatHill	(725,617)	(445,006)		Programme Delay
	GoatHill HWEC	(150,229)	36,199		Programme Delay
	Barvas	261,271	291,058		Programme Delay
	Lochmaddy	(232,131)	(163,806)		Programme Delay
SHARED EQUITY	Melbost Phase 4 Stage 1			88,200	Sold in April 2021
	Goathill NSSE	(376,084)	-		Programme Delay
		(1,222,790)	(281,555)	88,200	
	To be allocated to Reserves as shown:				
	Reduction in Development Cost		1,222,790		
	Reduction in Development Grant		(281,555)		
	Increase in Sales		88,200		
			1,029,435		



hebridean housing
partnership



► Management Reports
2021/22
To 31 May 2021

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MANAGEMENT REPORTS

INTRODUCTION

The Management Reports for 31 May 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 2021/22 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 £411K mainly due to additional rental income of £71K, additional £204K RSL Adaptations Programme funding and £111K additional RHI income.
I N C O M E	RENTAL INCOME		£91K above budget due to the early occupancy at Goathill and Void loss savings of £20K.
	GRANT INCOME		
	DEVELOPMENT GRANTS		Forecasted to be £307K less mainly due to Goathill reduction of £409K and Lochmaddy £164K offset by Barvas £291K due to slippage from last financial year.
	DEVELOPMENT SALES		1 Breasclete property remains unsold.
	OTHER INCOME		
E X P E N D I T U R E	DEVELOPMENT COSTS		Slippage due to delays on development, mainly Goathill and Lochmaddy.
	INVESTMENT		Investment is on track with savings recognised in heating and windows.
	REPAIRS & MAINTENANCE		
	MANAGEMENT COSTS		
	INTEREST		

	No Issues - On Track
	Requires Monitoring
	Issues

SECTION 2: MANAGEMENT ACCOUNTS

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STATEMENT OF COMPREHENSIVE INCOME

Line		CURRENT YEAR BUDGET		BUDGET to 31-May-21 £	ACTUAL to 31-May-21 £	BUDGET VARIANCE		BUDGET REMAINING		FORECAST OUT-TURN	
		Initial Budget £	Revised Budget £			Budget to date £	Budget to date %	Revised Budget £	Revised Budget %	Over/ (under) £	at 31-Mar-22 £
1	Dwelling rents (net)	9,622,585	9,622,585	1,608,432	1,623,627	(15,195)	-1%	7,998,958	83%	91,000	9,713,585
2	Non Dwelling rents (net)	12,632	12,632	2,043	6,585	(4,542)	-222%	6,046	48%	-	12,632
3	Profit/(Loss) on Disposal of Assets	(218,604)	(218,604)	(19,873)	(12,073)	(7,800)	39%	(206,531)	94%	-	(218,604)
4	Grant Funding	420,000	420,000	70,000	80,910	(10,910)	-16%	339,090	81%	314,532	734,532
5	Other Income	45,384	45,384	7,766	9,477	(1,710)	-22%	35,907	79%	-	45,384
6	TOTAL INCOME	9,881,996	9,881,996	1,668,369	1,708,525	(40,157)	-2%	8,173,470	82.71%	405,532	10,287,528
7	Supervision & Management	2,609,125	2,609,125	413,766	394,363	19,403	5%	2,214,762	85%	(3,833)	2,605,292
8	Response Repairs	1,527,998	1,527,998	253,333	210,350	42,983	17%	1,317,648	86%	-	1,527,998
9	Estate Works	83,800	83,800	13,967	13,981	(15)	0%	69,819	83%	-	83,800
10	Planned/Cyclical Maintenance	970,762	970,762	113,629	98,506	15,123	13%	872,256	90%	-	970,762
11	Total Operating Expenditure	5,191,685	5,191,685	794,694	717,200	77,494	10%	4,474,485	86.19%	(3,833)	5,187,852
12	Operating Surplus/(Deficit)	4,690,310	4,690,310	873,674	991,325	(117,651)	-13%	3,698,985	78.86%	409,365	5,099,675
13	Interest received	1,000	1,000	167	570	(403)	-242%	430	43%	2,000	3,000
14	Interest paid	494,200	494,200	45,500	45,748	(248)	-1%	448,452	91%	-	494,200
15	Surplus/(Deficit)	4,197,110	4,197,110	828,341	946,147	(117,806)	-14%	3,250,963	77.46%	411,365	4,608,475
16	Depreciation	3,400,000	3,400,000	566,667	567,106	(439)	0%	2,832,894	83%	-	3,400,000
17	Grant Amortisation	(1,400,000)	(1,400,000)	(233,333)	(230,352)	(2,982)	1%	(1,169,649)	84%	-	(1,400,000)
18	Surplus/(Deficit)	2,197,111	2,197,111	495,007	609,393	(114,385)	-23%	1,587,718	72.26%	411,365	2,608,476
CAPITAL INVESTMENT											
19	Housing Investment Programme	5,521,682	5,528,057	360,339	376,841	(16,502)	-5%	5,151,216	93%	204,000	5,732,057
20	Non Housing Investment	183,200	183,200	191	191	-	0%	183,009	100%	130,532	313,732
21	Development Programme	12,360,752	12,380,341	2,230,565	464,014	1,766,551	79%	11,916,327	96%	(914,459)	11,465,881
22		18,065,634	18,091,598	2,591,095	841,046	1,750,049	68%	17,250,552	95.35%	(579,927)	17,511,670

Commentary on Performance

Income

Income is forecast to be £91K above budget driven by an additional £75K rental income from the early occupancy at Goathill offset by a reduction of income from Scotland Street. Void loss income is forecasted to be £20K better than budget as the number of empty properties are below budget assumptions.

OT grant funding for the year has been confirmed with £204K of additional funding now included in the forecast out-turn.

Additional RHI grant funding of £111K has been included in the forecast out-turn.

Expenditure

Postage and printing are under year to date budget (£6K) mainly due to rent statements not being issued in April/May. Underspend in training of £4K year to date due to phasing. No travel for Board Member brings the Governance spend under budget by £3.8K.

Investment budget phasing will be reviewed in June to align with changes in the programming of investment works. Investment Internal Fees are under-budget by £57.5K due to phasing.

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

STATEMENT OF FINANCIAL POSITION

		31 May 2021	31 March 2021
		£	£
	Notes		
Fixed Assets			
1 Tangible assets-social housing	1	103,869,868	104,289,489
2 Development & Investment Programme	2	788,572	-
3 Tangible assets - property, plant and equipment		867,752	886,645
4 Landbank		1,006,479	1,006,479
5 Investments		2	2
		<u>106,532,674</u>	<u>106,182,615</u>
Current Assets			
6 Stock		428,355	516,555
7 Trade and other debtors due within one year		1,102,334	2,387,726
8 Debtors due after more than one year		130,388	130,388
9 Short-term deposits		3,123,595	3,122,269
10 Cash at bank and in hand	3	2,579,652	1,855,004
11 Loan to subsidiary		17,812	17,812
		<u>7,382,137</u>	<u>8,029,754</u>
12 Creditors: amounts falling due within one year		<u>(1,599,813)</u>	<u>(2,277,357)</u>
Net current assets		<u>5,782,324</u>	<u>5,752,397</u>
Total assets less current liabilities		<u>112,314,998</u>	<u>111,935,013</u>
13 Creditors: amounts falling due after more than one year		(10,492,950)	(10,491,996)
14 Deferred capital grants		(62,086,130)	(62,316,492)
15 Pension Liability		<u>(2,937,000)</u>	<u>(2,937,000)</u>
16 Net Assets		<u>36,798,919</u>	<u>36,189,525</u>
Capital and Reserves			
17 Share Capital		210	210
18 Revenue Reserve		<u>36,798,709</u>	<u>36,189,315</u>
		<u>36,798,919</u>	<u>36,189,525</u>

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 decrease in Fixed Assets year to date is attributed to depreciation offset 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 are showing an increase due to grants received relating to costs in previous financial year. Cash balances will start to reduce due to increased spend on development.

RENTAL INCOME

Line		CURRENT YEAR BUDGET		BUDGET to 31-May-21 £	ACTUAL to 31-May-21 £	BUDGET VARIANCE		BUDGET REMAINING		FORECAST OUT-TURN	
		Initial Budget £	Revised Budget £			Budget to date £	Budget to date %	Revised Budget £	Revised Budget %	Over/ (under) £	at 31-Mar-22 £
1	Dwelling Rent Gross	10,021,294	10,021,294	1,641,550	1,637,487	4,064	0%	8,383,807	83.66%	71,000	10,092,294
2	Non Dwelling Rent Gross	16,122	16,122	2,687	6,585	(3,898)	-145%	9,537	59.15%		16,122
3	Voids - Dwelling	(198,709)	(198,709)	(33,118)	(13,860)	(19,259)	58%	(184,850)	93.03%	20,000	(178,709)
4	Voids - Other	(3,491)	(3,491)	(644)	-	(644)	100%	(3,491)	100.00%		(3,491)
5	Bad Debts	(200,000)	(200,000)	-	-	-		(200,000)	100.00%		(200,000)
6	TOTAL	9,635,216	9,635,216	1,610,475	1,630,213	(19,737)	-1%	8,005,004	83.08%	91,000	9,726,216

Commentary on Performance

Voids Dwelling

Dwelling rent gross is £71K higher than year-to-date budget due to the additional rental income of £75K from Goathill which is offset by a reduction in income due to the delay in occupying Scotland Street.

Void losses are £20K better than budget as we have less void properties thus outperforming the budget assumption.

