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BOARD AGENDA – 25 AUGUST 2021

ITEM	AGENDA ITEM	ACTION	PRESENTED BY	PAGE NO	TIME
1	**Attendance & Apologies**	Noting	Chair	3	2.00pm – 2.15pm
2	**Declaration of Interest**	Noting	Chair	-	
3	**Minutes**				
3.1	Minute of Meeting 23 June 2021	Approval	Chair	5	
3.2	Action Sheet	Noting	Chief Executive	11	
4	**Date of Next Meeting** 17 November 2021	Approval	Chair	-	
5	**Health & Safety**	Noting	Director of Operations	-	

ITEM	AGENDA ITEM	ACTION	PRESENTED BY	PAGE NO	TIME
6	**Items For Decision**				2.15pm - 2.45pm
6.1	Annual Assurance Statement	Approval	Executive Office Manager	13	
6.2	Governance Report	Approval	Executive Office Manager	32	
6.3	Annual Financing Strategy	Approval	Director of F&CS	37	
6.4	Treasury Management Policy	Approval	Director of F&CS	56	
6.5	SHR Loan Portfolio	Homologation	Director of F&CS	Verbal Update	
6.6	Management Report to 30 June 2021	Approval	Finance Manager	72	
6.7	Development Programme	Approval	Development Manager	94	

ITEM	AGENDA ITEM	ACTION	PRESENTED BY	PAGE NO	TIME
7	**Survey Updates**				2.45pm - 2.55pm
7.1	Tenant Satisfaction Survey	Noting	Service Development Manager	110	

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ITEM	AGENDA ITEM	ACTION	PRESENTED BY	PAGE NO	TIME
8	**Policies & Strategies**				2.55pm - 3.10pm
8.1	Retirement Policy	Approval	Chief Executive	114	
8.2	Codes of Conduct	Approval	Executive Office Manager	137	
8.3	Entitlements, Payments & Benefits Policy	Approval	Executive Office Manager	168	

ITEM	AGENDA ITEM	ACTION	PRESENTED BY	PAGE NO	TIME
9	**Monitoring Reports**				3.10pm - 3.20pm
9.1	Business Plan 2019/20 to 2023/24	Noting	Chief Executive	191	
9.2	Quarterly Treasury Report to 30 June 2021	Noting	Director of F&CS	197	
9.3	Investment Programme 2021/22 Monitoring Report	Noting	Assets & Contracts Manager	204	
9.4	Tenant Participation Strategy Update	Noting	Service Development Manager	209	

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	23-Jun-21	
Iain Macmillan	1								
Calum Mackay	1								
Alasdair Mackenzie	2 & 4								
Alexander Gardner	2								
Fiona Macleod	1 & 7							Leave	
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
7 - Special Leave Granted on 23 June 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

Leave Special Leave Granted

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 techncial difficulties

Member not required to be present at training

Leave of Absence

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ITEM NO 3.1

HEBRIDEAN HOUSING PARTNERSHIP

Board

<u>Minutes of Meeting held remotely via Microsoft Teams on Wednesday, 23 June 2021 at 2.00pm</u>

PRELIMINARY ITEM

Prior to the official business, the Chair advised due to the sudden death of our Customer Services Supervisor, Andrea Watson, of which notification was received earlier in the day, the meeting would hear items for approval only.

The Chief Executive paid tribute to Andrea. Everyone at HHP will miss Andrea and feel her loss, not just for the work she did but for the person she was and her untimely death was a reminder of what was important in life. The Chief Executive asked everyone to keep Andrea's family in their thoughts and that a formal tribute to Andrea would be made later.

ATTENDANCE & APOLOGIES

1 <u>Attendance & Apologies</u>

<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)
Peter Graham	John Maciver (Director of Operations)
Roddy Nicolson	Iona France (Governance Officer – Minute Taker)
John Norman Macleod	Mina Maclean (Housing Officer – Allocations)
Roddy Mackay	Angus MacNeil (Assets & Contracts Manager)
Gordon Macleod	Katia Petteloot (Finance Manager)
<u>Apologies</u>	Sawan Morrison (Development Manager)
Alex Gardner	Monika Fortagh (Debt Management Officer)
Fiona Macleod	Donalda Mackinnon (Area Manager, Lewis)
Norman Macdonald	Gary Macleod (Digital Transformation Manager)
	Jonathan Fairgrieve (Corporate Services Officer)

PRELIMINARY PROCEDURAL MATTERS

2 <u>Declaration of Interest</u>

The Chief Executive declared an interest in Item 9.6

3.1 <u>Minute of Board Meeting 19 May 2021</u>

The minute of the Board meeting of 19 May 2021 was submitted and approved as a true and accurate record of the proceedings of the meeting.

<u>Minute of Board Meeting 29 April 2021</u>

The Director of Finance & Corporate Services advised the Board were required to re-affirm its approval of the lending agreement, on the basis that specific wording in the draft minutes would be incorporated into the Minutes of the Board meeting, and an extract prepared and signed.

The Board approved the specific wording be included in the draft Minute of 29 April 2021 and an extract be prepared and signed by the Chair.

3.2 <u>Action Sheet</u>

The Action Sheet was noted.

4 <u>Date of Next Meeting</u>

The date of the next meeting will be 25 August 2021. It was agreed that the timings of the meetings would be reviewed in August 2021 with a view to reverting to pre COVID-19 timings or another suitable time.

5 <u>Health & Safety</u>

Nothing to report.

ITEMS FOR DECISION	
6.1	**<u>Annual Report & Financial Statement to 31 March 2021</u>** The Director of Finance & Corporate Services presented the Annual Report & Financial Statement to 31 March 2021 for approval. The Annual Report & Financial Statements had been presented the Audit & Risk Committee the previous day. The report highlighted the key factors in the Annual Accounts: • The operating surplus of £2,242,633 showed a decrease from the previous year of £494,977; • An increase in Rental Income was driven by the annual rent rise and additional number of new build units; • Management Costs decreased year on year; • An increase in Depreciation was driven by new build properties and component replacements capitalised; • There was a significant level of void repairs resulting in an increase of £100k. The smoke detector programme resulted in an increase in expected investment costs; • Grant funding increased due to an higher level of funding for OT Aids & Adaptations and RHI income; • Bad debts decreased due to there being fewer number of accounts owing more than £1k; and • An increase of £710,503 in net assets reflected the investment in our stock through the investment and development programmes. The statement of comprehensive income included a significant actuarial loss of £1,275,000 for 2020/21, which had arisen due to a change in the actuarial financial measurement assumptions in relation to our pension fund. Group accounts were not prepared for our subsidiary, HHP Community Housing Ltd, due to the immateriality of the trading activity of the Company during the year. **The Board:** **a) approved the Annual Report and Accounts for the year ended 31 March 2021; and** **b) noted the Subsidiary Accounts for the year ended 31 March 2021.**
6.2	**<u>SHR Financial Returns</u>** The Director of Finance & Corporate Services presented the Loan Portfolio return (2020/21) and Five Year Plan Return (2021-2026) required by the Scottish Housing Regulator (SHR) for consideration and approval. The Audited Financial Statements (2020/21) would be filed when the SHR portal opened. The Director of Finance & Corporate Services advised the Loan Portfolio return was based on our current loan facility. It was anticipated the new loan facility would be finalised by 30 June 2021 and once completed an In – Year Return would be completed and submitted to the Regulator and a report would come to the Board in August 2021 for homologation. **The Board approved for submission to the Scottish Housing Regulator the:** **a) Loan Portfolio Return for 2020/21;** **b) Five Year Plan Return for 2021-2026; and** **c) Audited Financial Statements.**
6.3	**<u>Budgetary Performance for Year Ended 31 March 2021</u>** The performance against budgets for the year ended 31 March 2021 was presented for review. The Director of Finance & Corporate Services highlighted the key variances in our Income & Expenditure. • Net income was above budget due to the improvement in bad debt and additional grant funding • Response Repairs was over budget which was offset by saving in the Planned Maintenance Programme • Development spend was significantly less than original budget but in line with revised budget. • There was a £1.9m slippage in the investment budget due to the impact of COVID-19 and being unable to access tenant's homes. Our Financial Covenants for the year 2020/21 were met. The Covenants were based on our existing loan facility and the Director of Finance & Corporate Services advised a meeting would be arranged to discuss the covenant requirements of the proposed new facility in due course. Board Member expenses were down significantly due to no travel costs being incurred, and whilst it was noted attendance at both Board meetings and trainings had improved, the targets, especially for training, may be unrealistic. The report sought approval for a recommendation to the AGM that £5,000 of the surplus be donated to local charities.

The Board:

a) reviewed the performance against budget for the year ended 31 March 2021;

b) noted the Financial Covenant for 2020/21; and

c) approved a recommendation to the AGM that £5,000 of the surplus be donated to local charities during 2021/22.

6.4 **Financial Regulations**

The updated Financial Authorities and Financial Regulations were presented for approval. The Director of Finance & Corporate Services advised the Financial Regulations had been updated to remove reference to EU procurement.

The Board:

a) approved the updated Financial Regulations; and

b) noted the Financial Authorities have been reviewed with no changes required.

6.5 **Review of Standing Orders**

The updated Standing Orders were presented for approval. The Standing Orders were updated to reflect the Head of Executive Office vacancy, the role of Executive Office Manager and the resultant changes to responsibilities. There were also minor amendments throughout the document for clarity, consistency and good practice.

The Board:

a) approved the revised Standing Orders; and

b) noted the summary of key changes.

6.6 **Housing Allocations Report**

The annual Housing Allocations Report was presented for approval.

The report highlighted that demand, as demonstrated by waiting lists, was weak, and had reduced by almost 25% over the previous 11 years.

A Housing Needs and Demand Study is being carried out in 2021 which will include engagement with communities and Community Trusts to identify any housing need and aspirations which were not evidenced by our waiting list.

The quota of allocations to homeless applicants in Stornoway was proposed to be retained at 50%, with the exception of 2 apt properties, as the Board had agreed at the meeting on 19 May 2021 to increase the number of 2 apt properties allocated to homeless applicants 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.

The Board:

a) noted the Allocations Report 2020/21;

b) agreed 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; and

c) agreed the quotas for allocating properties in Stornoway remain at 15% for transfer applicants and 35% for other waiting list applicants.

6.7 **Management Report to 31 May 2021**

The Finance Manager presented the Management Report to 31 May 2021. The report sought approval for a number of virements. The Director of Finance & Corporate Services confirmed the virement from the development budget to reserves would be used to fund development costs in 2022/23. Following approval of the virement to the non-housing budget the contract for the new Housing Management system would be signed.

The Board:

a) noted the management information at 31 May 2021;

b) approved additional rental income of £71K be vired to reserves;

c) approved 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) approved that £1,029,435 be vired from the total development budget to reserves to account for project slippage and timing of grant receipts.

6.8	**Development Report** The Development Manager provided an update on the Development Programme. 28 houses had been handed over at Goathill - 20 rented properties and 8 Shared Equity. The 20 rented properties had been allocated and applications were being processed for the Shared Equity properties. Board Members were advised a site visit would be arranged in the near future. There was a delay to the Scotland Street handover due to an issue with SSE meters. All other projects were progressing well, however, material, labour and transport difficulties were increasingly being experienced. The land transaction at Blackwater will be further delayed as the resumption application had not been applied for as yet, despite planning approval having been obtained in September 2020. It was proposed that the options for the fire suppression system would be assessed by the Asset Management Working Group prior to making a recommendation to Board on 25 August 2021. **The Board:** **a) approved 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) noted the progress on the Development Plan for 2021/22.**
6.9	**Board Appointment** Ms Helen Mackenzie had indicated that she was interested in joining the Board. Ms Mackenzie had 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. The appointment as a Board Appointed Member in accordance with HHP's Rules and for a period of two years from 24 June 2021 was proposed and agreed. **The Board:** **a) approved 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; and** **b) agreed Iain Macmillan and Calum Mackay had demonstrated their continued effectiveness as Board members and approved their eligibility to stand for re-election at the AGM on 26 August 2021.**

POLICIES FOR APPROVAL	
7.1	**<u>Naming a Development Policy</u>** The Naming a Development Policy had been reviewed and updated to include wider engagement with the community when naming a development. Mr Roddy Mackay commented he had received positive feedback following the naming of developments in Uist after well-known members of the communities. **The Board approved the updated Naming a Development Policy.**
7.2	**<u>Risk Strategy</u>** An updated Risk Strategy, which included had a table outlining the mechanism used for scoring and prioritising risk, was presented for consideration and approval. **The Board approved the Risk Management Strategy.**

MONITORING & UPDATE REPORTS	
8.1	<u>**Management Report to May 2021**</u> **This item was moved to Item 6.7 on the Agenda.**
8.2	<u>**Repairs & Maintenance 6 Month Review**</u> This report provided feedback on the first service review of the Planned, Cyclical and Responsive Maintenance Contract that commenced on 1 April 2020. **The Board noted the Repairs & Maintenance 6 Month Review.**
8.3	<u>**Board Development Progress Report**</u> This report provided an update on the progress of the Board Development Plan for 2020/21 and advised Members an independent Board Skills Assessment programme will commence after the AGM on 26 August 2021. **The Board noted:** **a) the 2020/21 Training Plan update; and** **b) an independent Board Skills Assessment programme will commence after the AGM on 26 August 2021.**
MEETING GOES INTO PRIVATE SESSION	

Chairperson Mr Iain Macmillan

SIGNED ………………………………………………………

DATE ………………………………………………………

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ITEM NO 3.2

Board Action Sheet

ACTION POINT	MINUTE NUMBER	ACTION TO BE TAKEN	DEADLINE/ TIMESCALE	ACTION BY	PROGRESS
1	23 June 2021 (3.1)	Copy of Signed Minute Extract to be issued to all Board Members	July 2021	Governance Officer	Uploaded to Members' tablets 1 July 2021
2	23 June 2021 (6.2)	SHR Returns to be completed once portal opens in July. In Year return to August Board meeting for homologation.	31 July 2021	Director of Finance & Corporate Resources	Done
3	23 June 2021 (6.7)	Virements to be processed and contract for Housing Management System to be signed.	31 July 2021	Director of Finance & Corporate Services	Done
4	23 June 2021 (6.8)	AMWG to be convened to consider options for fire suppression system	31 July 2021	Governance Officer	Arranged for 11 August 2021
5	23 June 2021	Site visit to Sinclair Avenue to be arranged for Board Members	16 July 2021	Governance Officer	Visits carried out on 15 June and 6 July 2021
6	19 May 2021 (7.3)	Communications to be accessible and easy to understand for all our customers	31 March 2022	Executive Office Manager	
6	19 May 2021 (8.1)	KPI targets to be reviewed as part of the Business Plan review	30 Nov 2021	Chief Executive	
8	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. Additional costs to be discussed at AMWG.
9	27 Jan 2021 (8.3)	Re-wiring tender to be procured out with the Investment Framework.	August 2021	Director of Operations	Tender to be issued August 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 completed and building contract concluded.
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 awarded and study in progress. Update report on agenda.
13	20 May 2020 (8.3)	Arrange for a Board Member to attend staff meeting.	Once Office activities return to normal	Company Secretary	

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ITEM NO 6.1

ANNUAL ASSURANCE STATEMENT

Board 25 August 2021

Report by Chief Executive

Purpose of Report

1.1 The purpose of this report is to present our Annual Assurance Statement to the Board for consideration and approval prior to submission to the Scottish Housing Regulator.

Summary

2.1 We are obliged to comply with the regulatory requirements of the Scottish Housing Regulator (SHR). The Board must be satisfied that the Partnership is compliant with all requirements detailed in section 9.1 of this report, and prepare an Annual Assurance Statement (AAS) confirming this, which is submitted to SHR.

2.2 The completed AAS for 2021 is at Appendix 1 with an evidence checklist at Appendix 2; this confirms that we do comply with all our regulatory requirements.

2.3 The Annual Assurance Statement must be signed off by the Board prior to submission no later than 31 October each year.

2.4 On 24 June 2021 SHR requested that landlords provide assurance in their AAS they have appropriate plans to implement an effective approach to the collection of equalities information and that they have started to consider how to adopt a human rights approach to their work.

Competence

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

Recommendations

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

a) Annual Assurance Statement at Appendix 1; and

b) Annual Assurance Statement – Evidence Checklist at Appendix 2.

APPENDIX 1:	Annual Assurance Statement	
APPENDIX 2:	Annual Assurance Statement – Evidence Checklist	
Background Papers:	Scottish Housing Regulator's "Regulatory Framework" (February 2019)	
	SFHA Social Landlord Self-Assurance Toolkit (July 2019)	
Writer of Report:	Iona France	Tel: 0300 123 0773

Competence

Financial

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

Legal

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

Regulatory Guidance

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

Risk

8.1 The risk of not submitting the Annual Assurance Statement will lead to the Partnership being in breach of regulatory requirements and have a negative effect on its risk rating and regulatory engagement.

Report Details

9.1 Using the SHR's existing Statutory Guidance and the SFHA Self-Assurance Toolkit, a checklist has been produced to ensure all regulatory requirements are being complied with and outlining the evidence to confirm this. The Evidence Checklist is at Appendix 2 with this year's amendments highlighted.

hebridean housing partnership

Our Annual Assurance Statement

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

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

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

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

We can further confirm that HHP have appropriate plans to implement an effective approach to the collection of equalities information and have started to consider how we can adopt a human rights approach in our work.

We approved our Annual Assurance Statement at the meeting of our Board on 25 August 2021.

I sign this statement on behalf of the Board.

Chair's signature:

Date:

We are a Living Wage Employer

EFQM Committed to Excellence 2 Star - 2018

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

ANNUAL ASSURANCE STATEMENT - CHECKLIST		
Assurance & Notification (AN)		
Reference	Item	Evidence
AN1	Prepare an Annual Assurance Statement in accordance with SHR published guidance, submit it to SHR between April and the end of October each year, and make it available to tenants and other service users.	Annual Assurance Statement 2021 is being considered on 25 August 2021.
AN2	Notify us (SHR) during the year of any material changes to the assurance in its Annual Assurance Statement.	Regulatory Standards compliance forms are completed for all Board Reports.
AN3	Each landlord must have assurance and evidence that it is meeting all of its legal obligations associated with housing and homelessness services, equality and human rights, and tenant and resident safety.	Allocations Policy is reviewed regularly and approved by the Board before implementation. Allocation Policy consultation with tenants and Housing Management Working Group taking views of current and future tenants into account. Estate Management Policy covers Anti-Social Behaviour. Recovery of Sundry Debts Policy. Debt Management Report is a standing item on the Board agenda. Tenancy Agreement is in line with the Housing Scotland Act 2001 and 2014 and outlines organisational policy on abandonment. Homelessness Performance is reported to Board in Annual Allocations Report with allocation quotas being reviewed annually. Applicants, Board Members and staff complete equal opportunities forms annually. Equality & Diversity Impact Assessments completed for all new policies. Equality & Diversity Policy & Action Plan. Landlord Health and Safety Policies have been approved by the Board and are reviewed regularly. Landlord Health and Safety Audit carried out in 2018, Gas Audits carried out every 2 years. Internal Audits are carried out regularly and reported to the Audit & Risk Committee. An Internal Audit Progress Report is a standing item on the Audit & Risk Agenda showing progress on action points from internal audits. Homelessness Seminar held in 2021. Landlord Health & Safety Training carried out in 2021.
AN4	Notify SHR of any tenant and resident safety matters which have been reported to, or are being investigated by the Health and Safety Executive, or reports from regulatory or statutory authorities, or insurance providers, relating to safety concerns.	Notifiable Events Register is a standing item on Board Agenda and removed if there is nothing to report. Landlords Health & Safety Audit and Office Health & Safety Audit. Stock Condition Survey carried out in January 2018.
AN5	Each landlord must make its Engagement Plan easily available and accessible to its tenants and service users, including online.	2021/22 Engagement Plan on our website and available in our offices.

ANNUAL ASSURANCE STATEMENT - CHECKLIST		
Scottish Social Housing Charter Performance (CH)		
Reference	Item	Evidence
CH1	Submit an Annual Return on the Charter (ARC) to SHR each year in accordance with our published guidance.	ARC submission on 28 May 2021. ARC submitted in accordance with existing timescales ARC reported to Board for approval on annual basis prior to submission. Response to ARC queries by regulator recorded. External Validation in 2015/16 and 2016/17. Data Dictionaries produced to sense check data. Business Plan goals in line with KPI's and Engagement Plan.
CH2	Each landlord must involve tenants, and where relevant, other service users, in the preparation and scrutiny of performance information. It must: • agree its approach with tenants • ensure that it is effective and meaningful – that the chosen approach gives tenants a real and demonstrable say in the assessment of performance • publicise the approach to tenants • ensure that it can be verified and be able to show the agreed approach to involving tenants has happened • involve other service users in an appropriate way, having asked and had regard to their needs and wishes.	Consultation with tenants and forum members prior to the Tenant Report being completed. TPAS Officer promotes the Tenant Report and a copy is distributed to all tenants and placed onto our website. Repairs Scrutiny Panels Voids Scrutiny Tenant Participation Strategy consulted with Tenants when reviewing. Tenant Participation Development & Support Services contracted with TPAS
CH3	Each landlord must report its performance in achieving or progressing towards the Charter outcomes and standards to its tenants and other service users (no later than October each year). It must agree the format of performance reporting with tenants, ensuring that it is accessible for tenants and other service users, with plain and jargon-free language.	Tenant Report on performance sent out by 31 October each year giving the opportunity for tenants to feedback on performance. Report is available on our website and at the Partnership's offices and sent to all tenants. The report is produce in plain and jargon-free language.
CH4	When reporting its performance to tenants and other service users each landlord must: • provide them with an assessment of performance in delivering each of the Charter outcomes and standards which are relevant to the landlord • include relevant comparisons – these should include comparisons with previous years, with other landlords and with national performance • set out how and when the landlord intends to address areas for improvement • give tenants and other service users a way to feed back their views on the style and form of the reporting.	Tenant Report on performance sent out by 31 October each year giving the opportunity for tenants to feedback on performance. Report is also placed onto our website as well as at the Partnership's offices and sent out to all tenants. Benchmarking comparisons with other landlords and Scottish averages are included along with a comparison to our previous years performance.
CH5	Each landlord must make the SHR report on its performance easily available to its tenants, including online.	Available on our website.

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

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

ANNUAL ASSURANCE STATEMENT - CHECKLIST		
Equality and Human Rights (EH)		
Reference	Item	Evidence
EH1	Each landlord must have assurance and evidence that it considers equality and human rights issues properly when making all of its decisions, in the design and review of internal and external policies, and in its day-to-day service delivery.	Equality & Diversity Policy in place. Section in Asset Management Strategy on Adaptations. Recruitment Policy in place and reviewed on a regular basis to ensure equal opportunities are complied with. Equalities forms completed annually by staff and Board Members. Estate Management Policy includes Section on Anti Social Behaviour. Equality and Diversity Impact Assessment Forms are completed when a new Policy is put in place. Interpreting Service available, (Language line). Policies available in alternative formats/language, if required Training Plan for Staff and Board Members Speak Out Training held for all staff.
EH2	To comply with these duties, landlords must collect data relating to each of the protected characteristics for their existing tenants, new tenants, people on waiting lists, governing body members and staff. Local authorities must also collect data on protected characteristics for people who apply to them as homeless. Landlords who provide gypsy/traveller sites must collect data on protected characteristics for these service users.	We collect the equalities data that was previously submitted in the Annual Return on the Charter (ARC) – i.e. Ethnic origins and disability details of service users, staff and governing body/committee members, awaiting further guidance from SHR.

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

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

ANNUAL ASSURANCE STATEMENT - CHECKLIST		
Governance and Financial Management (GF)		
Reference	Item	Evidence
GF1	Comply with the Standards of Governance and Financial Management and associated guidance	Annual Assurance Statement Checklist confirms compliance of this. Internal Audit on Governance, including compliance with SHR Regulatory Framework, was carried out in June 2021 with no recommendations made.

ANNUAL ASSURANCE STATEMENT - CHECKLIST		
REGULATORY STANDARDS		
Number	Item	Evidence
1	**The governing body leads and directs the RSL to achieve good outcomes for its tenants and other service users.**	
1.1	The governing body sets the RSL's strategic direction. It agrees and oversees the organisation's business plan to achieve its purpose and intended outcomes for its tenants and other service users.	Annual Business Planning Days held with Board and other stakeholders. Business Plan Monitoring Report goes to Board meetings quarterly. Risk Register is a standing item on Audit & Risk Agenda. Risk Appetite set by Board in Business Planning Process. Tenant Satisfaction Surveys are carried out every 3 years. BRIXX financial planning model, 30 year Financial Plans and sensitivity analysis. Finance Working Group Minutes. Action taken in response to COVID-19 including: revision of the Business Plan, the Re-engagement plan and the move to remote meetings to maintain governance.
1.2	The RSL's governance policies and arrangements set out the respective roles, responsibilities and accountabilities of governing body members and senior officers, and the governing body exercises overall responsibility and control of the strategic leadership of the RSL.	Rules updated in line with SFHA Model Rules in 2020 Review of Standing Orders, Scheme of Delegation in Standing Orders and reviewed on an annual basis by the Board. Financial Regulations. Codes of Conduct for Board Members and Staff updated in line with SFHA Model Codes in August 2021. Internal Audits carried out on a 3 yearly cycle. Annual Board Skills Assessment. CEO Appraisal Feedback Form. Board Plan reviewed regularly and policy review schedule. Job Descriptions reviewed to ensure they remain in line with regulatory requirements. Staff Appraisals.
1.3	The governing body ensures the RSL complies with its constitution and its legal obligations. Its constitution adheres to these Standards and the constitutional requirements set out below.	Rules updated in line with SFHA guidance. Job Description of Company Secretary role currently carried out by Executive Office Manager. Annually report statutory and regulatory requirements. Training Records and plans for staff and Board Members. Board Report template ensure compliance.
1.4	All governing body members accept collective responsibility for their decisions.	Code of Conduct for Board Members sets out collective responsibility Board Minutes Training needs analysis for Board Members.
1.5	All governing body members and senior officers understand their respective roles, and working relationships are constructive, professional and effective.	Appraisal for Senior Officer carried out by Board Members. Board Member role descriptions. Recruitment and selection. Board Members involved in the recruitment of senior officers . Board Training Plan. Independent Board Skills Assessment to be carried out in 2021.
1.6	Each governing body member always acts in the best interests of the RSL and its tenants and service users, and does not place any personal or other interest ahead of their primary duty to the RSL.	Disclosure of Interest Policy and forms filled in by all Board Members. Code of Conduct for Board Members. Declaration of Interest Register/Minute. Standing Orders. Board Member nomination forms. Board Report on decisions involving staff and Board Members standing item on Board Agenda.

ANNUAL ASSURANCE STATEMENT - CHECKLIST		
REGULATORY STANDARDS		
Number	Item	Evidence
1.7	The RSL maintains its independence by conducting its affairs without control, undue reference to or influence by any other body (unless it is constituted as the subsidiary of another body).	Disclosure of Interest Policy and forms filled in by all Board Members. Rules. Code of Conduct. Recruitment Policy. Board Member Skills Assessment .
2	**The RSL is open about and accountable for what it does. It understands and takes account of the needs and priorities of its tenants, service users and stakeholders. And its primary focus is the sustainable achievement of these priorities.**	
2.1	The RSL gives tenants, service users and other stakeholders information that meets their needs about the RSL, its services, its performance and its future plans.	HHP will communicate through web, social media and letters the following information: Tenant Report produced annually; Summary of Financial Statements; Business Plan on website; Communications Policy; Newsletter sent out to all tenants (3 per year); Tenant Participation Strategy; Openness & Confidentiality Policy; Publications Framework; and Tenant Information Leaflets. During, and in response to the COVID-19 pandemic, we ~~also~~ increased web and social media updates for Tenants, insuring clear and up to date information was available on the web and through letters and video communications. There was increased interaction between Tenants and Housing Officers. Looking to strengthen our communications by employing a Modern Apprentice for Digital / Creative media.
2.2	The governing body recognises it is accountable to its tenants, and has a wider public accountability to the taxpayer as a recipient of public funds, and actively manages its accountabilities.	HHP Board allows for 4 tenant Board Members. Code of Conduct. Disclosure of Interest Policy. Tenant Report. Procurement Strategy. Value for Money Strategy. Annual Accounts. Complaints in Quarterly Performance Report . Membership of Outer Hebrides Community Planning Partnership. Working Relationship with Comhairle nan Eilean Siar.
2.3	The governing body is open and transparent about what it does, publishes information about its activities and, wherever possible, agrees to requests for information about the work of the governing body and the RSL.	Social Media presence. Openness & Confidentiality Policy. Public Minutes of Board Meetings available online . Training for FOI compliance completed by Board Members and staff. Data Protection Officer appointed ensuring compliance with GDPR and Subject Access Requests. FOI Internal Audit carried out in June 2021 with 5 low grade recommendations

ANNUAL ASSURANCE STATEMENT - CHECKLIST		
REGULATORY STANDARDS		
Number	Item	Evidence
2.4	The RSL seeks out the needs, priorities, views and aspirations of tenants, service users and stakeholders. The governing body takes account of this information in its strategies, plans and decisions.	TPAS Officer employed by HHP. Tenant Consultation held on any key tenant issues e.g. rent, repairs and allocations. Strategic Goal 1 in Business Plan. Tenant Participation Strategy. Tenant Scrutiny Panel. Demands Need Assessment to gain information from wider stakeholders
2.5	The RSL is open, co-operative, and engages effectively with all its regulators and funders, notifying them of anything that may affect its ability to fulfil its obligations. It informs the Scottish Housing Regulator about any significant events such as a major issue, event or change as set out and required in notifiable events guidance.	Notifiable Events reported to Board and Regulator Internal Audit Reports Scheme of Delegation in Standing Orders Minute of Board Meeting Risk Register Business Plans provided to our funder annually. Quarterly Treasury Report and Management Report reviews held with funder Attendance at SHR Systemic Importance meetings
3	**The RSL manages its resources to ensure its financial well-being, while maintaining rents at a level that tenants can afford to pay.**	
3.1	The RSL has effective financial and treasury management controls and procedures, to achieve the right balance between costs and outcomes, and control costs effectively. The RSL ensures security of assets, the proper use of public and private funds, and access to sufficient liquidity at all times.	RSL has a robust forecasting process with 30 year financial plans being updated regularly and reviewed by Board and Finance Working Group. Treasury Management Policy, Annual Finance Strategy in place. Robust controls in place with appropriate segregation of duties with appropriate record retention to support all legal requirements. Asset cover ratio well within approved limits set by our funder.
3.2	The governing body fully understands the implications of the treasury management strategy it adopts, ensures this is in the best interests of the RSL and that it understands the associated risks.	Treasury Management Policy and Annual Financing Strategy being updated with support from independent adviser to ensure it continues to be relevant and up to date in terms of any changes in the market. Reviewed in August 2021. Treasury Management Policy. Scheme of Delegation in Standing Orders.
3.3	The RSL has a robust business planning and control framework and effective systems to monitor and accurately report delivery of its plans. Risks to the delivery of financial plans are identified and managed effectively. The RSL considers sufficiently the financial implications of risks to the delivery of plans.	Note of Business Planning Days & Workshops Risk Register is a standing item on Audit & Risk Committee Benchmarking to set targets. Notifiable Events Register 30 year financial plans approved annually following review by Finance Working Group (FWG) who stress test plans. Management Report, Quarterly Treasury Report and Debt Management Report are standing items on Board Agenda. Quarterly Progress Report to Board.

ANNUAL ASSURANCE STATEMENT - CHECKLIST		
REGULATORY STANDARDS		
Number	Item	Evidence
3.4	The governing body ensures financial forecasts are based on appropriate and reasonable assumptions and information, including information about what tenants can afford to pay and feedback from consultation with tenants on rent increases.	Board Report for Approval on 5 year financial projections BRIXX Financial Model reports Finance Working Group Minutes Stock Condition Survey Rent Consultations Fuel poverty survey during stock condition surveys Tenant satisfaction survey including affordability questions Tracking of rent arrears and tenants ability to pay Use of SFHA affordability model
3.5	The RSL monitors, reports on and complies with any covenants it has agreed with funders. The governing body assesses the risks of these not being complied with and takes appropriate action to mitigate and manage them.	Management Report with covenant compliance check within this. External Auditors annual covenant compliance supplied to funders.
3.6	The governing body ensures that employee salaries, benefits and its pension offerings are at a level that is sufficient to ensure the appropriate quality of staff to run the organisation successfully, but which is affordable and not more than is necessary for this purpose.	Pay & Grading Review carried out in 2018/19. Benchmarking Data EVH Support Remuneration Working Group Joint Consultative Committee remit Corporate Payroll Policy
3.7	The governing body ensures the RSL provides accurate and timely statutory and regulatory financial returns to the Scottish Housing Regulator. The governing body assures itself that it has evidence the data is accurate before signing it off.	Returns Register kept up-to-date Job Description & Scheme of Delegation in Standing Orders show responsible officers Board approve returns through Board Reports being submitted for approval
4	**The governing body bases its decisions on good quality information and advice and identifies and mitigates risks to the organisation's purpose.**	
4.1	The governing body ensures it receives good quality information and advice from staff and, where necessary, expert independent advisers, that is timely and appropriate to its strategic role and decisions. The governing body is able to evidence any of its decisions.	Board Minute as stand alone agenda item Board Papers Remit of Board and Committees and Work Groups in Standing Orders Training Records Scheme of Delegation in Standing Orders Internal & External Audit Reports Treasury Management Policy Annual Report on the appointment of consultants used and their Value for Money. Advice provided to Board at Directorate level with support from Managers and External Advisers/Consultants as required.
4.2	The governing body challenges and holds the senior officer to account for their performance in achieving the RSL's purpose and objectives.	Appraisal of Senior Officer and quarterly meeting with Chair, Vice Chair and Chair of Audit & Risk Committee. Board Reports Business Plan KPI's Performance Reports Tenant Report with Benchmarking Scheme of Delegation in Standing Orders Internal Audit Succession Plan presented to Board following Workforce Plan Board Report

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

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

ANNUAL ASSURANCE STATEMENT - CHECKLIST		
REGULATORY STANDARDS		
Number	Item	Evidence
6.4	The RSL encourages as diverse a membership as is compatible with its constitution and actively engages its membership in the process for filling vacancies on the governing body.	Membership Policy AGM Notices Newsletters Head of Executive Office and Governance Officer attends events promoting membership and networking Consideration given to meeting timings and continuing to make remote meetings available to attract and retain a wider body of Members and Board Members.
6.5	The RSL ensures all new governing body members receive an effective induction programme to enable them to fully understand and exercise their governance responsibilities. Existing governing body members are given ongoing support and training to gain, or refresh, skills and expertise and sustain their continued effectiveness.	Induction Programme Training Plan Training Records Board Skills Assessment Approved Conferences
6.6	If the governing body decides to pay any of its non-executive members then it has a policy framework to demonstrate clearly how paying its members will enhance decision-making, strengthen accountability and ownership of decisions, improve overall the quality of good governance and financial management and deliver value for money.	Board Members are non-remunerated posts with the exception of out-of-pocket expenses which are paid in accordance with our Member Expenses Policy
6.7	The governing body is satisfied that the senior officer has the necessary skills and knowledge to do his/her job. The governing body sets the senior officer's objectives, oversees performance, ensures annual performance appraisal, and requires continuous professional development.	Chief Executive Job Description Chief Executive Appraisal Training Records
7	**The RSL ensures that any organisational changes or disposals it makes safeguard the interests of, and benefit, current and future tenants. Where an RSL is considering organisational or constitutional change, or acquisition or disposal of land or assets:**	
7.1	The governing body discusses and scrutinises any proposal for organisational change and ensures that the proposal will benefit current and future tenants.	Business Plan annual update with new Business Plan subject to Tenant Consultation Business Planning Day Minute Working Group Minutes Board Report and external advisors appointed as required.
7.2	The RSL ensures that its governance structures are as simple as possible, clear and allow it to meet the Standards of Governance and Financial Management, Constitutional Requirements, and Group Structures guidance.	Business Plan with Strategic Goals and plans in achieving these. Policies are simple and available through our internet and updated in line with our Policy Review Schedule Working Groups and Standing Committees have clearly defined roles and remits to allow for a simple governance structure Organisational Structure
7.3	The RSL ensures adequate consultation with, and support from, key stakeholders including tenants, members, funders (who may need to give specific approval) and local authorities as well as other regulators.	Board Minute Record of Tenant Consultation, Surveys, Questionnaires Training Feedback Forms Joint Consultative Committee Remit Loan Agreement and Financial Covenants Approval from OSCR and FCA on accounts
7.4	The governing body is satisfied that the new (or changed) organisation will be financially viable, efficient and will provide good outcomes for tenants.	30 year Financial Projections reviewed with Finance Working Group and stress tested appropriately Value for Money Benchmarking Business Plan Budgets Minutes of Board, A&R and Working Groups

ANNUAL ASSURANCE STATEMENT - CHECKLIST		
REGULATORY STANDARDS		
Number	Item	Evidence
7.5	The RSL establishes robust monitoring systems to ensure that delivery of the objective of the change and of commitments made to tenants are achieved (for example in relation to service standards, operating costs and investment levels).	Business Plan Delivery Plan Strategic Goals Newsletter and Tenant Communications Monthly Performance Report Board Plan reviewed annually
7.6	Charitable RSLs seek consent/notify OSCR of changes to their constitution and other changes as appropriate.	Records of OSCR and CNES engagement on rule change Application to OSCR OSCR consents Consultation with stakeholders and documented
7.7	The governing body ensures that disposals, acquisitions and investments fit with the RSL's objectives and business plan, and that its strategy is sustainable. It considers these taking account of appropriate professional advice and value for money - whether as part of a broader strategy or on a case by case basis.	Business Plan Board Reports and Minutes Asset Management Strategy being reviewed for stock provision Asset Cover Ratio much greater than required from funder All disposals, other than 'de minimis', require Board approval
7.8	The RSL complies with regulatory guidance on tenant consultation, ballots and authorisation.	Consultations with Tenants Notices to Tenants Notifiable Events Register
7.9	The RSL notifies the Regulator of disposals in accordance with regulatory guidance.	Board Reports Minutes of Board Meetings Notifiable Events Register Notifications to SHR Approval to dispose of security from funder
7.10	The RSL only agrees fixed or floating charges where the assets are used to support core activities. This should exclude providing security in relation to staff pensions.	Board Report Business Plan Loan Agreements & Register Fixed Asset Register

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ITEM NO 6.2

GOVERNANCE REPORT

Board 25 August 2021

Report by Chief Executive

Purpose of Report

1.1 The purpose of this report is to present information and seek approval from the Board in respect of AGM charitable donations, to confirm compliance with our Rules and provide information in respect of remote AGM arrangements for 2021.