SUPERVISION & MANAGEMENT COSTS

Line	Heading	CURRENT YEAR BUDGET		BUDGET to 31-May-21 £	ACTUAL to 31-May-21 £	BUDGET VARIANCE		BUDGET REMAINING		forecast out-turn	
		Initial Budget £	Revised Budget £			Budget to date £	Budget to date %	Revised Budget £	Revised Budget %	Over/ (under) £	at 31-Mar-22 £
1	Salaries & Wages	1,660,094	1,660,094	273,000	248,587	24,413	9%	1,411,507	85%		1,660,094
2	National Insurance	165,781	165,781	27,126	25,237	1,889	7%	140,544	85%		165,781
3	Pension Costs	298,817	298,817	49,140	44,888	4,252	9%	253,929	85%		298,817
4	Other Employee Costs	43,310	43,310	17,987	4,534	13,453	75%	38,776	90%		43,310
5	Travel & Subsistence	16,865	16,865	1,100	152	948	86%	16,713	99%		16,865
6	EMPLOYEE COSTS	2,184,867	2,184,867	368,353	323,399	44,955	12%	1,861,469	85%	-	2,184,867
7	Premises Costs	75,830	75,830	9,350	7,865	1,485	16%	67,965	90%		75,830
8	IT & Telecoms	183,995	183,995	26,646	26,225	421	2%	157,770	86%		183,995
9	Area Offices	26,750	26,750	4,458	4,476	(18)	0%	22,274	83%		26,750
10	Payroll & Cashdesk	7,000	7,000	1,167	1,132	35	3%	5,868	84%		7,000
11	Property Management Fees	5,000	5,000	833	668	165	20%	4,332	87%		5,000
12	SUPPLIES & SERVICES	298,575	298,575	42,454	40,366	2,088	5%	258,209	86%	-	298,575
13	Postage, Printing & Stationery	39,300	39,300	7,063	1,090	5,974	85%	38,210	97%		39,300
14	Admin Furniture & Equipment	950	950	950	-	950	100%	950	100%		950
15	Training Courses	58,950	58,950	9,825	5,692	4,133	42%	53,258	90%		58,950
16	Community Support	22,750	22,750	252	120	132	52%	22,630	99%		22,750
17	Health & Safety	7,470	7,470	1,674	586	1,087	65%	6,884	92%		7,470
18	Recruitment Costs	2,500	2,500	417	120	297	71%	2,380	95%		2,500
19	ADMINISTRATION COSTS	131,920	131,920	20,180	7,608	12,573	62%	124,312	94%	-	131,920
20	Professional Fees	300,090	300,090	3,115	2,879	236	8%	297,211	99%		300,090
21	Insurance	273,992	273,992	42,772	42,313	459	1%	231,679	85%		273,992
22	Affiliation Fees	44,523	44,523	5,755	3,994	1,760	31%	40,529	91%		44,523
23	Charitable Donations	5,000	5,000	-	-	-		5,000	100%		5,000
24	Governance	23,000	23,000	3,833	-	3,833	100%	23,000	100%	(3,833)	19,167
25	Bank Charges	4,500	4,500	750	303	447	60%	4,197	93%		4,500
26	Public Relations / Marketing	11,633	11,633	1,939	-	1,939	100%	11,633	100%		11,633
27	CORPORATE EXPENSES	662,738	662,738	58,164	49,489	8,674	15%	613,249	93%	(3,833)	658,905
28	Fees Charged to Capital	(656,475)	(656,475)	(73,302)	(22,330)	(50,972)	70%	(634,146)	97%		(656,475)
29	VAT Received - Partial Exemption	(12,500)	(12,500)	(2,083)	(4,168)	2,085	-100%	(8,332)	67%		(12,500)
30	RECHARGES	(668,975)	(668,975)	(75,385)	(26,498)	(48,887)	65%	(642,478)	96%	-	(668,975)
31	MANAGEMENT COST	2,609,125	2,609,125	413,766	394,363	19,403	5%	2,214,761	29	(3,833)	2,605,292

Commentary on Performance

The total management cost is £19K lower than the year to date budget.

The underspend of £45K in employee costs is mainly attributable to vacant posts and the annual pay award not being agreed until June.

Postage & printing £6K under year to date budget due to rent statements not being sent out.

Training courses are £4K under year to date budget due to changes in the training delivery schedule.

Board meetings and training are still being held remotely which has resulted in year to date budget savings of £3.8K, which have been reflected in the forecast out-turn.

Investment budget phasing will be reviewed in June to align with changes in the programming of investment works. Investment Internal Fees are under-budget by £57.5K due to phasing.

REPAIRS & MAINTENANCE

Line	Heading	CURRENT YEAR Initial Budget £	Revised Budget £	BUDGET to 31-May-21 £	ACTUAL to 31-May-21 £	BUDGET VARIANCE Budget to date £	Budget to date %	BUDGET REMAINING Revised Budget £	Revised Budget %	FORECAST OUT-TURN Over/ (under) £	at 31-Mar-22 £
1	Responsive Repairs	935,325	935,325	147,554	130,067	17,487	12%	805,258	86%		935,325
2	Void Repairs	319,111	319,111	53,185	52,238	947	2%	266,873	84%		319,111
3	Handyperson	90,528	90,528	15,088	14,103	985	7%	76,426	84%		90,528
4	GENERAL REPAIRS	1,344,964	1,344,964	215,827	196,407	19,419	9%	1,148,557	85%	-	1,344,964
5	Decoration Allowance	45,828	45,828	7,638	6,145	1,493	20%	39,683	87%		45,828
6	Council Tax empty properties	17,531	17,531	2,922	1,846	1,076	37%	15,685	89%		17,531
7	Compensation	11,519	11,519	1,920	1,504	416	22%	10,015	87%		11,519
8	SPECIFIC ITEMS	74,878	74,878	12,480	9,495	2,985	24%	65,383	87%	-	74,878
9	Rechargeable Repairs	106,370	106,370	17,728	8,174	9,554	54%	98,196	92%		106,370
10	Rechargeable Repairs Recoverable	(58,898)	(58,898)	(9,816)	(18,364)	8,548	-87%	(40,533)	69%		(58,898)
11	Insurance Repairs	100,002	100,002	16,667	6,269	10,398	62%	93,733	94%		100,002
12	Insurance Claims Recoverable	(61,557)	(61,557)	(10,259)	(2,311)	(7,948)	77%	(59,246)	96%		(61,557)
13	RECOVERABLE EXPENDITURE	85,917	85,917	14,320	(6,233)	20,552	144%	92,150	107%	-	85,917
14	Commercial Properties	1,182	1,182	197	-	197	100%	1,182	100%		1,182
15	Communal Lighting	21,056	21,056	10,509	10,680	(171)	-2%	10,376	49%		21,056
16	NON DWELLING REPAIRS	22,238	22,238	10,706	10,680	26	0%	11,558	52%	-	22,238
17	Gas Servicing	63,784	63,784	10,631	12,522	(1,891)	-18%	51,262	80%		63,784
18	Estate Management	70,460	70,460	11,743	1,801	9,943	85%	68,660	97%		70,460
19	Other Servicing (incl. heating)	762,262	762,262	37,044	30,296	6,748	18%	731,966	96%		762,262
20	Stair Lifts and Door Entry Systems	4,050	4,050	675	-	675	100%	4,050	100%		4,050
21	Gutter Cleaning	62,617	62,617	53,436	53,888	(452)	-1%	8,729	14%		62,617
22	Sewage Pumps	600	600	100	-	100	100%	600	100%		600
23	Dun Berisay Heat	6,990	6,990	-	-	-	-	6,990	100%		6,990
24	CYCLICAL MAINTENANCE	970,762	970,762	113,629	98,506	15,123	13%	872,257	90%	-	970,762
25	TOTAL REPAIRS & MAINTENANCE	2,498,760	2,498,760	366,962	308,855	58,105	16%	2,189,905	88%	-	2,498,760

Commentary on Performance

Responsive Repairs

A Lower level of repairs have been reported year-to-date versus the level of repairs expected. This may be in part due to the good weather experienced during May.

Rechargeable Repairs Recoverable

Net rechargeable repairs are in a credit position year to date due the timing of the issuance of the rechargeable repairs sales invoice.

Planned Maintenance

Phasing to be reviewed in line with timings of planned maintenance contracts.

Gutter cleaning completed.

ESTATE WORKS

Line	Heading	CURRENT YEAR BUDGET		BUDGET to 31-May-21 £	ACTUAL to 31-May-21 £	BUDGET VARIANCE		BUDGET REMAINING		FORECAST OUT-TURN	
		Initial Budget £	Revised Budget £			Budget to date £	Budget to date %	Revised Budget £	Revised Budget %	Over/ (under) £	at 31-Mar-22 £
1	Unadopted Infrastructure	33,089	33,089	5,515	5,529	(15)	0%	27,560	83%		33,089
2	Grounds Maintenance	50,711	50,711	8,452	8,452	-	0%	42,259	83%		50,711
3	TOTAL ESTATE WORKS	83,800	83,800	13,967	13,981	(15)	0%	69,819	83%	-	83,800

AIDS & ADAPTATIONS

Line	Heading	CURRENT YEAR BUDGET		BUDGET to 31-May-21 £	ACTUAL to 31-May-21 £	BUDGET VARIANCE		BUDGET REMAINING		FORECAST OUT-TURN	
		Initial Budget £	Revised Budget £			Budget to date £	Budget to date %	Revised Budget £	Revised Budget %	Over/ (under) £	at 31-Mar-22 £
1	OT Works	120,000	120,000	20,000	36,171	(16,171)	-81%	83,829	70%	204,000	324,000
2	Grants										
3	Grants Received	(120,000)	(120,000)	(20,000)	(36,171)	16,171	-81%	(83,829)	70%	(204,000)	(324,000)
4	TOTAL AIDS & ADAPTATIONS	-	-	-	-	-		-		-	-

Commentary on Performance

OT Grant funding for 2021/2022 has now been confirmed at £324K.