Summary

2.1 At the Board Meeting on 23 June 2021 it was agreed that a Resolution be laid before Members at the AGM that £5,000 of the surplus at 31 March 2021 would be donated between 5 local charities during 2021/22. The charities would be drawn from a rolling list initially agreed in June 2016, and updated periodically as approved charities are added. This list is at section 9.1 of this report.

2.2 Our rules require the Company Secretary to confirm in writing at the last Board Meeting before the Annual General Meeting that Rules 62 to 67 have been complied with. Details of each Rule is at Appendix 1.

2.3 Due to the ongoing COVID-19 pandemic the 2021 AGM will be held remotely.

Competence

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

Recommendations

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

a) approve the 5 charities listed at section 9.1 to be proposed at the AGM on 26 August 2021;

b) note the Partnership has complied with Rules 62 to 67 for the year ended 31 March 2021 as detailed at Appendix 1; and

c) note the remote AGM arrangements for 2021.

APPENDIX 1:	Rule Compliance	
Background Papers:	HHP Rules	
Writer of Report:	Iona France	Tel: 0300 123 0773

Competence

Financial

5.1 There will be a financial cost to the Partnership should the recommendation to approve the charitable donations be approved. This has been provided for in our 2020/21 surplus.

5.2 Donations will only be made to registered charities and only in financial years where we make a surplus.

Legal

6.1 This report confirms to the Board that we comply with the requirements as set out at Rule 62 - 67.

6.2 In respect of charitable donations made all details of donations and recipients will be properly recorded in the appropriate register.

Regulatory Guidance

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

Risk

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

Report Details

Charitable Donations

9.1 It was agreed at the Board Meeting on 23 June 2021 that £5,000 of the surplus at 31 March 2021 would be recommended to the AGM to be distributed between 5 local charities. The charities proposed for 2021 are:

CHARITY	CHARITY NUMBER
Neuro Hebrides	SCO49276
The Leanne Fund	SCO41268
The Salvation Army	SCO09359
RNLI	SCO37736
Befriending Lewis	SCO15053

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

Compliance

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

RULE COMPLIANCE

Rule 62 Minutes
Minutes of every general meeting, Board Meeting and sub-committee meeting must be kept. Those minutes must be presented at the next appropriate meeting and if accepted as a true record, signed by the Chairperson of the meeting at which they are presented. All minutes signed by the Chairperson of the meeting shall be conclusive evidence that the minutes are a true record of the proceedings at the relevant meeting.

Rule 63 Seal
The Partnership shall execute deeds and documents in accordance with the provisions of the Requirements of Writing (Scotland) Act 1995 and record the execution in the register. The use of a common seal is not required. The Partnership may have a seal which the Secretary must keep in a secure place unless the Board decides that someone else should look after it. The seal must only be used if the Board decides this. When the seal is used, the deed or document must be signed by the Secretary or a Member of the Board or another person duly authorised to subscribe the deed or document on the Partnership's behalf and recorded in the register.

Rule 64 Registers	
The Partnership must keep at its registered office a Register containing:	
64.1	the names and addresses of the Members and where provided for the purposes of electronic communication, fax numbers and e-mail addresses;
64.2	a statement of the share held by each Member and the amount each Member paid for it;
64.3	the date each person was entered in the Register as a Member and the date at which any person ceased to be a Member of the Partnership;
64.4	a statement of other property in the Partnership, whether in loans or loan stock held by each Member; and
64.5	the names and addresses of the Office Bearers of the Partnership, their positions and the dates they took and left office.

Rule 65.1 Registered Office	
The Partnership must also keep at its registered office	
65.1.1	a second copy of the Register showing the same details as above but not the statements of shares and property. This second register must be used to confirm the information recorded in the main Register.
65.1.2	a register of loans and to whom they are made.
65.1.3	a register showing details of all loans and charges on the Partnership's land.

Rule 66 Registered Name
The registered name of the Partnership must be clearly shown on the outside of every office or place where the Partnership's business is carried out. The name must also be engraved clearly on the Partnership's seal and printed on all its business letters, notices, adverts, official publications, website and legal and financial documents.

Rule 67 Documentation
The Partnership's books of account, registers, securities and other documents must be kept at the registered office or any other place the Board decides is secure.

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ITEM NO 6.3

ANNUAL FINANCING STRATEGY 2021/22

Board 25 August 2021

Report by Director of Finance & Corporate Services

Purpose of Report

1.1 To provide the Board with an overview of our Borrowing Strategy for 2021/22.

1.2 It is forecast that £8.1M will be drawn down from the new borrowing facility to meet working capital requirements as shown in the cashflow statement at Appendix 1.

Summary

2.1 The Treasury Management Policy requires a Financing Strategy to be prepared and approved by the Board on an annual basis. The 2021/22 Annual Financing Strategy is at Appendix 1.

Competence

3.1 Financial and legal constraints arising from the recommendation to this report being implemented are detailed at paragraph 5.1 – 8.3.

Recommendations

4.1 **It is recommended that the Board approve the Annual Financing Strategy at Appendix 1.**

APPENDIX 1:	2021/22 Annual Financing Strategy	
Background Papers:	None	
Writer of Report:	Donald MacLeod	Tel: 0300 123 0773

Competence

Financial

5.1 Treasury Management' is defined as the management of all money, capital market transactions and interest rate management in connection with cash and funding resources and the control of its associated risks.

5.2 Treasury management covers three main areas:

a) Investment of cash surpluses;
b) Core Funding Facility (funding for stock acquisition and improvement including short term borrowing for working capital; funding for new developments/initiatives); and
c) Control of interest rate risk with regard to the Partnership's net debt position.

Legal

6.1 Rule 19.1 to 20.1 details the Partnership's borrowing powers.

6.2 The Treasury Management Policy has been prepared in accordance with the CIPFA Guidance – Treasury Management in the Public Services: Code of Practice (the Code) 2017.

Regulatory Guidance

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

Risk

8.1 There are a number of risks highlighted in the Risk Register in relation to Treasury Management. The risk scored as "high" is the impact of increases in the interest rate and inflation rate and this has been addressed in Appendix 1.

8.2 The COVID-19 pandemic has resulted in turmoil in the financial markets. The reduction in the bank interest rates are not posing a risk at present as we have hedged appropriately between our fixed and variable loan facility. It does however mean that there will be a reduction in interest received on deposit accounts.

8.3 The new Facility B allows for monies to be drawn down over 2 years. It is therefore imperative that works progress as planned to ensure monies are drawn by that date in accordance with need.

APPENDIX 1

hebridean housing partnership

Annual Financing Strategy 2021/22

Effective Date: August 2021
Review Date: March 2022
Approved by HHP Board: 25 August 2021

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ANNUAL FINANCING STRATEGY

INTRODUCTION

1.1 Treasury Management is about managing cash flow, borrowings and cash investments to support our finances for the benefit of our tenants.

1.2 The Treasury Management service is therefore an important part of the overall financial management of the Partnership's affairs.

1.3 Treasury Management activities are strictly regulated by statutory requirements and a professional code of practice (the CIPFA). We adopted the Code of Practice on Treasury Management on April 2006 and amendments on 1 February 2012. Further amendments to the code of practice were published in early 2018 are captured in our Treasury Management Policy.

1.4 The Director of Finance & Corporate Services has delegated powers to effect the arrangements for 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.

1.5 We are required to update our 30 year Cashflow forecasts for submission to Funders and The Scottish Housing Regulator on annual basis.

REGULATORY FRAMEWORK

2.1 As a Registered Social Landlord the Partnership we must comply with the Scottish Housing Regulatory Standards of Governance and Financial Management. Standard 3 is applicable to this Strategy and is noted below:

> *The RSL manages its resources to ensure its financial well-being, while maintaining rents at a level that tenants can afford to pay.*
>
> *3.1 The RSL has effective financial and treasury management controls and procedures to achieve the right balance between costs and outcomes. The RSL ensures security of assets, the proper use of public and private funds, and access to sufficient liquidity at all times;*
> *3.2 The governing body fully understands the implications of the treasury management strategy is adopts, ensures this is in the best interests of the RSL and that it understands the associated risks;*
> *3.3 The RSL has a robust business planning and control framework and effective systems to monitor and accurately report delivery of its plans. Risks to the delivery of financial plans are identified and managed effectively. The RSL considers sufficiently the financial implications of the risks to the delivery of plans;*
> *3.4 The governing body ensures financial forecasts are based on appropriate and reasonable assumptions and information, including information about what tenants can afford to pay and feedback from consultation with tenants on rent increases;*
> *3.5 The RSL monitors, reports on and complies with any covenants it has agreed with funders. The governing body assesses the risks of these not being complied with and takes appropriate action to mitigate and manage them;*
> *3.6 The governing body ensures that employee salaries, benefits and its pension offerings are at a level that is sufficient to ensure the appropriate quality of staff to run the organisation successfully, but which is affordable and not more than necessary for this purpose;*
> *3.7 The governing body ensures the RSL provides accurate and timely statutory and regulatory financial returns to the Scottish Housing Regulator. The governing body assures itself that it has evidence the data is accurate before signing it off.*

SUMMARY

3.1 30 year cash flow forecasts are submitted to our Funders and the Scottish Housing Regulator annually following the March board meeting. These forecasts take account of the rent increase for the year and any revisions to our Investment and Development Programmes.

3.2 Cash balances at the end of June 2021 were £5.77M.

3.3 The overdraft facility for the year is £250,000 and is available for the whole year.

3.4 The total facility available is £25M following an increase of £10M in our core facilities agreement in 2021/22.

3.5 The table below provides a summary of the new facilities agreement:

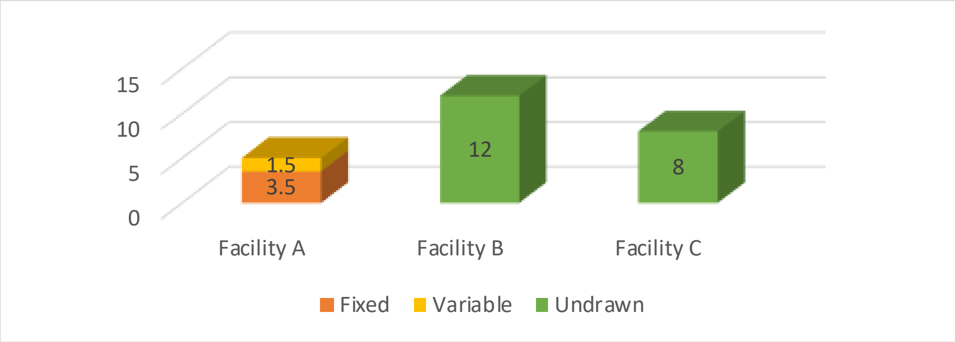
Clause / term	Facility A	Facility B	Facility C
Amount (commitment)	£5.0m	£12.0m	£8.0m
Type	Term loan	Term loan	Revolving Credit Facility
Term (and expiry)	20 years	25 years	10 years
	-2041	-2046	-2031
Availability / drawdown period	At completion	2 years	10th anniversary
Repayment	Amortising	Amortising	Bullet – in full on expiry
	Will commence no earlier than 10th anniversary	Will commence no earlier than 10th anniversary	
Margin	1.40%	1.80%	1.50%
Commitment fees (non-utilisation)	N/A	0.72%	0.60%
		Not applicable in Year 1 availability period	
Security (asset cover) covenant	Minimum value		
	•EUV-SH 1.10x (or 110%) and/or		
	•MVST 1.25x (or 125%)		

3.6 Our interest rate hedging will be reviewed during the coming year making reference to the projected drawdown/utilisation profile of the debt and the Partnership's Business Plan. Advice will be sought from the Partnership's external treasury advisors and interest rate hedging will be done in line with the provisions of our Treasury Management Policy.

3.7 Annual business plan approval from our funder is no longer required and covenants are now based on a minimum interest cover based on EBITDA-MRI (Earnings before Interest, Tax, Depreciation, Amortisation, Major Repairs Included) and Gearing. This was covered during the Board Treasury Update in January 2020 and further training on the new covenant structure will be provided in 2021/22.

CURRENT PORTFOLIO POSITION

4.1 The tables below show our treasury portfolio position at 31 July 2021.



4.2 Cash Holdings

	Mar-21	Jun-21	Average
DEPOSIT ACCOUNTS	**£000's**	£000's	£000's
Royal Bank	**749**	749	749
BOS	**787**	787	787
Santander	**1,583**	1,583	1,583
Total Deposit	**3,119**	3,119	3,119
CURRENT ACCOUNTS			
General Account	**726**	**469**	597
Standing Order	**750**	**652**	701
Direct Debit	**150**	**750**	450
Office/Cash	**151**	**750**	451
Property Factoring	**31**	**33**	32
Total current	**1,808**	2,654	2,231
Total	**4,927**	5,773	5,350

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

FORECASTS

5.1 Forecasts have been prepared for the period to 31 March 2051. A detailed cash flow forecast for 2021/22 is at Appendix A.

5.2 The Covenant definitions required by our funding facility are at Appendix B. Forecasts indicate that Covenants levels for 2021/22 will be met.

5.3 Our current business plan forecasts we will hit a peak debt of £30.583m (Including £5.583M of deferred Right to Buy receipts) in 2024/25. The balance of the RBS facility is forecast to be drawn down as follows:

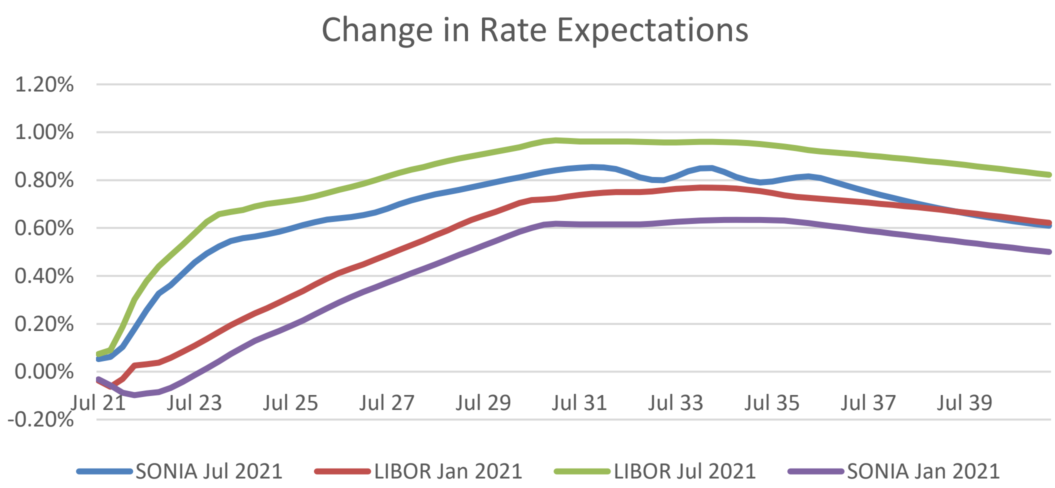
Anticipated level of borrowing over next 5 years

Year	2021/22 Est	AFS Forecast	Variance
	£m	£m	£m
2021/22	13.000	15.000	(2.000)
2022/23	17.000	17.000	-
2023/24	22.500	22.500	-
2024/25	25.000	25.000	-
2025/26	25.000	25.000	-

5.4 Facility B and Facility C are based on SONIA (Sterling Overnight Index Average) and Facility A is based on the existing Fixed Rate and LIBOR with switch mechanism language included in the restated facilities agreement (any LIBOR loan will switch to SONIA at the end of the next interest period). Additionally, a Credit Adjustment spread is added to any Facility A variable rate loan upon conversion to SONIA.

<u>Interest Rates</u>

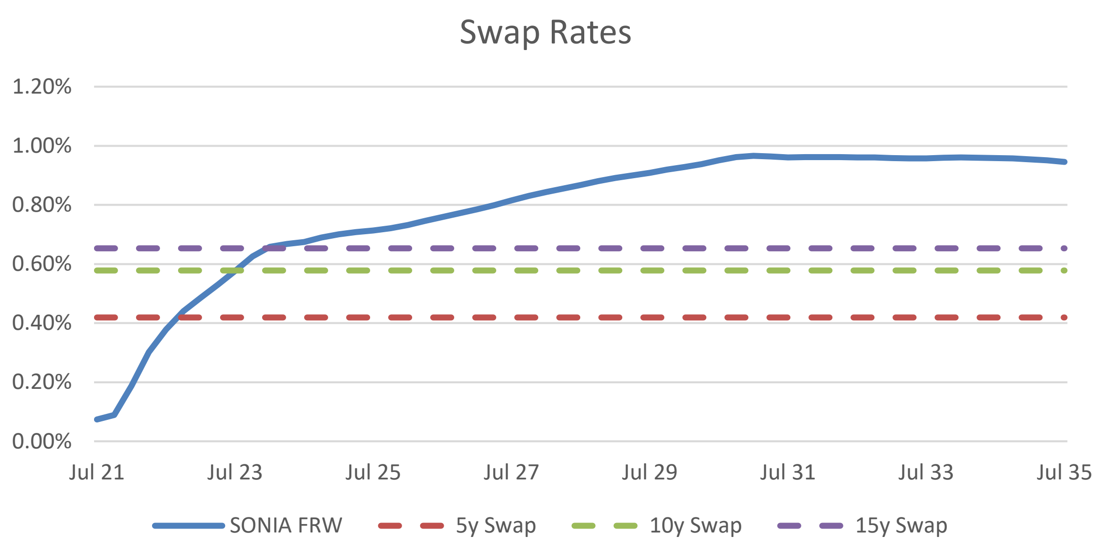
5.5 The following chart sets out implied forward interest rates curves on a LIBOR and SONIA basis, comparing the curves at the beginning of 2021 against the curve as at 26 July 2021.



5.6 The chart highlights two important points. Firstly, that long-term rate expectations have increased considerably for both reference rates. The rise is predominantly being accredited to market optimism following the roll-out of COVID-19 vaccinations, and the expectation that the economy will be able to return to 'normal' in the coming years. Expectations of the average rate between mid-2021 and the start of 2030 are on average 0.34% and 0.35% higher in July than they were in January for SONIA and LIBOR, respectively.

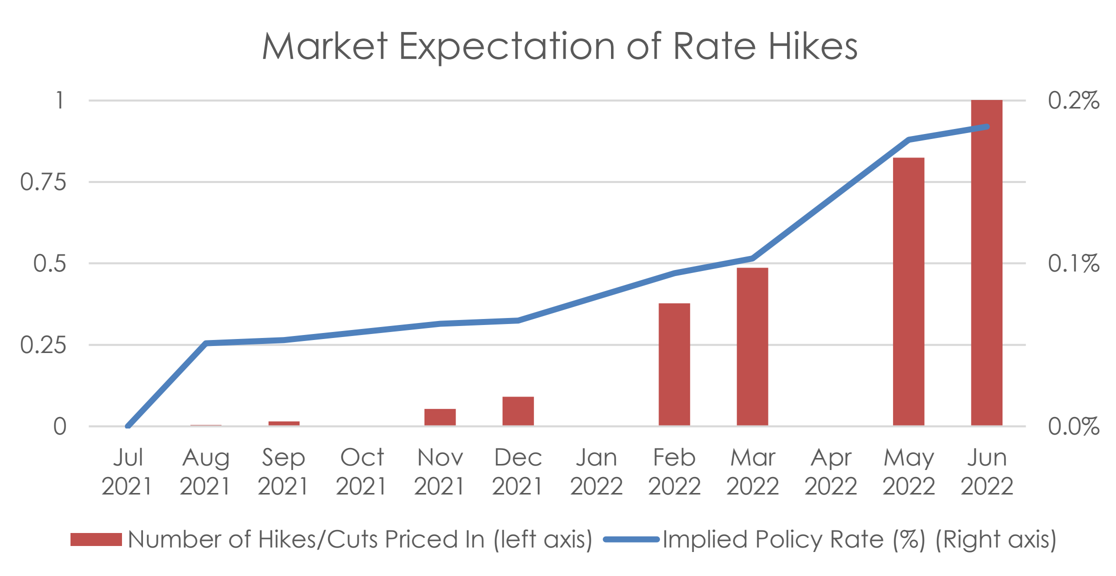
5.7 The closeness of the averages highlights the second point that the chart illustrates. LIBOR and SONIA rates are now highly correlated. Historically the gap between the rates has exhibited considerable volatility as LIBOR rises and falls, and SONIA has tracked the Bank Rate very closely. Likewise, there has tended to be a degree of volatility in market expectations of future rates. This has now largely disappeared. The reason for this is the discontinuation of LIBOR and its replacement with SONIA. This has meant the LIBOR after 2021 is now being treated as effectively: SONIA plus a credit adjustment spread.

5.8 The chart below illustrates the forward SONIA curves as at 26 July 2021, against the market swap rates for various maturities (i.e. the cost of fixing debt before any counterparty credit and trading charges are included):



5.9 The chart highlights that variable rates (SONIA) are expected to remain low for the foreseeable future, with the anticipation from the market being that rates will not surpass 1.00% this decade. This has meant swap rates remain very low with the mid-market rate at approximately 0.65% to fix for 15 years. Moreover, due to the flattening (and inversion) of the forward SONIA curve from around 2030 onwards, the market rate to fix for even longer does increase with tenor.

5.10 The market is indicating a quiet confidence in the UK (and the world's) ability to recover from the economic turmoil of 2020. Nonetheless, the indications are that the market expects the road to full recovery to be a long one and that the Bank of England will need to keep rates low for the foreseeable future.



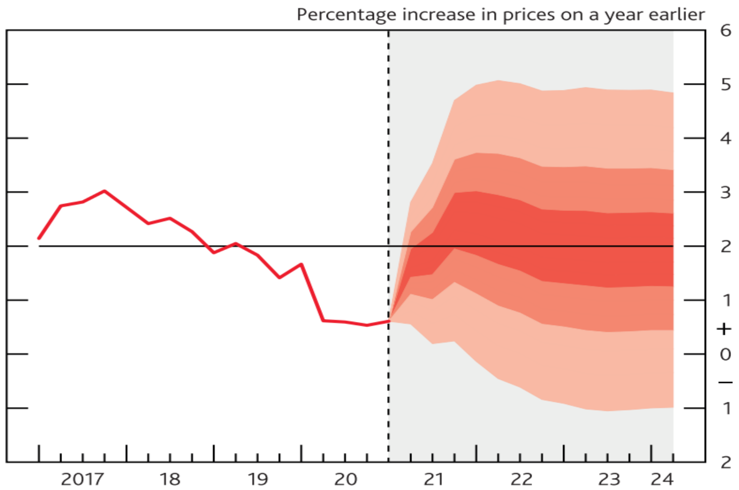
5.11 The graphic above charts the market's expectation of a hike over the coming the year. It shows that the market currently does not believe that there will be any rate hikes until summer of 2022, or that if there are any – they will be very minor.

5.12 This is particularly interesting given discussions in the media, and data from the US that implies the UK may be heading for a period of higher than usual inflation.

5.13 We will continue to monitor interest rate risk and stress test our business plan for sensitivities relating to interest rates (especially in the short term).

INFLATION

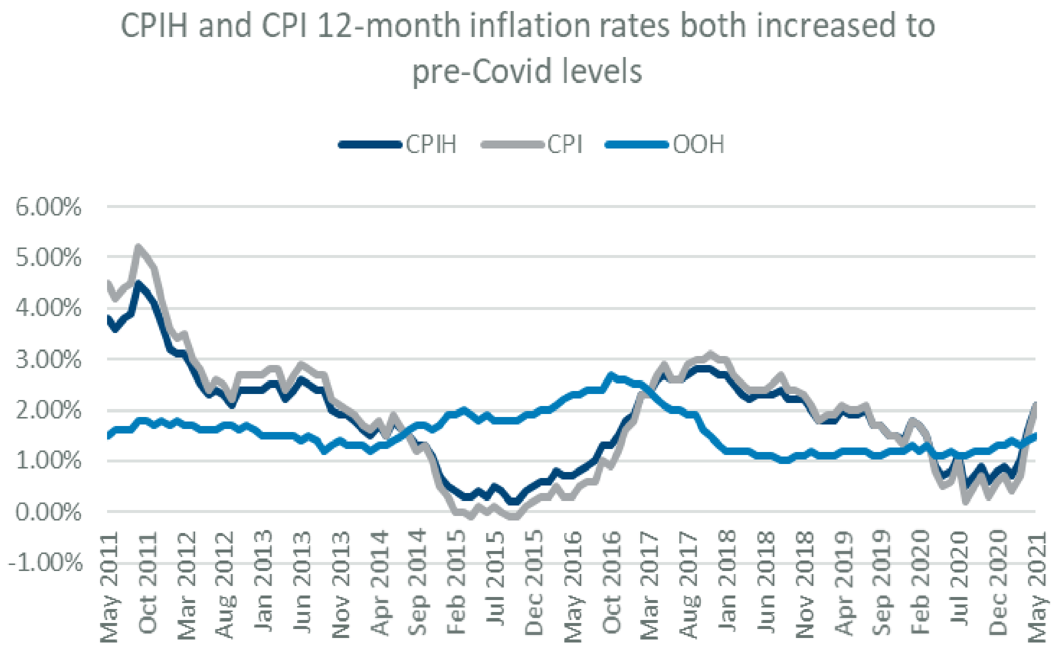
6.1 The following chart sets out the Bank of England's Prospects for inflation (source Bank of England Inflation Report May 2021). The mid-point of the chart is the Bank's 2% target and the darker shading represents the most likelihood of various paths for CPI.



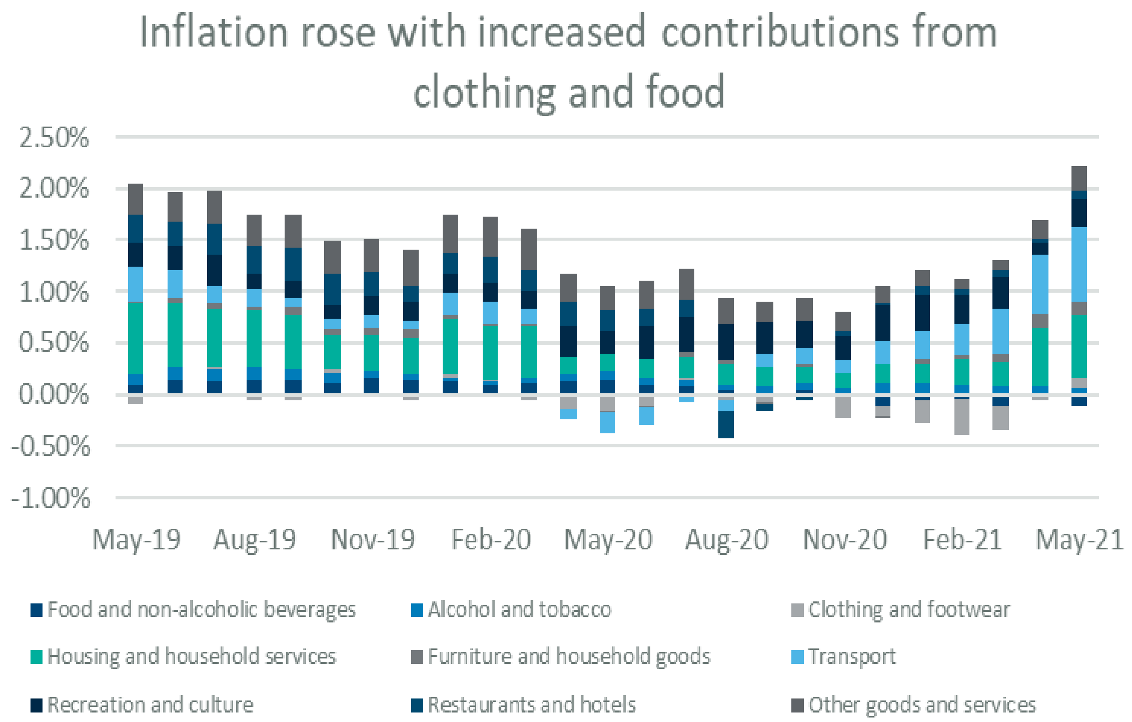
6.2 Inflation has returned in recent months, with CPI above target at 2.1% in May, up from 1.5% in April.

6.3 Firstly, base effects from energy price falls in 2021 meant that rather than a 2.4% drop, in 2021 we saw fuel costs up 1.3%, a net 3.7% swing. Clothing and footwear was another area where this was particularly apparent, with prices up 2.3% vs 0.3% at the same time last year when many retailers were forced to shut their doors. Secondly, reopening of the UK economy has placed upward pressure on prices across the basket, with areas such as recreation and culture showing growth of 1.2% in May even before more full opening up of the sector in June.

6.4 We are likely to see upward price pressure for some time still as demand outstrips less flexible supply across many categories and there are still notable question marks over cost pressures and wage bargaining post-pandemic. How much bargaining power do employees have in an economy opening up? For areas such as hospitality where demand is strong the answer is clear. For industries experiencing more structural changes because of the last 12 months, less so. Market expectations are for CPI to peak at c. 2.5% by the end of this year before falling back towards target by the middle of 2022. However, those numbers should come with a caveat, as risks likely lie on the upside.



CPIH and CPI 12-month inflation rates both increased to pre-Covid levels
CPIH
CPI
OOH
6.00%
5.00%
4.00%
3.00%
2.00%
1.00%
0.00%
-1.00%
May 2011
Oct 2011
Mar 2012
Aug 2012
Jan 2013
Jun 2013
Nov 2013
Apr 2014
Sep 2014
Feb 2015
Jul 2015
Dec 2015
May 2016
Oct 2016
Mar 2017
Aug 2017
Jan 2018
Jun 2018
Nov 2018
Apr 2019
Sep 2019
Feb 2020
Jul 2020
Dec 2020
May 2021



Inflation rose with increased contributions from clothing and food
2.50%
2.00%
1.50%
1.00%
0.50%
0.00%
-0.50%
-1.00%
May-19
Aug-19
Nov-19
Feb-20
May-20
Aug-20
Nov-20
Feb-21
May-21
Food and non-alcoholic beverages
Alcohol and tobacco
Clothing and footwear
Housing and household services
Furniture and household goods
Transport
Recreation and culture
Restaurants and hotels
Other goods and services

APPROVED INVESTMENT ORGANISATIONS

7.1 The credit rating and list of approved counterparties, currently approved for investment are set out below. The table below displays Standard & Poor's, Moody's and Fitch's long term ratings as stated at 26 July 2021:

	Counterparty	S&P	Moody's	Fitch
1	Lloyds Bank plc*	A+	A1	A+
2	National Westminster Bank plc*	A	A1	A+
3	Santander UK plc	A	A1	A+

7.2 There have been no changes over the past year for any of the approved banking counterparties with RBS (NatWest) and Santander UK maintaining their A ratings with S&P and Lloyds it's A+ rating.