INVESTMENT EXPENDITURE

Line	Heading	CURRENT YEAR BUDGET		BUDGET to 31-May-21 £	ACTUAL to 31-May-21 £	BUDGET VARIANCE		BUDGET REMAINING		FORECAST OUT-TURN	
		Initial Budget £	Revised Budget £			Budget to date £	Budget to date %	Revised Budget £	Revised Budget %	Over/ (under) £	at 31-Mar-22 £
1	Roofs	-	-	-	-	-	-	-	-	8,580	8,580
2	Insulation	297,524	297,524	-	-	-	-	297,524	100%	1,980	299,504
3	Total Roofs	297,524	297,524	-	-	-	-	297,524	100%	10,560	308,084
4	Kitchen	562,622	562,622	51,147	47,737	3,410	7%	514,885	92%	(2,038)	560,584
5	Bathrooms	117,406	117,406	-	-	-	-	117,406	100%	-	117,406
6	OT Aids & Adaptations	120,000	120,000	20,000	36,171	(16,171)	-81%	83,829	70%	204,000	324,000
7	Heating	3,176,187	3,176,187	253,379	253,379	-	0%	2,922,808	92%	(99,200)	3,076,987
8	Rewiring	924,138	924,138	-	-	-	-	924,138	100%	-	924,138
9	Total Internals	4,900,352	4,900,352	324,527	337,287	(12,761)	-4%	4,563,066	93%	102,762	5,003,114
10	Windows	323,806	323,806	29,437	33,178	(3,741)	-13%	290,628	90%	(36,707)	287,099
11	Roughcast house & wall	-	6,375	6,375	6,375	-	0%	-	0%	-	6,375
12	Other	-	-	-	-	-	-	-	-	48,535	48,535
13	Externals	323,806	330,181	35,812	39,553	(3,741)	-10%	290,628	88%	11,828	342,009
	Total Investment excl. Unallocated										
14	Exp/Savings	5,521,682	5,528,057	360,339	376,840	(16,502)	-5%	5,151,218	93%	125,151	5,653,208
15	Savings Realised	-	-	-	-	-	-	-	-	41,384	41,384
16	Savings Re-invested	-	-	-	-	-	-	-	-	(18,141)	(18,141)
17	Unallocated Expenditure/ Slippage	-	-	-	-	-	-	-	-	55,606	55,606
18	Total Investment	5,521,682	5,528,057	360,339	376,840	(16,502)	-5%	5,151,218	93%	204,000	5,732,057

Commentary on Performance

Overall, Investment is forecast to be £204K above budget to the increase in Aids & Adaptations grant funding.

Windows

Survey costs are lower than budgeted resulting in an efficiency saving of £40K and this has been reflected in future budgets.

NON HOUSING INVESTMENT

Line	Heading	CURRENT YEAR BUDGET		BUDGET to 31-May-21 £	ACTUAL to 31-May-21 £	BUDGET VARIANCE		BUDGET REMAINING		FORECAST OUT-TURN	
		Initial Budget £	Revised Budget £			Budget to date £	Budget to date %	Revised Budget £	Revised Budget %	Over/ (under) £	at 31-Mar-22 £
1	Heating Systems	-	-	-	-	-	-	-	-	-	-
2	Furniture & Fittings	53,200	53,200	-	-	-	-	53,200	100%	-	53,200
3	IT equipment	130,000	130,000	191	191	-	0%	129,809	100%	130,532	260,532
4	Total Office	183,200	183,200	191	191	-	0%	183,009	100%	130,532	313,732
5	Motor Vehicles	-	-	-	-	-	-	-	-	-	-
6	Total	183,200	183,200	191	191	-	0%	183,009	100%	130,532	313,732

Commentary on Performance

IT Equipment

The forecast out-turn has been increased to reflect the costs associated with implementing our new Housing System. This is proposed to be funded by an increase in RHI grant funding and savings on void losses.

DEVELOPMENT EXPENDITURE

Line		CURRENT YEAR BUDGET		BUDGET Budget to 31-May-21 £	ACTUAL to 31-May-21 £	BUDGET VARIANCE		BUDGET REMAINING		FORECAST OUT-TURN	
		Initial Budget £	Revised Budget £			Budget to date £	Budget to date %	Revised Budget £	Revised Budget %	Over/ (under) £	at 31-May-21 £
1	New Build	20,601,242	20,486,718	4,723,527	1,665,459	3,058,068	65%	18,821,258	92%	(490,727)	19,995,991
2	LIFT	1,256,392	1,255,642	250,185	184,834	65,351	26%	1,070,808	85%	(374,809)	880,833
3	Land	467,979	507,979	415,979	-	415,979	100%	507,979	100%	(355,979)	152,000
4	Unallocated	-	-	-	-	-	-	-	-	-	-
4	Total Development Costs	22,325,613	22,250,339	5,389,692	1,850,293	3,539,398	66%	20,400,045	92%	(1,221,515)	21,028,824
5	Housing Association Grant										
6	HAG - New Build	(8,026,276)	(7,843,213)	(2,687,447)	(1,296,813)	(1,390,634)	52%	(6,546,400)	83%	(101,924)	(7,945,138)
7	HAG - Lift	-	-	-	-	-	-	-	-	-	-
8	Other Grants & Sales proceeds										
9	Other Grants - LIFT Sales	(1,565,906)	(1,654,106)	(88,200)	(88,200)	-	0%	(1,565,906)	95%	25,501	(1,628,605)
10	Other Grants - Unallocated	(383,479)	(383,479)	(383,479)	-	(383,479)	100%	(383,479)	100%	383,479	-
11	Total Grants	(9,975,661)	(9,880,798)	(3,159,126)	(1,385,013)	(1,774,113)	56%	(8,495,785)	86%	307,056	(9,573,743)
12	Private Finance required										
13	New Build	12,574,966	12,643,504	2,036,080	368,646	1,667,434	82%	12,274,858	97%	(592,651)	12,050,853
14	LIFT	(309,514)	(398,464)	161,985	96,634	65,351	40%	(495,098)	124%	(349,308)	(747,772)
15	Land	467,979	507,979	415,979	-	415,979	100%	507,979	100%	(355,979)	152,000
16	Expensed Development Cost	-	-	-	-	-	0%	-	0%	-	-
17	Feasibility	10,800	10,800	-	(1,266)	1,266	-	12,066	112%	-	10,800
18	Unallocated	(383,479)	(383,479)	(383,479)	-	(383,479)	100%	(383,479)	100%	383,479	-
19	Private Finance required	12,360,752	12,380,341	2,230,565	464,014	1,766,551	79%	11,916,327	96%	(914,459)	11,465,881

Commentary on Performance

Overall Spend to Date:

Total development costs are forecasted to be £1.2m less than revised budget. This is mainly attributable to the handover of the last phase of housing at Goathill not expected to happen until 2022/23.

- Goathill costs are expected to slip by £726K Social Rent, £150K HWEC and £375K Shared Equity.
- Lochmaddy cost down by £232K due to delays in obtaining planning as an offer study is required.
- £261K slippage from last years programme into this financial year for Barvas as site acquisition couldn't be concluded.

Total development grants are forecasted to be £307K less than budget. This is due to grant drawdown at Goathill being £409K higher in 2020/21 and £164K of slippage at Lochmaddy into 2022/23. It is anticipated that this will be offset by increased grant for Barvas which slipped from last financial year.

SECTION 3: KEY FINANCIAL PERFORMANCE MEASURES

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FINANCIAL COVENANTS

The re-financing exercise which is due to be concluded in June 2021 will move the covenant calculation to an interest cover covenant. The minimum cover required is 110%.

The covenant is forecast to be met for the full year.

	Interest Cover
Covenant for 2021/22	110%
Forecast to 31 March 2021	221%
Headroom	£467,790

The Board will be provided with some training on the change in covenants and how we will track them going forward in the second quarter of 2021/22.

ANNUAL CASH FLOW DEFICIT

The below table provides a view of the current covenant position which is based on an annual cash flow deficit:

Line	Detail	Current Position	Forecast
	Income	£	£
1	Dwelling rents (net)	1,623,627	9,713,585
2	Non Dwelling rents (net)	6,585	12,632
3	Grant Funding	80,910	734,532
4	Other Income	9,477	45,384
5	Grant received for New Build	1,296,813	7,945,138
6	Sale of LIFT received	88,200	1,628,605
7	Grant on LIFT received	-	-
8	Insurance Receipts	2,311	61,557
9	Total Income	3,107,923	20,141,431
	Expenditure		
10	Supervision & Management	416,693	3,261,768
11	Response Repairs	210,350	1,527,998
12	Estate Works	13,981	83,800
13	Planned/Cyclical Maintenance	98,506	970,762
14	Investment Programme	354,511	5,075,582
15	Office Alterations and IT	191	313,732
16	LIFT Costs	184,834	880,833
17	Opening Balances		
18	Development Costs	1,665,459	20,006,791
19	Total Expenditure	2,944,525	32,121,265
20	Net Operating Cashflow	163,397	(11,979,834)
21	Interest Paid	45,748	494,200
22	Interest Collected	(570)	(3,000)
23	Total Interest	45,178	491,200
24	Annual Cashflow Surplus/(Deficit)	118,219	(12,471,034)
	Interest Ratio	28%	-4%
	Covenant Requirement		
	Maximum Annual Cashflow deficit	(2,806,100)	(2,806,100)
	Tolerance	2,924,319	(9,664,934)
		-89%	294%

FINANCIAL RATIOS

Key Ratios

	Current	Forecast	2020/21
Current Ratio	4.53	4.71	4.34
(Current Assets/Current Liabilities)			
Net Debt Per Unit			
Borrowing/ stock units	£2,204.31	£4,195.17	£2,245.35
Voids%	0.84%	1.92%	1.01%
Voids as % of Rental Income Due			
Bad Debts %	0.00%	1.99%	0.33%
Bad Debts written off as % of Rental Income Due			
Staff Cost/Turnover %	18.93%	21.64%	19.40%
Gross Surplus	58.02%	48.61%	51.13%
Operating Surplus/Turnover			
Net Surplus	35.67%	23.93%	28.39%
Net Surplus/Turnover			

CASH FLOW FORECAST 2021/22

The below cash flow shows the actual income received and the payments made for the period to May 2021.

Monthly Cash Flow Forecast

Year Ended 31-Mar-22	31-May-21 Month 2	30-Jun-21 Month 3	31-Jul-21 Month 4	31-Aug-21 Month 5	30-Sep-21 Month 6	31-Oct-21 Month 7	30-Nov-21 Month 8	31-Dec-21 Month 9	31-Jan-22 Month 10	28-Feb-22 Month 11	31-Mar-22 Month 12	Total
Cash on Hand at beginning of month	2,842,695	2,280,388	1,166,018	2,097,769	2,123,501	2,037,678	2,243,275	1,399,018	2,145,299	1,940,850	1,863,190	2,047,376
Cash Receipts												
Rent	635,621	765,000	988,000	638,000	765,000	861,000	765,000	988,000	638,000	765,000	988,000	9,784,677
Sale of Assets	-	154,500	470,469	-	470,469	-	-	-	-	-	470,469	1,764,306
Grant Income	588,975	743,403	841,408	679,823	611,692	975,493	530,948	335,182	347,580	272,077	417,160	8,525,165
Other income	19,921	-	-	-	-	-	-	-	-	-	-	42,090
Transfer from Deposit	-	750,000	869,333	-	-	-	-	-	-	-	-	1,619,333
Loan/Other cash injection	-	-	1,000,000	2,000,000	1,000,000	1,000,000	-	2,000,000	1,000,000	1,000,000	1,000,000	10,000,000
Total	1,244,517	2,412,903	4,169,210	3,317,823	2,847,161	2,836,493	1,295,948	3,323,182	1,985,580	2,037,077	2,875,629	31,735,571
Total Cash Available	4,087,212	4,693,291	5,335,228	5,415,592	4,970,662	4,874,172	3,539,223	4,722,200	4,130,878	3,977,927	4,738,819	
Cash Paid Out												
Payroll	166,119	175,000	175,000	175,000	175,000	180,000	180,000	180,000	180,000	180,000	180,000	2,118,944
Management Costs	6,769	48,000	60,000	48,000	48,000	250,000	48,000	60,000	48,000	48,000	60,000	742,543
Repairs	1,621,832	182,000	192,000	182,000	182,000	192,000	182,000	227,000	217,000	217,000	227,000	5,763,753
Investment	-	501,062	501,062	501,062	501,062	569,062	501,062	501,062	569,062	501,062	569,062	5,447,558
Development	-	2,619,410	2,187,148	2,384,229	2,025,121	1,317,585	1,227,343	1,486,589	1,174,166	1,166,875	1,532,981	18,040,087
Total	1,794,719	3,525,472	3,115,210	3,290,291	2,931,183	2,508,647	2,138,405	2,454,651	2,188,228	2,112,937	2,569,043	32,112,886
Cash Paid Out (Non P & L)												
Loan Interest	12,104	-	120,000	-	-	120,000	-	120,000	-	-	120,000	545,948
Refunds	-	1,800	2,250	1,800	1,800	2,250	1,800	2,250	1,800	1,800	2,400	19,950
Total	12,104	1,800	122,250	1,800	1,800	122,250	1,800	122,250	1,800	1,800	122,400	565,898
Total Cash Paid out	1,806,824	3,527,272	3,237,460	3,292,091	2,932,983	2,630,897	2,140,205	2,576,901	2,190,028	2,114,737	2,691,443	
Cash Position at End of Month	2,280,388	1,166,018	2,097,769	2,123,501	2,037,678	2,243,275	1,399,018	2,145,299	1,940,850	1,863,190	2,047,376	-
Deposit Acct At end of Month	3,119,333	3,119,333	0	0	0	0	0	0	0	0	0	
Total Funds Available	5,399,721	4,285,352	2,097,769	2,123,501	2,037,678	2,243,275	1,399,018	2,145,299	1,940,851	1,863,190	2,047,376	

DEVELOPMENT UPDATE

Board 23 June 2021

Report by Chief Executive

Purpose of Report

- 1.1 To provide an update to the Board on our Development Programme.

Summary

- 2.1 This financial year, we have 170 units (32 completed and 138 on site) at various stages of build which accounts for 43% of the 5 year Development Plan spanning 2021-2025. A summary of the completed units can be found in Appendix 1 and an update on projects identified for this financial year can be found in Table 2.1 in Appendix 2.
- 2.2 Several projects have experienced delays including Tarbert, Scotland Street and South Dell. These have been due to utility issues and labour and material shortages.
- 2.3 We understand that may be a delay with the resumption application at Blackwater, which is likely to cause a delay in site start being achieved. This is currently being pursued with the Stornoway Trust and their solicitors to establish the position.
- 2.4 Planning approval is awaited for the sites at Barra and Lochmaddy to enable the land transactions to be finalized and site starts to be programmed. The Barra application is overdue for determination while a refreshed offer study has been requested at Lochmaddy which is expected to be completed in July.

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) approve that the Asset Management Working Group assess the options for the fire suppression system and make a recommendation to Board in August 2021; and**
 - b) note the progress on the Development Plan for 2021/22.**

APPENDIX 1: Completions 2020-21**APPENDIX 2:** New Build Updates**Background Papers:** None**Writer of Report:** Sawan Morrison

Tel: 0300 123 0773

Competence

Financial

- 5.1 The budget for Development in 2021/22 is £22.3m expenditure, £8.38m Scottish Government Grant and £1.58m of shared equity sales resulting in a private finance requirement of £12.34m.
- 5.2 We have currently drawn down £1.5m of Scottish Government funding.
- 5.3 An update will be provided at the Board on outcome of the discussions with CNES officers on the revised Resource Planning Assumption (RPA) issued to the Comhairle for 2021/22.
- 5.4 Where we are unable to complete developments in line with the initial proposed timescales, we lose on average £83/week income per unit. This is being carefully monitored due to the large volume of units in the early years of our Business Plan and thus the impact this may have over our 30 year plans.
- 5.5 The grant drawdown assumption for Blackwater, Barra and Lochmaddy in 2021/22 is £3.5m. Further delays in getting onto site will result in a reduction in what can be drawn down this year. This does not impact on private finance assumptions this year as the costs incurred are almost entirely financed through Scottish Government grant.

Legal

- 6.1 The Asset Management Working Group has delegated authority until 31 March 2022, to approve private finance up to 40% of the cost of a project, subject to approval from the Director of Finance & Corporate Services and funding being available through savings.

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, RS4.3 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. We understand that there has been a delay in resumption application being made by Stornoway Trust for the Blackwater site. This will cause a delay in site start being achieved. We are currently pursuing this with Stornoway Trust to ascertain the current position.
- 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. Tender returns for the Housing Needs Assessment are being evaluated.
- 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

Development 2021/22

- 9.1 Table 1.1 & 1.2 at Appendix 1 summarises how we have performed as compared to the Development Plan (July 2020) and the SHIP (December 2020).
- 9.2 Table 2.1 at Appendix 2 shows a summary of all developments identified for this financial year as per the 5 year Development Plan. Issues to be noted are the delayed handover in Scotland Street, Tarbert and South Dell due to ongoing issues with utility issues, labour shortages and material delivery/availability.
- 9.3 The land transactions for the sites at Lochmaddy and Barra will conclude once planning permission is granted. Planning has requested a refresh of an offer study at Lochmaddy which is expected to be completed by end of July with the contractor expecting to start on site in August. There are delays in the planning services due to shortages in staff which is resulting in a delay in the Barra determination.
- 9.4 The first phase of houses at Sinclair Avenue (Goathill) was handed over on 3 June 2021 comprising 20 rented units and 8 Shared Equity units.
- 9.5 The Blackwater site is currently out to tender with a tender return date in mid-July. Blackwater land acquisition is at high risk due to the possibility of the resumption process not having yet been started. This will delay a site start being achieved. This will reduce the level of spend and grant drawdown that is achievable this financial year.
- 9.6 Price increases, materials and labour shortages continue to put increasing pressure on build costs and programmes. The office of National Statistics projects a rise of 7-8% in material prices with increases in certain materials, such as timber, expected to more than double during the course of the year.

Future Plans

- 10.1 The Comhairle are engaging with Grazing Committees across the Outer Hebrides to identify potential sites for future developments. The initial engagement has resulted in some land offers which are currently being reviewed by CNES for an initial desktop feasibility study.
- 10.2 Table 4.1 in Appendix 2 summarises work being done on projects for future years and includes the current levels of demand in the area. The outcome of the Housing Needs Analysis will provide robust evidence upon which the Board can make decisions on what level of development our Business Plan can support without impacting on the long term financial viability of the Partnership.