APPENDIX 1 – 2021/22 CASHFLOWS

Monthly Cash Flow Forecast

Year Ended 31-Mar-22	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	2,280,388	2,819,449	2,271,230	1,707,210	1,828,387	2,912,789	1,874,669	1,980,353	1,223,307	1,153,646	1,361,176
Cash Receipts											
Rent	820,143	988,000	638,000	765,000	861,000	765,000	988,000	638,000	765,000	933,000	**9,784,820**
Sale of Assets	-	86,020	403,248	470,469	-	-	-	-	-	470,469	**1,628,605**
Grant Income	685,059	1,755,217	679,823	611,692	975,493	530,948	335,182	347,580	272,077	475,504	**9,438,974**
Other income	30,734	-	-	-	-	-	-	-	-	-	**72,824**
Transfer from Deposit	-	-	1,000,000	1,200,000	-	919,333	-	-	-	-	**3,119,333**
Loan/Other cash injection	-	91,004	-	-	3,000,000	-	2,000,000	1,000,000	1,000,000	1,000,000	**8,091,004**
Total	**1,535,936**	**2,920,241**	**2,721,071**	**3,047,161**	**4,836,493**	**2,215,281**	**3,323,182**	**1,985,580**	**2,037,077**	**2,878,973**	**32,135,560**
Total Cash Available	3,816,324	5,739,690	4,992,301	4,754,371	6,664,881	5,128,070	5,197,852	3,965,932	3,260,383	4,032,619	
Cash Paid Out											
Payroll	173,084	176,000	176,000	176,000	180,000	180,000	180,000	180,000	180,000	180,000	**2,120,029**
Management Costs	48,024	40,000	40,000	40,000	250,000	40,000	40,000	40,000	40,000	40,000	**742,632**
Repairs	21,348	382,000	182,000	182,000	192,000	182,000	227,000	217,000	217,000	227,000	**2,682,432**
Investment	161,623	501,062	501,062	501,062	569,062	501,062	601,062	569,062	501,062	569,062	**5,606,339**
Development	589,729	2,187,148	2,384,229	2,025,121	2,438,780	2,348,539	2,047,187	1,734,763	1,166,875	1,532,981	**21,983,937**
Total	**993,807**	**3,286,210**	**3,283,291**	**2,924,183**	**3,629,842**	**3,251,601**	**3,095,249**	**2,740,825**	**2,104,937**	**2,549,043**	**33,135,368**
Cash Paid Out (Non P & L)											
Loan Interest	1,311	180,000	-	-	120,000	-	120,000	-	-	120,000	**607,259**
Refunds	1,757	2,250	1,800	1,800	2,250	1,800	2,250	1,800	1,800	2,400	**22,345**
Total	**3,068**	**182,250**	**1,800**	**1,800**	**122,250**	**1,800**	**122,250**	**1,800**	**1,800**	**122,400**	**629,604**
Total Cash Paid out	996,875	3,468,460	3,285,091	2,925,983	3,752,092	3,253,401	3,217,499	2,742,625	2,106,737	2,671,443	
Cash Position at End of Month	2,819,449	2,271,230	1,707,210	1,828,387	2,912,789	1,874,669	1,980,353	1,223,307	1,153,646	1,361,176	-
Deposit Acct At end of Month	3,119,333	3,119,333	2,119,333	919,333	919,333	-	-	-	-	-	
Total Funds Available	5,938,782	5,390,563	3,826,543	2,747,721	3,832,122	1,874,669	1,980,353	1,223,307	1,153,646	1,361,176	

APPENDIX 2 – FINANCIAL COVENANTS

Under the restated facilities agreement with RBS, we are required to comply with the following financial covenants:

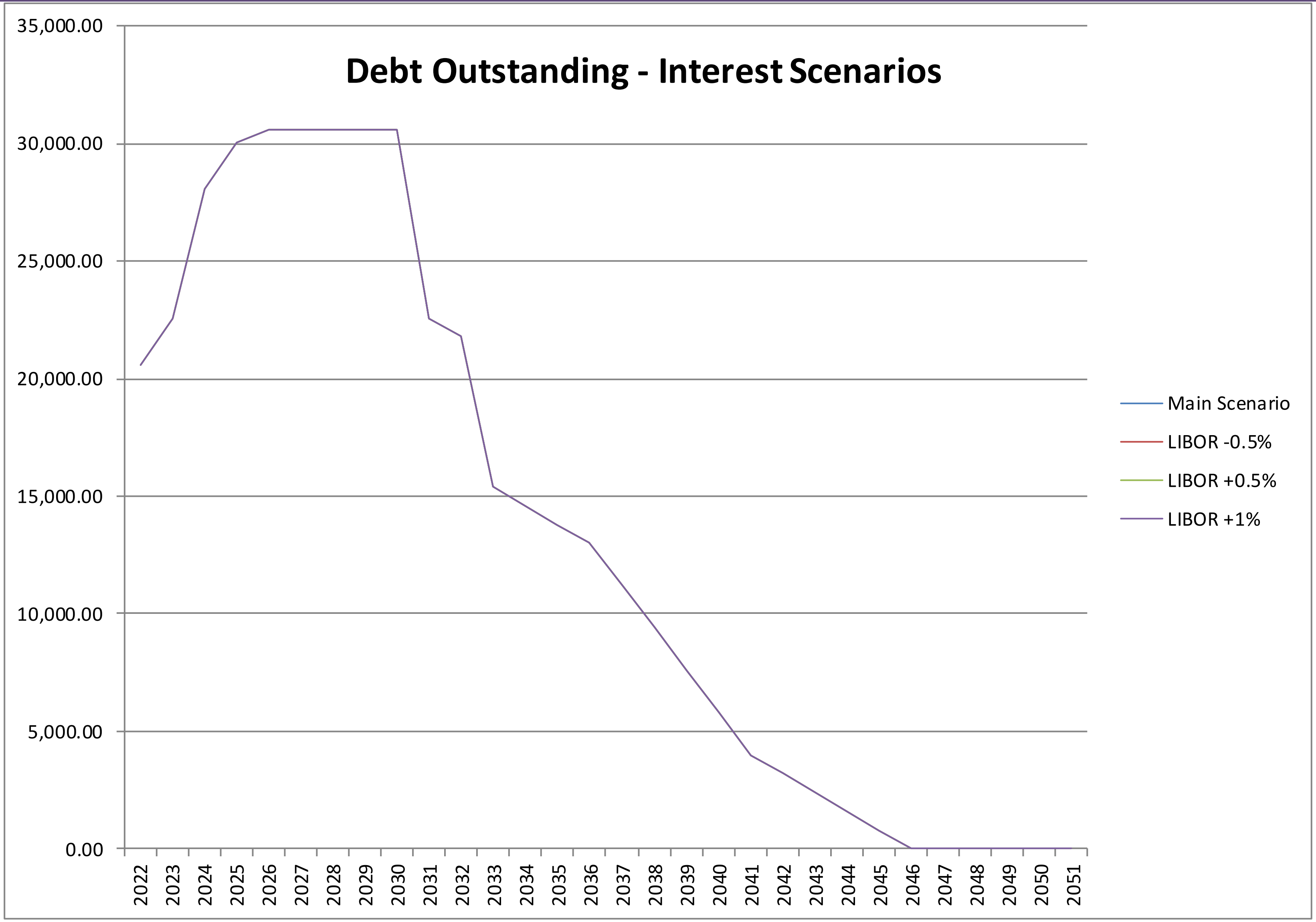
Interest Cover

- **Minimum 1.1: 1** in any financial year, and calculated as: **Adjusted Operating Surplus: Net Interest Payable** (means Interest Payable less interest receivable that is attributable to cash deposits (for the avoidance of doubt this excludes and interest received through intracompany loans or such similar arrangements)).
- The Interest Cover covenant will be monitored on a cumulative quarterly basis by reference to the latest financial information delivered by the Borrower to the Lender, but tested annually against the Audited Accounts of the Borrower most recently delivered to the Lender.
- In respect of the financial years ending 31 March 2022 and 31 March 2023 only, capitalised component and major repair costs and revenue costs incurred in connection with completion of the Deferred Works up to a maximum of £2,044,068 (in aggregate across the two said financial years) can be added back.

Gearing

- **Maximum 30%** and calculated as **Total Financial Indebtedness: Historic Cost of Properties.**
- The Borrower must be in compliance with the Gearing covenant at all times and as such the covenant may be tested at any time by reference to the latest applicable information but will in any event be tested annually against the Audited Accounts of the Borrower most recently delivered to the Lender.
- The Borrower will also provide the Lender with a signed annual covenant compliance certificate, showing sufficient workings and detail to enable the Lender to test the financial covenants, signed by its Chief Executive and Director of Finance.
- However, if the individual items which comprise the Interest Cover and Gearing financial covenant definitions are not shown as separate, clearly identifiable items in the Audited Accounts (on the face of the Accounts or in the notes), then the Lender will require covenant compliance to be confirmed by way of an independent Auditors compliance certificate (showing sufficient workings and detail to enable the Lender to test the financial covenants).

APPENDIX 3 – IMPACT OF INTEREST RATE CHANGE ON DEBT PROFILE



STRATEGY CHANGE HISTORY

Version	Change Applied	Date	By
1.0	Updated for new 30 year budget outlook & Interest/Inflation updates	11.03.19	Donald Macleod
2.0	Updated for new 30 year budget outlook & Interest/Inflation updates	26.02.20	Donald Macleod
3.0	Updated for new 30 year budget outlook & interest/Inflation updates and changes in our borrowing facility.	13.08.21	Donald Macleod

INTERPRETATIONS & ABBREVIATIONS

The following interpretation and abbreviations are used in this policy:

Word	Interpretation
HHP or Partnership	Hebridean Housing Partnership
Board	Means the Board of the Hebridean Housing Partnership
Board Members	All Members of the Board including co-opted Members
CIPFA	Chartered Institute of Public Finance Accountants
LIBOR	London Inter-Bank Offering Rate
SONIA	Sterling Over-Night Index Average
EBITDA-MRI	Earnings before Tax, Depreciation Amortisation, Major Repairs Included
All references to the masculine gender in this policy shall read as equally applicable to the feminine gender	

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

Making our house your home

TREASURY MANAGEMENT POLICY

Board 25 August 2021

Report by Director of Finance & Corporate Services

Purpose of Report

1.1 To provide the Board with an updated Treasury Management Policy for approval.

Summary

2.1 The Treasury Management Policy has been updated to take into consideration changes in Treasury Management best practice and to comply with the relevant legislation.

2.2 Minor updates have been made and are summarised at paragraph 9.2 of this report.

Competence

3.1 Financial and legal constraints arising from the recommendation to this report being implemented are detailed at paragraph 5.1 – 8.4.

Recommendations

4.1 **It is recommended that the Board approve the Treasury Management Policy at Appendix 1.**

APPENDIX 1:	Treasury Management Policy	
Background Papers	None	
Writer of Report	Donald Macleod	Tel: 0300 123 0773

Competence

Financial

5.1 Treasury Management' is defined as the management of all money, capital market transactions and interest rate management in connection with cash and funding resources and the control of its associated risks.

5.2 Treasury management covers three main areas:

a) Investment of cash surpluses;
b) Core Funding Facility (funding for stock acquisition and improvement including short term borrowing for working capital; funding for new developments/initiatives); and
c) Control of interest rate risk with regard to the Partnership's net debt position.

Legal

6.1 Rule 18.1-19 details the Partnership's borrowing powers.

6.2 Under Part 2 of our Standing Orders, the approval of the Treasury Management Policy is reserved to the Board.

6.3 The Treasury Management Policy has been prepared in accordance with the CIPFA Guidance – Treasury Management in the Public Services: Code of Practice (the Code) 2017.

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 This policy will mitigate the naturally inherent risks around treasury management.

8.2 There are a number of risks highlighted in the Risk Register in relation to Treasury Management. The risk scored as "high" is the impact of increases in the interest rate and inflation rate and this has been addressed in Appendix 1.

8.3 The COVID-19 pandemic has resulted in turmoil in the financial markets. The reduction in the bank interest rates are not posing a risk at present as we have hedged appropriately between our fixed and variable loan facility. It does however mean that there will be a reduction in interest received on deposit accounts.

8.4 The new Facility B allows for monies to be drawn down over 2 years. It is therefore imperative that works progress as planned to ensure monies are drawn by that date in accordance with need.

Report Details

9.1 The Policy has been developed with input from our treasury advisors at Chatham Financial.

9.2 The main changes in the Policy, following the review by Chatham Financials are outlined as follows:

<table>
<tr><th>Section</th><th>Note</th><th>Comment</th></tr>
<tr><td>Annual Financing Strategy</td><td>3.2</td><td>Chatham suggests changing ‘forecasts’ to ‘market expectations’. The reason for this is that no advisor should be providing forecasts of interest rate movements. However, we can advise on what the expectations implied by the market.</td></tr>
<tr><td>Annual Financing Strategy</td><td>3.2</td><td>Reference to Appendix C updated to include hedging percentage of 50%. This is to account for the potential for low hedged proportions at the beginning of the new facility while remaining within market norms.</td></tr>
<tr><td>Investment of Cash Surpluses</td><td>4.3</td><td>The reference to the credit rating has been replaced with a clear outline of what the minimum ratings should be.
<table>
<tr><th>Rating Agency</th><th>Minimum Credit Rating</th></tr>
<tr><td>S&P</td><td>A</td></tr>
<tr><td>Moody’s</td><td>A2</td></tr>
<tr><td>Fitch</td><td>A</td></tr>
</table></td></tr>
<tr><td>Investment of Cash Surpluses</td><td>4.3</td><td>Removed reference to list of approved institutions – now adopting a minimum rating threshold</td></tr>
<tr><td>Investment of Cash Surpluses</td><td>4.6</td><td>Changes to the level of funds permitted in accounts to take cognisance of current levels of operating expenditure.</td></tr>
<tr><td>Appendix B</td><td></td><td>Addition of SONIA in list of variable rates</td></tr>
<tr><td>Appendix C</td><td>Para 3</td><td>Replace “forecasts” with ‘market expectations’ as per comment on 3.2 (above)</td></tr>
<tr><td>Appendix C</td><td>Para 4</td><td>We suggest changing ‘reduce refinancing risk’ to ‘manage interest rate exposure’ to clarify that the reason is to ensure that HHP does not move to variable rates too quickly</td></tr>
<tr><td>Appendix C</td><td>Para 5</td><td>We suggest changing ‘estimated’ to ‘potential’ as this should focus on stress testing hypothetical scenarios rather than focusing on forecasts or estimates.</td></tr>
<tr><td>Appendix C</td><td>Para 7</td><td>We suggest reducing the minimum to 50% to account for the potential for low hedged proportions at the beginning of the new facility while remaining within market norms.

We also suggest adding a comment that while the absolute minimum is set by Appendix E, the target hedged level will be part of the annual treasury strategy (to align with 3.2)</td></tr>
</table>

APPENDIX 1

hhp | hebridean housing partnership

Treasury Management Policy

Effective Date: August 2021
Review Date: August 2024
Approved by HHP Board: 25 August 2021

TABLE OF CONTENTS

BACKGROUND

1.1 For the purposes of this policy, 'Treasury Management' is defined as the management of all money, capital market transactions and interest rate management in connection with cash and funding resources and the control of its associated risks. In practice, treasury management covers three main areas:

- Investment of cash surpluses;
- Core Funding Facility (funding for stock acquisition and improvement including short term borrowing for working capital; funding for new developments/initiatives); and
- Control of interest rate risk with regard to the Partnership's net debt position.

The aim in these areas is to control the exposure to risk. All treasury management activities involve risk and potential reward. The policy of the partnership in the lending of cash is to achieve a satisfactory return while minimising risk. The overriding principle is to avoid risk rather than maximise return. In the case of borrowing, the objective is minimising the cost consistent with ensuring the stability of the Partnership's financial position by sound debt management techniques.

1.2 The objectives of this policy are to:

- support the quality and status of treasury management to the organisation;
- provide guidance on the proper practices to be employed for treasury management;
- ensure all investment/funding decisions balance risk and return; and
- detail reporting requirements to ensure the Board receives the appropriate level of information with which to discharge their duties.

1.3 This Treasury Management Policy has been prepared in accordance with the CIPFA Guidance – Treasury Management in the Public Services: Code of Practice (the Code) 2017.

2.1 Overview of Procedures:

The Director of Finance and Corporate Services will prepare an 'Annual Financing Strategy which will, subject to any amendments, be approved by the Board. The Director of Finance and Corporate Services will also prepare an annual report at the close of the financial year summarising the year's treasury management activities and the year-end positions for all areas detailed in the Annual Financing Strategy.

2.2 The Partnership will not undertake currency risk and accordingly will not borrow or deposit funds held in a foreign currency.

2.3 This policy will be fully reviewed every three years.

ANNUAL FINANCING STRATEGY

3.1 The Director of Finance and Corporate Services will prepare for the approval of the Board an annual 30 year financial projection. In preparing the 30 year financial projections the Director of Finance and Corporate Services will have sufficient and appropriate facilities available to cover the following:

- its long term borrowing requirements;
- its planned short term borrowing requirements;
- funding needs arising from the timing and amount of cash flows; and
- funding in place to deliver our business plan commitments.

3.2 The Director of Finance and Corporate Services should also have regard to the current levels of short term and long term interest rates and to the market expectations of future changes in interest rates. The Director of Finance and Corporate Services will be aware of the sensitivity of the business model to changes in these rates. The maximum proportion of variable interest loans to fixed/hedged loans is set at 50% as outlined in Appendix C. More detailed guidance on the matter to be included in the 'Annual Financing Strategy is set out in Appendix A.

3.3 Based on the annual forecasts, the Director of Finance and Corporate Services will prepare monthly rolling forecasts of short-term surplus cash and borrowings for the purpose of applying the strategy on a day to day basis and for the reporting of results of the approved strategy to the Board.

3.4 External support will be provided by a Treasury Management Advisor. When necessary the Finance Manager will deputise for the Director of Finance and Corporate Services.

INVESTMENT OF CASH SURPLUSES

4.1 All investment monies in the possession of the Partnership shall be aggregated for the purposes of treasury management.

4.2 The Director of Finance and Corporate Services is responsible for all executive decisions in furtherance of the Annual Financial Strategy. Investment transactions require the counter signature of either the Chief Executive or Director of Operations. All investment decisions will be reported to the Board through the Quarterly Treasury update.

4.3 Security of the Partnership's funds is a high priority. Investment limits for each organisation will depend on their financial strength. Investment organisations will be selected based on a minimum credit rating as follows:

Rating Agency	Minimum Credit Rating
S&P	A
Moody's	A2
Fitch	A

4.4 When selecting investment organisations a benchmarking process will be used to ensure investment rates are market competitive.

4.5 The Director of Finance and Corporate Services has delegated powers to carry out the Partnership's strategy for depositing surplus funds and managing the cash flow of the organisation. In exercising these powers due regard must be given to the:

- perceived credit risk associated with the institutions with which funds may be deposited or invested;
- effect of possible changes in interest rates on the cost of borrowing; and
- return from investing and the need to maintain liquid funds to meet the Partnership's obligations.

The measure of creditworthiness used will be that deemed appropriate by the Director of Finance and Corporate Services, using recognised rating agency information, and approved by the Board.

4.6 In an effort to further reduce risk funds should be spread according to the following categories:

- £0m – £1.5m – maintained on the current account for ease of access
- £1.5m - £3m – no fewer than two interest bearing accounts including the current account for ease of access
- £3m - £4.5m – no fewer than three interest bearing accounts including the current account for ease of access
- £4.5m - £6m – no fewer than four interest bearing accounts including the current account for ease of access.
- £6m - £7.5m – no fewer than five interest bearing accounts including the current account for ease of access.

4.7 The Board will receive quarterly reports providing an update on treasury performance. This will include how we have performed against initial cashflow forecasts. Any excess funds to be placed on deposit will be identified, and how long these amounts will be available for investment.

CAPITAL FUNDING

5.1 Borrowings for the Core Funding Facility will be to fund the purchase and investment programme, additional ongoing finance requirements and funding for new developments and initiatives. Risk management considerations and therefore hedging decisions will be based on the aggregation of amounts received from external funders.

5.2 ***Core Funding Facility*** - The Partnership's core funding is obtained through a competitive tendering exercise. This funding may be received from a single funder and/or form part of a syndicated funding arrangement with a lead arranger. Drawdowns, repayments and risk management considerations for this facility should form part of the 'Annual Financing Strategy'. Whilst the Director of Finance and Corporate Services will have the primary responsibility for the day to day management of the relationship between the Partnership and lead funder, it is vital that the Board have the opportunity to meet and discuss progress with the lead funder.

5.3 Monitoring and compliance with covenants and information requirements in relation to this facility is crucial and systems and ledgers should be designed to make information readily available.

5.4 The 'Annual Financing Strategy' will confirm whether the core funding facility should be subject to review and should recommend whether refinancing be considered. The review should take into account the efficiency of the borrowing in terms of covenants and any restrictions they impose as well as the margin rates relative to current market conditions.

5.5 A lender may be removed where their terms and covenants are not acceptable to the Partnership. Any review of limits or removal will be covered in the 'Annual Financing Strategy'.

INTEREST RATE EXPOSURE

6.1 The Director of Finance and Corporate Services is responsible for monitoring the Partnership's interest rate exposure and for determining the interest rate exposure policy within the limits set by the 'Annual Financing Strategy'.

6.2 The principal factor governing the exposure of surplus funds to interest rate movements is the Partnership's cashflow forecasts. Where surplus funds are required to meet possible cash outflows in the near future they will be deposited for short periods that will ensure the funds are available when required. Where surplus funds are expected to be available for investment for longer periods the 'Annual Financing Strategy' will give guidance on the interest rate exposure policy. Where surplus funds are to be used to repay borrowing on maturity, the maturity for which funds are deposited should match as closely as possible the maturity of the related borrowings.

6.3 The 30 year Business Plan and cashflow forecasts will be reviewed within the context of the current private finance facility on a regular basis.

6.4 Appendix C set out the guidance on policy governing the exposure of borrowings to interest rate movements the outcome of which covered in the 'Annual Financing Strategy'. Appendix B discusses the hedging instruments currently approved by The Scottish Housing Regulator that may be used by the Partnership to manage interest rate risk.

REVIEW REQUIREMENTS

7.1 The Board will receive a monitoring statement of treasury management activities on a quarterly basis. The statement will take the format as described in Appendix D.

7.2 Training – The Director of Finance and Corporate Services will commit to ensuring all board members receive appropriate training in understanding general Treasury Management and so ensure decision making is made with a full understanding of the implications for the Partnership's financial position.

APPENDIX A – MATTERS TO BE INCLUDED IN THE ANNUAL FINANCING STRATEGY

Forecast cash flows for the next financial year and for the next three financial years.

Details of principal borrowing maturities over the next three financial years.

Maturity profile of existing borrowings.

Analysis of present levels of short and long term interest rates, comparison with historical trends and estimated trend movements in interest rates over the next financial year.

Sensitivity of business model to changes in these rates.

Proposals for information and approval:

- Total outstanding borrowing
- Maximum short-term borrowing (if any) included in total maximum outstanding borrowing
- Maximum proportion of loan interest payable on variable rate borrowing

Strategy for refinancing maturing borrowings (if any) and for financing new borrowing requirements over the next three years and/or refinancing existing borrowings to take advantage of more favourable market conditions.

- Proposed sources of finance
- Proposed maturities and maturity structure
- Whether fixed or floating rate (etc) and if floating rate, proposed rollover periods
- Suggested mechanisms for controlling interest rate exposure
- Estimated rates of interest
- Effect of proposed borrowings on the partnership's overall security position
- Proposed new maturity ladder
- Estimated effect on revenue budget of finance strategy
- Expected maximum total outstanding and short-term borrowing
- Expected maximum proportion of interest payable on variable rate borrowing

In respect of surplus funds:

- The extent to which surplus funds are earmarked for short term requirements or to repay maturing borrowings
- The extent to which surplus funds should be held available to meet contingencies
- The proposed strategy (type of instrument and maturity period) for each of (a) surplus funds earmarked for the short term requirements or to repay borrowings, (b) surplus funds to be held available to meet contingencies and (c) surplus funds not held against an anticipated requirement
- The revenue effect of the proposed strategy

Changes to the credit rating of institutions where the partnership have funds deposited or borrowing arrangement in place.

Proposals for amendments to the Treasury Management Policy.

APPENDIX B – APPROVED METHODS OF RAISING CAPITAL FINANCE

Conventional Loans

The most commonly used method, including

- Borrowing at a variable rate generally linked to the base rate, mortgage rate or LIBOR/SONIA, or
- Borrowing at a fixed rate for a defined period.

In each case, repayment of a proportion of principal sum borrowed is made each year in addition to any interest charge. The Partnership may consider use of the following principal payment where there are demonstrable advantages in terms of balancing the portfolio:

- **Capital Holidays** – where the principal repayments normally due in one or more years during the life of the loan are deferred to a later date.
- **Bullet Repayments** – where the entire principal amount is paid at the end of the life of the loan, with only the annual interest payments payable during the term.

Interest payments can also be linked to other indexes eg. RPI

Deferred Funding

Deferred funding (alternatively called 'low start financing') may be used where this would give greater balance to the portfolio of capital finance. The interest rate is low for a defined initial period, and increases thereafter. It is generally more expensive than conventional funding over the lifetime of the loan and consideration must be given to the termination penalties attached to such structures.

Bond Issue

The Partnership can participate with other Partnerships/Institutions in raising finance via the issue of a bond on the capital markets.

Other Instruments

The following derivative instruments are permitted:

- **Interest Rate Caps and Collars** – where, for the payment of a premium, upper and lower limits can be set on variable interest rates.
- **Interest Rate SWAPs** – where one type of borrowing can be exchanged for another (e,g, variable rate loans exchanged for fixed rate or vice versa) on a temporary basis.

If incorporated into a loan agreement they do not require any alteration to the Partnership's rules but if taken as a 'stand alone' they will require an amendment.

The Partnership can consider the use of other instruments where it can be clearly demonstrated that their advantages and risk control characteristics are favourable to the Partnership's position. Any decision in this regard will be taken with the full consultation of The Scottish Housing Regulator.

Given the lack of transparency in the pricing of these instruments, the Partnership will also undertake to benchmark the cost of these instruments to the underlying market rate and provide an audit trail of decision making.

APPENDIX C – MATTERS TO BE CONSIDERED IN ESTABLISHING INTEREST RATE EXPOSURE

The current level and structure of interest rates.

Current interest rates compared with the historical trend.

Market expectations of future movements in the level and structure of interest rates.

The maturity profile of any fixed rates which may be entered into. The objective being to manage interest rate exposure to the Partnership by ensuring rate exposure does not increase rapidly.

The extent to which potential future movements in interest rates would affect the 30 year financial projections and the effect of potential future movements in interest rates on the revenue account if all borrowings were to be converted to floating rates.

The sensitivity of the 30 year financial projections to fluctuations in future interest rates.

The Partnership will ensure at least 50% of net debt is to be hedged (either through entering into fixed rates or using another acceptable instrument) at any one time and so a maximum of 50% of forecast net debt exposed to the risk of rising interest rates.

The absolute minimum percentage of net debt to be hedged is 50% but the target hedging level will be set out in the annual financing strategy.

APPENDIX D – ANALYSIS OF INVESTMENTS AND BORROWING PRO FORMA

Investments

	As at 1 April (£000s)	As at 30 June (£000s)	Average (£000s)
Cash Holdings			
Invested at:			
• Royal Bank of Scotland			
• Santander			
• Other Funders….			
Required number of holdings			
Actual number of holdings			

Borrowings

Core Funding Facility £m

- Estimated debt outstanding (per Annual Financing Strategy) [x]
- Actual amount outstanding [x]
- Difference [x]

Compliance with Cash flow Forecasts

- Is the Partnership complying with the Annual Financing Strategy Projections?
- Identify any non compliance?

Loan Covenants

- Is the Partnership's complying with all loan covenants?
- Identify any non compliance?

Borrowings	As at 1 April (£000s)	As at 30 June (£000s)	Averag e (£000s)
Loans outstanding (including bond issues)			
Variable / Fixed:			
▪ Variable – amount			
▪ Fixed – amount ▪ Other hedged products - amount			
Variable - %			
Fixed - % Other hedged products			
Lenders – amounts:			
▪ Core Facility ▪ Additional Funding			
▪ Royal Bank of Scotland			
(Excluding Core facility):			
▪ Royal Bank of Scotland			

INTERPRETATIONS & ABBREVIATIONS

The following interpretation and abbreviations are used in this policy:

Word	Interpretation
HHP or Partnership	Hebridean Housing Partnership
Board	Means the Board of the Hebridean Housing Partnership
Board Members	All Members of the Board including co-opted Members
CIPFA	Chartered Institute of Public Finance Accountants
LIBOR	London Inter-Bank Offering Rate
SONIA	Sterling Over-Night Index Average
All references to the masculine gender in this policy shall read as equally applicable to the feminine gender	

hebridean housing partnership

Making our house your home

ITEM NO 6.6

MANAGEMENT REPORT TO 30 JUNE 2021

Board 25 August 2021

Report by Director of Finance and Corporate Services

Purpose of Report

1.1 To present the Management Report for the month ended 30 June 2021 to the Board for review and approval.

Summary

2.1 This is the Management Report to 30 June 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 Two development virements require Board approval. These relate to delays in acquiring the site at Blackwater £779K and a correction to the Goathill HWEC cost for 2021/22 of £299K. Further details are at 9.1 of this report.

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 30 June 2021 as detailed in Appendix 1;

b) approve that £229,029 be vired from reserves to the Goathill HWEC project; and

c) approve a virement to reduce both cost and grant for the Blackwater development by £778,524.

APPENDIX 1:	Management Report to 30 June 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 a surplus of £2,594,877.

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 our Financial Covenants are not met on an ongoing basis. With the new RBS facilities agreement now concluded we have moved onto and an interest cover covenant in June 2021. This removes the requirement of annual Business Plan approval from our funder thus providing flexibility to address changes as they arise.

Report Details

9.1 The below development virements require Board approval:

	Project	Change to Cost Budget	Change to Grant Budget	Comment
RENT	GoatHill HWEC	229,029		To reflect contractor cashflow - error in June Virement
	Blackwater	(778,524)	778,524	Delay in acquiring site
		(549,495)	**778,524**	

To be funded from Reserves as shown:

Reduction in Development Cost	(549,495)
Reduction in Development Grant	778,524
	229,029

hebridean housing partnership

Management Reports 2021/22

To 30 June 2021

TABLE OF CONTENTS

MANAGEMENT REPORTS

INTRODUCTION

The Management Reports for 30 June 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:

<u>Section 1: High Level Summary</u>

Written by the Director of Finance & Corporate Services, which includes a score card of year to date performance.

<u>Section 2: Management Accounts</u>

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.

<u>Section 3: Key Financial Performance Measures</u>

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 £25.3K mainly due to void loss savings.
INCOME	RENTAL INCOME	👍	£22.3K above budget due to void loss savings.
	GRANT INCOME	👍	
	DEVELOPMENT GRANTS	👎	Forecasted to be £779K less to delays in the site acquisition at Blackwater.
	DEVELOPMENT SALES	👉	1 Breasclete property remains unsold.
	OTHER INCOME	👍	
EXPENDITURE	DEVELOPMENT COSTS	👎	Slippage of £779K at Blackwater is partially offset with an increase in the forecast outturn on Goathill HWEC (£299K)
	INVESTMENT	👍	Investment programme on track with the exception of some heating refusals which will be reprogrammed.
	REPAIRS & MAINTENANCE	👍	
	MANAGEMENT COSTS	👍	
	INTEREST	👍	

👍	**No Issues - On Track**
👉	**Requires Monitoring**
👎	**Issues**

SECTION 2: MANAGEMENT ACCOUNTS

STATEMENT OF COMPREHENSIVE INCOME

Line		CURRENT YEAR BUDGET		BUDGET	ACTUAL	BUDGET VARIANCE		BUDGET REMAINING		FORECAST OUT-TURN	
		Initial Budget £	Revised Budget £	to 30-Jun-21 £	to 30-Jun-21 £	Budget to date £	Budget to date %	Revised Budget £	Revised Budget %	Over/ (under) £	at 31-Mar-22 £
1	Dwelling rents (net)	9,622,585	9,678,113	2,404,015	2,426,342	(22,327)	-1%	7,251,771	75%	22,328	9,700,441
2	Non Dwelling rents (net)	12,632	12,632	3,102	7,398	(4,295)	-138%	5,234	41%		12,632
3	Profit/(Loss) on Disposal of Assets	(218,604)	(218,604)	(39,746)	(22,735)	(17,011)	43%	(195,869)	90%		(218,604)
4	Grant Funding	420,000	734,532	171,633	172,311	(678)	0%	562,221	77%		734,532
5	Other Income	45,384	45,384	11,528	13,082	(1,554)	-13%	32,302	71%		45,384
6	**TOTAL INCOME**	9,881,996	10,252,056	2,550,532	2,596,398	(45,865)	-2%	7,655,658	74.67%	22,328	10,274,384
7	Supervision & Management	2,609,125	2,588,747	661,853	584,868	76,985	12%	2,003,878	77%	(3,000)	2,585,747
8	Response Repairs	1,527,998	1,527,998	376,500	376,470	29	0%	1,151,528	75%	-	1,527,998
9	Estate Works	83,800	83,800	27,172	27,172	1	0%	56,628	68%	-	83,800
10	Planned/Cyclical Maintenance	970,762	970,762	229,950	220,637	9,313	4%	750,125	77%	-	970,762
11	**Total Operating Expenditure**	5,191,685	5,171,307	1,295,476	1,209,148	86,328	7%	3,962,159	76.62%	(3,000)	5,168,307
12	Operating Surplus/(Deficit)	4,690,310	5,080,749	1,255,057	1,387,249	(132,193)	-11%	3,693,500	72.70%	25,328	5,106,077
13	Interest received	1,000	3,000	750	870	(120)	-16%	2,130	71%		3,000
14	Interest paid	494,200	494,200	63,550	62,207	1,343	2%	431,993	87%		494,200
15	Surplus/(Deficit)	4,197,110	4,589,549	1,192,257	1,325,913	(133,656)	-11%	3,263,637	71.11%	25,328	4,614,877
16	Depreciation	3,400,000	3,410,000	852,500	852,237	263	0%	2,557,763	75%		3,410,000
17	Grant Amortisation	(1,400,000)	(1,390,000)	(346,000)	(345,456)	(544)	0%	(1,044,544)	75%		(1,390,000)
18	Surplus/(Deficit)	2,197,111	2,569,549	685,757	819,132	(133,375)	-19%	1,750,418	68.12%	25,328	2,594,877

	CAPITAL INVESTMENT										
19	Housing Investment Programme	5,521,682	5,725,682	714,187	655,305	58,882	8%	5,070,377	89%	-	5,725,682
20	Non Housing Investment	183,200	313,732	191	191	-	0%	313,541	100%	-	313,732
21	Development Programme	12,360,752	10,856,365	1,386,338	1,232,487	153,852	11%	9,623,879	89%	299,631	11,155,996
22		18,065,634	16,895,779	2,100,716	1,887,983	212,734	10%	15,007,797	88.83%	299,631	17,195,410

Commentary on Performance

Income

Income is forecast to be £23.8K above budget due to an improvement in void loss income.

Expenditure

A further £3K of savings has been realised in Postage and printing as we continue to work from home and digitise processes.

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

STATEMENT OF FINANCIAL POSITION

		Notes	30 June 2021 £	31 March 2021 £
	Fixed Assets			
1	Tangible assets-social housing	1	104,143,432	*104,289,489*
2	Development & Investment Programme	2	1,275,534	*-*
3	Tangible assets - property, plant and equipment		858,357	*886,645*
4	Landbank		1,006,479	*1,006,479*
5	Investments		2	*2*
			107,283,804	*106,182,615*
	Current Assets			
6	Stock		428,355	*516,555*
7	Trade and other debtors due within one year		362,603	*2,387,726*
8	Debtors due after more than one year		130,388	*130,388*
9	Short-term deposits		3,124,273	*3,122,269*
10	Cash at bank and in hand	3	2,933,200	*1,855,004*
11	Loan to subsidiary		17,812	17,812
			6,996,632	*8,029,754*
12	**Creditors: amounts falling due within one year**		(1,870,818)	*(2,277,357)*
	Net current assets		5,125,815	*5,752,397*
	Total assets less current liabilities		112,409,619	*111,935,013*
13	**Creditors:** amounts falling due after more than one year		(10,492,950)	*(10,491,996)*
14	Deferred capital grants		(61,971,012)	*(62,316,492)*
15	Pension Liability		(2,937,000)	*(2,937,000)*
16	**Net Assets**		**37,008,657**	***36,189,525***
	Capital and Reserves			
17	Share Capital		210	*210*
18	Revenue Reserve		37,008,447	*36,189,315*
			37,008,657	***36,189,525***

Commentary on Performance

Note 1 - Fixed Assets
Fixed Assets are shown at gross cost and are reduced by the depreciation charge for the period. The net increase in Fixed Assets year to date is attributed to depreciation being 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 will reduce in the second quarter as the grants for Goathill housing have now been fully drawn.

RENTAL INCOME

Line		CURRENT YEAR BUDGET		BUDGET	ACTUAL	BUDGET VARIANCE		BUDGET REMAINING		FORECAST OUT-TURN	
		Initial Budget £	Revised Budget £	to 30-Jun-21 £	to 30-Jun-21 £	Budget to date £	Budget to date %	Revised Budget £	Revised Budget %	Over/ (under) £	at 31-Mar-22 £
1	Dwelling Rent Gross	10,021,294	10,056,822	2,448,693	2,447,220	1,472	0%	7,609,602	75.67%	(1,472)	10,055,350
2	Non Dwelling Rent Gross	16,122	16,122	4,031	7,398	(3,367)	-84%	8,725	54.12%		16,122
3	Voids - Dwelling	(198,709)	(178,709)	(44,677)	(20,878)	(23,800)	53%	(157,831)	88.32%	23,800	(154,909)
4	Voids - Other	(3,491)	(3,491)	(928)	-	(928)	100%	(3,491)	100.00%	928	(2,563)
5	Bad Debts	(200,000)	(200,000)	-	-	-		(200,000)	100.00%		(200,000)
6	TOTAL	9,635,216	9,690,744	2,407,117	2,433,740	(26,623)	-1%	7,257,004	74.89%	23,256	9,714,000

Commentary on Performance

Voids Dwelling

Dwelling rent gross is £1.5K lower than year-to-date budget due to the delay in occupying Scotland Street.

Void losses are £23.8K better than budget as we have less void properties thus outperforming the budget assumption. The forecast out-turn has been updated to reflect this.

SUPERVISION & MANAGEMENT COSTS

Line	Heading	CURRENT YEAR BUDGET		BUDGET	ACTUAL	BUDGET VARIANCE		BUDGET REMAINING		forecast out-turn	
		Initial Budget £	Revised Budget £	to 30-Jun-21 £	to 30-Jun-21 £	Budget to date £	Budget to date %	Revised Budget £	Revised Budget %	Over/ (under) £	at 31-Mar-22 £
1	Salaries & Wages	1,660,094	1,658,687	409,149	379,275	29,874	7%	1,279,412	77%		1,658,687
2	National Insurance	165,781	165,781	40,688	38,570	2,119	5%	127,212	77%		165,781
3	Pension Costs	298,817	300,224	74,062	68,666	5,396	7%	231,558	77%		300,224
4	Other Employee Costs	43,310	43,310	20,590	7,474	13,115	64%	35,835	83%		43,310
5	Travel & Subsistence	16,865	16,865	2,400	210	2,190	91%	16,655	99%		16,865
6	EMPLOYEE COSTS	2,184,867	2,184,867	546,889	494,195	52,694	10%	1,690,673	77%	-	2,184,867
7	Premises Costs	75,830	75,830	12,400	10,935	1,465	12%	64,895	86%		75,830
8	IT & Telecoms	183,995	183,995	41,570	41,011	559	1%	142,984	78%		183,995
9	Area Offices	26,750	26,750	6,688	6,714	(26)	0%	20,036	75%		26,750
10	Payroll & Cashdesk	7,000	7,000	1,750	1,680	70	4%	5,320	76%		7,000
11	Property Management Fees	5,000	5,000	1,250	1,003	248	20%	3,998	80%		5,000
12	SUPPLIES & SERVICES	298,575	298,575	63,658	61,342	2,316	4%	237,233	79%	-	298,575
13	Postage, Printing & Stationery	39,300	39,300	10,305	3,252	7,053	68%	36,048	92%	(3,000)	36,300
14	Admin Furniture & Equipment	950	950	950	-	950	100%	950	100%		950
15	Training Courses	58,950	58,950	9,737	9,274	463	5%	49,676	84%		58,950
16	Community Support	22,750	22,750	2,147	895	1,252	58%	21,855	96%		22,750
17	Health & Safety	7,470	7,470	3,320	744	2,576	78%	6,726	90%		7,470
18	Recruitment Costs	2,500	2,500	625	302	323	52%	2,198	88%		2,500
19	ADMINISTRATION COSTS	131,920	131,920	27,085	14,467	12,617	47%	117,453	89%	(3,000)	128,920
20	Professional Fees	300,090	300,090	15,273	14,887	386	3%	285,203	95%		300,090
21	Insurance	273,992	273,992	64,915	64,915	-	0%	209,077	76%		273,992
22	Affiliation Fees	44,523	44,523	9,465	6,759	2,706	29%	37,764	85%		44,523
23	Charitable Donations	5,000	5,000	-	-	-		5,000	100%		5,000
24	Governance	23,000	19,167	1,917	-	1,917	100%	19,167	100%		19,167
25	Bank Charges	4,500	6,500	1,625	1,670	(45)	-3%	4,830	74%		6,500
26	Public Relations / Marketing	11,633	11,633	2,908	159	2,749	95%	11,474	99%		11,633
27	CORPORATE EXPENSES	662,738	660,905	96,102	88,390	7,713	8%	572,515	87%	-	660,905
28	Fees Charged to Capital	(656,475)	(675,020)	(68,755)	(69,358)	603	-1%	(605,663)	90%		(675,020)
29	VAT Received - Partial Exemption	(12,500)	(12,500)	(3,125)	(4,168)	1,043	-33%	(8,332)	67%		(12,500)
30	RECHARGES	(668,975)	(687,520)	(71,880)	(73,526)	1,646	-2%	(613,995)	89%	-	(687,520)
31	MANAGEMENT COST	2,609,125	2,588,747	661,853	584,868	76,986	12%	2,003,879	24	(3,000)	2,585,747

Commentary on Performance

The total management cost is £77K lower than the year to date budget.

The underspend of £53K in employee costs is mainly attributable to vacant posts.

Postage & printing £7K under budget due to the timing of the printing of rent statements.

Whilst the health and safety budget is currently £2.7K underspent, it is anticipated this will be spent later in the year when we replenish our PPE supplies.

The £2.7K YTD underspend in affiliation fees is mainly due to community grants where no requests have been received to date.

REPAIRS & MAINTENANCE

Line	Heading	CURRENT YEAR Initial Budget £	Revised Budget £	BUDGET to 30-Jun-21 £	ACTUAL to 30-Jun-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	221,331	233,093	(11,762)	-5%	702,232	75%		935,325
2	Void Repairs	319,111	319,111	79,778	72,483	7,295	9%	246,628	77%		319,111
3	Handyperson	90,528	90,528	22,632	21,443	1,189	5%	69,086	76%		90,528
4	GENERAL REPAIRS	1,344,964	1,344,964	323,741	327,019	(3,278)	-1%	1,017,946	76%	-	1,344,964
5	Decoration Allowance	45,828	45,828	11,457	11,230	227	2%	34,598	75%		45,828
6	Council Tax empty properties	17,531	17,531	4,383	1,872	2,511	57%	15,659	89%		17,531
7	Compensation	11,519	11,519	2,880	2,236	643	22%	9,282	81%		11,519
8	SPECIFIC ITEMS	74,878	74,878	18,719	15,338	3,381	18%	59,539	80%	-	74,878
9	Rechargeable Repairs	106,370	106,370	26,593	32,513	(5,920)	-22%	73,857	69%		106,370
10	Rechargeable Repairs Recoverable	(58,898)	(58,898)	(14,724)	(17,517)	2,792	-19%	(41,381)	70%		(58,898)
11	Insurance Repairs	100,002	100,002	25,000	9,060	15,941	64%	90,942	91%		100,002
12	Insurance Claims Recoverable	(61,557)	(61,557)	(15,389)	(2,311)	(13,078)	85%	(59,246)	96%		(61,557)
13	RECOVERABLE EXPENDITURE	85,917	85,917	21,479	21,744	(265)	-1%	64,172	75%	-	85,917
14	Commercial Properties	1,182	1,182	295	-	295	100%	1,182	100%		1,182
15	Communal Lighting	21,056	21,056	12,264	12,369	(105)	-1%	8,688	41%		21,056
16	NON DWELLING REPAIRS	22,238	22,238	12,560	12,369	190	2%	9,870	44%	-	22,238
17	Gas Servicing	63,784	63,784	15,946	19,352	(3,406)	-21%	44,431	70%		63,784
18	Estate Management	70,460	70,460	17,615	5,019	12,596	72%	65,441	93%		70,460
19	Other Servicing (incl. heating)	762,262	762,262	135,565	134,458	1,108	1%	627,804	82%		762,262
20	Stair Lifts and Door Entry Systems	4,050	4,050	1,012	3,162	(2,150)	-212%	888	22%		4,050
21	Gutter Cleaning	62,617	62,617	58,654	58,071	583	1%	4,546	7%		62,617
22	Sewage Pumps	600	600	575	575	-	0%	25	4%		600
23	Dun Berisay Heat	6,990	6,990	582	-	582	100%	6,990	100%		6,990
24	CYCLICAL MAINTENANCE	970,762	970,762	229,950	220,637	9,313	4%	750,125	77%	-	970,762
25	TOTAL REPAIRS & MAINTENANCE	2,498,760	2,498,760	606,450	597,108	9,341	2%	1,901,652	76%	-	2,498,760

Commentary on Performance

General Repairs

A number of high value repairs in June has resulted in a small YTD overspend of £3.3K. This is partially offset with a saving on council tax on empty properties of £2.5K.

Planned Maintenance

Gas services and door entry systems programs are running ahead of schedule and ahead of budget phasing.

Estate Management is underspent by £12.6K due to the timing of instructed works. These works are scheduled to be completed in second quarter.

ESTATE WORKS

Line	Heading	CURRENT YEAR BUDGET Initial Budget £	Revised Budget £	BUDGET to 30-Jun-21 £	ACTUAL to 30-Jun-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	Unadopted Infrastructure	33,089	33,089	10,897	10,896	-	0%	22,193	67%		33,089
2	Grounds Maintenance	50,711	50,711	16,276	16,276	-	0%	34,436	68%		50,711
3	TOTAL ESTATE WORKS	83,800	83,800	27,172	27,172	0	0%	56,629	68%	-	83,800

AIDS & ADAPTATIONS

Line	Heading	CURRENT YEAR BUDGET Initial Budget £	CURRENT YEAR BUDGET Revised Budget £	BUDGET to 30-Jun-21 £	ACTUAL to 30-Jun-21 £	BUDGET VARIANCE Budget to date £	BUDGET VARIANCE Budget to date %	BUDGET REMAINING Revised Budget £	BUDGET REMAINING Revised Budget %	FORECAST OUT-TURN Over/ (under) £	FORECAST OUT-TURN at 31-Mar-22 £
1	OT Works	120,000	324,000	30,000	43,394	(13,394)	-45%	280,606	87%	204,000	528,000
2	**Grants**										
3	Grants Received	(120,000)	(324,000)	(30,000)	(51,876)	21,876	-73%	(272,124)	84%	(204,000)	(528,000)
4	TOTAL AIDS & ADAPTATIONS	-	-	-	(8,482)	8,482		-		-	-

Commentary on Performance

The £8.4K budget variance is primarily driven by OT works billed in late March 2021 which have now been claimed in Q1.

INVESTMENT EXPENDITURE

Line	Heading	CURRENT YEAR BUDGET		BUDGET	ACTUAL	BUDGET VARIANCE		BUDGET REMAINING		FORECAST OUT-TURN	
		Initial Budget £	Revised Budget £	to 30-Jun-21 £	to 30-Jun-21 £	Budget to date £	Budget to date %	Revised Budget £	Revised Budget %	Over/ (under) £	at 31-Mar-22 £
1	Roofs	-	8,580	-	-	-		8,580	100%		8,580
2	Insulation	297,524	299,504	-	-	-		299,504	100%		299,504
3	Total Roofs	297,524	308,084	-	-	-		308,084	100%	-	308,084
4	Kitchen	562,622	564,676	103,255	106,793	(3,538)	-3%	457,883	81%		564,676
5	Bathrooms	117,406	117,406	-	-	-		117,406	100%		117,406
6	OT Aids & Adaptations	120,000	324,000	45,000	43,394	1,606	4%	280,606	87%		324,000
7	Heating	3,176,187	3,136,400	525,029	464,215	60,814	12%	2,672,185	85%		3,136,400
8	Rewiring	924,138	924,138	-	-	-		924,138	100%		924,138
9	Total Internals	4,900,352	5,066,619	673,284	614,402	58,882	9%	4,452,217	88%	-	5,066,619
10	Windows	323,806	286,934	33,178	33,178	-	0%	253,756	88%		286,934
11	Roughcast house & wall	-	7,725	7,725	7,725	-	0%	-	0%		7,725
12	Other	-	48,535	-	-	-		48,535	100%		48,535
13	Externals	323,806	343,194	40,903	40,903	-	0%	302,291	88%	-	343,194
14	**Total Investment excl. Unallocated Exp/Savings**	5,521,682	5,717,897	714,187	655,305	58,882	8%	5,062,592	89%	-	5,717,897
15	Unallocated Expenditure/ Slippage	-	7,785	-	-	-		7,785	100%		7,785
16	**Total Investment**	5,521,682	5,725,682	714,187	655,305	58,882	8%	5,070,377	89%	-	5,725,682

Commentary on Performance

The £60.8K underspend in Heating is driven by refusals. We will look to either reprogram these works for later in the year or bring forward other heating replacements from our approved heating program.

NON HOUSING INVESTMENT

Line	Heading	CURRENT YEAR BUDGET		BUDGET	ACTUAL	BUDGET VARIANCE		BUDGET REMAINING		FORECAST OUT-TURN	
		Initial Budget £	Revised Budget £	to 30-Jun-21 £	to 30-Jun-21 £	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	260,532	191	191	-	0%	260,341	100%		260,532
4	**Total**	**183,200**	**313,732**	**191**	**191**	**-**	**0%**	**313,541**	**100%**	**-**	**313,732**

DEVELOPMENT EXPENDITURE

Line		CURRENT YEAR BUDGET		BUDGET	ACTUAL	BUDGET VARIANCE		BUDGET REMAINING		FORECAST OUT-TURN	
		Initial Budget	Revised Budget	Budget to 30-Jun-21	to 30-Jun-21	Budget to date	Budget to date	Revised Budget	Revised Budget	Over/ (under)	at 30-Jun-21
		£	£	£	£	£	%	£	%	£	£
1	New Build	20,621,242	19,687,486	2,801,020	2,645,008	156,012	6%	17,042,479	87%	(479,498)	19,207,988
2	LIFT	1,256,392	880,069	283,911	278,261	5,650	2%	601,808	68%	(110)	879,959
3	Land	447,979	487,979	81,947	-	81,947	100%	487,979	100%		487,979
4	**Total Development Costs**	22,325,613	21,055,534	3,166,878	2,923,269	243,609	8%	18,132,265	86%	(479,608)	20,575,926
5	**Scottish Government Grant**										
6	Grant - New Build	(8,409,755)	(8,581,364)	(1,605,340)	(1,604,563)	(777)	0%	(6,976,801)	81%	778,524	(7,802,840)
7	**Other Grants & Sales proceeds**										
8	Other Grants - LIFT Sales	(1,565,906)	(1,628,605)	(175,200)	(88,200)	(87,000)	50%	(1,540,405)	95%		(1,628,605)
9	**Total Grants**	(9,975,661)	(10,209,969)	(1,780,540)	(1,692,763)	(87,777)	5%	(8,517,206)	83%	778,524	(9,431,445)
10	**Private Finance required**										
11	New Build	12,211,487	11,106,122	1,195,680	1,040,445	155,235	13%	10,065,678	91%	299,026	11,405,148
12	LIFT	(309,514)	(748,536)	108,711	190,061	(81,350)	-75%	(938,597)	125%	(110)	(748,646)
13	Land	447,979	487,979	81,947	-	81,947	100%	487,979	100%	-	487,979
14	Expensed Development Cost	-	-		715	(715)	0%	(715)	0%	715	715
15	Feasibility	10,800	10,800	-	-	-		10,800	100%		10,800
16	**Private Finance required**	12,360,752	10,856,365	1,386,338	1,231,221	155,117	11%	9,625,144	89%	299,631	11,155,996

Commentary on Performance

Overall Spend to Date:

Total development costs are forecast to be £479K less than revised budget. This is mainly attributable to the continued delay in acquiring the land at Blackwater (£779K) and an increase in the cost out-turn for Goathill HWEC of £299K.

Total development grants are forecasted to be £779K less due to the delays in acquiring the land at Blackwater.

SECTION 3: KEY FINANCIAL PERFORMANCE MEASURES

FINANCIAL COVENANTS

The re-financing exercise concluded in June 2021 and as a result we have moved 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 2022	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.

Key Ratios

	Current	Forecast	2020/21
Current Ratio	3.67	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%	0.85%	1.56%	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 %	19.03%	21.27%	19.40%
Gross Surplus	53.43%	49.70%	51.13%
Operating Surplus/Turnover			
Net Surplus	31.55%	25.26%	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 June 2021.

Monthly Cash Flow Forecast

Year Ended 31-Mar-22	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	2,280,388	2,819,449	2,271,230	1,707,210	1,828,387	2,912,789	1,874,669	1,980,353	1,223,307	1,153,646	1,361,176
Cash Receipts											
Rent	820,143	988,000	638,000	765,000	861,000	765,000	988,000	638,000	765,000	933,000	9,784,820
Sale of Assets	-	86,020	403,248	470,469	-	-	-	-	-	470,469	1,628,605
Grant Income	685,059	1,755,217	679,823	611,692	975,493	530,948	335,182	347,580	272,077	475,504	9,438,974
Other income	30,734	-	-	-	-	-	-	-	-	-	72,824
Transfer from Deposit	-	-	1,000,000	1,200,000	-	919,333	-	-	-	-	3,119,333
Loan/Other cash injection	-	91,004	-	-	3,000,000	-	2,000,000	1,000,000	1,000,000	1,000,000	8,091,004
Total	**1,535,936**	**2,920,241**	**2,721,071**	**3,047,161**	**4,836,493**	**2,215,281**	**3,323,182**	**1,985,580**	**2,037,077**	**2,878,973**	**32,135,560**
Total Cash Available	3,816,324	5,739,690	4,992,301	4,754,371	6,664,881	5,128,070	5,197,852	3,965,932	3,260,383	4,032,619	
Cash Paid Out											
Payroll	173,084	176,000	176,000	176,000	180,000	180,000	180,000	180,000	180,000	180,000	2,120,029
Management Costs	48,024	40,000	40,000	40,000	250,000	40,000	40,000	40,000	40,000	40,000	742,632
Repairs	21,348	382,000	182,000	182,000	192,000	182,000	227,000	217,000	217,000	227,000	2,682,432
Investment	161,623	501,062	501,062	501,062	569,062	501,062	601,062	569,062	501,062	569,062	5,606,339
Development	589,729	2,187,148	2,384,229	2,025,121	2,438,780	2,348,539	2,047,187	1,734,763	1,166,875	1,532,981	21,983,937
Total	**993,807**	**3,286,210**	**3,283,291**	**2,924,183**	**3,629,842**	**3,251,601**	**3,095,249**	**2,740,825**	**2,104,937**	**2,549,043**	**33,135,368**
Cash Paid Out (Non P & L)											
Loan Interest	1,311	180,000	-	-	120,000	-	120,000	-	-	120,000	607,259
Refunds	1,757	2,250	1,800	1,800	2,250	1,800	2,250	1,800	1,800	2,400	22,345
Total	**3,068**	**182,250**	**1,800**	**1,800**	**122,250**	**1,800**	**122,250**	**1,800**	**1,800**	**122,400**	**629,604**
Total Cash Paid out	996,875	3,468,460	3,285,091	2,925,983	3,752,092	3,253,401	3,217,499	2,742,625	2,106,737	2,671,443	
Cash Position at End of Month	2,819,449	2,271,230	1,707,210	1,828,387	2,912,789	1,874,669	1,980,353	1,223,307	1,153,646	1,361,176	-
Deposit Acct At end of Month	3,119,333	3,119,333	2,119,333	919,333	919,333	-	-	-	-	-	
Total Funds Available	5,938,782	5,390,563	3,826,543	2,747,721	3,832,122	1,874,669	1,980,353	1,223,307	1,153,646	1,361,176	

hebridean housing partnership

Making our house your home

ITEM NO 6.7

DEVELOPMENT PROGRAMME

Board 25 August 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 (38 completed and 132 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 6 units at Scotland Street (Lady Matheson Court) has been completed and Howmore is reporting a 5 week delay due to labour shortages. There is also a delay at Tarbert and the contractor is being pressed for a revised programme. The 6 house development at South Dell is due to be handed over in August 2021.

2.3 The land transaction at Barvas has concluded and the contractor is progressing well on site. Other land transactions at Barra and Blackwater continue to experience delays in the legal processes and through requirements from the sellers solicitors. The Barra transaction is expected to complete in August 2021 and missives are also expected to be concluded for Blackwater. However, the Stornoway Trust have still to submit a resumption application.

2.4 The Asset Management Working Group (AMWG) have reviewed the options for fire suppression systems as requested by Board on 23 June 2021. The AMWG recommended that a mains fed sprinkler system be installed and that future developments be reviewed on a scheme by scheme basis until a standardised approach can be determined.

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 Board approve:**

a) a mains fed sprinkler to be installed in Crowlista;
b) that the Fire Suppression systems be reviewed by the Asset Management Working Group on a development by development basis until a general stance can be set.

Competence

Financial

5.1 The budget for Development in 2021/22 is £21.055M expenditure, £8.581M Scottish Government Grant and £1.629M of Shared Equity sales resulting in a private finance requirement of £10.845M.

5.2 We have currently drawn down £3.18M of Scottish Government funding.

5.3 The grant drawdown assumption for Blackwater, Barra and Lochmaddy in 2021/22 is £2.8M. 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. This will however increase the value of the project being funded through private finance in future years.

5.4 There have been land transactions at Barvas, Barra and Blackwater which have been protracted due to issues in sellers' legal process and requirements which could potentially result in additional legal costs to us.

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. The risk associated with the delay in getting agreement on land for acquisition and resumption not having yet been lodged has been reflected in the Blackwater expected grant draw down for 2021/22 financial year.

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. An update of the Housing Needs and Demands Study forms part of a separate report.

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). Progress is broadly on target but delays in progressing Blackwater and Lochmaddy will significantly affect expected progress this year.

9.2 Table 2.1 at Appendix 2 shows a summary of all developments identified for 2021/22 per the 5 year Development Plan. Issues to be noted are:

- the delayed handover for Howmore which identified local and national labour shortage as the main factor in delay
- a delay noted in the handover at Tarbert Police Station due to knock-on effects of delay in material delivery and shortage of labour. The contractor is being pressed for a revised programme.

9.3 The 6 flats at Scotland Street (Lady Matheson Court) have now been handed over and allocated.

9.4 The land transaction at Barra is expected to conclude in August 2021 but there are planning delays being experienced and feedback iscurrently awiated from roads department.

9.5 Additional contractor costs due to the current supply chain issues have delayed progress on Crowlista. Scottish Government has confirmed higher grant funding and savings have been made on fees. The remaining shortfall of £17K is being met by us as approved by the AMWG on 11 August 2021.

9.6 The Crowlista development will be the first in which we are required to install a fire suppression system. The avaible options have been reviewed by the AMWG as requested by the Board on 23 June 2021. The Group have recommended that a mains fed sprinkler system be installed at Crowlista. In addition, the Group recommended that they review the options available at present on a development by development basis to reflect the evolving nature of this new requirement but with a view to a standard approach being determined. In addition, any issues specific to the particular development can be considered. Further information on all three optinos that were compared (mist system, mains fed sprinkler system and sprinkler system with a tank) are provided at Appendix 3.

9.7 The Blackwater site tender submissions are being evaluated. The land acquisition is experiencing further delays with the Stornoway Trust requesting that HHP purchase a further strip of common grazing land which has now been valued at £2K. The Trust are also unwilling to submit a resumption application until missives are concluded although they continue to be pressed on this issue. It is expected that missives will be concluded by the end of August 2021. If further delays are experienced then the Board may wish to reconsider the project.

Future Plans

10.1 Table 4.1 of 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 and Demands Study 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 Three properties have settled at Sgeir Ghlais, Breasclete. TIG is actively marketing the final property.

11.2 The first round of applications for the 8 x 2 bedroom properties at Sinclair Avenue have now closed with progress being made to finalise sales for each of the properties.

11.3 A review of the shared equity model and its cost to the HHP is expected to be provided at the November Board.

APPENDIX 1:	Completions 2021/22	
APPENDIX 2:	New Build Updates	
APPENDIX 3:	Fire Suppression Systems	
Background Papers:	None	
Writer of Report:	Sawan Morrison	Tel: 0300 123 0773

Scheme	Area	Type	Units
Lady Matheson Court	Stornoway	Rent	6
Total Handover to August 2021			**6**

Lady Matheson Court – Lewis Builders

New Build Updates **APPENDIX 2**

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

	RENT	NSSE	HWEC	TOTAL	% of Plan	Comments
Units Completed 20/21	22	4	0	**26**	7%	-
Units Completed 21/22	30	8	0	**38**	8%	6 units at Scotland Street
Units On Site	74	8	50	**132**	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
Units Completed 20/21	22	4	0	**26**	7%	-
Units Completed 21/22	30	8	0	**38**	10%	6 units at Scotland Street
Units On Site	74	8	50	**132**	34%	-
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
2020/21	Shawbost	Rural Lewis	4	Completed	Apr-21	-
2020/21	Scotland Street	Stornoway	6	Completed	Jul-21	Handover completed in July 2021.
2021/22	Goathill HWEC	Stornoway	50	On Site	Mar-22	-
2021/22	Goathill	Stornoway	58	On Site	Sep-22	Handover of Phase 1 (20 units)
2021/22	Goathill NSSE	Stornoway	16	On Site	Sep-22	Handover of Phase 1 (8 Units). Offers have been issued to applicants wishing to buy a property
2021/22	South Dell	Rural Lewis	6	On Site	Aug-21	Handover completed 13 August 2021
2021/22	Barvas	Rural Lewis	8	On Site	Jan-22	Land transaction completed.
2021/22	Tarbert Police Station	Harris	8	On Site	Sept-21	Handover delayed to September as labour shortages and delays in agreement for services plans.
2021/22	Low Flyer, Balivanich	Uist	10	On Site	Feb-22	-
2021/22	Howmore	Uist	4	On Site	Oct-22	Delay in programme due to labour shortages.
2021/22	Barra – Cleit Road	Barra	6	Planning	Mar-22	Awaiting planning permission to progress land transaction. Planning waiting review by the roads department
2021/22	Crowlista, Uig	Rural Lewis	4	Negotiations	TBC	Scottish Government confirmed higher funding AMWG agreed to vire £16.8K to cover additional costs
2021/22	Keose Glebe	Rural Lewis	2	Tender	TBC	Tender return for this project 13 August 2021.

New Build Updates

APPENDIX 2

YEAR*	**Scheme**	**Area**	**Units**	**Stage**	**Expected Handover**	**Comments by exception**
2021/22	Blackwater	Stornoway	14	Land Transaction/ Tender	TBC	Tender return is being reviewed. Land transaction ongoing with Stornoway Trust.
2022/23	Lochmaddy	Uist	8	Planning	Jul-22	Contractor has raised the issue of increased material costs and availability. Awaiting further information.
2022/23	Scott Rd/Coastguard	Harris	10	Land Negotiations	TBC	Land transaction being pursued with delays in responses.
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	Full feasibility has been instructed for 2021/22 if the result is positive there is the possibility of bringing the project forward into earlier years.
	Total		**226**			

*As per approved 5 year development plan

New Build Updates APPENDIX 2

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 HWEC	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 due to issues with utility supplies. Site at Dunganichy going through feasibility as a possible replacement.
2022/23	Uist 22/23	Uist	6	14/54	Site to be identified.
2022/23	Bernera	Rural Lewis	4	1/11	Site will not be progressing due a site at Crowlista being progressed.
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.
2023/24	South Harris - Leverburgh	Harris	4	2/8	Feasibility ongoing - planning requested a different area of site to be reviewed. Further studies being conducted.
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 HWEC 24/25	Rural Lewis HWEC	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

Watermist v Sprinklers		
Mist system	**Sprinkler System (Mains fed)**	**Sprinkler System (Tank fed)**
20 year old technology	Over 130 year old technology	Over 130 year old technology
A **Water Mist** system is a fire protection system that produces a fine spray to suppress fires via a pump. They require no stored water and can work from low water pressures	**Mains Feed** is a connection directly from the mains water supply. **Boosted Mains Feed** is a connection to a boosted water supply to guarantee pressure and flow of cold water.	**Pump and Tank** supplies can be either solely for the sprinkler use or share the tank with other houses
BS 8458:2015: Fixed fire protection systems. Residential and domestic watermist systems. Code of practice for design and installation British Automatic Fire Sprinkler Association (BASFA) state that: "*there are significant issues in respect of the utilisation of standards as, unlike sprinkler systems, water mist systems are "project specific" and each particular hazard or occupancy requires its own very specific design.* *It is therefore not possible to design a mist system simply by reference to one of the standards*"	**BS 9251** gives recommendations for the design, installation, components, water supplies and backflow protection, commissioning, maintenance and testing of fire sprinkler systems in domestic and residential occupancies This enables a full design to be produced and a fully compliant system to be installed It is not a specification but designers or installers would be required to justify their actions should they veer from the guidance. BS 9251 ensures compliance with the Scottish Building Standards	**BS 9251** gives recommendations for the design, installation, components, water supplies and backflow protection, commissioning, maintenance and testing of fire sprinkler systems in domestic and residential occupancies This enables a full design to be produced and a fully compliant system to be installed It is not a specification but designers or installers would be required to justify their actions should they veer from the guidance. BS 9251 ensures compliance with the Scottish Building Standards

Watermist v Sprinklers		
Mist system	**Sprinkler System (Mains fed)**	**Sprinkler System (Tank fed)**
Scottish Building Standards state: **Alternative suppression systems** - The applicant and the verifier should satisfy themselves that the alternative system has been designed, tested and approved for use in domestic and residential buildings and are fit for their intended purpose. Watermist systems, for example, are bespoke to individual manufacturers and may be sensitive to small design changes. Therefore, a watermist system should be designed and installed in accordance with BS 8458: 2015 –TC (tracked changes) and the nozzles should comply with BS 8663-1: 2019 (provided the building is within the scope of the standards). Fire performance tests are critical as BS 8458 relies on this data to determine the system design. Watermist specialists should provide Declarations of Conformity: • at design stage (initial notice) • at final stage (all details and changes declared), and		

<table>
<tr><th colspan="3">Watermist v Sprinklers</th></tr>
<tr><th>Mist system</th><th>Sprinkler System (Mains fed)</th><th>Sprinkler System (Tank fed)</th></tr>
<tr><td>for nozzle manufacturers, successful BS 8458 and BS 8663 fire tests.</td><td></td><td></td></tr>
<tr><td colspan="3">Water Supply

Scottish Building Standards state:
For a suppression system to be effective it is essential that there is an appropriate water supply. Therefore, designers need to discuss with Scottish Water what supply is likely to be available and what pressure can be expected. It is recognised that pressures will vary during the day, over the year and perhaps in future years. Therefore it is imperative that the system is designed on the basis of what the minimum pressure and flow is likely to be. If there is any doubt, a tank and pump arrangement should be used.</td></tr>
<tr><td colspan="3">Third party certification

A fire sprinkler system should only be installed by a company certified by UKAS who undertake the third party certification of sprinkler and watermist installers. All of the UKAS accredited organisations require their listed companies to issue certificates of conformity in respect of compliant systems. These certificates are proof to building control departments, the fire and rescue service, local authorities and insurers that such systems meet the appropriate standards and have been installed correctly. Where there are minor deviations from a standard, certificates can still be issued but the owner or end-user must be notified of these</td></tr>
<tr><td>May not have British standards for all the components of the system</td><td>Has British standards for the components of the system</td><td>Has British standards for the components of the system</td></tr>
</table>

Watermist v Sprinklers		
Mist system	**Sprinkler System (Mains fed)**	**Sprinkler System (Tank fed)**
Min 1bar; Max 4bar	Min 1bar	Min 1bar
Upon activation of a water mist nozzle, the system will begin to discharge high pressure water mist. The mist will fill the 16m2 area (per nozzle) with a fine mist – which will travel around the room, dampen all surfaces it can get to and restrict fire spreading. When the water is discharged at a high pressure, the room temperature is reduced dramatically due to a reaction between the fast-moving colder air molecules and water molecules against the heat from the fire, much like cold air displacing hot air. Water mist systems suppress the oxygen, heat and fuel. As the water mist has direct contact with the flame, it turns into steam. The steam particles then displace the oxygen particles around the fire and thus, suffocates the fire.	Upon activation water is discharged by gravity and saturates the fire. Sprinkler systems suppress fires by wetting the fuel surface Pump can be fitted in water line to ensure pressure	Upon activation water is discharged by gravity Sprinkler systems suppress fires by wetting the fuel surface Pump can be fitted in house to boost pressure

Watermist v Sprinklers		
Mist system	**Sprinkler System (Mains fed)**	**Sprinkler System (Tank fed)**
Min. water usage 6 litres per minute Damage to property and clean-up is initially less although water will continue to discharge until stopped manually	Min. water usage 51 litres per minute Damage to property and clean-up is more although water will continue to discharge until stopped manually	Min. water usage 51 litres per minute Damage to property and clean-up is more although water will continue to discharge until stopped manually
16 sqm nozzle coverage The average water mist droplet has a surface area that is 100 times greater than the volume of water released from a sprinkler system, so they offer more effective fire suppression. May be affected by breeze from open windows or doors Nozzles are small and can attract debris which may require additional maintenance There is currently no requirement in the UK for testing and servicing of residential and domestic watermist nozzles. However, the Fire Protection Association recommends, as best practice, that nozzles are removed and sent for testing after 10 years of service and tested every five years after that.	25 sq. m nozzle coverage The droplet from the sprinkler head falls with gravity Not affected by breeze from open windows or doors Nozzles are large Sample sprinklers from the sprinkler systems shall be sent to a recognized testing laboratory for testing after 25 years and this procedure shall be repeated every ten years thereafter.	25 sq. m nozzle coverage The droplet from the sprinkler head falls with gravity Not affected by breeze from open windows or doors Nozzles are large Sample sprinklers from the sprinkler systems shall be sent to a recognized testing laboratory for testing after 25 years and this procedure shall be repeated every ten years thereafter.