New Supply Shared Equity (NSSE)

- 11.1 Two properties have settled at Sgeir Ghlais, Breasclete. We have identified a buyer for one and have had some interest for the last house.
- 11.2 Marketing of the Shared Equity properties at Sinclair Avenue (Goathill) has started. There are 8 x 2 bedroom properties available in the first phase plus 6 units scheduled to complete in October 2021.

Changes to Building Regulation

- 12.1 The options on the preferred type of fire suppression system to be installed in new build properties as now required by building regulations are being examined by the Asset Management Working Group. It is proposed that they determine the most appropriate system to be adopted following a detailed review of the advantages and disadvantages and make a recommendation to Board in August.

Development	Area	Type	Units
Cnoc A Charnain, Shawbost	Rural Lewis	Rent	4
Sinclair Avenue, Goathill	Stornoway	Rent	20
Sinclair Avenue, Goathill	Stornoway	NSSE	8
Total Handover to June 2021			32



Table 1.1 Development Performance – 5 Year Development Plan (July 2020)

	RENT	NSSE	HWEC	TOTAL	% of Plan	Comments by Exception
Units Completed 20/21	22	4	0	26	7%	-
Units Completed 21/22	24	8	0	32	8%	28 Units at Goathill
Units On Site	80	8	50	138	35%	-
Units Planned for 2021-25	171	0	26	197	50%	-
Total Units in 5 Year Development (July 2020)				393*		

Table 1.2 Development Performance – SHIP (December 2020)

	RENT	NSSE	HWEC	TOTAL	% of SHIP	Comments by Exception
Units Completed 20/21	22	4	0	26	7%	-
Units Completed 21/22	24	8	0	32	8%	28 Units at Goathill
Units On Site	80	8	50	138	36%	-
Units Planned for 2021-25	182	0	10	192	49%	-
Total Units as per SHIP (December 2020)				388*		

*Differences in totals can be attributed to feasibility studies ruling out some sites identified in the 5 year development plan.

New Build Updates

APPENDIX 2

Table 2.1 Current Development Projects

YEAR*	Scheme	Area	Units	Stage	Expected Handover	Comments by exception	SG Spend 21/22
2020/21	Shawbost	Rural Lewis	4	Completed	Apr-21	-	-
2020/21	Scotland Street	Stornoway	6	On Site	Jun-21	External work delay due to subcontractor availability	-
2021/22	Goathill HWEC	Stornoway	50	On Site	Mar-22	-	1,272,506
2021/22	Goathill	Stornoway	58	On Site	Jun-21	Handover of Phase 1 (20 Units)	719,472
2021/22	Goathill NSSE	Stornoway	16	On Site	Jun-21	Handover of Phase 1 (8 Units). Marketing of NSSE properties initiated.	-
2021/22	South Dell	Rural Lewis	6	On Site	Aug-21	Handover delayed until August due to various issues including labour shortage & material delay.	-
2021/22	Barvas	Rural Lewis	8	On Site	Jan-22	Awaiting land transaction. Contractor working at risk.	840,000
2021/22	Tarbert Police Station	Harris	8	On Site	Aug-21	Handover delayed until August due to labour shortages & material delay.	11,502
2021/22	Low Flyer, Balivanich	Uist	10	On Site	Feb-22	-	1,074,977
2021/22	Howmore	Uist	4	On Site	Sep-22	-	322,424
2021/22	Barra – Cleit Road	Barra	6	Planning	Mar-22	Awaiting planning permission to progress land transaction.	1,025,472
2021/22	Crowlista, Uig	Rural Lewis	4	Negotiations	TBC	Fire suppression system requirements being reviewed.	942,978
2021/22	Keose Glebe	Rural Lewis	2	Tender	TBC	Tender for this project is due to be issued in June 2021.	532,736
2021/22	Blackwater	Stornoway	14	Land Transaction/ Tender	TBC	Tender returns due 21st June 2021. Land transaction ongoing with Stornoway Trust	220,000

New Build Updates

APPENDIX 2

YEAR*	Scheme	Area	Units	Stage	Expected Handover	Comments by exception	SG Spend 21/22
2022/23	Lochmaddy	Uist	8	Planning	Jul-22	Planning delays as waiting on Archaeology study & possible Otter Survey. Delay in site start to August 2021.	1,562,003
2022/23	Scott Rd/Coastguard	Harris	10	Land Negotiations	TBC	Has been moved to 2022/23 on SHIP.	-
2023/24	Arnol (Developer Led)	Rural Lewis	6	N/A	N/A	Developer Led - moved to 2023/24 on SHIP	-
2024/25	Benbecula - Dunganichy	Uist	6	N/A	N/A	Moved to 2024/25 on SHIP and feasibility to be carried out	-
	Total		226				8,524,070

*As per approved 5 year development plan

Table 4.1 Future Plans – Development Plan to 2025

YEAR*	Scheme	Area	Units	Demand Transfer/Waiting	Comments by exception
2022/23	Stornoway Periphery	Stornoway	20	85/211	Blackwater substituted in SHIP. 30 units of 72 Unit site
2022/23	Barra ECH	Barra HVEC	10	TBC	Negotiations started on SG contribution to site. Moved to 23/24 in SHIP
2022/23	Claddach Illeray, North Uist	Uist	4	9/36	Feasibility has ruled out this site.
2022/23	Uist 22/23	Uist	6	14/54	Site to be identified.
2022/23	Benera	Rural Lewis	4	1/11	Site will not be progressing.
2023/24	Barra 23/24 (Cuithir Glebe)	Barra	6	4/19	Potential for additional units at existing site
2023/24	Rural Lewis	Rural Lewis	8	26/82	Site to be identified. Possibly Arnol if there is demand.
2023/24	South Harris - Leverburgh	Harris	4	2/8	Feasibility ongoing
2023/24	Scott Rd/Coastguard	Harris	18	6/38	Land transaction negotiations
2023/24	Rural Lewis	Rural Lewis	8	26/82	Site to be identified
2023/24	Balivanich 23/24	Uist	6	8/25	Site to be identified. Current Balivanich Site has capacity for 4 more units
2024/25	Rural Lewis HVEC 24/25	Rural Lewis HVEC	16	TBC	Site to be identified
2024/25	Benbecula (Liniclete)	Uist	4	8/25	Site to be identified
2024/25	Uist 24/25	Uist	6	14/54	Site to be identified
2024/25	Stornoway Periphery	Stornoway	15	85/211	Site to be identified
2024/25	North Uist	Uist	4	9/36	Site to be identified

*As per approved 5 Year Development Plan

New Build Updates

APPENDIX 2

Table 5.1 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
Crowlister, 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



BOARD MEMBER APPOINTMENT

Board 23 June 2021

Report by Chief Executive

Purpose of Report

- 1.1 The purpose of this report is to consider an appointment to the Board.

Summary

- 2.1 In accordance with Rules 37.2.4 and 40.8 the Board will be entitled at any time to appoint up to two Appointed Board Members to the Board.
- 2.2 Ms Helen Mackenzie has submitted a Membership Application which has been approved by the Company Secretary under the delegation of Standing Order 4.1
- 2.3 Ms Mackenzie indicated her interest in joining our Board. Ms Mackenzie's appointment would be in accordance with HHP Rules 37.2.4 and 40.8.
- 2.4 Ms Mackenzie has worked in both public and private sectors for a number of years and has considerable knowledge to draw upon in the fields of finance, procurement and development. Ms Mackenzie has been active in several community organisations and sits on the Board of the Scottish Public Persons Agency.
- 2.5 On 30 January 2018, MSP's passed The Gender Representation on Public Boards (Scotland) Bill, meaning that all public body boards must work towards having women make up 50% of non-executive members by 2022.

Competence

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

Recommendations

- 4.1 **It is recommended that the Board approve Ms Helen Mackenzie's appointment to the Board for a period of two years as a Board Appointed Member with effect from 24 June 2021 subject to satisfactory completion of the Code of Governance requirements.**

Background Papers: Regulatory Standards of Governance and Financial Management
HHP Rules

Writer of Report: Iona France

0300 123 0773

Competence

Financial

- 5.1 There are no financial implications arising from the implementation of the recommendations.

Legal

- 6.1 In respect of appointing Board Members, Rules Rule 37.2.4 states that we may have two Appointed Board Member, and Rule 40.8 goes on to state that:

The Board will be entitled at any time to appoint up to two Appointed Board Members to the Board. A person so appointed by the Board must be a Member who the Board considers will enhance the skills, knowledge, diversity and/or objectivity of the Board and its decision-making. The manner of identifying, selecting and appointing an Appointed Board Member shall be determined by the Board from time to time. When appointing an Appointed Board Member the Board must determine the proposed duration of the appointment, which must be no longer than three years (but without prejudice to a retiring Appointed Board Member being eligible to be re-appointed by the Board)."

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 EH1 and RS6 in relation to our Annual Assurance Statement.

Risk

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

NAMING A DEVELOPMENT POLICY

Board 23 June 2021

Report by Chief Executive

Purpose of Report

- 1.1 The purpose of this report is to review the Naming a Development Policy with a view to engage the wider public in naming a new development.

Summary

- 2.1 The main change to the Naming a Development Policy is to collect recommendations for names via a survey that will be distributed to the main consultees first, then expanded to include wider public.
- 2.2 Due to a very low response rate for previous naming of developments, we could make use of the tools available to us to engage the wider community.
- 2.3 As we use Office 365, Microsoft Forms could be used to record details including contact details of person making the recommendation and historical context of recommended name.

Competence

- 3.1 There are no financial, legal and other constraints arising from the recommendations in this report.

Recommendations

- 4.1 **It is recommended that the Board approve the updated Naming a Development Policy to allow engagement with wider public.**

APPENDIX 1: Naming a Development Policy

Background Papers: None

Writer of Report: Sawan Morrison

Tel: 0300 123 0773



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► Naming A Housing Development Policy

Effective Date: ► June 2021

Review Date: ► June 2024

Approved by HHP Board: 23 June 2021

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NAMING A HOUSING DEVELOPMENT POLICY

INTRODUCTION

- 1.1 This policy covers the naming of all our new developments.

AIMS

- 2.1 To provide a clear policy for naming all future new developments.
2.2 To set out our policy on Gaelic and English street signage.

NAMING CONVENTION

- 3.1 Development names will normally be in English in Stornoway Town, Balivanich, Tarbert and Castlebay and Gaelic elsewhere.
- 3.2 Development names should reflect the history or landscape of the area being developed. The details of any names should be sense checked.
- 3.3 Generally a development will not be named after an individual unless there is a compelling historical connection with the development site or strong community support. Developments will not be named after living individuals.
- 3.4 For most development names one of the following suffixes will be presumed (or its Gaelic equivalent)
- | | |
|--------|----------|
| Street | Close |
| Road | Square |
| Lane | Terrace |
| Place | Crescent |
- If any other suffix is to be used the Board will record the reason for its use.
- 3.5 No development should start with "The".

CONSULTATION

- 4.1 Consultation on the naming of a new development will take place before Board approval and consultees in the first instance will include:
- a) Local Councillor;
 - b) Local Historic Society; and
 - c) Chair of Local Community Council and any Residents/Tenants Associations.
- 4.2 A survey will be provided to the above consultees and then publicised via our Social Media Platforms to allow ~~the~~ members of the local community to also participate.
- 4.3 If consultation results in a range of name following consultation, a shortlist of three will be considered by Board.

SIGNAGE

- 5.1 Development name signage will be in place prior to the occupation of the houses.
- 5.2 Development names will appear in the language in which they are named and will not be translated on signage.

TIMING & APPROVAL

- 6.1 The process for naming housing developments will normally be triggered at the point of tender acceptance. It will be completed in time for the name to be registered with the Local Authority and to be notified to utility companies in good time for connections to be arranged.
- 6.2 The determination of names for our housing developments will be approved by Board and then submitted to the Data Custodian of CnES (OSG Gazetteer custodian) to officially register the addresses.
- 6.3 The local authority under the Civic Government (Scotland) Act 1982, Section 97 may, in relation to any road in their area, give a name to it as they think fit and give each premise in it a distinguishing number as they see fit. Our local authority, Comhairle Nan Eilean Siar is currently involved in the initial name consultation for naming a new development as a consultee.
- 6.4 For the purpose of the emergency services, where developments have a Gaelic name the English equivalent will also be provided for the Gazetteer. Both names can be inputted in the OSG.

MONITORING AND REVIEW OF POLICY

- 7.1 It is the responsibility of the Development Manager to conduct a review of the policy.
- 7.2 The review shall be conducted every three years.

INTERPRETATIONS & ABBREVIATIONS

The following interpretation and abbreviations are used in this policy:

Word	Interpretation
<i>HHP or Partnership</i>	Hebridean Housing Partnership
<i>Board</i>	Means the Board of the Hebridean Housing Partnership
<i>Board Members</i>	All Members of the Board including co-opted Members
CnES	Comhairle Nan Eilean Siar
OSG	One Scotland Gazetteer is a land and property dataset.
<i>Data Custodian</i>	Administrator of data that flows into systems.
All references to the masculine gender in this policy shall read as equally applicable to the feminine gender	



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

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Web: www.hebrideanhousing.co.uk

Phone: 0300 123 0773

RISK MANAGEMENT STRATEGY

Board 23 June 2021

Report by Chief Executive

Purpose of Report

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

Summary

- 2.1 The Risk Management Strategy is reviewed annually. The Strategy at Appendix 1 has been updated for the following:
- Introduction – Paragraphs 1.3 and 1.4 removed and now included in section 3 as definitions. Included an emphasis on the responsibility of each employee to highlight risks within their area of operation.
 - A new table has been included at Paragraph 7.4 showing the scoring mechanism used to prioritise risk in the Risk Register.
 - Change of title to Strategy instead of “Policy and Strategy”.

Competence

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

Recommendations

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

APPENDIX 1: Risk Management Strategy

Background Papers: None

Writer of Report: Dena Macleod

Tel: 0300 123 0773

Competence

Financial

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

Legal

- 6.1 The approval and amendment of policies is a matter reserved to the Board.
- 6.2 The Board has referred the following function to the Audit & Risk Committee:
“Monitoring and reviewing policies and procedures relating to the Board's system of internal control, risk evaluation and corporate governance.”

Regulatory Guidance

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

Risk

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



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► Risk Management Strategy

Effective Date: ► June 2021

Review Date: ► June 2022

Approved by HHP Board: 23 June 2021

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RISK MANAGEMENT STRATEGY

INTRODUCTION

- 1.1 We face a variety of risks as we deliver our vision throughout the Outer Hebrides. Whilst we cannot eliminate risk, we can identify, assess and respond to risks.
- 1.2 We will ensure that risk management plays an integral part in the governance and management of the organisation at strategic and operational level. We will endeavour to ensure that all employees understand the nature of the risks and accept responsibility for risks associated with their area of control and authority. The necessary support, assistance and commitment of the Board will be provided.

AIMS

- 2.1 This aims of this Strategy are to:
 - Manage any risks with the potential to impact our ability to meet our vision
 - Identify risk in a changing environment
 - Define the level of risk capacity/appetite and score accordingly
 - Assess the likelihood of such risk arising and the impact on the organisation should they arise, and once assessed prioritising the risk
 - Respond to material risk and minimise risk through an appropriate system of controls which limit and manage the level of risk such that residual risk can be borne without serious permanent damage to the Partnership
 - Ensure that risk management flows through our business at both strategic and operational levels

ESSENTIAL ELEMENTS

RISK: uncertain future events or actions that might prevent an organization from maintaining good performance, meeting targets, goals and plans which result in loss being incurred

RISK MANAGEMENT: culture, process and structures that are implemented by an organisation to manage potential risks and their adverse effects

- 3.1 Our Risk Management Strategy will be reviewed annually by the Board. A Risk Register is in place, which identifies the risks, assesses the impact of these risks and the proposed action that needs to be put in place to minimise the impact.
- 3.2 Risks that are deemed appropriate will be insured in proportion to the level of risk. This will be done in accordance with our policy on insurance.
- 3.3 Our Risk Strategy recognises that risks can also present opportunities to develop and innovate in order to achieve their strategic aims and objectives. We will seek to identify the positive side of risk and potential benefits of managing each risk effectively.

KEY ASPECTS

- 4.1 The key aspects of risk management can be identified as follows:
- Identification of risks;
 - Assessment of risks;
 - Decision on level of risk appetite;
 - Allocation of ownership of risk;
 - Development of action plan; and
 - Monitoring and review arrangements.
- 4.2 Risk management should be established and integrated within existing management processes, including planning, performance management and project management.
- 4.3 Risk management is used as a tool to ensure that we can respond to changing demands, improve performance and make the most effective use of resources.

PLANNING

- 5.1 Risk management is an integral part of our planning and decision making process. Strategic and operational risks are identified as a key part of business planning. As an integral part of the Business Planning process the Board defines the level of risk capacity and score accordingly.
- 5.2 The identification of risks will be considered at the planning stage so that decisions on future priorities and projects are made with knowledge of potential risk. As part of this process we will look at how the risks we face today might change in the future e.g. how artificial intelligence will affect our business.
- 5.3 We will look at how today's risks might change in the future e.g. changing risk with our increased movement into a digital world.
- 5.4 Approved projects include risk management in the implementation plan and post implementation evaluation.

RISK CATEGORIES

Strategic

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

Operational

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

Financial

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

PRIORITISING RISK

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

SCORE	LIKELIHOOD	IMPACT	Detail
1	Rare	Low	Cost of mitigation greater than expected impact
2	Unlikely	Limited	Limited financial reputation/business risk
3	Possible	Moderate	Moderate financial reputation/business risk
4	Likely	High	High financial reputation/business risk-may impact ability to operate as a growing concern
5	Extremely likely	Very High	Very high financial reputation/business risk-may impact on our ability to operate as a growing concern

GOVERNANCE ARRANGEMENTS & ACCOUNTABILITY

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

	Role	Responsibilities
Board	To ensure the adequacy of our risk management framework	In particular to be aware of and understand key business risks in a changing environment
Audit & Risk Committee	To take an overview of risk systems on behalf of the Board	Each meeting of the Committee reviews the Risk Register will make arrangements to identify, review, evaluate and manage risk and consider the reports by officers on their evaluation of key business risks
Executive Team	Maintain our risk management capabilities and develop strategies to	- Setting the risk management framework; - Assessing risks based on recommendations from the Risk Co-ordinator and Team Leaders

	Role	Responsibilities
	effectively manage new and existing risks Reporting to the Audit & Risk Committee and Board	- Ensuring the process is operated effectively and efficiently and - To share and promote experience of risk management and strategies across the Partnership.
Executive Team	Development of the Corporate Risk Assessment framework	Regularly monitor, review and evaluate the effectiveness of the Corporate Risk Assessment framework
Managers	To ensure the effective management of risks for their respective teams	- Ensure the Strategy is implemented consistently within teams - Contribute to the development of the Risk Management Strategy - Identify and communicate any relevant specific risk management issues to Executive Team through the Risk Co-ordinator
Risk Co-ordinator	Provision of admin support for risk management function and the Audit & Risk Committee	- Day to day management of the process and for reporting any identified risks to Executive Team - Ensure that staff are aware of their roles and responsibilities, that the Risk Registers are maintained, reviewed and updated and that the appropriate reporting is carried out
All staff	To contribute to the management of risk for your department or team	- Identify potential and actual hazards/risks within the workplace - Assist with the removal or reduction of hazards and risks - Comply with current risk management and health & safety policies
Internal Audit	To provide the Partnership's Audit & Risk Committee, the Chief Executive and Executive Team, with an assessment of the adequacy and effectiveness of management's internal control systems	- Review and appraise the financial and other controls operated by the Partnership; - Review the established policies and procedures adopted by the Partnership; - Assessment of whether internal controls are reliable; - Provide regular reports to the Audit & Risk Committee in line with the approved audit plan.