Watermist v Sprinklers		
Mist system	**Sprinkler System (Mains fed)**	**Sprinkler System (Tank fed)**
When replacing components in a watermist system, you must only use components approved by the watermist system manufacturer. The watermist system's components are only designed and approved to work with each other, they are not interchangeable with other manufacturer's components. This includes nozzles, pumps, water tanks and pipework.	Replacement components must designed to BS 9251	Replacement components must designed to BS 9251
The FPA recommends that nozzles are tested by an independent third party provider. They should not be tested by the system owner, manufacturer, maintainer, or installer.		
0.375mm minimum water damage per minute	2.04mm minimum water damage per minute	2.04mm minimum water damage per minute
11.25mm minimum water depth after 30 minutes	61.2mm minimum water depth after 30 minutes	61.2mm minimum water depth after 30 minutes
180 litres of water discharged after 30 minutes	1,530 litres of water discharged after 30 minutes	1,530 litres of water discharged after 30 minutes
Pump required but can fit in cupboard.	Boosted and Mains feed do not require pump within property Boosted Mains feed can require space for equipment on larger sites	Pump and Tank: Pump required but can fit in cupboard.

Watermist v Sprinklers		
Mist system	**Sprinkler System (Mains fed)**	**Sprinkler System (Tank fed)**
No tank required No strengthening required	Boosted and Mains feed do not require tank within property Boosted Mains feed can require space for equipment on larger sites	Tank required and additional strengthening of roof structure may be required
System cost £7800 per 3 bed 5 person property in Crowlista Mist systems will have a per property cost	System cost £7200 per 3 bed 5 person property for mains fed system in Crowlista Large scale developments will reduce costs as whole site approach taken	Additional costs required for tank and/or pump system Large scale developments will reduce costs as whole site approach taken
Legionella: Low risk but maintenance required	Legionella: Low risk but maintenance required	Legionella: Low risk but maintenance required Tanks need cleaned every
Annual maintenance should be through 3rd party accredited installer. Local contractor cannot be used unless accredited.		
In accordance with section 147 of the Water Industry Act 1991, no charge may be made for water used for firefighting. This applies to automatic fire sprinkler systems.		

TENANT SATISFACTION SURVEY 2021

Board 25 August 2021

Report by Director of Operations

Purpose of Report

1.1 To provide an update on progress on the Tenant Satisfaction Survey 2021 and the initial findings.

Summary

2.1 The passing of the Housing (Scotland) Act 2010 and the Scottish Social Housing Charter (The Charter) formed part of the legislation changes that introduced an obligation on landlords to regularly undertake surveys of their tenants and submit the resultant data to the Scottish Housing Regulator.

2.2 Current results from the Tenant Satisfaction Survey are showing that the Business Planning Targets have not been met.

2.3 The surveys must take place at least every three years. Our previous survey was conducted by a team of students, using face to face interviews in 2018.

2.4 The target number of responses is 40% of current tenants. At time of writing 572 surveys had been conducted which is approximately 26% of our stock.

2.5 Due to ongoing COVID-19 restrictions the 2021 survey has been conducted using telephone surveys, with the additional option of an online link being sent to those that did not wish to continue with the survey over the phone.

2.6 Overall satisfaction to date with the service provided by HHP is 85.7%. This compares to 87.99% in 2018. 8.6% stated they were dissatisfied compared to 8% in 2018.

2.7 There were 90% of tenants either very satisfied or fairly satisfied with our response to COVID-19.

Competence

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

Recommendations

4.1 **It is recommended that the Board note the initial results of the 2021 Tenant Satisfaction Survey.**

APPENDIX 1:	Scottish Social Housing Charter Results	
Background Papers:	None	
Writer of Report:	Katrina Rowlands	Tel: 0300 123 0773

Competence

Financial

5.1 The financial cost of the survey is approximately £15.8K which is the salaries of the 3 student placements.

Legal

6.1 The Scottish Housing Regulator requires registered social landlords to carry out the survey at least every 3 years.

Regulatory Guidance

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

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

Risk

8.1 There are no risk implications arising directly out of consideration of this report.

Report Details

Methodology

9.1 Due to the ongoing COVID-19 restrictions we were unable to conduct the survey door to door this year. Face to face surveys is usually our preference due to Ipsos Mori Guidance on conducting a survey:

"It is also worth noting that the chosen method can also affect the ways in which respondents answer certain questions. For example, questions relating to tenant satisfaction tend to score higher satisfaction when conducted using a face-to-face method."

9.2 Surveys were carried out on a random sample across all areas of the housing stock.

9.3 Tenants who participate are entered into a prize draw.

9.4 Questions were on Microsoft Forms and the answers were entered directly onto forms by the students conducting the survey.

9.5 A small number of tenants advised that they did not wish to, or did not have time to carry out the survey over the phone but would be happy to do so online. They were sent a link to complete in their own time.

Results

10.1 At the time of writing this report, the survey is ongoing with data extracted as at 11 August 2021. Quality assurance checks are taking place and follow up calls are to be made where there are some gaps in the Charter questions.

10.2 Overall satisfaction for the 2021 survey is 85.7% which is a 2.2% drop on the previous survey carried out in 2018.

10.3 Our Business Plan targets for the Tenant Satisfaction Survey are to have >90% overall satisfaction with the service we provide, more than 88% of tenants happy with the opportunities available to participate in decision making and more than 95% of tenants satisfied with the management of the area in which they live. Performance in all three areas is below target with current figures at 86%, 84% and 77%. The performance for the management of our neighbourhoods is the most significant drop and this is thought to be largely due to COVID-19 restrictions preventing our usual estate management inspections, no uplift of derelict cars etc. It is also a result of COVID-19 that the volume of welfare issues has increased and Housing Officer focus has been prioritised in this area.

10.4 Analysis is underway to identify the reasons for performance levels and appropriate actions to take are being considered.

10.5 A summary of the results on all ARC indicators can be found at Appendix 1.

10.6 A drop in performance was expected due to the methodology chosen to conduct the survey.

Report and Action Plan

11.1 A report and action plan will be written following full analysis of the results and brought to the November 2021 Board meeting.

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APPENDIX 1

TENANT SATISFACTION SURVEY 2021

Table 1: Scottish Social Housing Charter Results*

Question	2013	2014	2015	2018	2021	Move
Percentage of tenants satisfied with the overall service provided by their landlord (% satisfied)	73%	75%	83%	88%	86%	-2%
Percentage of tenants who feel their landlord is good at keeping them informed about services and decisions (% good)	75%	75%	81%	92%	89%	-3%
Percentage of tenants satisfied with the opportunities given to them to participate in their landlord's decision making processes (% satisfied)	63%	61%	71%	95%	84%	-11%
Percentage of tenants who moved into their property in the past 12 months satisfied with the standard of the home when they moved in(% satisfied, for those who moved into their property in the past 12 months)	69%	67%	62%	82%	74%	-8%
Percentage of existing tenants satisfied with the quality of their home (% satisfied)	75%	76%	87%	91%	88%	-3%
Percentage of tenants who have had repairs or maintenance carried out in the last 12 months satisfied with the R & M service (% satisfied, for those who say they had a repair carried out in last 12 months)	74%	77%	83%	88%	91%	+3%
Percentage of tenants satisfied with the management of the neighbourhood they live in (% satisfied)	72%	87%	85%	92%	81%	-11%
Percentage of tenants who feel that the rent for their property represents good value for money (% good)	71%	71%	66%	79%	79%	-

*Note 2021 figures are indicative as survey and quality assurance checks are ongoing.

hebridean housing partnership

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ITEM NO 8.1

RETIREMENT POLICY

Board 25 August 2021

Report by Chief Executive

Purpose of Report

1.1 To review and approve the changes made to the Retirement Policy at Appendix 1.

Summary

2.1 The Retirement Policy is due to be reviewed on an annual basis. The only changes made from the review are amendment of the:

a) review period from one year to three years unless changes are required by our Pension provider; and

b) definition of HR Department and Head of Executive Office.

2.2 There is no requirement to consult on the Policy as no changes have been made to it that affect staff.

Competence

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

Recommendations

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

APPENDIX1:	Retirement Policy	
Background Papers:	None	
Writer of Report:	Dena Macleod	Tel: 0300 123 0773

Competence

Financial

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

Legal

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

Regulatory Guidance

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

Risk

8.1 The Retirement Policy will ensure our compliance with the legal requirements on retirement whilst providing clarity to staff on the process to be followed.

8.2 An Equalities Impact Assessment has been completed. The Policy will have no impact on people from any of the equality groups.

hebridean housing partnership

Retirement Policy

Effective Date: August 2021
Review Date: August 2024
Approved by HHP Board: 25 August 2021

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RETIREMENT POLICY

INTRODUCTION

1.1 Hebridean Housing Partnership does not operate any compulsory or contractual retirement age. Instead, we operate a policy under which employees may elect to retire at a time of their choosing. Entitlement to an occupation pension will, however, only be available in line with the criteria of our pension scheme.

1.2 Hebridean Housing Partnership (HHP) as a scheduled body in the Local Government Pension Scheme is required to have a statement of its Early Retirement Policy, under the provisions of the Local Government (Discretionary Payments and Injury Benefits) Regulations 1998. The requirements for Early Retirement, Flexible Retirement and/or Voluntary Severance which enable employees to retire early from the employment of the Partnership, should it be in the Partnership's best interests are included in this policy.

1.3 References to these Regulations to employment with a Local Government Pension Scheme employer do not include employment by virtue of which a person is entitled to participate in benefits provided under regulations made under Section 9 of the 1972 Act (Teachers Superannuation).

EQUALITIES STATEMENT

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

RETIREMENT

3.1 An employee who decides to retire should provide written notice to their Line Manager in accordance with the terms of their contract of employment. Upon receipt of this notice the HR Department will arrange to meet with the employee to discuss preparation for retirement and, where relevant, occupational pension provision.

3.2 Employees may, however, notify us up to three years before the time they intend to retire of their intentions, and are encouraged to do so. This early notification will allow the employer to offer the employee certain pre-retirement options and benefits (see below). Employees who indicate an intention to retire in the future will not be held to any such statement of intention until such time as they have given formal notice (as required by their contracts) to terminate their employment.

3.3 We will normally offer an employee within two years of retirement the option to reduce their hours of work, to enable the employee to adjust gradually to full retirement. What is offered will depend on the extent to which it is feasible for us to offer reduced hours, which in turn will depend on the nature of the employee's job and operational requirements at the time.

3.4 Our occupational pension scheme allows employees to draw a pension at any time after age 60, but if the benefit is drawn before age 60, there will be a proportionate reduction in the amount payable. Details are available on request from the Director of Finance & Corporate Services.

3.5 An employee can retire at any time after they reach the age of 60 by giving appropriate notice. The employee does not need permission. Retirement between the age of 55 and 60 is possible with the permission of the Partnership.

3.6 When considering retirement options employees should seek advice from an independent advisor to ensure they fully understand their pension entitlement and the potential impact some options in this policy may have on their pension.

EARLY RETIREMENT STATEMENT

4.1 We recognise that in some circumstances it may be in the interests of the organisation for employees to be allowed to retire earlier than the normal retirement age if they so wish.

4.2 We have an obligation to treat employees with care and respect. This is important when an employee's circumstances are difficult through no fault of their own or as a result of our actions as an employer.

4.3 We have a duty to avoid damaging current or future ability to deliver efficient services. The loss of skills and experience as well as short and long term financial liabilities must be assessed. A balanced and effective workforce is a priority.

4.4 This scheme may allow early retirement, or flexible retirement, in cases which meet the following criteria:

a) ensure the most efficient use of human resources;

b) assist in the regulation of the numbers employed;

c) assist in the retention of employees and the maintenance of a balanced workforce;

d) assist in the provision of improved services;

e) exceptionally on compassionate grounds; or

f) where an employee wants to retire, or flexibly retire, and there is no disadvantage to the Partnership in allowing it.

4.5 Where the Partnership have agreed to meet all the costs of each early retirement, there are potentially two costs to be considered:

a) cost to the Pension Fund to reimburse the strain on the Funds; and

b) cost to the Partnership of added years, augmentation or lump sum compensation payment. The cost of added years will be met over the lifetime of the employee and any pension of a dependent.

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

ADMINISTRATION

5.1 The Chief Executive will consider cases submitted by the relevant Director for early retirement on the grounds of redundancy and interests of the efficiency of the service for all employees of the Partnership.

5.2 There is a right of appeal to the Board against the Chief Executive's decision to refuse support to a request for early retirement on the grounds of redundancy and interests of the efficiency of the services.

5.3 The Board will determine all requests recommended by the Chief Executive for early retirement on the grounds of redundancy and interest of the efficiency of the organisation.

CATEGORIES FOR EARLY RETIREMENT AND DISCRETIONARY PAYMENTS

6.1 The following categories for early retirement and discretionary payments apply:

a) Redundancy

b) Interests of the Efficiency of the Service

c) Additional Pension or Added Years

d) Flexible Retirement

e) Permanent Ill Health

<u>Redundancy</u>

6.2 Redundancy is defined in Section 139 of the Employment Rights Act 1996.This provides than an employee is taken to be dismissed by reasons of redundancy if:

"the dismissal is wholly or mainly attributable to:

a) The fact that his employer has ceased or intends to cease

i) To carry on the business for the purposes of which the employee was employed by him; or

ii) To carry on that business in the place where the employee was so employed, or

b) That the requirement of the business:

i) For employees to carry out work of a particular kind, or

ii) For employees to carry out work of a particular kind in the place where the employee was employed by the employer

has ceased or diminished or are expected to cease or diminish."

6.3 Any employee made redundant after 31 March 1997 will be granted maximum compensation in terms of the relevant regulations with his redundancy payments being based on actual pay.

Interests of the Efficiency of the Service

6.4 If the employee wished to be considered for retirement in the interests of the efficiency of the service, one of the following criteria listed below must be satisfied:

a) An alternative to redundancy of the individual

b) To avoid redundancy of another employee

c) To assist in service restructuring

d) To effect financial savings

e) Other justifiable circumstances that would be in the interests of the service.

6.5 Where an employee ceases employment in the interests of the efficiency of the service, compensation is at the discretion of the Board who can award full, partial or no enhancement.

6.6 The earliest age that early retirement can be granted is 55 years with the following exceptions:

a) Retirement through ill health

b) If the employee was in the scheme at 6 April 2016, the earliest retirement age is 50.

6.7 Where exceptional compassionate grounds exist, the Partnership may further determine under Regulation 30 that the actuarial reduction should not be applied. The Partnership will have to meet the cost of waiving actuarial reduction.

Additional Pension or Added Years

6.8 The Partnership has discretion to award additional pension or added years.

6.9 The Partnership may award extra years of scheme membership, up to a maximum of 10 years. In addition to this, the Partnership may grant up to £5,000 to any active member.

6.10 If granted, the Partnership will meet the full costs of the additional membership by payment of a lump sum into the pension fund.

6.11 Granting of augmentation of benefits through lump sum or added years is subject to the satisfaction of four tests:

a)

a) A financial saving, to be demonstrated through a "True Cost" calculation, including capitalised value to the pension fund compared against capitalised value of savings

b) No appropriate redeployment opportunities

c) No appropriate retraining opportunities, as demonstrated through the individuals Training Plan; and

d) Evidence of support through the Appraisal Process.

6.12 The determination of benefits is delegated to the Chief Executive in consultation with the Director of Finance & Corporate Services.

6.13 We will not normally award additional years. However in exceptional circumstances the number of years additional membership added can be considered on the individual merits of the case.

6.14 The cost to the Partnership of someone retiring early will be critically evaluated against the financial savings and/or other benefits accruing to the Partnership from retirement. The decision to award any added years will be recorded and will demonstrate that this analysis had been undertaken.

<u>Flexible Retirement</u>

6.15 Flexible retirement means choosing to reduce hours in a current post or choosing to apply for a lower graded post while at the same time accessing pension early.

6.16 Flexible retirement is at the discretion of the Partnership and will be informed by the needs of the organisation. Flexible retirement decisions should be justifiable as beneficial to service delivery. This could mean retaining expertise, facilitation succession planning, reducing staffing costs, or in efficiency gains. Each application will be decided on its own merits and will only be agreed if it is in our economic and/or, operational interest to do so.

6.17 Flexible retirement means that the employee is requesting immediate payment of pension and lump sum while continuing in employment with reduced hours or grade. There is increased flexibility through being able to draw all or part of occupational pension benefits without having to retire completely after attaining the age of 55. Employers consent is required to reduce hours or lower grades

6.18 However, reduction must be at least 50% of original salary. This may be achieved by reduced hours or grade or a combination of both.

6.19 Having been granted flexible retirement the employee may not subsequently apply for promotion or other change in role that would result in salary of more than 80% of original salary (taking into account cost of living increases). However, the employee may rejoin the Local Government Pension Scheme.

6.20 The pension benefits of employees may be subject to reduction as they are drawing their pension benefits prior to normal retirement date. The Partnership has the discretion to waive this reduction, at a cost to the Partnership. It is delegated to the Chief Executive in consultation with the Director of Finance & Corporate Services to determine whether the Partnership waive any reduction in benefits to a member when granted flexible retirement.

6.21 Employees aged 65 will also be able to apply for flexible retirement. If the person chooses to access pension and continue to work then he or she must reduce salary by at least 20% in the ways noted above. If the person chooses to delay accessing pension there will be no restriction placed on the salary until the pension is accessed.

6.22 It is delegated to the Chief Executive in consultation with the Director of Finance & Corporate Services to determine each case on its merits, taking into account the operational requirements and delivery of services as well as any cost to the Partnership.

6.23 Retiral on ill health can only proceed after a recommendation from our Independent Medical Adviser and approved by an appointed Independent

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

Actuarial Reduction and Rule of 85

6.24 An actuarial reduction may be applied for early payment of pension. Formerly a member whose age and membership in years combined was 85 or more was said to meet the "Rule of 85". Under the Rule of 85 members who decided to retire early and who met the requirements of the Rule could receive pension without actuarial reduction.

6.25 The Rule of 85 was removed from the scheme on 1 December 2006. However, if employees were in the Scheme before the change and would have met the Rule of 85 at retirement, the following protection is applicable;

a) If born before 31 March 1960, protection on service up to 31 March 2020;

b) If born after 31 March 1960, protection on service up to 31 March 2008.

FINANCIAL IMPLICATIONS

7.1 A Form must be completed by the Director proposing Redundancy/Retirement in the Interests of the Efficiency of the Service detailing the Total Cost/Saving to the Partnership. A copy of this Form is at Appendix A.

7.2 The details which must be provided are shown at Appendix A with the Total Cost or Saving of the proposal clearly identified. The Director must also indicate where the total cost will be covered from and where the saving will be allocated.

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

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

<u>Part 1</u>

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

<u>Part 2</u>

8.3 This will contain the justification for the proposal including all relevant background information particularly the salary costs of the applicant's post alongside the costs of any replacement. In redundancy cases confirmation of the redundant post or significant change in hours must be clear. Details of any savings and forecasts to the Partnership must be clearly demonstrated.

8.4 The applicable criteria for early retirement must be identified e.g.

a) As an alternative to redundancy of the individual

b) To avoid redundancy of another employee

c) To assist in service restructuring

d) To effect financial savings

e) Other justifiable circumstances which would be in the interests of the Partnership

8.5 The Director must state that he has considered all alternatives to early retirement (e.g. redeployment, retraining, change in hours) and has ~~have~~ determined that there is no suitable alternative.

8.6 Whatever the proposal is being made for compensation (i.e. full added years or partial added years) must form part of the financial implications and be clearly summarised in the recommendations.

<u>Part 3</u>

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

RE-EMPLOYMENT

9.1 Employees granted early retirement by the Board on voluntary severance, redundancy or efficiency grounds will not be re-employed by HHP in any capacity without the specific approval of the Chief Executive. Where an employee is re-employed any compensation payment may be reduced or suspended.

9.2 Employees who are retired on the grounds of ill health by HHP will not be re-employed by the Partnership without being medically examined and assessed as being fit to be re-employed by the Partnership's Independent Medical Adviser.

ELECTION TO JOIN PENSION SCHEME

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

MONITORING AND REVIEW OF POLICY

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

INTERPRETATIONS & ABBREVIATIONS

The following interpretation and abbreviations are used in this policy:

Word	Interpretation
HHP or Partnership	Hebridean Housing Partnership
Board	Means the Board of the Hebridean Housing Partnership
Board Members	All Members of the Board including co-opted Members
Employees	All members of staff who are employed by the Partnership
Officers	Staff Members of the Hebridean Housing Partnership
Directors	Director of Operations, Director of Finance & Corporate Services and Head of Executive Office
HR Department	A member of the Executive Office including the Chief Executive's Personal Assistant
Head of Executive Office	Head of Executive of Office or Executive Office Manager
All references to the masculine gender in this policy shall read as equally applicable to the feminine gender	

APPENDIX A – EARLY RETIREMENT APPLICATION FORM

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

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

INTRODUCTION

Introduction

1.1 This procedure applies to all employees.

Retirement Stages

2.1 Retiral on the grounds of ill health can only proceed after a recommendation from one of the Partnership's Independent Medical Advisers and approval by the Partnership's appointed Independent Medical Adviser with a relevant Occupational Health qualification (by completion of form Pen 490). In most cases there are a number of initial stages or appointments which take place prior to a recommendation for retiral on health grounds through a Management Referral to Occupational Health or contact with Head of Department. This procedure concentrates on the stages when a retirement is recommended. Where the medical adviser recommends redeployment, this must be pursued in the first instance.

2.2 When the Executive Office receives confirmation from the Medical Adviser that an employee is "permanently unfit" for his post the steps detailed from paragraph 2.3 to 2.9 will be applied.

2.3 The Head of Executive Office will notify the employee's line manager who will arrange to meet with the employee (and, if appropriate, an Executive Officer and Trade Union Representative) to ensure that he agrees with the Medical Adviser's recommendation.

2.4 If an employee disputes the Medical Adviser's recommendations, a further meeting will be arranged with the employee (and his representative if this is requested), his line manager and an Executive Officer to discuss other options which could include referral for a second medical opinion.

2.5 The Head of Executive Office will ensure that re-deployment to a comparable post has been investigated and determined to be not suitable/available.

2.6 The Director of Finance & Corporate Services will write to the Pension Manager, Highland Council to ensure that estimates are sent to the employee.

2.7 The Head of Executive Office will check to see if the employee has a claim against the Partnership and if so the Director of Finance & Corporate Services will contact the Partnership's insurers to notify them of early retiral.

2.8 If the employee agrees with the Medical Adviser's decision agreeing to proceed with retirement and has no queries about the pension benefits, the employee will sign a declaration and a suitable date will be given. The employee will receive pay in Lieu of notice (this will be based on statutory or contractual notice, whichever is greater).

2.9 The Personal Assistant will write to the employee to terminate formally his/her employment by means of a standard ill health retiral letter, which incorporates the employee's right of appeal against this termination of employment. A copy of this letter is sent to the Payroll Service and to the Director of the employing department for information.

STANDARD BLANK DECLARATION – RETIRMENT ON THE GROUNDS OF ILL HEALTH

DECLARATION

This is to certify:

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

SIGNED		DATE	
NAME (Block Capitals)			
ADDRESS			
JOB TITLE			
DEPARTMENT			

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

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

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

Introduction

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

Redundancy/Efficiency

2.1 In cases of compulsory redundancy the Partnership's statutory obligations in relation to Redundancy and Re-deployment Regulations must be complied with, including examining all alternatives to redundancy. If redeployment is not possible the steps 2.2 to 2.7 below should be followed to gain the necessary approval.

2.2 Following initial discussions between the employee, his Director/Line Manager and the Personal Assistant, the employee will write to his Director expressing an interest in early retirement. If the Director wishes to consider the matter further the Personal Assistant will arrange for estimates to be prepared for the pension costs. The Director, if in agreement, will prepare an initial report providing full details of the justification (including details of savings and any restructuring implications) and recommendation regarding any compensation considered appropriate.

2.3 If the Director does not support the request he should confirm this in writing to the employee.

2.4 The estimate for the employee will be provided in a sealed envelope with a letter containing a reference that this does not commit either he or the Partnership to proceeding with early retirement, and a return slip. This will be sent by the Personal Assistant.

2.5 Having received and considered the estimates, the employee will return the slip indicating whether or not he wished to proceed with early retirement. If the employee wishes to proceed with early retirement and the Director, having considered the financial implications and the possible alternatives to early retirement wishes to proceed, he will prepare a report for the Chief Executive.

2.6 The Chief Executive, if satisfied with the report, will arrange for the report to be considered by the Board.

2.7 The Head of Executive Office will write to the employee confirming the decision, including confirmation of the termination date and requesting the employee to confirm in writing that he is leaving the Partnership's employment on a voluntary basis (this request would obviously not be made in a compulsory redundancy situation). Copies of this letter will be sent to the Personal Assistant for action.

Criteria

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

i) As an alternative to redundancy of the individual

ii) To avoid redundancy of another employee

iii) To assist in service restructuring

iv) To effect financial savings

v) Other justifiable circumstances which would be in the interests of the Partnership

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

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

i) The employee's post can be deleted from the establishment

ii) In the case of a "bumped redundancy" another identified vacancy is created which is then not filled

iii) There is a significant reduction in hours

iv) There is a significant change in duties

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

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

3.4 In cases of retirement on efficiency grounds, the Director and employee should agree a termination date. Pay in lieu of notice is not normally applicable as the retirement is by mutual agreement.

3.5 The costs of early retirement on redundancy or efficiency grounds (including the early payment of pension benefits) are borne entirely by the relevant Service's revenue budget and are ongoing costs.

3.6 There is no right of appeal against a decision by the Board or against a decision by the Chief Executive to refuse to support a request for early retirement.

3.7 The contents of this paragraph, as detailed below, will form the basis of the consent form signed by employees who wish to apply for early retirement.

REQUEST FOR EARLY RETIREMENT

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

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

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

*please delete the option that does not apply

Signed ……………………………………………………………………………………Date

Name ……………………………………………………………………………………………………….

Address………………………………………………………………………………………………

…….

……

Payroll Number ………………………………Post…………………………………………………

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

APPENDIX D - PROCEDURE FOR APPLICATION FOR FLEXIBLE RETIREMENT

Introduction

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

Flexible Retirement

2.1 As a general principle whenever a vacancy occurs, an assessment will be made by the Chief Executive on whether the post is suitable to offer as a Flexible Retirement post and if appropriate a note will be circulated within HHP asking if any member of staff is interested in applying for the post as part of a Flexible Retirement application.

2.2 The next step in the process is for the employee to have an initial discussion with his Director/Line manager.

2.3 Following initial discussions between the employee, his Director/Line Manager and HR Department, the employee will write to his Director expressing an interest in early retirement. If the Director wishes to consider the matter further the Personal Assistant will arrange for estimates to be prepared for the pension costs. The Director, if in agreement, will prepare an initial report providing full details of the justification (including details of savings and any restructuring implications) and recommendation regarding any compensation considered appropriate.

2.4 If the Director does not support the request he should confirm this in writing to the employee.

2.5 The estimate for the employee will be provided in a sealed envelope with a letter containing a reference that this does not commit either he or the Partnership to proceeding with Flexible retirement, and a return slip. This will be sent by Director of Finance & Corporate Services

2.6 Having received and considered the estimates, the employee will return the slip indicating whether or not he wished to proceed with Flexible retirement. If the employee wishes to proceed with Flexible retirement and the Director, having considered the financial implications and the possible alternatives to Flexible retirement wishes to proceed, he will prepare a report for the Board. This report should be sent to the Director or Finance & Corporate Services.

2.7 The Director of Finance & Corporate Services, if satisfied with the report, will arrange for the report to be considered by the Chief Executive. A recommendation by the Chief Executive will be determined by the Board.

2.8 The Director of Finance & Corporate Services will write to the employee confirming the decision, including confirmation of the date Flexible retirement will commence. Copies of this letter will be sent to the Personal Assistant for action.

Criteria

3.8 The criteria for Flexible retirement is as laid out in the Policy paragraph 1.7.

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

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

3.9 The costs of flexible retirement (including the early payment of pension benefits) are borne entirely by the relevant Service's revenue budget and are ongoing costs.

3.10 There is no right of appeal against a decision by the Board or against a decision by the Chief Executive to refuse to support a request for flexible retirement.

3.11 The contents of this paragraph, as detailed below, will form the basis of the consent form signed by employees who wish to apply for flexible retirement.

REQUEST FOR FLEXIBLE RETIREMENT

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

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

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

*please delete the option that does not apply

Signed …………………………………………….Date …………………………….…………

Name ……………………………………..………………………………………………

Address…………………………………………………………………………………………

……………………………………………………………………………….………………

……………………………………………………………………………………………………

Payroll Number ………………………….. Post ……………………………………………

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

hebridean housing partnership

Making our house your home

ITEM NO 8.2

CODE OF CONDUCT FOR STAFF & CODE OF CONDUCT FOR BOARD MEMBERS

Board 25 August 2021

Report by Chief Executive

Purpose of Report

1.1 The purpose of this report is to seek Board approval in respect of a revised Code of Conduct for Board Members and Code of Conduct for Staff.

Summary

2.1 The Code of Conduct for Board Members and Code of Conduct for Staff are due for review in accordance with our Policy Review Schedule.

2.2 Since the Codes were last approved in 2018, the SFHA has made some revisions to the Model Codes upon which our Codes are based, and these have been incorporated accordingly. Details of the revisions are at 9.2 of the report.

2.3 Staff and Board Members will be required to sign the Code of Conduct on an annual basis.

2.4 A breach, or suspected breach, of the Code of Conduct for Board Members is a Notifiable Event.

2.5 The Draft Code of Conduct for Board Members is at Appendix 1 for approval.

2.6 The Code of Conduct for Staff requires to go out to consultation with staff and the Union.

Competence

3.1 Legal and financial constraints to the recommendation in this report being implemented are at paragraph 5.1 – 8.2.

Recommendations

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

- **a) the revised Code of Conduct for Board Members at Appendix 1;**
- **b) the revised Draft Code of Conduct for Staff at Appendix 2 for consultation with staff and the Union; and**
- **c) if there are no material changes to the Code of Conduct for Staff arising from the consultation, that the Code of Conduct is approved, otherwise a revised Code of Conduct be presented to the next meeting of the Board.**

Competence

Financial

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

Legal

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

Regulatory Guidance

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

Risk

8.1 There is a legal requirement to have Codes of Conduct in place for Board Members and Staff in accordance with Regulatory Standard 5.2, as follows:

> *"The RSL upholds and promotes the standards of behaviour and conduct it expects of governing body members and staff through an appropriate code of conduct. It manages governing body members' performance, ensures compliance and has a robust system to deal with any breach of the code."*

8.2 The result of this is likely to be a higher level of engagement with the Regulator and financial penalties from regulatory bodies.

APPENDIX 1:	Draft Code of Governance for Board Members V 8.0	
APPENDIX 2:	Draft Code of Conduct for Staff V 5.0	
Background Papers:	HHP Rules	
	Regulatory Standards of Governance and Financial Management	
Writer of Report:	Iona France	Tel: 0300 123 0773

Report Details

9.1 Our Codes are based on Draft Model Codes prepared by the SFHA and agreed by the Regulator.

9.2 The Draft Model Codes were updated in April 2021, and the key changes are detailed in the table below:

General Changes to Both Codes of Conduct	
Changed the perspective of the documents from "you" to "I"	Throughout both Codes
Removed the declaration of interest sections in favour of referencing the EPB Policy	Appendix 1 of both codes and throughout document
Reference to the regulatory framework, model rules and EPB Policy have been updated	Throughout document
Code of Governance	
Section added in introductory text to include our values	Section 1
Removal of duplicate clauses covered elsewhere in the Code	Throughout document
Clauses updated for clarity or emphasis	Section 5 – Selflessness Section 10 – Accountability Section 11 - Leadership
Text previously included in the Declaration of Interest Section added	Section 6 – Openness
Text reflects more closely language in the overarching principle and regulatory requirement	Section 9 – Integrity (reference to human rights)
Additional clause added regarding bullying and harassment to make it consistent with the clause in the staff Code	11.7
Update to the protocol for dealing with breach of Code	At Appendix 1 of revised Code
Code of Conduct for Staff	
Several clauses moved from Code to Guidance notes.	Throughout document
Addition of reference to human rights to reflect language in regulatory requirement	2.14
I will inform my Manager if I am notified of any action by a professional body that is relevant to my role within HHP and/or which could impact HHP's reputation that I am or may be party to.	Added at 2.24
Added reference to speaking at conference	Added at 3.9
Deletion of "I will be tolerant of differences" as it weakens statement	4.15
Reference to other professional bodies added	5.1

APPENDIX 1

hebridean housing partnership

Code of Conduct for Board Members

Effective Date: August 2021
Review Date: August 2024
Approved by HHP Board: 25 August 2021

TABLE OF CONTENTS

CODE OF CONDUCT FOR BOARD MEMBERS

INTRODUCTION

1. All members of the Board must sign this Code of Conduct when they are elected, co-opted or appointed, and on an annual basis thereafter. References throughout this Code of Conduct (the Code) to 'we', 'us' and 'our' mean HHP. The Code reflects our Values which are:

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

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

Our supporting values are:

- Customer Focus
- Equal Opportunities
- Quality of Service-Excellence
- Sustainability
- Supporting staff

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 our Code. You cannot be a member of the Governing Body if you do not agree to adopt our 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. Our Code is based on the Model Code of Conduct produced by the Scottish Federation of Housing Associations, which Scottish Housing Regulator (SHR) has confirmed fully complies with its Regulatory Standards.

1.4. Our Code of Conduct is an important part of our governance arrangements; it is supported by the Role description which describes your responsibilities as a Board Member. You are responsible for ensuring that you are familiar with the terms of this Code and that you 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 there is a concern that a member of the Governing Body may have breached any part of this Code, the matter will be investigated in accordance with the procedures set out at Appendix 1. A serious breach of our Code may result in action being taken by the Governing Body to remove the member(s) involved.

WHO THE CODE APPLIES TO

2.1 Our 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 Our 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 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 I will always uphold and promote HHP's aims, objectives and values and act to ensure their successful achievement.

5.2 I will exercise the authority that comes with my role as a Governing Body member responsibly and not seek to use my influence inappropriately or for personal gain or advantage.

5.3 I will 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 I did not agree with the decision when it was made.

5.4 I will consider and respect the views of others.

5.5 I will not seek to use my position inappropriately to influence decisions that are the responsibility of staff.

5.6 I will not seek to use my influence inappropriately for the benefit of myself or my business interests, or the benefit of someone to whom I am closely connected or their business interests.

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 I will use my best endeavor to exercise reasonable skill and care in the conduct of my duties.

6.2 I will avoid any situation that could give rise to suspicion or suggest improper conduct.

6.3 I will declare any personal interest(s) and manage openly and appropriately any conflicts of interest; I will observe the requirements of our policy on the matter. I will keep my entry in the Register of Interests complete, accurate and up to date. I will make an annual statement to confirm my declarations are accurate.

6.4 I will 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 me under an obligation to these individuals or organisations. I will comply with our policy on the matter.

6.5 I will ensure that, in carrying out my role as Board member, I am informed about the views, needs and demands of tenants and service users.

6.6 I will 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 I will 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 I will always act honestly and in good faith when undertaking my responsibilities as a Board Member

7.2 I will use my experience, skills, knowledge and judgement effectively to support our activities.

7.3 I will ensure that decisions are always taken and recorded in accordance with our Rules and procedures.

7.4 I will ensure that HHP has an effective whistleblowing 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 I will 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 I will comply with our policies and procedures regarding the use of its funds and resources and I will not misuse, contribute to or condone the use of these 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. I will neither accept from nor give bribes or any other inducement to anyone. I will comply with our policy on bribery and will report any instances of suspected bribery within the organisation or any of its business partners.