ALLOCATION OF OFFICER FOR EACH RISK

- 9.1 The Officer responsible for providing support to the Audit and Risk Committee will be the designated Risk Co-ordinator. The Corporate Resources Officer will deputise in the absence of the Risk Co-ordinator.

REPORTS

- 10.1 The Risk Register is reviewed and updated on an ongoing basis by Managers having consulted with their teams to ensure all known risks are captured and assessed.
- 10.2 The Risk Co-ordinator will ensure regular reports to Executive Team on the medium and high level risks prior to each meeting of the Audit & Risk Committee.
- 10.3 The Risk Co-ordinator will ensure that the Audit & Risk Committee receive reports on the Risk Register at each meeting.
- 10.4 The Chief Executive will provide the Board with an annual update of our Risk Strategy.
- 10.5 Risk will be considered by the Board and Standing Committees as part of the routine operational decision making process on all aspects of our activities.

RISK CAPACITY

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

RISK MANAGEMENT CYCLE TIMETABLE

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

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

MONITORING AND REVIEW OF POLICY

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

INTERPRETATIONS & ABBREVIATIONS

The following interpretation and abbreviations are used in this policy:

Word	Interpretation
<i>HHP or Partnership</i>	Hebridean Housing Partnership
<i>Board</i>	Means the Board of the Hebridean Housing Partnership
<i>Board Members</i>	All Members of the Board including co-opted Members
<i>Risk Co-ordinator</i>	Officer who provides support to the Audit & Risk Committee
<i>Executive Team</i>	Chief Executive, Director of Operations, and Director of Finance & Corporate Services
All references to the masculine gender in this policy shall read as equally applicable to the feminine gender	



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REPAIRS SIX MONTH REVIEW

Board 23 June 2021

Report by Director of Operations

Purpose of Report

- 1.1 This report provides the first service review of the Planned, Cyclical and Responsive Maintenance Contract that commenced on 1 April 2020.

Summary

- 2.1 The Service Review was carried out to the period ended 31 March 2021. This is attached at Appendix 1.
- 2.2 Key Performance Indicators on the contract performance are at Appendix 2.
- 2.3 The contract commenced in a period of COVID-19 lockdown which had a particular impact in the first and last quarters of 2020/2021. Due to the reduced service FES FM furloughed a number of personnel in the first quarter whilst maintaining a core to continue delivery of an emergency service initially. Planned and cyclical maintenance and void works were able to restart as restrictions eased and guidance was refined. The contractor deserves significant credit for their commitment to maintaining service levels in those challenging periods.
- 2.4 Performance has been deemed as Satisfactory considering the additional restrictions associated with COVID-19. The contractor has responded well and this is reflected in the KPI's at Appendix 1.

Competence

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

Recommendations

- 4.1 **It is recommended that the Board note the Service Review at Appendix 1.**

APPENDIX 1: Service Review
Appendix 2: KPI Performance
Background Papers: None
Writer of Report: Angus MacNeil

Tel: 0300 123 0773

Competence

Financial

- 5.1 There are no direct financial implications arising from this report.

Legal

- 6.1 We have a contractual requirement to conduct service reviews every three months during the contract period. The purpose is to evaluate performance across set criteria contained in Appendix 1.

Regulatory Guidance

- 7.1 The regulatory standards checklist has been completed and there is nothing in the report that would breach the standards.

Risk

- 8.1 Failure to meet adequate scoring against the criteria at Appendix 1 could affect our ability to meet regulatory and legal obligations and performance targets. In addition contractor failure is identified as a specific issue on the risk register.

Report Details

Service Review

- 9.1 The Service Review is carried out across:
- Service Information – those are minimum standards of service delivery and reporting specified in the contract
 - Key Performance Indicator (KPI) – these set out performance targets and are also tied into retention and pain/gain shares with the contractor's payments.
- 9.2 The main scoring has been carried out by the Asset and Contracts Manager, the Service Manager as defined in the contract. The Service Manager is responsible for the contract management and delivery.

Methodology

- 9.3 The methodology is governed by the contract. Each heading is split into items for assessment according to the Contract Service Information and KPI's.
- 9.4 The KPI's set out minimum targets which the contractor must achieve. Where performance levels are below those set out within the KPI schedule, we may retain the retention until performance levels are brought to the required levels. Otherwise retentions are released at the end of each quarter. Retentions will roll forward only until the year end (31 March). Failure to meet the performance indicators by the end of the year will result in retentions outstanding at that point being lost to the Contractor.
- 9.5 In addition, if the Contractor is not on target to achieve the KPI target they will be required to submit proposals for improving performance.
- 9.6 The Contract Service Information and KPI's will form the basis for any assessment to award a contract extension beyond the initial 5 year term.

General

- 9.7 Due to the lockdown restrictions during the first six months of the contract the implementation of the retention provisions were delayed and commenced on 1 October 2020.

Service Review

Period **6 months from 1 October 2020 - 31 March 2021**

Year 1

Assessment by: **A MacNeil**

Service Manager

- i) Contract performance will be scored in line with the KPI Schedule (Appendix 1)
- ii) Contract performance will be measured against the following five main headings:
- Quality
 - Cost
 - Time
 - Health and Safety
 - Continuous Improvement
- iii) Contract performance will be scored using the following bands:
- iv) If two consecutive reviews produce unsatisfactory results then this could result in the Employer terminating the contract ref clause 91.2 i.e. Contractor has "Substantially failed to Provide the Service"
- v) Contract performance will also form the basis of evaluating whether the two year contract extensions will be invoked.

Criteria	Item ref	Item description	Contract Service Information (minimum service requirements) *	KPI (measurable performance tied into retention and pain/ gain payments) *	Measurable targets	Comments	Performance
Quality	1.1	Attendance at meetings	●			Regular monthly meetings well attended during the period. No Risk Reduction meeting required. Contractor has good performance with attending Team meetings.	●
	1.2	Contractors' reports - accurate & issued on time	●			Paymechs and Performance reports submitted within agreed timescale. Having to request revised cashflows and programmes rather than it be viewed by the contractor as a regular process.	●
						Contractor has good performance in responding to bespoke report requests. Examples of reports submitted - Recharges Target v Actual costs, Community Benefit,	●
	1.3	Repair trends reports	●			More work required from contractor to provide more analysis on repairs trends i.e.: common repairs, common component failure, repeat visits, recommendations on HHP specifications	●
	1.4	Risk Reporting	●			Contractors collaboration during lockdown periods was very good to ensure personnel and supply chains were maintained to continue services	●
						Contractor has submitted several Risk related Early warning notices in regard to material price rises. Risk Register in place and in operation. Monitored and reviewed against HHP Risk Register	●
	1.5	How to improve tenant satisfaction	●			Tenant satisfaction good but more work required in pro active measures, observation and feedback	●
	1.6	Right First Time - Availability of materials, on vans & held stock		●	Target 90%, annual average 89.69%	There continues to be some minor stock control issues particular hospital stock on ASHP . Contractor has maintained contact with suppliers/ manufacturers to maintain supply chain during last year. Right first time reviewed monthly to review natures of stock issues, Early Warning process also in place but not required to date. Impact on figures due to some stock issues related to COVID effect on supply chains	●