7.8 I will ensure that neither I, nor someone closely connected to me is seen to receive preferential treatment relating to any services provided by the organisation or its contractors/suppliers. I will declare all interests openly and ensure they are effectively managed 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 I will ensure that the decisions that I 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 I will prepare effectively for meetings and ensure I have access to all necessary information to enable me to make well-informed decisions.

8.3 I will 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 I will use my 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 I will ensure that the Governing Body seeks and takes account of additional information and external/independent advice where necessary and/or appropriate.

8.6 I will 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.

8.7 I will contribute to the identification of training needs, keep my 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 I will always treat my Governing Body colleagues, our staff, our customers and partners with respect and courtesy

9.2 I will always conduct myself in a courteous and professional manner; I will not, by my actions or behaviour, cause distress, alarm or offence.

9.3 I will publicly support and promote our decisions, actions and activities; I will not, by my actions or behaviour, compromise or contradict the organisation, its activities, values, aims or objectives. I will notify the Chair quickly if I become aware of any situation or event that I am associated with which could affect HHP and/or its reputation

9.4 I will fulfil my responsibilities as they are set out in the relevant role description; I will maintain relationships that are professional, constructive and that do not conflict with my role as a member of the Governing Body.

9.5 I will comply with, support and promote our policies relating to equality, diversity and human rights, whistleblowing and acceptable use policies.

9.6 I will respect confidentiality and ensure that I do not disclose information to anyone who is not entitled to receive it, both whilst I am a member of the Governing Body and after I have left.

9.7 I will observe and uphold the legal requirements and our policies in respect of the storage and handling of information, including personal and financial information.

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 I will observe and uphold the principles and requirements of the SHR's Regulatory Framework, and gain assurance that relevant statutory and regulatory guidance and HHP's legal obligations are fulfilled.

10.2 I will 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 I will contribute positively to our activities by regularly attending and participating constructively in meetings of the Governing Body, its Committees and Working Groups.

10.4 I will participate in and contribute to an annual review of the contribution I have made individually to our governance.

10.5 I will ensure that there is an appropriate system in place for the support and appraisal of our Senior Officer and that it is implemented effectively.

10.6 I will not speak or comment in public on our behalf without specific authority to do so.

10.7 I will co-operate with any investigations or inquiries instructed in connection with this Code whilst I am a Governing Body member and after I have left

10.8 I recognise that the Governing Body as a whole is accountable to its tenants and service users, and I will demonstrate this in exercising my judgement and in my decision making. .

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 I will ensure that our strategic aims, objectives and activities deliver good outcomes for tenants and service users. I will make an effective contribution to our strategic leadership.

11.2 I will ensure that our aims and objectives reflect and are informed by the views of tenants and service users.

11.3 I will always be a positive ambassador for the organisation.

11.4 I will 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 I will not criticise or undermine the organisation or our actions in public.

11.6 I will not criticise staff in public; I will discuss any staffing related concerns privately with the Chair and/or Senior Officer.

11.7 I will not harass, bully or attempt to intimidate anyone.

11.8 I will 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.

11.9 I will not act in a way that could jeopardise our reputation or bring us into disrepute.

BREACH OF THIS CODE

12.1 I recognise that each member of the Governing Body has a personal and individual responsibility to promote and uphold the requirements of this Code. If I believe that I may have breached the Code, I have witnessed or become aware of a potential breach by another member, I will immediately bring the matter to the attention of the Chair.

12.2 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.

12.3 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

13.1 This Code of Conduct was adopted by the Governing Body on 25 August 2021. It will be reviewed not later than August 2024.

ACCEPTANCE

I ____ have read and understood the terms of this Code of Conduct and I agree to uphold its requirements in all my activities as a member of our Governing Body. I am aware that I must declare and manage any personal interests. I agree to review all relevant Registers regularly to ensure that all entries relating to me are accurate. I understand that, if I am found to have breached this Code of Conduct, action will be taken by the Governing Body which could result in my removal.

Signed ____

Date ____

INTERPRETATIONS & ABBREVIATIONS

The following interpretation and abbreviations are used in this policy:

Word	Interpretation
HHP or Partnership	Hebridean Housing Partnership
Board	Means the Board of the Hebridean Housing Partnership
Board Members	All Members of the Board including co-opted Members
Conflict of Interest	A situation in which a governing body member's personal interests, circumstances or relationships or their outside activities and interests could be perceived by others to affect their independence and objectivity.
Contractor	A person or business with which the Partnership has business contract
Governance	Describes the arrangements for leadership, direction and control in a Registered Social Landlord.
Registered Social Landlord (RSL)	An organisation whose primary purpose is to provide affordable rented housing and which is registered with the Scottish Housing Regulator.
Senior Officer	The Chief Executive of the Hebridean Housing Partnership.
SHR	Scottish Housing Regulator
Supplier	A person or business that supplies the Partnership with goods or services for a fee.

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

APPENDIX 1 – PROTOCOL FOR DEALING WITH A BREACH OF THE CODE OF CONDUCT

1.1 This protocol will be used to deal with any alleged breaches of our Code of Conduct for Governing Board Members. It is based on the Model Protocol provided by SFHA.

Who is Responsible?

2.1 The Chair has delegated authority to deal with potential breaches of the Code, unless the allegation relates to them. In that event, the Vice Chair should take on the responsibilities that the protocol allocates to the Chair. It may be necessary to ask other members of the Board to take on responsibilities should the allegation relate to both the Chair and the Vice Chair

2.2 The Chair should consult with other office bearers or members of the Board to instruct, progress and conclude internal and external investigations carried out in accordance with this protocol.

2.3 No one who is directly involved in a matter that gives rise to a concern that there may have been a breach of the Code of Conduct should be involved in reviewing or managing/conducting an investigation of the matter. Consequently, it may be necessary to ask other members of the Board to take on the responsibilities that the protocol allocates to the Chair and other office bearers.

2.4 The Chair may seek advice from our solicitors in exercising all of the responsibilities associated with this protocol.

What Constitutes a Breach?

3.1 A breach of the Code of Conduct is a serious matter. This Protocol is a process that will apply to managing and/or responding to alleged breaches of the Code of Conduct. Breaches can include:

- Conduct by a Board Member during a meeting (which might involve a member being obstructive, offensive or disregarding the authority of the Chair or failing to observe Standing Orders)
- Complaints that the conduct of a Board Member has failed to meet the requirements of the Code of Conduct; is contrary to HHP's Values, Rules or policies; threatens the reputation of HHP, risks bringing the organisation into disrepute or undermines HHP and/or its people
- Inappropriate behaviour towards colleagues, staff, customers or partners

3.2 Some complaints and/or concerns may relate to relatively minor matters, whilst other may involve more significant issues. Consequently, different approaches are likely to be appropriate, depending on the details of individual circumstances, recognising that it may not always be appropriate to undertake a formal investigation in response to an isolated and/or relatively minor issue.

Initial Review to Determine if Further Investigation Required

4.1 When a complaint is received or a concern is raised, consideration should be given as to which is the most appropriate course of action. This may (but may not) require some initial review of the complaint or allegations before concluding on a specific approach. The review should be carried out by those members of the Board appointed in accordance with 2.2 of this Protocol, with support from the Chief Executive if required.

4.2 It may be that such a review concludes that there is no substance to the concern or allegation. Depending on the circumstances, it may be appropriate to report the outcome of such a review to the Board. This might be the case, for example, if an anonymous complaint is received which cannot be investigated because of a lack of information.

4.3 Anonymous complaints or allegations can be difficult to resolve but, in the event that anonymous information is received or made known, an initial review should be undertaken to establish whether there is the potential for any substance to the concern. If so, an investigation should be undertaken, although it is recognised that it may not be possible to conclude any such investigation satisfactorily.

4.4 Minor issues, actions or conduct at an internal meeting or event are unlikely to constitute a breach of the Code of Conduct that warrant investigation. The Chair (and other office bearers) should exercise their judgement in determining which of the courses of action set out in this Protocol is more appropriate.

4.5 Two routes are described in this Protocol: Route A and Route B.

4.6 SHR requires that alleged breaches of the Code which are to be investigated under either Route A or Route B must be regarded as Notifiable Events, in accordance with the terms of the SHR's Statutory Guidance. The Chair is responsible for ensuring that the necessary notifications are made to the Scottish Housing Regulator, and that the SHR's requirements (as set out in the relevant guidance[1]) in terms of reporting the outcome of the investigation are met.

5. Route A

5.1 Route A is an internal and informal process to address potential minor breaches. This is intended to be a relatively informal process, used to address e.g. one-off discourtesy at an internal meeting, isolated or uncharacteristic failure to follow policy.

5.2 Alleged breaches that occur during the course of a meeting or other internal event (and which have not happened before) will, unless the Chair believes it to be serious, be dealt with by the Chair of the meeting, either during the meeting/event and/or within 24 hours of the meeting. In these circumstances, the Chair may ask the member to leave the meeting or a vote may be taken to exclude the member from the rest of the meeting.

5.3 After the meeting, the Chair or sub-committee Convenor will discuss such behaviour with the member and may require the member to apologise or take such other action as may be appropriate (Route A). Where the Chair regards such behaviour as being serious, it should be investigated in accordance with Route B as will repeated incidents of a similar nature.

5.4 It may be appropriate for the Chair to record the terms of the discussion in a letter to the Board member e.g. to confirm the provision of training or support or to record a commitment to uphold a specific policy or to record an apology.

5.5 It is possible that a concern, that is initially agreed can be addressed via route A, ends up being the subject of a formal investigation, if more significant issues emerge, or actions are repeated.

6. Route B

6.1 Route B will involve formal investigation of repeated breaches or an alleged significant/major breach. Investigations may be conducted internally or independently, according to the circumstances and people involved.

6.2 An investigation under Route B will usually be overseen by the Chair and another office-bearer or Board member.

6.3 The Chair or office-bearer, in consultation with the other office-bearers, will decide whether to instruct an independent investigation or carry out an internal investigation.

6.4 In the event that the Chair or other office-bearer is the subject of a complaint, an independent investigation should be conducted, overseen by the Vice-Chair and another Board member.

6.5 If the Chair is likely to be involved in an investigation (e.g. as a witness), it will be necessary for the office bearers to consider who should be involved in overseeing the investigation.

6.6 The Chief Executive can support the implementation of the Protocol (unless involved in the issue, in which case the role should be assigned to another senior member of staff).

6.7 Allegations of a potential breach should normally be made to the Chair or, where the complaint relates to the Chair, to another office-bearer. Where a complaint is made to the Chief Executive the matter should immediately be notified to the Chair.

6.8 Alleged breaches may be the subject of written complaints or allegations; they may also be witnessed by someone. However the alleged breach is identified, the Chair and Secretary should ensure that there is always a written statement of the complaint or allegation that is used as the basis for the investigation. If no written complaint is made, the statement of the matter should be prepared by someone unconnected to the event/situation (e.g. a verbal complaint made by a Board member should be recorded by someone who was not present when the issue arose – this could be a member of staff).

6.9 The Board member who is the subject of the complaint/allegation that is to be investigated will be notified in writing of the alleged breach within seven working days, either of occurring or of receipt of the complaint. A Board member who is subject to an investigation should take leave of absence until the matter is resolved. Rule 37.8 of the 2020 Model Rules contain the provisions to secure this. The letter will inform the Board member of the nature of the potential breach, the arrangements for the investigation and will advise that leave of absence will be in place for the duration of the investigation. Board members are expected to co-operate with such investigations.

6.10 An alleged breach of the Code of Conduct which is being dealt with via Route B will be notified to the Board normally by the Chair or Secretary, within seven working days, either of occurring or of receipt of the complaint. The notice (which should be confidential) will not describe the detail of the complaint and will set out the proposed arrangements for investigation, including who will conduct the investigation and which members of the Board are responsible for its oversight.

6.11 The appointment of an external Investigator (when it is decided to be the appropriate response) should be approved by the Board members responsible for overseeing the investigation.

6.12 An internal investigation (when it is decided to be the appropriate response) will be carried out by at least two and not more than three Members of the Board who are not responsible for overseeing the investigation. In selecting the Board members, we will seek to ensure that the investigators represent the profile of the Board.

Investigation Under Route B

7.1 The conduct of an investigation should remain confidential, as far as possible, in order to protect those involved (witnesses, complainant(s)) and the Board member(s) who are the subject of the complaint.

7.2 All investigations will be objective and impartial. Investigations will normally be investigated by an independent person, unless it is decided that an internal investigation is appropriate.

7.3 Investigations should not usually take more than six weeks to conclude.

7.4 The investigator(s) will be supported by the Chief Executive (or other senior member of staff if the Chief Executive is involved in the complaint). The Chair and other office-bearer, with any support they feel necessary, will brief the agreed advisor/investigator and then consider their recommendations at the end of the investigation, before reporting to the Governing Body.

7.5 All investigations will be the subject of a written brief which sets out the Board's requirements and which includes the statement of the alleged breach (scope, timescale, reporting requirements, access to information etc.). The brief may refer to any action previously taken that is relevant.

7.6 All investigations will include at least one interview with the Board member who is the subject of the allegation, who will be invited to provide any relevant information. The interview(s) may be conducted face to face or remotely (by telephone or video call). Board members may be accompanied during an interview by a friend (at their request), as a companion to provide support and not to represent. It is not appropriate for another Board member to fulfil this role nor is it appropriate for the RSL to meet any costs (other than reasonable expenses as provided for in the relevant policy) in respect of a companion's attendance.

Considering the Outcome of the Investigation

8.1 The advisor/investigator will normally present their report to the Board. Before doing so, the report will be reviewed by those overseeing the investigation to ensure that the Brief has been met and that the report is adequate to support the Board's consideration and decision making.

8.2 The Board member whose conduct is being investigated will not be party to any of the discussions relating to the investigation.

8.3 The report will be considered at a meeting of the Board which may be called specifically for this purpose. It is the responsibility of the Board to consider the report and findings from the investigation and to determine:

- Whether there has been a breach
- How serious a breach is
- What action should be taken

8.4 The Board will report the findings of the investigation and the proposed action to the member concerned within seven days of the meeting at which the report of the investigation was considered.

Action to Deal with a Breach

9.1 If, following investigation, a breach of the Code is confirmed, action will be taken in response. This action will reflect the seriousness of the circumstances. It may take the form of some or all of the following:

- a discussion with the member concerned (which may be confirmed in a subsequent letter);
- advice and assistance on how his or her conduct can be improved;
- the offer of training or other form of support;
- a formal censure (e.g. in the form of a letter setting out the conclusions, expressing concern, and specifying that there must be improvement/no repetition etc.) ; or
- a vote to remove the Member from the Governing Body.

9.2 Where, it is concluded that a serious breach has occurred, the Board may require the member to stand down from their position in accordance with the Rules.

9.3 If the Board proposes to remove a member, following investigation, the member will have the right to address the full Board before their decision is taken at a special meeting called for that purpose. Any such decision must be approved by a majority of the remaining members of the Board in accordance with Rule 44.5

9.4 A record of the outcome of an investigation will be retained in the Board member's file for 12 months.

9.5 The outcome of any investigation will be notified to the Scottish Housing Regulator, in accordance with the requirements of the Notifiable Events Statutory Guidance

Definitions

10 HHP will regard the following actions as a "serious breach" of the Code of Conduct (this list is not exhaustive):

- Failure to act in our best interests and/or acting in a way that undermines or conflicts with the purposes for which we operate;
- Support for, or participation in, any initiative, activity or campaign which directly or indirectly undermines or prejudices our interests or those of our service users, or our contractual obligations;
- Accepting a bribe or inducement from a third party designed to influence the decisions we make;
- Consistent or serious failure to observe the terms of the Code of Conduct; or
- Serious or inappropriate behaviour towards a colleague, member of staff, tenant, partner or stakeholder.

Approval and Review

11 This protocol was approved by the Board of HHP on 25 August 2021. It will be reviewed not later than August 2024.

APPENDIX 2

hebridean housing partnership

Code of Conduct for Staff

Effective Date: August 2021
Review Date: August 2024
Approved by HHP Board: 25 August 2021

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CODE OF CONDUCT FOR STAFF

INTRODUCTION

There are references throughout this Code of Conduct (the Code) to 'I' and 'you' which means the member of staff of HHP who has signed this Code. References to 'we' and 'our' mean HHP.

1.1 We attach the greatest importance to ensuring that high standards of behaviour are demonstrated by all of our people and in all of our activities.

1.2 This Code of Conduct sets out the standards of conduct required of you as a member of our staff. You are required to observe these standards in all the activities that you undertake in connection with your employment with us.

1.3 As a Registered Social Landlord (RSL), we are required by the Scottish Housing Regulator (SHR) 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 and EVH – Supporting Social Employers. The 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 You must make yourself familiar with the terms of this Code and act in accordance with its requirements at all times. You are required to sign the Code (in the 'Statement of Acceptance' at the end) to confirm that you have read and understood the terms of the Code and you have a personal responsibility to uphold the requirements of this Code. Once signed, your 'Statement of Acceptance' form must be returned to the P.A. where it will be held on your personnel file.

1.5 You must also ensure you are familiar with, and comply with, all of our policies.

1.6 If there are any aspects of this Code, or of any of the related policies, on which you are unclear, you must seek guidance from your line manager. Your line manager will also be able to give guidance where you are unsure how the Code or related policies apply in a particular situation.

<u>Who the Code applies to</u>

1.7 This Code of Conduct applies to everyone who works for us whether employed directly or otherwise.

1.8 A copy of this Code will be made available to every person that it applies to.

<u>How the Code is structured</u>

1.9 The Code is based on the Nolan Principles on Standards in Public Life which are recognised as defining good conduct for those who work for the public using public money.

1.10 We have defined three groups of principles as the basis for the Code:

a) Honesty and Integrity - section 2;

b) Openness and Accountability – section 3; and

c) Selflessness, Objectivity, Leadership - section 4.

1.11 Each of the three sections begins with a statement of principle. This is followed by a number of provisions which set out the requirements of the Code in more detail.

The Code is not exhaustive and it should be remembered that all staff members are responsible for ensuring that their conduct at all times meets the high standards that the RSL sector is recognised for upholding. As well as observing the detail of the Code, you should apply its intention and spirit to all situations in employment.

You are required to sign the Statement of Acceptance at the conclusion of this code at Appendix 1 which also outlines the implications for any breach of the code.

THE CODE OF CONDUCT

HONESTY & INTEGRITY

2 **You must act at all times with honesty and integrity. You must not use, or seek to use, your position to gain financial or other benefit for yourself, your family or friends.**

Gifts & Hospitality

2.1 I will act, and ensure I am seen to act, wholly in the interests of our organisation, our tenants, other residents and other service users. I will ensure that I do not benefit improperly from my position.

2.2 I will 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 me under an obligation to these individuals or organisations. I will comply with our Entitlements, Payments & Benefits Policy.

Prevention of Bribery

2.3 We must comply with anti-bribery legislation. I will comply with our anti-bribery and corruption policies. Our Anti-Corruption Policy Statement outlines our requirements in this respect.

2.4 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. I will not offer, seek or accept bribes and must comply with our policy on bribery. I am aware that offering, seeking or accepting bribes will result in disciplinary action and may also result in criminal prosecution.

2.5 I will report to our Compliance Officer any instances of suspected bribery within the Partnership or any external organisation with which we have dealings.

Personal Benefit

2.6 I recognise that neither I, nor someone closely connected to me, can as a result of my role with the organisation receive preferential treatment relating to any services provided by the Partnership or its contractors/suppliers: I will ensure that I can demonstrate this.

2.7 Where, in my personal/home life, I need a service from a contractor or supplier, if it causes no disadvantage or inconvenience I will avoid using someone off the approved list. If, however, I need to use one of our contractors or suppliers, I will ensure that the guidance at Section 4 of our Entitlements. Payments and Benefits Policy is followed exactly. An up-to-date list of our contractors and suppliers forms part of our EPB Policy and is available on the Intranet.

2.8 I will not use, or seek to use, my position to promote my personal interests or those of any person with whom I am closely connected or the interests of any business or other organisation with which I have a connection.

Section 3 of Appendix 2 defines what is meant by 'closely connected'.

Resources, Facilities and Premises

2.9 I will only use our resources, facilities and premises for the purposes intended and in a responsible and lawful manner. This includes office premises, telephone, computer and other IT facilities, equipment, stationery, transport and staff.

2.10 I will comply with all of our relevant policies, including (but not exclusively) usage of internet and email, social media, health & safety, equalities, human rights and diversity and dignity at work. .

2.11 I will not undertake work for another organisation - or for any personal business - on HHP's premises nor use our resources or facilities for such a purpose, unless I first have specific permission from my Director.

Funds and Expenses

2.12 I recognise that HHP funds must be safeguarded from abuse, theft or waste. At all times, I will apply and observe all of our Financial Regulations and internal controls.

2.13 I will comply with our relevant policies when procuring goods/services or claiming expenses.

Tenants/Service Users and Money

2.14 As a general rule, in relation to tenants and service users I will not:

- Give or loan them money;
- Receive a gift or loan of money from them; or
- Invite or influence them to make a will or trust under which I am named as executor, trustee or beneficiary.

General Responsibilities

2.15 I will not act in a way that unjustifiably favours or discriminates against particular individuals, groups or interests.

I am aware that under the Equality Act 2010, the following nine characteristics are specifically protected: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

2.16 In presenting information I will take all reasonable steps to ensure that I set out the facts and relevant issues truthfully.

2.17 I will avoid any situation that could give rise to suspicion or suggest improper conduct. I will avoid conduct that is likely to bring the Partnership into disrepute or undermine its managerial integrities. This includes conduct taking place outside the immediate normal working environment, but connected to the Partnership, for example, Christmas parties or other social events.

2.18 I will inform my Manager if I am notified of any action by a professional body that is relevant to my role within HHP and/or which could impact HHP's reputation that I am or may be party to.

OPENESS AND ACCOUNTABILITY

3 You must declare all relevant personal interests. You must handle information in accordance with our policies and procedures. You must report to the appropriate senior person within HHP any reasonable and honest suspicions you may have about possible wrongdoing.

Declaring Interests

3.1 I recognise that HHP must ensure that no conflict arises, or could reasonably be perceived to arise, between my duties and my personal interests, financial or otherwise. I will declare, and manage openly and appropriately, any actual or potential interests or conflicts.

3.2 Where I 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 I know that someone to whom I am closely connected has such an interest, I will declare it promptly and record it in the Disclosure of Interest Register.

3.3 In cases where a letting may be granted to me or a close relative of mine, in accordance with the Allocations Policy and the Entitlements, Payment and Benefits for Board Members and Staff Policy, I understand the appropriate Senior Manager should prepare a report outlining the circumstances of the individual and that report should be submitted to the Partnership's Board of Management for approval. Any subsequent allocation will be recorded in the appropriate register.

3.4 I will keep my entry in the Disclosure of Interest Register complete, accurate and up to date. I understand the register is retained within the Corporate Filing System and is a public document so it may be accessed at any point for checking.

Handling Information

3.5 I will observe and uphold the legal requirements and our policies in respect of the storage and handling of information, including personal and financial information. Our Communications Policy, Openness and Confidentiality Policy, Communication Tools Procedure, Data Protection Procedure, ICT Security Policy, ICT Strategy and Financial Regulations give further guidance.

3.6 I will respond to requests for information positively and must not prevent people or bodies from being provided with information that they are entitled to receive.

3.7 I will not use confidential information acquired through my work as one of our employees for my private interests or any other purpose for which it is not intended.

Respecting Confidentiality

3.8 I will respect confidentiality and ensure that I will not disclose information to anyone who is not entitled to receive it, both whilst I am a member of staff and after I have left employment at HHP.

3.9 I understand, and will comply with, the requirement that the permission of the Senior Officer is required before confidential correspondence or documents are removed from the work premises.

3.10 I understand, and will comply with, the requirement that the organisation's mobile phones and tablets must always be password protected.

3.11 Unless specifically authorised to do so, I will not make comments or statements in public or to the media, or pass any documents or other information to the press or media about us or our activities. If I am approached by the press or other media I will quickly pass the enquiry to the Chief Executive of the Partnership.

3.12 I will not publish any material or deliver any lecture or address any issues relating specifically to us or our activities without prior approval from the Chief Executive. This includes invitations to speak at conferences or external events.

Using Social Media

3.13 I will not disclose any private or confidential information relating to us, our customers, partners, suppliers, board members, or employees on any social networking sites, bulletin boards, blogs or similar. (See also 4.12 under "Upholding our reputation"). This applies whether I am posting under my own name or a pseudonym. I understand and will comply with the requirement that social media should not be accessed during working hours.

Using Personal Mobile Phones

3.14 I am aware that the personal use of mobile phones should be limited during work hours to minimise the impact to my work and that of my colleagues. Where possible, I will take any personal calls in the breakroom to minimise disruption to colleagues.

Reporting Concerns

3.15 If I become aware of any actual or potential fraud, corruption or wrongdoing, or breaches of this Code, I will report this to my line manager or to the Chief Executive. I am aware that I may do so on a confidential basis. Our Whistleblowing Policy gives further information.

3.16 I will not victimise any person who has used - or intends to use, or is suspected of having used - our confidential reporting or whistleblowing procedures to report any actual or alleged fraud, corruption or wrongdoing by others.

SELFLESSNES, OBJECTIVITY AND LEADERSHIP

4 You must act in the best interests of HHP at all times within the framework set by the Partnership, working to promote our aims and objectives, upholding our values and setting a good example by your own conduct.

Fulfilling Your Role

4.1 I will comply with my terms of appointment and our policies and procedures relating to my role.

4.2 I will fulfil my duties responsibly, exercising reasonable skill and care and acting at all times in our best interests and that of our tenants and other service users. I will always aim to put the needs of our tenants and service users first in my day to day work, within the framework of our policies and procedures.

4.3 I will uphold and promote our aims and objectives and in accordance with the relevant legal and regulatory requirements (including those, as applicable, of the Scottish Housing Regulator, the Office of the Scottish Charity Regulator, the Financial Conduct Authority and the Care Inspectorate). If I am in doubt as to the legal and regulatory requirements that are relevant to my role, I will seek guidance from my line manager.

4.4 I will work at all times in accordance with our policies and procedures and I will not allow my own personal or political opinions to affect the way in which I carry out my duties. This does not impinge my right to be an active citizen or, for example, to be an active trade unionist.

4.5 I will take direction from my line manager, other senior managers, my Director, and the Board, and exercise responsibly any authority that comes with my role as a staff member.

4.6 I will not seek to use informal channels to influence the Board regarding decisions to be made about the conduct of our business.

4.7 I will consult with and seek approval from my Director before taking on any outside work or any position (paid or unpaid) that will in any way impact on my role with HHP. I recognise that any such work or position must not interfere with my existing job or conflict with HHP's interests.

4.8 I will participate in any necessary training, and play an active part in our performance appraisal process. I will contribute to the identification of any personal training needs I may have in order to keep my professional skills and knowledge up to date.

Working with Tenants and Other Service Users

4.9 I will maintain high standards of professionalism, fairness and courtesy in all my dealings with tenants and other service users.

4.10 I will not allow any personal relationship with a tenant or other service user to conflict with the conduct of my role and responsibilities.

4.11 I will use the appropriate channels for handling tenancy and service provision issues. I will not act outside our established procedures in any matter concerning any tenant or other service user.

Upholding Our Reputation

4.12 I will not act in a way that could reasonably be regarded as bringing HHP into disrepute. This would include publicly making any derogatory comments about the organisation, its staff, Board members, service users, partners and anyone that we are doing business with. I will discuss any grievance, concern or potential wrongdoing that I have relating to a member of staff or of the Board with my line manager or Director.

4.13 I will always be a positive ambassador for HHP and our work, especially when attending events as a member of our staff or in dealing with outside bodies.

Showing Respect for Others

4.14 I will always treat others with respect at all times. I will consider and respect the views of others.

4.15 I will adhere to both the letter and the spirit of our equality and diversity policy. See also 2.21 above about the need to avoid discrimination of any kind.

4.16 I will always conduct myself in a courteous and professional manner. I will not, by my actions or behaviour, cause distress, alarm or offence.

4.17 I will not harass, bully or attempt to intimidate any person.

4.18 I will take care when displaying materials in the office, and ensure that these would not reasonably cause offence to my colleagues. If in doubt, I will consult my line manager before displaying any materials.

4.19 I will ensure that the language I use would not reasonably cause offence to my colleagues, tenants or other members of the public I come into contact with in my capacity as an HHP employee.

4.20 When attending meetings, I will be courteous to all attendees and respect the position of the meeting chair or convenor.

BREACH OF THE CODE

5.1 As a member of staff you have a responsibility to promote and uphold the requirements of this Code and any other Code that your membership of a relevant professional body imposes. If you consider that you may have breached the Code, or have witnessed or become aware of a potential breach by another staff member, you should immediately bring the matter to the attention of your line manager or Director.

5.2 Any material breach of the Code will be considered under our disciplinary procedures and may result in a disciplinary action being taken, which may include dismissal.

5.3 As a member of staff you have a duty to co-operate with and contribute to any investigation relating to a potential breach of the Code or an associated matter

5.4 You must sign the below statement of acceptance once you have read and understood this Code and its requirements.

INTERPRETATIONS & ABBREVIATIONS

The following interpretation and abbreviations are used in this policy:

Word	Interpretation
HHP or Partnership	Hebridean Housing Partnership
Board	Means the Board of the Hebridean Housing Partnership
Board Members	All Members of the Board including co-opted Members
Close Connection	Someone 'closely connected' to you includes family members and persons who might reasonably be regarded as similar to family members even where there is no relationship by birth or in law, for example, spouses and partners, children (included adopted and step-children), parents and parents-in-law, grandparents, grandchildren and siblings
Chair	The Chairperson of the Hebridean Housing Partnership or the Chair of a meeting.
Compliance Officer	The officer responsible for supporting the Board in the implementation of our external and internal controls. This role is aligned with the Head of Executive Office post.
Contractor	A person or business with which the Partnership has a business contract.
EVH	Employers in Voluntary Housing
Senior Officer	The Chief Executive of the Hebridean Housing Partnership.
SHR	Scottish Housing Regulator
Supplier	A person or business that supplies the Partnership with goods or services for a fee.
All references to the masculine gender in this policy shall read as equally applicable to the feminine gender	

STATEMENT OF ACCEPTANCE

I ____ have read and understood the terms of this Code of Conduct and I agree to uphold its requirements in all my activities as a staff member of Hebridean Housing Partnership Ltd.

I confirm that I am aware that I must declare and manage any personal interests in accordance with our policy. I agree to review all relevant Registers regularly to ensure that all entries relating to me are accurate.

I understand that, if I am found to have breached any points mentioned in this Code of Conduct or acted against its spirit, action will be taken in accordance with HHP's disciplinary procedures and could ultimately result in my dismissal.

Signed ____

Date ____

This Code of Conduct was adopted by the Board on 25 August 2021, subject to a period of consultation with staff, and comments were incorporated where appropriate. It will be further reviewed not later than August 2024.

The Board will receive an annual reports on the working of this Code.

Making our house your home

ENTITLEMENTS, PAYMENTS & BENEFITS POLICY

Board 25 August 2021

Report by Chief Executive

Purpose of Report

1.1 The purpose of this report is to present the Entitlements, Payments & Benefits Policy to the Board for consideration and approval.

Summary

2.1 An updated model Entitlements, Payments and Benefits Policy was published by the SFHA in April 2021. This document was endorsed by the Regulator. Subsequently, the Highlands & Islands Liaison Group (HILG) published their variant on the updated model policy which takes into consideration rural housing associations' particular needs.

2.2 In accordance with the decision taken at the September 2015 Board meeting we have updated our Entitlements, Payments and Benefits Policy in line with the HILG variant.

2.3 The Policy has been reviewed and the contractor/supplier list has been updated. The revised Policy is at Appendix 1.

Competence

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

Recommendations

4.1 **It is recommended that the Board approve the Entitlements, Payments and Benefits Policy at Appendix 1.**

APPENDIX 1:	Entitlements, Payments & Benefits Policy	
Background Papers:	None	
Writer of Report:	Iona France	Tel: 0300 123 0773

Competence

Financial

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

Legal

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

Regulatory Guidance

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

Risk

8.1 The major risk the Partnership faces in not having a suitable policy on payments and benefits in place is that it will be in breach of:

- the Regulator's Regulatory Standards of Governance and Financial Management and other guidance;
- the Partnership's own Rules, Standing Orders and various policies on governance and financial management; and
- rules governing charitable status.

8.2 The result of this is likely to be a higher level of engagement with the Regulator and financial penalties from regulatory bodies.

hebridean housing partnership

Entitlements, Payments & Benefits Policy

Effective Date: August 2021
Review Date: August 2024
Approved by HHP Board: 25 August 2021

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ENTITLEMENTS, PAYMENTS & BENEFITS POLICY

INTRODUCTION

Who the Policy Affects

1.1 This policy is aimed at:

a) All Members of our Governing Body and of the Governing Body of any of our subsidiaries; and

b) Everyone who works or volunteers for us or any of our subsidiaries

1.2 For the remainder of this policy the above will be referred to as "our people."

About this Policy

1.3 We are a Registered Social Landlord (RSL) and a Scottish Charity. We are part of a sector that has a strong reputation for integrity and accountability to the people we exist to help and to our Regulators, partners and funders. We must ensure that the organisation upholds its reputation and that of the sector. Our people cannot benefit inappropriately from their connection with the organisation.

1.4 This policy describes the entitlements, payments or benefits that our people are able to receive. It also describes what is not permitted and the arrangements that we have in place to ensure that the requirements of this policy are observed.

1.5 Our Rules (Rule 38.1) require that we have a policy dealing with payments and benefits. The Scottish Housing Regulator (SHR) requires us to have a policy that sets out what payments and benefits we permit and to ensure that these arrangements demonstrate transparency, honesty and propriety. We must ensure there is no justifiable public perception of impropriety.

1.6 This policy is based on the SFHA's Model Entitlements, Payments & Benefits Policy, which the SHR have confirmed meets their regulatory requirements, and a variant model, commissioned by 8 associations and endorsed by a governance expert as being compliant with the Regulatory Standards.

1.7 As we are a Scottish Charity, all of our Governing Body Members must also ensure that they comply with the Office of the Scottish Charity Regulator (OSCR) guidance to Charity Trustees and charity legislation.

1.8 This Policy is intended to be a practical document that supports us in meeting all of the above requirements, ensuring that none of our people benefits (or is seen to benefit) improperly or inappropriately from their involvement with us, but also that they are not unfairly disadvantaged. We expect our people to act in good faith, and in applying the terms of the policy we will always take this into account.

1.8. As someone who is affected by this policy, you are personally responsible for ensuring that you are familiar with and comply with its terms.

1.9 At all times, we expect a common-sense and proportionate approach to be applied to the interpretation and application of this policy. If you are unsure about anything relating to benefits, payments or entitlements you should consult with the Chair or Chief Executive (if you are a member of the governing body) or with your line manager (if you are a member of staff).

What this Policy Covers

1.10 This policy covers:

a) Managing your interests:
   i. Registering and declaring interests;
   ii. Entitlements, payments & benefits;

b) People connected to you:
   iii. Who else you should consider when declaring interests;
   iv. What you should consider; and

c) Use of our contractors/suppliers by our people.

Other Relevant Policies

1.11 The Code of Conduct is linked to this policy. Failure to comply with the terms of this policy may be regarded as a breach of the Code of Conduct.

1.12 You are also required to be familiar with and observe the terms of our Anti-Corruption Policy Statement and Fraud policy. We prohibit any attempt to induce the organisation or our people to offer preferential services or business terms and we will at all times comply with the Bribery Act 2010.

1.13 Our policies relating to the following are also relevant to this document and must be complied with at all times:

a) Allocations;

b) Repairs and Maintenance;

c) Particular Housing Needs;

d) Procurement;

e) Training;

f) Expenses;

g) Recruitment;

h) Sale of our Property; and

i) Decoration Allowances/Prizes.

Please note that this list is not exhaustive and you are required to comply with all of our policies and procedures.

MANAGING YOUR INTERESTS

Registering and Declaring Interests

2.1 In order to protect our reputation and demonstrate that we conduct our affairs with openness, honesty and integrity, we maintain a Register of Interests. You must record in this register any interests that you or someone connected to you (see Section 3) has which are relevant to our business and/or our activities. You will be required to maintain the accuracy of the interests you declare and to confirm annually that your entry is accurate and up to date.

2.2 Where you have an interest in any matter that is being discussed or considered including at a meeting, you must declare your interest and play no part in the consideration, discussion and decision making; you must withdraw from any part of a meeting where the interest arises. Our Rules require that any Governing Body Member who has an interest in a matter that is being considered withdraws from all discussions and plays no part in decision-making.

2.3 The Code of Conduct which our Governing Body Members and staff are required to uphold contain requirements about Declaring Interests that you should comply with at all times.

2.4 An annual report will be made to our Governing Body on the entitlements, payments, & benefits that have been recorded in the Register by our people.

2.5 The following are examples of the kind of interest that you must declare. Please note that this list is not exhaustive, and there may be other interests that you should also declare.

- Tenancy of a property of which we are the landlord.
- Occupancy or ownership of a property which is factored or receives property related services from us.
- Receipt of care or support services from us.
- Membership of a community or other voluntary organisation that is active in the area(s) we serve.
- Voluntary work with another RSL or with an organisation that does, or is likely to do, business with us.
- Membership of the governing body of another RSL.
- Being an elected member of any local authority where we are active.
- If you purchase goods or services from us.
- If you purchase goods or services from one of our contractors or suppliers (see section 4).
- Significant shareholding in a company that we do business with (or are considering doing business with).
- Membership of any other body whose interests and/or activities may directly affect our work or activities.

- Ownership of land or property in our areas of operation. This excludes property for the purpose of your own residential use (i.e. there is no requirement for you to declare any house in which you currently live).
- Unresolved dispute relating to the provision of services in connection with a tenancy or occupancy agreement or a contractual dispute over the provision of goods or services with us.

2.6 You should note that in some circumstances, declaration of an interest may not be sufficient, and that it may be necessary for the organisation to take additional measures to deal satisfactorily with the situation so as to protect the probity and reputations of both yourself and the organisation.

<u>Entitlements, Payments & Benefits</u>

2.7 Many of the interests you will be required to declare can be classed as entitlements, payments or benefits.

2.8 As one of our people, you potentially could be offered benefits over and above that to which you are contractually entitled (as a result of policy or contractual terms), such as gifts or hospitality from external parties. Such offers would be as a direct result of you being one of our people and cannot always be accepted. We require that any such offers are managed and recorded very carefully to ensure the highest levels of probity in our organisation. Our people should not benefit – or be seen to benefit – inappropriately from their involvement with us.

2.9 Apart from payments that our people are entitled to by contract, statute, policy or other agreement (e.g. salary, expenses), we will only make a payment to, or accept a payment from, someone affected by this policy in exceptional circumstances. Appendix A explains the payments we can and cannot make in more detail.

2.10 As we contribute to the economy of the area(s) we work in and we have commercial and business relationships with many different companies, contractors, suppliers and service providers, you must ensure that we are fully aware of any connection that you or someone you are close to (see section 3) has with any of these businesses or organisations.

2.11 Some entitlements, payments and benefits we can never permit, and others we have additional requirements or conditions that must be met before we can permit.

2.12 Appendix A lists the entitlements, payments and benefits that fall under this policy, and states:

a) Which could be permitted by the organisation;

b) Which will never be permitted by the organisation;

c) Which you require to declare in the register of interests; and

d) Any other further requirements the organisation has before permitting.

PEOPLE CONNECTED TO YOU

Who Else You Should Consider When Declaring Interests

3.1 As well as considering your own actions, you must be aware of the potential risk created by the actions of people to whom you are closely associated. Someone 'closely associated' to you includes family members and persons who might reasonably be regarded as similar to family members even when there is no relationship by birth or by law, There are three groups of people that you need to consider, outlined in Table A:

Table A

Group 1 **Members of your household**	**Group 2** **People closely associated with you**	**Group 3** **Others you may need to consider**
Anyone who normally lives as part of your household, whether they are related to you or not, including spouses/partners who work away from home and sons and daughters who are studying away from home.	• Parents, parents-in-law and their partners; • Sons and daughters; stepsons and step-daughters and their partners; • Brothers and sisters and their partners; • A partner's parent, child, brother or sister; • Grandparents, grandchildren and their partners; • Someone who is dependent on you or whom you are dependent on; and • Close friends.	Other relatives (e.g. uncles, aunts, nieces, nephews & their partners).

3.2 If you become aware of any action or involvement relating to **anyone** in the table then you should consider as soon as possible whether it requires to be declared or managed.

3.3 We recognise that you will not always be closely acquainted with or in regular contact with all of the people listed and we do not expect you to go to unreasonable lengths to identify actions or involvement that are covered by this policy.

3.4 Please note, we do expect you to be familiar with the actions of members of your household (Group 1) and of any other people listed in the table above with whom you are closely connected and you must take steps to identify, declare and manage these.

3.5 **You are not expected to be aware of the actions of people in groups 2 and 3 with whom you do not have a close connection.** We do not expect you to research into the employment, business interests and other activities of all persons with whom you are closely connected.

3.6 In relation to 3.2 – 3.5 above, when considering actions you should do so from the point of view of a reasonable and objective observer and a common sense approach should be adopted at all times.

What You Need to Consider

3.7 The following are the actions and involvement by those to whom you are closely connected that, should you become aware, we would expect you to notify us by making a declaration in the register:

a) A significant interest in a company or supplier that we do business with (or are considering doing business with) or which is on our approved list. A significant interest means ownership (whole or part) or a substantial shareholding in a business that distributes profits, but does not include where an individual has shares in large companies such as banks, utility companies or national corporations, i.e. where owning shares would not give the individual any significant influence over the activities of that organisation;

b) Where the individual may benefit financially from a company we do business (or are considering doing business) with or is on our approved list;

c) Involvement in the management of any company or supplier that we do business (or are considering doing business) with or which is on our approved list;

d) Involvement in tendering for or the management of any contract for the provision of goods or services to us;

e) Application for employment with us;

f) Application to join our Board or any of its subsidiaries;

g) Application to be a tenant or service user of the organisation; or

h) If they are an existing tenant or service user of the organisation.

USE OF OUR CONTRACTORS AND SUPPLIES

4.1 "Hebridean Housing Partnership has a well-earned reputation for integrity and honesty and is committed to acting with transparency, honesty and propriety and avoiding any reasonable public perception* of improper conduct. In order to help us maintain our excellent reputation, it is important that staff and Board members do not misuse their position to gain benefits which would not be available to other members of the public."

> Reasonable public perception is defined as:
>
> *"How does it look to a reasonable and objective member of the public who has knowledge of all the facts?"*

4.2 At the same time we do not want to see staff and Board members face unreasonable restrictions which put them at a disadvantage compared to other members of the public.

4.3 Where, in your personal/home life, you need a service from a contractor or supplier, if it causes no disadvantage or inconvenience to you to avoid using someone off our approved list, then we would ask that such use is avoided.

4.4 However, it is extremely important that where you wish to use one of our contractors or suppliers (as listed in Appendix B) you take the following steps to help prevent actual or perceived impropriety:

a) Ensure the normal commercial rates are paid for this service and no preferential treatment, financial or otherwise, is received;

b) Make no reference to your role/position in the Partnership during any private negotiations, and do not respond to any attempt by a supplier/ contractor to engage with you on the subject;

c) Do not approach any suppliers or contractors through the Partnership, this includes the use of work email accounts;

d) Do not avail, or attempt to avail yourself of any preferential rates agreed by the Partnership, or draw on Partnership contracts or Framework agreements;

e) Make a written declaration that you have not received any advantage or preferential treatment (financial or otherwise) from the contractor or supplier as a result of your connection with the Partnership: written quotes should be provided where these would normally be sought for the type of work in question, and in all cases receipts should be provided; and

f) Record the transaction in the Register of Payments and Benefits and keep the entry up to date.

4.4.1 You do not need to record any transactions with a value below (£500), but should still act within the spirit of this policy and be able to defend your decision in the light of any complaint or allegation.

4.4.2 For transactions with a value between £500 and £5,000, where practical, you should discuss this in advance with the Chief Executive, Secretary or the Chair (as appropriate) and follow any guidance. You must record, in the register, your use of the contractor within 10 days of receiving the goods or service and receipts provided.

4.4.3 For any transactions in excess of £5,000, you must receive written approval from the Chief Executive, Secretary or Chair (as appropriate) before entering into any contract. In such cases, you may be required to provide evidence that you have not received any favourable terms as a result of your connection to us.

4.5 Appendix B lists the contractors and suppliers to whom this policy applies. We have excluded:

a) suppliers of low value services such as sandwich shops & other high street stores;

b) national chains, utility companies, transport companies, banks and national telecoms providers etc.; and

c) contractors or suppliers used so rarely by us that no favour could realistically be gained.

4.6 This Policy also applies to situations where you wish to engage services such as factoring, maintenance services, small repairs and Care & Repair, normally provided to the general public by the Partnership or its subsidiary.

4.7 If there is any difficulty in agreeing how the requirements of Section 4 of this Policy should be applied, a staff member may appeal through the normal grievance procedure. In the case of Board members, the Chair's decision will be final.

MONITORING AND REVIEW OF POLICY

5.1 Our Rules require the Governing Body to set our policy on payments and benefits and keep it under review. This policy has been approved by our Governing Body and is consistent with the requirements of our Codes of Conduct for Governing Body Members and for Staff. These Codes have been confirmed by the Scottish Housing Regulator as meeting their regulatory requirements.

5.2 The Company Secretary will be responsible for monitoring compliance with this policy on a regular basis.

5.3 The Audit & Risk Committee will receive a report annually, which details:

a) numbers of recorded declarations for use of suppliers at each level;

b) level of reputational risk arising from staff and Governing Body usage of suppliers and contractors; and

c) compliance with, and effectiveness of, this policy.

5.4 Internal Audit will be asked to review the implementation and operation of this policy on a 3-yearly cycle.

5.5 This policy was adopted by our Governing Body on 25 August 2021.

It will be reviewed not later than August 2024.

EXAMPLE	CAN THIS BE PERMITTED?	FURTHER ACTION NECESSARY BEFORE THIS WILL BE PERMITTED?
HUMAN RESOURCES AND RECRUITMENT		
All entitlements arising from your contract of employment with us or one of our subsidiaries, including (but not restricted to): • Payment of salary to staff • access to car or travel loans or salary advances where specified in the employment contract; • pension and/or private health care provided as part of the remuneration package; • performance related pay or bonus awarded in accordance with contractual terms; • books and equipment in connection with employment or training in accordance with agreed policies and/or contractual terms • Reimbursement of professional fees	Yes	Any entitlement in the terms of your contract is always permitted without the need to record in the register of interests. There are Human Resource processes in place for this purpose.
Payment to a member of the governing body for their role as a governing body member, in accordance with the terms of their letter of appointment	No	[Such payments will only be permitted if they are in accordance with the conditions set out in Section 67(3) of the Charities and Trustees Investment (Scotland) Act 2005[1]

[1] Legislation.Gov.Uk (2005) Charities and Trustees Investment (Scotland) Act 2005 Section 67 (3)

EXAMPLE	CAN THIS BE PERMITTED?	FURTHER ACTION NECESSARY BEFORE THIS WILL BE PERMITTED?
		The payment must be recorded in the register of interests within five days of the appointment being confirmed and the register must be kept up to date]
All payments made in accordance with the terms of our expenses policy including: • payment of permitted out of pocket expenses • reimbursement of travel costs	Yes	Entitlements in connection with your role as one of our people are set out in our expenses policy are always permitted and do not need to be declared provided claims are made in accordance with our procedures.
Provision of a loan by the organisation to one of our people	No	This is not permitted unless in connection with the contractual terms of employment. We cannot make any other loans to individuals.
Redundancy or Voluntary severance payment to an employee	Yes	We can make redundancy payments to an employee in line with terms their contract Or We can make a voluntary severance payment to an employee which is outside the terms of their contract of employment provided: • It arises directly from a decision to terminate the employee's contract of employment • Payment is approved by the Governing Body • That the total sum of the non-contractual payment and benefit does not exceed, in the opinion of our employment adviser, the total cost of a successful application by the employee to a Court or Tribunal (including the likely level of compensation that might be awarded by a court or tribunal and associated costs to the organisation to participate in the tribunal) • Payment does not exceed the equivalent of one year's salary for the employee • That this payment is instead of (rather than additional to) any redundancy entitlement

EXAMPLE	CAN THIS BE PERMITTED?	FURTHER ACTION NECESSARY BEFORE THIS WILL BE PERMITTED?
An offer of employment (temporary or permanent) to someone who is closely connected to a member of staff	Yes	This is permitted as long as: • There has been an open recruitment exercise in accordance with our policy that you have not played any part in and • You have no direct or indirect line management or supervision responsibility for the post and • The offer of employment complies with our policy and is approved by Directors and • You record your connection to the successful applicant in the register within five days of their acceptance of the offer.
The offer of employment to someone who is, or has been in the last twelve months, a member of our Governing Body or to anyone who is a close relative of a member of the Governing Body	No	This cannot be permitted under our Rules. The Rules define a "close relative" as being: spouse, civil partner, cohabitee, parent, grandparent, child, stepchild, grandchild, brother or sister.
Appointment of one of our staff members to the Governing Body	No	This cannot be permitted in accordance with the Rules of the organisation.
Nominations to join the Governing Body from people who are connected to a serving member.	Yes	This can be permitted in accordance with the Rules of the organisation.
OUR PEOPLE AS TENANTS OR SERVICE USERS		
The offer of a tenancy or lease in one of our, or any of our subsidiaries', properties to one of our people or to someone closely connected to them.	Yes	This is permitted as long as • our Policies and Procedures are followed **and** • Neither the applicant or anyone connected to the applicant is involved in any way or in any part of the allocation process **and** • The offer is approved by the Governing Body in advance **and** • The tenancy is recorded as an interest in the appropriate register within five days of the tenancy commencing

EXAMPLE	CAN THIS BE PERMITTED?	FURTHER ACTION NECESSARY BEFORE THIS WILL BE PERMITTED?
Where one of our people (or someone connected to one of our people) is a tenant and receives a repair, improvement or adaptation to their home	Yes	**Repairs** carried out in accordance with our policy do not need to be recorded. **Adaptations** must comply with our policy and be approved by Executive Team. The adaptation should be recorded in the register of interests within five days of approval. **Improvements** must be carried out as part of an approved programme and in accordance with our policy. The person affected should declare their interest if/when the programme is being discussed and the improvement recorded in the register of interests within five days of completion
Where one of our people (or someone connected to one of our people) is a tenant and receives payment of a decoration allowance, tenant reward/incentive as part of an agreed scheme or prize.	Yes	**Payment of decoration allowances or incentive/reward payments** must be made in accordance with our policies and procedures and recorded in the register within five days of receipt. **Prizes or awards** in competitions open to all tenants in the same community (e.g. garden competitions) can only be given if the selection process for giving the award/prize has been carried out by someone who is independent. Receipt of the award and the circumstances surrounding it must be recorded in the register within five days of receipt.
TRAINING AND EVENTS		
Attendance at training events or seminars (e.g. SFHA Conferences) or openings/similar events hosted by other RSLs	Yes	There is no requirement to declare and record in the register of interests.
The organisation paying for accommodation in connection with attendance at relevant conferences or events that you are attending on behalf of or in connection with your role with us or our subsidiaries	Yes	Accommodation that is part of a conference or training package does not need to be recorded in the register, but attendance will be recorded on the relevant individual training plan. Residential conferences are important in ensuring that our people have the necessary skills, knowledge and experience to make an effective contribution to our activities.

EXAMPLE	CAN THIS BE PERMITTED?	FURTHER ACTION NECESSARY BEFORE THIS WILL BE PERMITTED?
Attendance by you at events to mark awards, achievements or other significant milestones relevant to our business.	Yes	The Budget holder must approve attendance prior, and will only do so if: • The organisation or one of our people (because of their role with us) has been nominated for an award; or • attendance is in recognition of achievement of or in pursuit of appropriate business development; or • we can demonstrate that attendance or participation is directly related to furthering our aims and objectives. Where we ask you to represent us at such an event, this should be recorded in the register along with any associated costs (including **travel**, accommodation and the costs of attendance at the event) within five days of attendance. **The total cost should not exceed £500 per person and we will make all arrangements in advance.** Where costs would exceed £500, you will not be permitted to attend unless there is a clear, viable business case for attending. In such a case, specific approval of the Governing Body would be required.
GIFTS AND HOSPITALITY		
Gifts received from tenants and external sources including prizes from our contractor or suppliers.	Yes (not exceeding a value of £60)	Small gifts (e.g. a box of chocolates, pens, folders, paperweights) and prizes from our contractors and suppliers can be accepted if: • the value does not exceed £60 • you do not receive more than one such gift from the same source in a 12-month period • you record receipt of the gift in the register You should not normally accept other gifts and should decline any gifts with a value of more than £60 unless to do so would cause

EXAMPLE	CAN THIS BE PERMITTED?	FURTHER ACTION NECESSARY BEFORE THIS WILL BE PERMITTED?
		offence or otherwise damage our reputation. In these cases, you must: • Advise the donor that the gift will be donated to charity or will form part of our annual charity fund raising activities • Record the gift and the action taken in the register within five days You should not regularly accept gifts from the same source and never more than once from the same source within a 12-month period. You should also record any offers that you decline and the reasons for this, in the register within five days.
Gifts given from us to one of our people or received by one of our people from external sources to mark special occasions.	Yes	Gifts from the organisation to our people can be permitted in cases where it is to mark a special occasion or significant event including: • Retirement • Leaving the organisation • Long service awards These must be recorded in the relevant register and the value of such gifts will not normally exceed £100 except where specifically allowed for in the terms and conditions of employment, or our own separate policy. Please note, that this does not include collections by our people using their own personal funds to mark special occasions. These are always permitted with no requirement to declare.
Hospitality associated with our business and that of its partners	Yes (when not exceeding a value of £60)	Modest hospitality, such as a sandwich lunch or networking event, is permitted and does not need to be recorded

EXAMPLE	CAN THIS BE PERMITTED?	FURTHER ACTION NECESSARY BEFORE THIS WILL BE PERMITTED?
		All other hospitality up to a value of £60 is permitted but must be recorded in the register, along with an estimation of the value of hospitality received, within five days of attendance. **You should not accept invitations with a value that is greater than £60, unless you have prior approval from the Chief Executive or Chair. The type of hospitality offered will also be taken into consideration, e.g. we will not normally accept invitations to sporting events, concerts, golf tournaments etc.** In this case, the reason for acceptance must also be included in the register and countersigned by the Company Secretary.
Our people seeking donations from our contractors/suppliers when fundraising for charity	Yes	This is permitted provided: • Approval is gained from Chief Executive prior to making any approach • Any donations received are recorded in the register We recognise our social responsibility and promote charity fundraising by the organisation and our people. We have a separate policy that sets out our approach to supporting other charities.
PROCURING GOODS/SERVICES		
Sale of a property under Right To Buy to someone affected by this policy	Yes	This is permitted with no requirement to declare in the register. The normal process for valuation and sale should be followed and our normal policy would be applied.
Sale of our interest (whole or part) in a property to someone affected by this policy via LIFT, HomeBuy; Help to Buy or other LCHO scheme	Yes	This is permitted, as long as: • Our policy and procedures are followed • Neither the prospective purchaser or anyone connected to them is involved in any way or in any part of the allocation process

<table>
<tr><th>EXAMPLE</th><th>CAN THIS BE PERMITTED?</th><th>FURTHER ACTION NECESSARY BEFORE THIS WILL BE PERMITTED?</th></tr>
<tr><td></td><td></td><td>• The sale is approved by the Governing Body
• It is declared and recorded in the register within five days of the missives being concluded confirming the process followed.</td></tr>
<tr><td>The organisation entering into a contract with an organisation where one of our people, or someone closely connected to them, has significant control.</td><td>No (in almost all cases)</td><td>This is not permitted in almost all circumstances. We could only consider this where:
• The person affected by this policy is not involved in any part of the procurement process or decision
• The appointment is approved by the Governing Body which is satisfied that the appointment is reasonable in the circumstances
• There is no reasonable alternative (e.g. because of geography or the specialist nature of the goods/services)
In such rare circumstances, the appointment would be recorded in the register along with details of the process followed.</td></tr>
<tr><td>The purchase of land or other assets from anyone who is, or has been in the last twelve months, one of our people or who is connected to one of our people</td><td>No (in almost all cases)</td><td>This cannot be permitted in almost all cases.
The only exception would be if you were referred to us under the Scottish Government's Mortgage to Rent scheme, where this would be permitted provided:
• Our policy and procedures are followed
• The prospective seller plays no part in the decision to purchase the property or the processing of the transaction by the organisation
• It is declared and recorded in the register within five days upon conclusion</td></tr>
<tr><td>The purchase of goods/services from our suppliers/contractors by one of our people</td><td>Yes</td><td>This should be avoided where it is reasonable to do so but otherwise is permitted if the procedure in Section 4 is followed</td></tr>
</table>

EXAMPLE	CAN THIS BE PERMITTED?	FURTHER ACTION NECESSARY BEFORE THIS WILL BE PERMITTED?
The purchase of goods/services (such as factoring and small repairs) from the Partnership or our Subsidiary.	Yes	This is permitted where the services are available to the general public and provided the procedure in Section 4 is followed
Use of Care & Repair services provided by the Partnership or our Subsidiary	Yes	This is permitted where the services are provided on the same terms as they would be to any other member of the public and they are recorded in the register.

APPENDIX B - CONTRACTOR AND SUPPLIER LIST

Contractor	Contract 1	Contract 2	Sub-Contractor 1	Sub-Contractor 2	Sub-Contractor 3	Sub-Contractor 4	Sub-Contractor 5	Sub-Contractor 6
D. Macdonald & Co	Investment Framework		Nessglaze	Neil Campbell				
FES FM Ltd	Investment Framework	Repairs and Maintenance	Alex Murray (Construction) Ltd	AB Electronics	Nessglaze	O'Mac Construction Ltd	A Macarthur Plumbers	H MacLean (Electrician)
O'Mac Construction Ltd	Investment Framework	Development Contracts	Stornoway Kitchen Centre	AM Plumbing & Heating	GA Barnie Group Ltd	Breedons Hebrides	Duncan Mackay & Sons Ltd	
Neil MacKay & Co	Investment Framework		Nessglaze	Decor8 Stornoway Ltd				
Alex Murray (Construction) Ltd	Investment Framework	Development Contracts	Nessglaze	Stornoway Kitchen Centre	Breedons Hebrides	Duncan Mackay& Sons Ltd		Highland Airtightness Ltd
MacAulay Askernish	Unadopted Infrastructure							
Lewis Builders Ltd	Development Contracts		Nessglaze		Breedons Hebrides			
Calmax Construction Ltd	Development Contracts		A Campbell Electrical Services Ltd	Black Isle Renewables	Breedons			Michael MacIsaac Builders
MacInnes Bros	Development Contracts	Repairs and Maintenance (Procurement)	Macisaac Builders	Breedons Hebrides	Walker Renewables & Macdonald Plumbing	Macdougall Electrical		
Torrance Partnership	Development Contracts							
Rennie Partnership	Development Contracts							
Tighean Innse Gall	Development Contracts		Anderson Associates	Rennie Partnership	Maciver Consultancy	IMQS (Iain M Morrison)		
Jon Howarth	Development Contracts							
Pick Everard	Development Contracts							
McLaughlin Harvey	Development Contracts via CnES							
M MacIver Consultancy	Structural & Civil Engineers		Misc Surveys					
Iain M Morrison	Quantity Surveying Services							
Campbell Construction Services	Health and Safety							
CNES	Grounds Maintenance		DSL (Dasan Solutions Limited)					
David's Garden Machinery	Garden Assistance (Uist & Barra)							
Thompson Grounds Maintenance	Garden Assistance (Lewis & Harris)							

NB – Although Calmax Construction use Carpet World as a supplier they are not listed due to the limited alternatives

INTERPRETATIONS & ABBREVIATIONS

The following interpretation and abbreviations are used in this policy:

Word	Interpretation
HHP or Partnership	Hebridean Housing Partnership
Board	Means the Board of the Hebridean Housing Partnership
Board Members	All Members of the Board including co-opted Members
Chairperson	An individual who presides over a meeting of the Board or Committee.
Code of Conduct	The set of rules outlining the conduct, proper practices, and responsibilities of Board and Committee members and staff.
Company Secretary	The individual whose responsibility it is to ensure that HHP and its Board obey company law and financial regulation. This post is aligned to that of the Head of Executive Office.
Governing Body	The Board of the Hebridean Housing Partnership
Internal Audit	The independent and objective monitoring and analysis of HHP's business operations
OSCR	Office of the Scottish Charity Regulator
Register of Interests	A register in which interests declared by Board Members and staff are recorded
SHR	Scottish Housing Regulator
HILG	Highlands & Islands Liaison Group
All references to the masculine gender in this policy shall read as equally applicable to the feminine gender	

hhp | hebridean housing partnership

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ITEM NO 9.1

BUSINESS PLAN 2019/20 TO 2023/24

Board 25 August 2021

Report by Chief Executive

Purpose of Report

1.1 To present a progress report to 30 June 2021 on the Delivery Plan for the Business Plan 2019/20 to 2023/24 and the timetable for the review of the Business Plan.

Summary

2.1 The progress report to 30 June 2021 is at Appendix 1and shows that overall we are currently just below target. Approx. 10% of the actions are below target because the timescale was not met. Timescales are being reviewed as part of the overall update of the Business Plan.

2.2 This quarter has seen a slight improvement in arrears and voids at 0.8% is better than our target.

2.3 Appendix 2 shows the breakdown for the contributory factors on our voids performance since lockdown.

2.4 The Tenant Satisfaction Survey is currently underway and so far after 570 surveys the indications are that we are not going to meet the Business Plan targets. At the November 2021 Board meeting a full report on the survey will be presented along with agreed improvement actions, which will be incorporated into the updated Business Plan. A Timetable for the review and update of the Business Plan is at Appendix 3.

Competence

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

Recommendations

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

a) review the Delivery Plan Progress report to 30 June 2021 at Appendix 1:

b) note the action being taken to address areas where targets are not being met; and

c) note the Business Plan review timetable at Appendix 3.

APPENDIX 1:	Delivery Plan Progress report to 30 June 2021	
APPENDIX 2:	Voids Performance (T/F)	
APPENDIX 3:	Business Plan review Timetable	
Background Papers:	None	
Writer of Report:	Dena Macleod	Tel: 0300 123 0773

Competence

Financial

5.1 The 5 year Business Plan is supported by 30 year financial projections, 5 year projections and the detailed annual budget for 2021/22.

5.2 The detailed annual budget for 2021/22 was approved in March 2021.

Legal

6.1 There are no specific legal issues relating to the Delivery Plan progress report.

6.2 Our new funding agreement requires an annual business plan to be provided to our funder within 30 days after the commencement of the financial year.

Regulatory Guidance

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

Risk

8.1 Reviewing progress on the Delivery Plan on a quarterly basis reduces the risk of the Strategic Goals not being delivered.

Report Detail

Measures of Success & Action Plan

9.1 Good progress is being made on the majority of the measures of success and the action plan, the exceptions, which we are working to address for the current financial year, are:

a) **Arrears** – were trending upwards over the past three quarters but now steadied at 2.10% (largely due to impact of COVID-19 and more tenants moving onto Universal Credit). Whilst this is over our target it is a very good performance in light of the restrictions placed on us during lockdown.

b) **Satisfaction levels**-based on the results so far it looks like we are not going to achieve our targets on satisfaction with our overall services, opportunities for tenants to participate in decision making and our area management. A full report will be brought to the Board in November 2021.

9.2 There have been improvements in:

a) **Complaints**- now at 96% being responded to within SPSO targets.

b) **Voids**-at 0.8% this is within our targets. Appendix 2 provides an analysis of how our void performance was affected by lockdown measures.

9.3 There are some measures where we are dependent on partnership working in order to achieve them e.g. 4.20 and 4.21 on population. As part of the Risk Appetite session the Board will review the changes that may be required to our service delivery and provision to accommodate the continuing population trends in terms of numbers and demographics.

9.4 A number of workshops have been held over the past 3 or 4 months and the actions arising will feed into the revised Business Plan which will be considered at the November 2021 Board meeting. The aim is to have the revised Business Plan consulted on and approved by the March 2022 Board Meeting. A timetable for the revision of the Business Plan is at Appendix 3.

Business Plan 2019/20 to 2023/24

Progress Report to: 30 June 21 **Quarter 1**

MEASURES OF SUCCESS

		Due by 31 Mar 22	On Target	Below Target	Exceeding Target
SG 1	Placing Tenants at the centre of everything we do	7	3	3	
SG 2	Investing in an environmentally sustainable way in tenants' homes	3	3		
SG 3	Being a good employer that attracts and retains high quality staff	4	2		1
SG 4	Working with partners to contribute to the wellbeing of communities throughout the Outer Hebrides	6	4	3	

ACTION PLAN

		Due by 31 Mar 22	On Target	Below Target	Exceeding Target
SG 1	Placing Tenants at the centre of everything we do	8	5	3	
SG 2	Investing in an environmentally sustainable way in tenants' homes	2	1	1	
SG 3	Being a good employer that attracts and retains high quality staff	4	4		
SG 4	Working with partners to contribute to the wellbeing of communities throughout the Outer Hebrides	5	5		

Overall Progress

	Due by 31 Mar 22	On Target	Below Target	Exceeding Target
	39	27	10	1
		69%	26%	3%

On Target
More than 75% of actions on target and less than 20% below

Below Target
Less than 75% of actions on target or more than 20% below

Exceeding Target
100% of actions on target and none below target

Measures of Success	Target date	Baseline		Progress to June 2021	Trend	Lead Officer
2021-1 Placing tenants at the centre of everything we do						
2021 - 1.1 - % of satisfaction with our overall services > 90%	31/10/2022	88%	X	**Current result show target not met**		Sevice Development Manager
2021 - 1.2 - Maintain all our homes to meet or exceed SHQS *(exl abeyances & exemptions)*	31/03/2022	100%	√	**On target**		Investment Manager
2021 - 1.3 - Respond to complaints within SPSO targets	31/03/2022	94.23%	√	**96%**		Director of Operations
2021 - 1.4 - Level of current arrears at 2% of Gross Debit	31/03/2022	1.70%	√	**2.10%**		Director of Operations
2021 - 1.5 - Voids at < 1% of Gross Rent Debit	31/03/2022	0.66%	√	**0.80%**		Director of Operations
2021 - 1.6 - Provide options for a rent guarantee period	31/03/2022	Current Rent Structure	X			Director of Finance
2021 - 1.7 - 88% of tenants satisfied with opportunities to participate in decision making	31/10/2022	84%	X	**Current result show target not met**		Service Development Manager
2021-2 Investing in Properties						
2021 - 2.8 - Deliver 214 new builds	31/03/2022		√	**142 completed**		Development Manager
2021 - 2.9 - Deliver 50 extra care units in Stornoway by Sept 2022	30/09/2022	None	√	**On site due for completion March 2022**		Director of Operations
2021 - 2.10 - Reduce % of tenants in fuel poverty to under 25% by 2023 (subject to fuel prices)	31/03/2023	41%		**41%**		Investment Manager
2019 - 2.11 - 100% properties achieving EESSH by 2020	31/03/2020	87%	√	**87%**		Investment Manager
2020 - 2.12 - 100% of stock assessed in terms of long term viability	31/03/2021	0%	√			Asset & Contract Manager
2021-3 Being a good employer						
2019 - 3.13 - Flexible working policy in place by 2020	31/03/2020	N/A	√	**Completed in June 2020**		Chief Executive
2020 - 3.14 - Staff survey in 2020 showing positive feedback. Action Plan by 31 March 21	31/03/2021	2015 Survey	√	**Survey completed and reported in March 20**		Chief Executive
2020 - 3.15 - 10% of staff pursuing and obtaining qualifications	31/03/2022	4%	√	**10%**		Training & Development Officer
2019 - 3.16 - 100% of vacancies filled on first attempt	31/03/2022	100% in 2018/19	X	**75%**		Chief Executive
2020 - 3.17 - Sustain a minimum level of 65% of HHP staff with a service length greater than 3 years	31/03/2022	68%	√	**82%**		Chief Executive
2020 - 3.18 - % of staff turnover at less than 10%	31/03/2022	4% for 2018/19	√	**6%**		Chief Executive
2021-4 Working with partners						
2019 - 4.19 - New arrangement in place for the delivery of accommodation for the Foyer by 1 April 2019	01/04/2019	N/A	√	**In place 25 April 2019**		Director of Operations
2020 - 4.20 - Population forecasts decline + demographics	31/03/2022	Population at 2011-27,684	X	**2016**-26,950 **2020**-26,720		Chief Executive
2020 - 4.21 - Increased demand for housing in rural areas	31/03/2022	243 at 31 March 2019	X	**Total 511 Rural 236**		Director of Operations
2020 - 4.22 - Community benefit measures delivered across our communities and on all contracts	31/03/2022	100% of contractors	√	**100%**		Director of Operations
2020 - 4.23 - 95% of tenants satisfied with management of the area they live in	31/03/2022	92%	X	**Current result show target not met**		Service Development Manager
2020 - 4.24 - Complete Housing Demands Study	30/09/2021	N/A	√			Director of Operations
2021-Competencies Achieved	31/08/2021	92% in 2020	√			Chief Executive

Action Plan	Target date	Baseline		Progress to June 2021	Lead Officer
2021-1 Placing tenants at the centre of everything we do					
2021 - 1.1 - Carry out affordability checks	31/03/2022	2018	√	**Rents benchmarked against peers**	Director of Operations
2021 - 1.2 - Value for money Strategy	31/03/2022	2012	X	**Behind schedule was due for March 21**	Director of Finance
2021 - 1.3 - New Rent Structure	31/03/2022	Current Rent Structure	X	**Behind schedule was due for March 21**	Director of Finance
2021 - 1.4 - Profile our Customers Needs	31/03/2022	20% complete	X	**Behind schedule was due for March 21**	Service Development Manager
2021 - 1.5 - Support Western Isles Housing Association Communities Forum	31/03/2021	Grant + Staff time	√	**Support in place+ new members being saught**	Service Development Manager
2021 - 1.6 - Develop tenant scrutiny	31/03/2022	2 groups in place	√	**Participants being saught**	Area Managers
2021 - 1.7 -Provide dedicated tenant participation support	31/03/2021	Half time post in place	√	**Contract in place for next 2 years**	Director of Operations
2021 - 1.8 - Ensure tenants maximise their opportunties to access digitial services	31/03/2022	Information from survey	√	**New housing mgt system in process of being implemented**	Area Managers
2020 - 1.9 -Develop a digital transformation strategy	31/03/2021	IT Strategy	√	**Approved by Board in November 2020**	Business Support Officer
2021 - 1.9 Implement the digitial transformation strategy	31/03/2023	DT Strategy	√	**In progress and on target**	Digitial Transformation Manager
2019 - 1.10 - Develop an Anti-Poverty Strategy	31/03/2020	None in place	√	**CPP Strategy launched 9 October 19**	Director of Operations
2021 - 1.11 -Benchmark our services with other Housing Associations	31/03/2022	High Level desk top	√		Executive Office Manager
2020 - 1.25 -Key Risk Indicators and Key Control Indicators developed during 2019	31/12/2020	None in place	√	**Initial KCIs measured with Quarterly performance report**	Executive Office Manager
2021-2 Investing in Properties					
2021 - 2.12 - Develop an Environmental Strategy	31/03/2022	None in place		**Initial draft being discussed with Managers**	Investment Manager
2019 - 2.13 - Update Asset Management Strategy	31/03/2020	Current Strategy	√	**Completed**	Assets & Contract Manager
2021 - 2.14 - Annual Investement Programmes completed by February each year	29/2/2022	90% delivered by March	X	**On target to deliver 90% by 1 March 22**	Investment Manager
2021-3 Being a good employer					
2020 - 3.15 - Offer shadowing and coaching opportunities to all staff	31/03/2022	Informal arrangements	√	**To be reviewed once People Development Officer appointed**	Executive Office Manager
2021 - 3.16 - Team building events	31/03/2022	2 held	√	**Event held in June 19-survey showing increased satisfaction**	Chief Executive
2021 - 3.17 - Round table discussions with managers	31/03/2022	None in place	√	**Meetings held every month since January 2020**	Chief Executive
2019 - 3.18 - Develop use of on line system in particular appraisals	31/03/2020	New system in Jan 2019	√	**1-2-1 being recorded on system**	Executive Office Manager
2021 - 3.19 - Deliver Annual Training Plan for 2021/22	31/03/2022		√	**In progress and on target**	Executive Office Manager
2021-4 Working with partners					
2021 - 4.20 - Working with community groups to improve common areas	31/03/2022	None in place	√	**Work ongoing in two areas**	Area Managers
2021 - 4.21 - Identify opportunities to generate income	31/03/2022		√	**Review of Subsidiary activites underway**	Finance Manager
2021 - 4.22 - Support OHCPP to deliver its aims	31/03/2022	Attendance at OHCPP	√	**Meetings attended Agreement signed. Housing report on the July Agenda**	Chief Executive
2021 - 4.23 - Work closely with voluntary sector	31/03/2022	None in place	√		Chief Executive
2021 - 4.24 - Work with CNES to deliver LHS	31/03/2022	IDB	√	**New build on Target for 21/22; Homeless targets presenting challenges**	Chief Executive

APPENDIX 3-BUSINESS PLAN TIMETABLE

Date	Action
November 2021 Board	• Consideration and review of the findings of the Demands Needs Study and the Tenant Satisfaction Survey • Agree improvement actions • Agree our approach to the delivery of the development programme for the next five years
November to January 2022	• Risk Appetite session with Board and staff • Consult on the key changes proposed for the Business Plan
January 2022 Board	Draft Business Plan to be considered
March 2022 Board	Business Plan to be approved

hebridean housing partnership

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QUARTERLY TREASURY REPORT TO 30 JUNE 2021

Board 25 August 2021

Report by Director of Finance & Corporate Services

Purpose of Report

1.1 To inform the Board of the Treasury Management activities for the first quarter of 2021/22.

Summary

2.1 The quarterly Analysis of Investment and Borrowing report required by the Treasury Management Policy is at Appendix 1.