Criteria	Item ref	Item description	Contract Service Information (minimum service requirements) *	KPI (measurable performance tied into retention and pain/ gain payments) *	Measurable targets	Comments	Performance
	1.7	Recalls		•	Target 3%, annual average 6.59%	More work required from contractor to ensure Recalls are reduced or recommendations to HHP scripted repairs are accurately diagnosed on site and actioned whilst following process with HHP to ensure costs are controlled.	●
Cost	2.1	Financial Reports	•		100% of all invoices accurate & submitted on time	Paymechs issued on required date. Paymech information is detailed and allows detailed analysis of what repairs and where repairs occur. Paymech analysis to continue to use as financial monitoring and predictive tool to build improvements into complete process	●
	2.2	• Invoicing		•		Performance very good, invoices received timeously including those from sub contractors	●
	2.3	• Increase value for money	•			Paymech to be used to demonstrate value for money, improved efficiency, planning and resourcing, more work required	●
	2.4	• [detailing Total of Prices, Actual Costs, anticipated Contractor's share etc.]	•			Paymech in use to calculate and forecast Pain/ Gain monthly. To be used to close gap with Target Actual costs. Process commenced with Recharges with quotation system for compensation events	●
Time	3.1	• Reactive maintenance completion times (days)		•	Target 4 days, annual average 5.77 days	The first 6 months of the year averaged 7.82, days due to COVID restrictions, protocols and accessibility. The second 6 months averaged 3.71 days. Performance has steadied, performance good in recent periods.	●
	3.2	• Achieving Void completion times		•	Target 95% completion on time, annual average 99.68%	Void works have continued all year with additional COVID protocols. Performance has been good. Additional factors in relation to Lettable standard to be progressed and rechargeable repairs. Also mitigations need to be developed across the void process to limit the turnaround delays.	●
	3.3	• Maintaining tenant appointments		•	Target 99%, annual average 82.09%	Appointment system in place for routine repairs, however this has seen significant disruption during periods of Tier 4 lockdown. Normal services have now resumed and performance expected to improve to Target requirements. Appointments have been affected New IT appointment system in place and in operation	●
	3.4	• Completion of Planned maintenance works	•			General planned maintenance was delivered. Contractor needs to ensure more work done on maintaining and reporting programme progress with accompanying cashflows and forecasts	●
Health and Safety	4.1	Did work carried out on the contract fall within the industry standard measures related to Accident Frequency Rate		•	Target, reportable incidents per month <1, annual average 0 incidents	No reported incidents, tool boxes talks regularly carried out, Government COVID protocols in place and followed prior to and during the works	●
	4.2	• Did the Accident Frequency Rate improve from the last review		•		Constant good performance during year	●
	4.3	• Health and Safety - covering contractor's operatives		•		No incidents, regularly reviewed, measure will follow good practice, HSE and Government guidance	●
	4.4	• Health and Safety - Incidents within or around tenant premises		•		No incidents, regularly reviewed, measure will follow good practice, HSE and Government guidance to protect both contractor's operatives, HHP Officers and tenants.	●

Criteria	Item ref	Item description	Contract Service Information (minimum service requirements) *	KPI (measurable performance tied into retention and pain/ gain payments) *	Measurable targets	Comments	Performance
Continuous Improvement	5.1	• Ongoing [over contract duration] Contractor's involvement and commitment to a continuous improvement culture	•			Annual review completed for Community benefit initiatives continued via recruitment, apprenticeship appointments, voluntary works, donations, foodbank assistance/ deliveries, storage facilities where required. Continued monitoring of initiatives to improve on efficiencies, innovation, employment/ training, reduction of costs and improvement in quality, collaboration, feedback	
						IT and gateway improvements I regard to data reporting, diagnosis and recommendations. Development of options for e-invoicing	
	5.2	• Reduction in duration for completion of Voids works	•		measurable against item 3.2	Minimising turnaround times, whilst ensuring standard of voids is good and consistent. Collaboration with HHP to deliver improvements, initiatives for voids. Reduction of rechargeable repair costs. Ensure good communication to minimise turnaround times	
	5.3	• Reduction in Reactive maintenance - Reactive trends	•		measurable against item 1.3	Regular review of common repairs, recurring repairs, reviewing specifications and problem components or less durable components, more collaborative facilities management approach to repairs and planned maintenance.	

Criteria	Item ref	Item description	Contract Service Information (minimum service requirements) *	KPI (measurable performance tied into retention and pain/ gain payments) *	Measurable targets	Comments	Performance
	5.4	Improved tenant satisfaction	•	•	Target 95%, annual average 98.91%	Tenant satisfaction reviews appointment offered/ Contractor on Time. ID shown/ Helpful and Polite/ Satisfaction/ Cleaning done - these core surveys will continue on sample but other initiatives will be explored to improve tenant satisfaction. QA checks also undertaken post repairs to repairs in Barra to ensure sub contractor provides same level of service, standards and satisfaction.	●

Overall Performance

Performance is assessed as **SATISFACTORY** given the challenging period of the last year. The operational elements of delivering the works on site have progressed well but the data exchange processes and reporting needs to be developed and improved. Supply chains need to be monitored to ensure demand for material stocks are maintained as services and manufacturing levels return. Similarly, increases in material costs need to be offset with improved efficiency savings to deliver services within budgets.

KPI Summary Sheet

Pain/Gain Share KPI's	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21
Customer Satisfaction	98.25%	98.68%	98.78%	98.88%	98.90%	98.90%	98.90%	98.90%	98.90%	99.18%	99.30%	99.35%
Recalls	8.47%	5.78%	7.43%	4.38%	3.82%	6.36%	7.49%	7.44%	6.86%	6.99%	8.05%	5.98%
Maintenance	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	50.00%
Emergency	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Right First Time	77.08%	93.44%	91.95%	90.96%	92.55%	92.70%	88.69%	92.07%	89.05%	92.20%	85.18%	90.38%
H&S	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Pain Gain Share KPI Score	75.07%	78.43%	78.15%	77.97%	98.29%	98.32%	97.52%	98.19%	97.59%	98.28%	96.90%	87.95%

Quarterly/Annual Performance KPI's	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21
Appointments Kept	0.00%	79.31%	91.18%	95.10%	97.35%	91.42%	93.32%	95.40%	87.56%	86.19%	86.97%	81.24%
Invoice's	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Voids	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	96.22%
Quarterly/Annual Performance KPI Score	66.67%	93.10%	97.06%	98.37%	99.12%	97.14%	97.77%	98.47%	95.85%	95.40%	95.66%	92.48%

* Data is being verified on Active H Repairs

Targets and Assessment criteria

Customer Satisfaction	Target	95%
Recalls	Target	4%
Maintenance	Target	4 days

The KPI score % is set as follows:

<4days is within target (100%)

4-6 is working towards target (50%)

>6 days is failing (0%).

Emergency	Target	3.5 hrs

The KPI score % is set as follows:

<3.5Hrs is within target (100%)

3.5-5.25hrs is working towards target (50%)

>5.25hrs is failing (0%).

Right First Time	Target	90%
Health and Safety	Target	<1 reportable incident
Appointments	Target	99%
Invoices	Target	90%
Voids	Target	95%

BOARD DEVELOPMENT PLAN PROGRESS REPORT

Board 23 June 2021

Report by Chief Executive

Purpose of Report

- 1.1 This Report provides progress on the Board Development Plan for 2020/21.

Summary

- 2.1 In line with Scottish Housing Regulator's (SHR) requirements the Board needs to "assess annually the skills, knowledge, diversity and objectivity that it needs for its decision-making, what is contributed by continuing governing body members, and what gaps there are that need to be filled."
- 2.2 The outcome from the Skills Assessment, in addition to a further development session led by the Chair, was used to populate the 2020/21 Board Development Plan.
- 2.3 Delegation was given to the Chair and Chief Executive to finalise the 2020/21 Board Development Plan.
- 2.4 A Training Plan for August 2020 to August 2021 was prepared and progress towards this is shown at Appendix 1.
- 2.5 An independent Board Skills Assessment by an external consultant will take place, remotely, following the 2021 AGM. We last carried out an independent assessment in 2016. Further arrangements will be detailed in due course.

Competence

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

Recommendations

- 4.1 **It is recommended that the Board note:**
- a) **the 2020/21 Training Plan update at Appendix 1; and**
 - b) **an independent Board Skills Assessment programme will commence after the AGM on 26 August 2021.**

APPENDIX 1:	2020/21 Training Plan Progress
Background Papers	Regulatory Standards of Governance and Financial Management
Writer of Report	Iona France Tel: 0300 123 0773

Competence

Financial

- 5.1 The 2020/21 Board Training budget is £6,000 and to date there has been a spend of £2,102. The independent Board Skills assessment is accounted for in the External Consultants budget, at a cost £3,200. This is a significantly reduced cost from 2016 as the assessment will be carried out remotely.

Legal

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

Regulatory Guidance

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

Risk

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

2020/21 Board Training Plan

Training	Training Provider	2020					2021							
		Oct	Nov			Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Business Planning	In house													
Development Session to be held with Board	In house													
Board Member Role & Responsibilities Refresher Training	SHARE													
Finance - Questions You Should be Asking Training	SHARE													
Finance - Treasury Management & Scenario Testing	External													
Equalities & Diversity Training	EVH													
Landlord Facilities Health & Safety Training	ACS Risk Group													
Tenant Scrutiny Training	Internal													
The Scottish Housing Regulator - What You Need to Know	SHARE													
Homelessness, Housing Options & Allocations Training	In house													
Welfare Reform & Rent Arrears Update Training	In house													
Safeguarding Training	External													

Following AGM - 2021/22 Skills Assessment Cycle Commences

AGM

Training	Date	Time	Location	Status
Board Development Session	03-Dec-20	10.00 am	MS Teams	
Board Members Role & Responsibility Training	17-Dec-20	10.00 am	MS Teams	
Finance - Questions You Should Be Asking Training	27-Jan-21	10.00 am	MS Teams	
Finance - Treasury Management & Scenario Testing*	-	-	-	
Equalities & Diversity Training	24-Feb-21	11.00 am	Zoom	
Landlords Health & Safety Training	11-Mar-21	1.30 pm	MS Teams	
Population & Demand Workshop	08-Apr-21	2.00 pm	MS Teams	
Homelessness Workshop	22-Apr-21	3.30 pm	MS Teams	
Customer Experience Workshop	13-May-21	11.00 am	MS Teams	
Climate Change Workshop	31-May-21	2. 00pm	MS Teams	
Tenant Scrutiny Training	TBC	TBC	TBC	TBC
The Scottish Housing Regulator - What You Need to Know	22-Apr-21	-	-	Postponed
Welfare Reform & Rent Arrears Update Training	TBC	TBC	TBC	TBC
Safeguarding Training	TBC	TBC	TBC	TBC

* Specific training was provided by Micheal Leslie, Chatham Financial prior to re-financing along with regular updates. Training on covenants will be delivered in house.