2.2 Financial covenants are forecast to be met for 2021/22.

Competence

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

Recommendations

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

a) quarterly report on the Analysis of Investment and Borrowing as shown at Appendix 1;

b) outstanding loans at 30 June 2021 of £4.909 Million; and

c) cash balance at 30 June 2021 of £5.773 Million.

APPENDIX 1	Analysis of Investment and Borrowings	
APPENDIX 2	Quarterly Income and Expenditure Profile	
Background Papers	None	
Writer of Report	Donald Macleod	Tel: 0300 123 0773

Competence

Financial

5.1 This report deals entirely with the cash resources utilised over the first quarter of 2021/22.

Legal

6.1 Rule 19.1 to 20.1 details the Partnership's borrowing powers.

6.2 The effecting of borrowing and lending money is in accordance with the Partnership's borrowing and lending policies and CIPFA's "Treasury Management in Housing Partnerships: A Code of Practice" and has been delegated to the Director of Finance & Corporate Services.

6.3. The Treasury Management Policy requires that as a minimum a quarterly report is provided to the Board in the form "Analysis of Investment and Borrowing".

6.4 The Treasury Management Policy requires that if the cash balances exceed £4 Million the funds should be spread over no fewer than four interest bearing accounts. The cash balances are in a special interest account with Royal Bank of Scotland (RBOS). The remainder is held in the current accounts with the RBOS.

Regulatory Guidance

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

Risk

8.1 There are a number of risks highlighted in the Risk Register in relation to Treasury Management. The risk scored as "high" is the impact of increases in the interest rate and inflation rate and this has been addressed in Appendix 1.

8.2 The COVID-19 pandemic has resulted in turmoil in the financial markets. The reduction in the bank interest rates are not posing a risk at present as we have hedged appropriately between our fixed and variable loan facility. It does however mean that there will be a reduction in interest received on deposit accounts.

Report Details

9.1 £91K of borrowings will be drawn down in the second quarter to ensure our new borrowing facility opens with a £5M drawn position in line with the restated finance agreement.

9.2 The first quarter of the year saw £6.342 Million expenditure of which £4.118 Million related to new build.

9.3 The income for the first quarter was £6.171 Million and comprised Rental Income (40%), Sale of Shared Equity Units (3%), Government Grants including new build (56%) and Other Income (1%).

9.4 Appendix 2 summarises the income and expenditure profiles for the first quarter.

9.5 The cash balances at 30 June 2021 increased quarter on quarter by £0.846M to £5.773M. This was mainly driven by the timing of a large development invoice paid out in March 2021 but the grant monies were received in April 2021.

9.6 All covenants are forecast to be complied with for 2021/22.

30JUN21 ANALYSIS OF INVESTMENTS AND BORROWINGS

INVESTMENTS

	Mar-21	Jun-21	Average
DEPOSIT ACCOUNTS	**£000's**	£000's	£000's
Royal Bank	**749**	749	749
CWS	**0**	0	0
BOS	**787**	787	787
Santander	**1,583**	1,583	1,583
Total Deposit	**3,119**	3,119	3,119
CURRENT ACCOUNTS			
General Account	**726**	**469**	597
Standing Order	**750**	**652**	701
Direct Debit	**150**	**750**	450
Office/Cash	**151**	**750**	451
Property Factoring	**31**	**33**	32
Total current	**1,808**	2,654	2,231
Total	**4,927**	5,773	5,350

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

The cash held at the Royal Bank is split between 5 operational accounts totalling £2.654M. 5 deposit accounts held with the 4 banks shown above total £3.119M.

BORROWINGS

Core Funding Facility	£m
Estimated debt outstanding (per Business Plan)	4.91
Actual amount outstanding	4.91
Difference	0.00

Interest Rates

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

The Base Rate has remained at 0.1% since the COVID-19 lockdown was initiated. 3 month LIBOR decreased to 0.08% as at 30 June 2021.

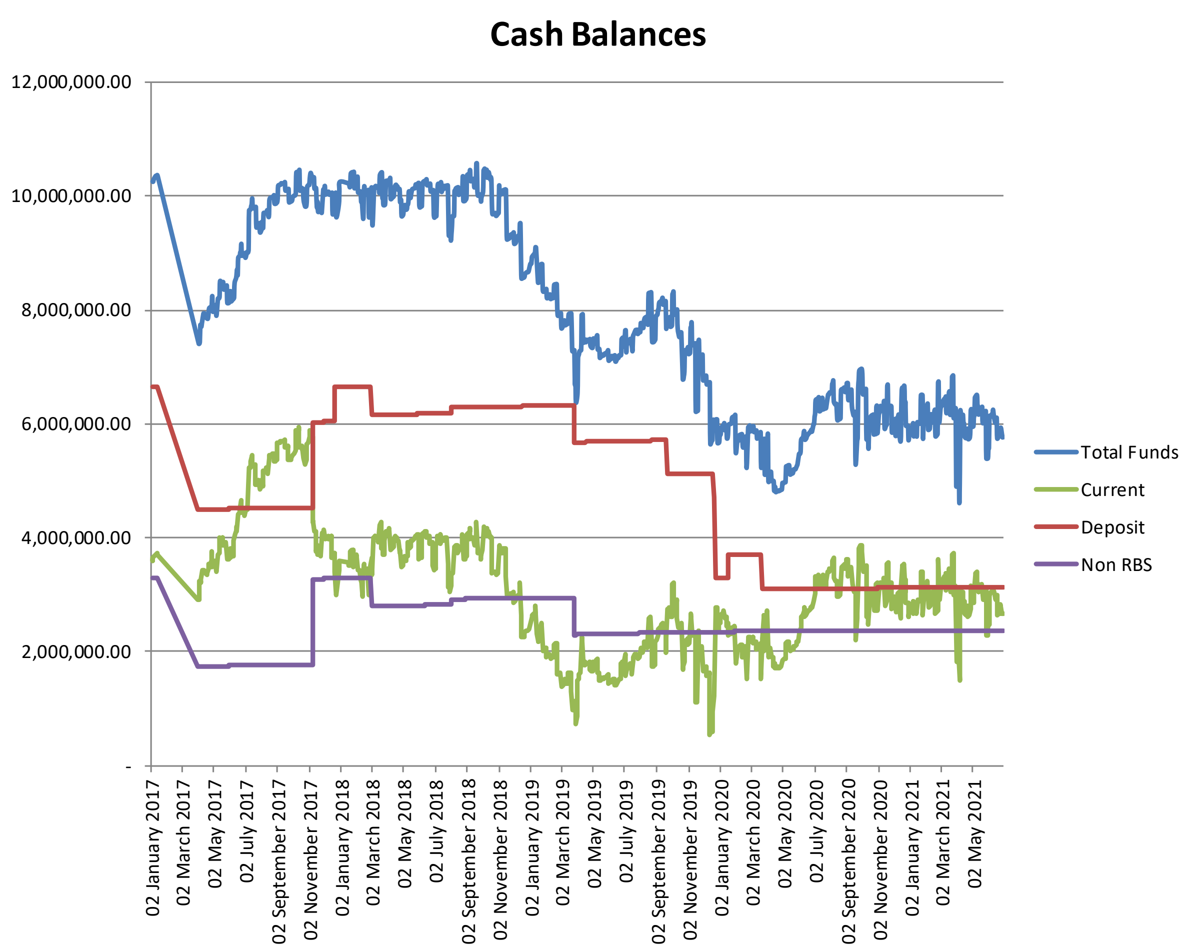
Borrowings	**Mar-21**	**Jun-21**	**Average**
	£000's	£000's	£000's
Facilities arranged	15,000	25,000	20,000
Loans outstanding	4,909	4,909	4,909
Variable/Fixed analysis-amounts			
Variable amount	1,409	1,409	1,409
Fixed amount	3,500	3,500	3,500
Other Hedging	-	-	-
	4,909	4,909	4,909
Variable/Fixed analysis-Percentages			
Variable	28.70%	28.70%	28.70%
Fixed	71.30%	71.30%	71.30%
Other Hedging Products			
	100%	100%	100%
Lenders amounts			
Core Facility (RBS)	4,909	4,909	4,909
Other Borrowings	-	-	-
	4,909	4,909	4,909

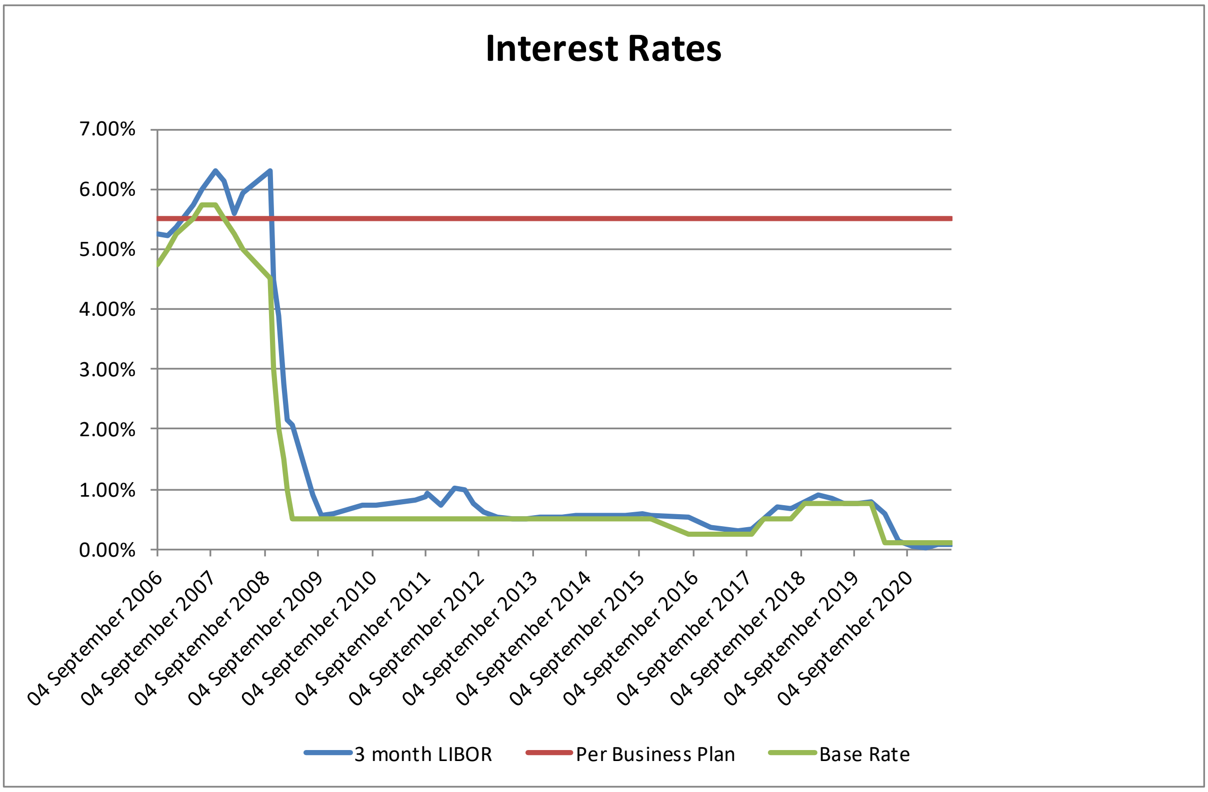
Average cost of borrowing

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

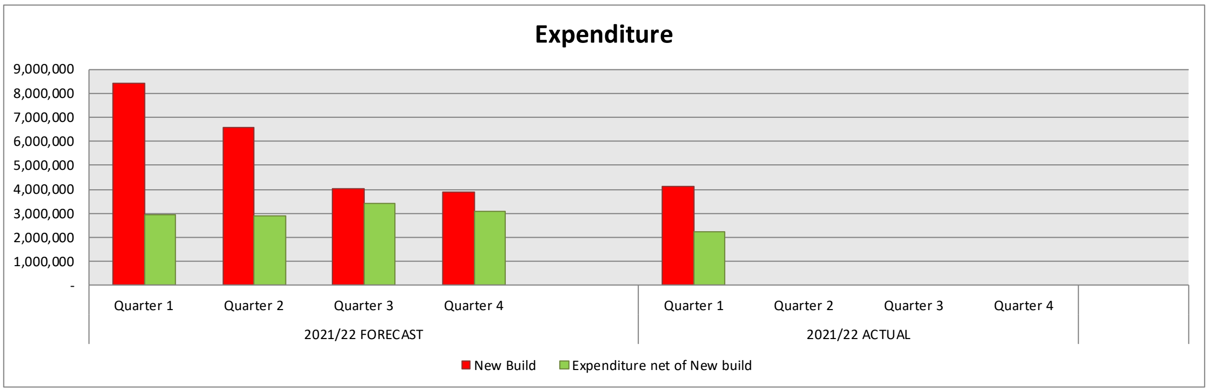
Anticipated level of borrowing over next 5 years

Year	2021/22 Est	AFS Forecast	Variance
	£m	£m	£m
2021/22	13.000	15.000	(2.000)
2022/23	17.000	17.000	-
2023/24	22.500	22.500	-
2024/25	25.000	25.000	-
2025/26	25.000	25.000	-



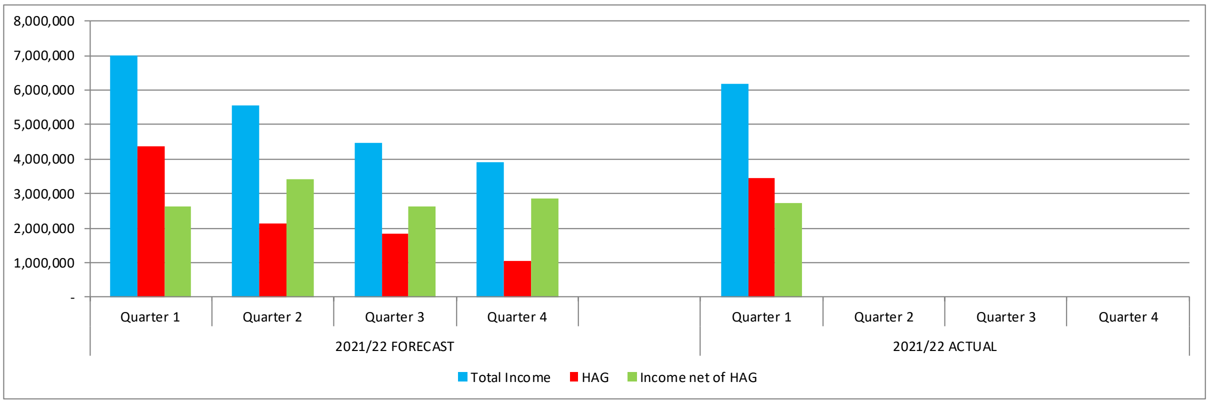

Interest Rates
7.00%
6.00%
5.00%
4.00%
3.00%
2.00%
1.00%
0.00%
04 September 2006
04 September 2007
04 September 2008
04 September 2009
04 September 2010
04 September 2011
04 September 2012
04 September 2013
04 September 2014
04 September 2015
04 September 2016
04 September 2017
04 September 2018
04 September 2019
04 September 2020
3 month LIBOR
Per Business Plan
Base Rate

EXPENDITURE



Overall the expenditure for the first quarter (Q1) of 2021/22 is significantly down compared to forecast. Delays in sourcing materials has resulted in substantial delay to our investment and development programs. Delays in getting onto site in a number of developments has also resulted in development spend being less than initial budget.

INCOME



Total Income for the first quarter of 2021/22 is down £0.833M compared to the initial budget. This is mainly driven by a decrease in the Scottish Government grant received in Q1 for development. Delays at Goathill, Lochmaddy and the acquisition of the site at Blackwater are all contributing to this shortfall.

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ITEM NO 9.3

INVESTMENT PROGRAMME MONITORING REPORT

Board 25 August 2021

Report by Director of Operations

Purpose of Report

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

Summary

2.1 The Board approved the Programme on 19 November 2019 as part of a two-year programme from 2020-2022. Heating and bathroom works had already been awarded as part of two-year contract packages. The majority of the remaining works have been awarded and are progressing.

2.2 The remaining 2 lots are being tendered during August 2021. Information is awaited from SSE as to when they are able to re-start the outstanding external wall insulation works.

2.3 Low Carbon (LCITP) grant funding to install 205 Air Source Heat Pumps (ASHP) was approved and has commenced on site. The first quarter grant draw down for completed works will be submitted in August 2021.

2.4 Confirmation has been received from the Scottish Government that we have been awarded £324K for the provision of aids and adaptations. Works are proceeding as referrals are received.

Competence

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

Recommendations

4.1 **It is recommended that the Board note the progress on the Investment Programme.**

Background Papers: Risk Register/ Management Reports to 30 June 2021

Writer of Report: Angus MacNeil Tel: 0300 123 0773

Competence

Financial

2021/22 Investment Programme

5.1 The approved Investment Budget for 2021/22 is £5.52M as set out and approved by Board on 17 March 2021.

5.2 The Scottish Government have now confirmed Occupational Therapy Aids and Adaptation grant funding of £0.324M.

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

Legal

6.1 The decision to approve or amend Strategy, Business Plan and budgets including virements to or from a budget head in excess of £0.10M is reserved to the Board.

6.2 Financial Regulations require that actual forecast and progress on the Investment programme be reported to each routine meeting of the Board.

6.3 We were required to bring the housing stock up to the EESSH by December 2020. Exemptions were permitted for delays due to COVID-19 delays. This is the case for a number of our properties where heating installations were delayed from the 2020/21 programme. These properties were recorded as 'COVID delay' on the Annual Return on the Charter with the majority now complete.

6.4 Scottish Government also set a legal requirement for smoke and heat detector provision to be upgraded by February 2021. This was subsequently extended to February 2022. Our Installation Programme is complete and a small number of no-access properties continue to be pursued.

Regulatory Guidance

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

Risk

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

8.2 There are further risks highlighted in the Risk Register concerning the health of the local economy particularly the capacity of contractors to deliver programmes. Capacity currently is limited both for contractors and elements of the supply chain.

8.3 The Scottish Government requires landlords to achieve and continue to comply with EESSH. Failure to meet the standard could result in regulatory engagement.

8.4 Infrared heating has yet to be fully assessed through the EESSH and SAP frameworks. No further systems are being installed at present and a survey of users is being undertaken to assess their experience of the systems.

Report Details

2021/22 Investment Programme

9.1 The position of each contract Lot is set out in Table 1. Progress on works is shown below with updated start and completion dates. Exceptions are detailed in item 10.2:

Table 1

Work	Lot/ Contractor	Start Date	Completion Date
Lewis & Harris			
Windows & Doors	Lot 1a - out to tender.		
	Lot 1b - FES FM Ltd	24/05/2021	04/03/2022
Gas Heating Lot 2a	FES FM Ltd	Survey	TBC
Heating Lot 2b	Alex Murray Construction	01/04/2021	20/11/2021
Heating Lot 2c	Alex Murray Construction	01/04/2021	20/11/2021
Heating Lot 2d	Out to tender	TBC	March 2022
Heating Lot 2e	Out to tender	TBC	March 2022
Bathroom & Showers	O'Mac Construction	January 2022	March 2022
Kitchens	Lot 4a - O'Mac Construction	01/04/2021	Complete
	Lot 4b - Alex Murray Construction	17/05/2021	March 2022
Electrical	Lot 6a – to be re tendered. No interest in previous rounds of tendering on framework		
	Lot 6b - Alex Murray Construction	June 2021	March 2022
Energy Efficiency (External Wall Insulation)	SSE	TBC	TBC
OT (Occupational Therapy)	Alex Murray Construction	01/04/21	31/03/2022
Uist & Barra			
Heating Lot 10a	Alex Murray Construction	01/04/2021	5/11/2021
Heating Lot 10b	Alex Murray Construction	01/04/2021	11/02/2022
Electrical	FES FM Ltd	24/05/2021	March 2022
Kitchens	Lot 12a - Alex Murray Construction	05/01/2021	Complete
Kitchens	Lot 12b - To be tendered August 2021 - only one unit on programme	TBC	TBC
OT (Occupational Therapy)	FES FM Ltd	01/04/21	31/03/2022

9.2 Works are progressing well. COVID protocols and controls are continuing and are being monitored throughout the works.

a) Windows and doors Lot 1a –The tender has been re issued.

b) Heating - Lewis and Harris Lot 2d – additional units are being tendered following confirmation of the LCITP funding. Tenders have been issued in two lots to split the programmed units into more manageable contracts and in view of the time pressures on completing the works.

c) Electrical – Lewis and Harris Lot 6a; works have been tendered on two previous occasions on the Investment framework. Works are to be re tendered out with the framework as an open tender process in August 2021.

d) Energy Efficiency (External Wall Insulation) – Awaiting response from SSE to re-start works.

9.3 Supply chains continue to be monitored. Currently, delays are not being reported but the position will continue to be monitored throughout the management of the works.

9.4 All works that were categorised as 'COVID delay' on ARC will be completed during 2021/22.

SSE External Wall Insulation

10.1 SSE have now responded and a meeting is being set up to discuss the contract and whether it can proceed. SSE advise that there are issues with the OVO takeover that has resulted in this delay.

LCITP Funding bid

11.1 We have been successful in our application for Scottish Government grant funding. The total funding package is £0.708M and has been designed to allow RHI to be claimed in addition to this. It is estimated that RHI will be in excess of £1.0M.

11.2 Current heating replacement works carried forward from 2020/21 form the bulk of the project. It also includes Gleann Dubh, which has been brought forward from 2023/24.

11.3 Glean Dubh is being split into two separate tenders to attract more interest from contractors and speed up completion of works to meet March 2022 deadline. The first tender is currently being evaluated before acceptance can be awarded. The second tender will follow in August.

11.4 The application for the first draw down of LCITP grant, totaling £123k, is being prepared for August 2021.

Aids and Adaptations position

12.1 The current position on General Adaptations is at Table 2. Referrals are being progressed as they are received and regular discussions are ongoing with contractors and with Occupational Therapists to ensure works are actioned timeously.

Table 2 - Occupational Therapy referrals

Occupational Therapy Referrals	**2021/22**
Number of Properties	49
Number of Referrals (some properties have more than one referral)	55
Number of tasks on Referrals (a referral can have multiple tasks)	114
Number of Referral tasks completed	32
Total Spend/ Committed	**£124K**
Grant Allocation – General Adaptations	**£324K**

Unadopted Infrastructure – Septic tanks

13.1 Beinn Mhor Cottages currently has a temporary tank in place and requires a permanent solution. Tenders were issued and a sole submission of £71,176 was received and awarded to Macaulay Askernish.

13.2 Discussions have commenced to take the proposed design forward to a planning application and SEPA approval.

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ITEM NO 9.4

TENANT PARTICIPATION STRATEGY UPDATE 2020-2024

Board 25 August 2021

Report by Director of Operations

Purpose of Report

1.1 To provide an update on progress of the Tenant Participation Strategy 2020-24.

Summary

2.1 Landlords are required to have a Tenant Participation Strategy and Action Plan in place. In meeting the statutory tenant participation duties, we must take account of the views and priorities of tenants in how services are designed and delivered.

2.2 The Tenant Participation Strategy 2020-2024 was approved by the Board in August 2020. The Action Plan has been updated and is as at Appendix 1. This is reported to the Board annually to reflect progress.

2.3 The Tenant Participation Advisory Service (TPAS) Scotland were awarded the Tenant Participation Support and Development contract until May 2023 to provide services to develop tenant participation. Dolina Morrison is in the role of Tenant Participation Support Officer.

2.4 Tenant Participation has been disrupted by ongoing COVID-19 restrictions and guidance, preventing tenant events and face to face engagement. Telephone calls and digital methods have been used to maintain as much engagement as possible throughout.

2.5 We will be responding to the Scottish Government's Consultation on the Scottish Social Housing Charter which has a deadline of 9 September 2021. We expect to comment that minimal changes are required.

Competence

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

Recommendations

4.1 **It is recommended that the Board note the Action Plan at Appendix 1**

APPENDIX 1:	Tenant Participation Strategy 2020-24 Action Plan	
Background Papers:	None	
Writer of Report:	Katrina Rowlands	Tel: 0300 123 0773

Competence

Financial

5.1 Resources to support tenant participation and the implementation of the Strategy will be agreed annually through the budget setting process.

Legal

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

Regulatory Guidance

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

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

Risk

8.1 The Risk Register includes actions to encourage Board participation and membership through tenant and resident engagement. At present we require a tenant board member to be present at a meeting to be quorate. Due to the lack of interest from tenants in becoming Board Members the risk has become greater than before.

Report Details

Background

9.1 Tenant Participation is about tenants taking part in decision making processes and influencing decisions about housing policies, housing conditions and related services. It is a two way process that involves the sharing of information, ideas and power.

9.2 We continue to work to develop and sustain Tenant Participation and to enable tenants to influence the quality and delivery of service and performance. Effective Tenant Participation does take time and requires a team approach across the organisation.

9.3 Over recent years, the focus has been to develop and maintain relationships with tenants and communities and to develop approaches that support and enhance Tenant Participation.

9.4 During the development of the 2020-2024 Strategy existing tenant groups highlighted communication and culture as key areas tenants wish us to focus on for the period of the Strategy.

9.5 The 2020-2024 Strategy and Action Plan has been designed to address these areas and help to achieve our strategic goal of placing tenants at the centre of everything we do.

Areas of Focus

10.1 The main areas of focus identified by tenants were:

- Enabling and empowering tenants
    - Building confidence to get involved
    - Making your contribution feel valued
- Sharing Information and getting to know each other
    - Regular communication
    - Developing a mutual understanding
- Being heard and making a difference
    - Regularly collect and use feedback
    - Provide updates on where feedback has made a difference

10.2 Opportunities and priorities in the above areas have been identified and are included in the Action Plan at Appendix 1.

Tenant Participation Support and Development

11.1 The Tenant Participation Advisory Service (TPAS) Scotland have been awarded the Tenant Participation Support and Development Contract until May 2023 to provide services to develop tenant participation.

11.2 Dolina Morrison was appointed to the role of Tenant Participation Support Officer in July 2020. Dolina is an HHP tenant and has a strong background of engaging with tenants and the wider community. She works closely with the Operations Management Team and wider staff groups to help deliver the action plan for the strategy.

11.3 Many tenant participation activities have been impossible during COVID-19 restrictions and Dolina has been required to focus on contacting tenants via telephone, email or social media. However, this does inevitably inhibit the development of relationships and contacts.

11.4 At the moment Forum activities and membership are extremely low. Lesley Baird, TPAS has met with Alasdair Mackenzie, Chair of the Forum to discuss ideas for generating fresh interest and encouraging new members. The Forum have agreed to develop an action plan with a more informal approach such as drop-ins and topical webinars/events. Agendas will come from tenants and housing staff.

11.5 We currently have 3 formal Registered Tenant's Organisations (RTOs) and continue to work closely with them on their local projects e.g. The Cearns Community Association and the ongoing Health and Wellbeing Initiative, where there will be bikes for use within the community and they are working the polycrub and raised beds.

Scottish Social Housing Charter Consultation

12.1 TPAS and TIS facilitated a number of consultation meetings throughout June and July. The general consensus coming out of the meetings that HHP staff attended, was that the Charter in general works well and the outcomes meet the needs of both tenants and landlords.

12.2 The consultation focus is on whether any of the outcomes of the Charter require amendment and whether the supporting descriptions could be improved. We will be recommending minimal changes to maintain consistency.

12.3 We will also review whether the Charter has improved our performance over the last 5 years and provide feedback on the areas that it has helped us to focus on and the reporting indicators which have been monitored consistently in monthly meetings and performance reports.

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APPENDIX 1

TENANT PARTICIPATION STRATEGY 2020-24 ACTION PLAN

Area of Focus	We will	What we will do	Outcomes	Our Timescale	Who is responsible for making this happen	Progress to August 2021
Enable and Empower	*Support you and your community to develop confidence, abilities and skills to support and encourage each other to take part*	• Establish tenant helpers/champions across different areas • Develop and support the village voice scheme and community projects • Small scale enterprise projects	• More support between tenants • Different voices being heard through local groups, RTO's and on the board • Tenants are represented at a local level • Examples of tenants influencing at individual and board level	August 2022	Tenant Participation Team	Dolina encouraging participation. Limited response during COVID-19 restrictions.
Enable and Empower	*Ensure all of our information is accessible and inclusive*	• Explore and deliver technology & approaches for enhancing participation, engagement (tenant focused). • Review all tenant facing	• Tenants feel they are being listen to and will know that their comments and suggestions has improved and changed services, policy and processes	April 2022	Operational Management Team	Digital Transformation Strategy in place. TPAS have been using Zoom and Teams during restrictions for Charter sessions etc.

Area of Focus	We will	What we will do	Outcomes	Our Timescale	Who is responsible for making this happen	Progress to August 2021
		communication with tenants (scrutiny)	• Improvements made to communication to suit tenant needs better.			Dolina making contacts and developing a scrutiny panel.
Enable and Empower	*Provide opportunities for tenants to have an active and meaningful role in how we perform*	• Scrutiny panel opportunities • Produce an annual performance newsletter	• Tenant involvement in change • People know how being involved has changed and improved services	Ongoing	Tenant Participation Team	Dolina making contacts and developing a scrutiny panel. Tenant Report issued each year.
Sharing Information and getting to know each other	*Communicate clearly and regularly*	• Make better use of texts to keep tenants up to date with maintenance and feedback on work that has been done • Establish a communication and information group	• Good quality information that meets tenants needs • Regular bulletins, news feeds about planned events, consultation and meetings (TP)	November 2022	Communications Team	No progress for reactive repairs to date. Work to be done with FES. Regular use of social media to publicise consultations and events. Dolina establishing contact with tenants interested in engaging.

Area of Focus	**We will**	**What we will do**	**Outcomes**	**Our Timescale**	**Who is responsible for making this happen**	**Progress to August 2021**
Sharing Information and getting to know each other	*Get to know and understand what are tenants need*	• Review the skills and assets available to tenants and tenant groups e.g. IT/premises. • Provide training together • Small events like soup and pudding, gardening clubs, games nights in local areas	• We focus on topics and areas that are important to the tenants • Tenants are involved in the production of surveys • Build on the five information leaflets already produced and prioritise the 'how to use heating guides' requested by tenants	November 2022	Communications and Resources Team and Customer Services	Forum has agreed to develop an action plan for a programme of events. Dolina also working on ideas for when guidance allows.
Sharing Information and getting to know each other	*Give tenants time to absorb information and form views*	• Enable tenants to undertake surveys in their own home (tenants panel) • Set up peer to peer support, tenant to tenant communication and engagement	• People feel confident to deal with local issues effectively	Ongoing	Operational Management Team	Surveys of only one or two questions trialled by Dolina by messenger. Online surveys used for tenants that didn't want to do Satisfaction Survey over the phone.

Area of Focus	**We will**	**What we will do**	**Outcomes**	**Our Timescale**	**Who is responsible for making this happen**	**Progress to August 2021**
Being heard and making a difference	Making the best use of all technology	• Review use of all communication methods, in person, telephone calls, SMS, mobile friendly webpage • Further develop use of social media • Update website and ensure effective links	• Regular communication, something for everyone approach • Establishing our customer needs and progressing our digital transformation strategy will help us to deliver more engaging and targeted feedback.	November 2022	Tenant Participation Team	Digital Transformation Strategy and new IT system to incorporate this review. Social Media use ongoing by both HHP and TPAS. Website under review by Business Support Officer

Area of Focus	**We will**	**What we will do**	**Outcomes**	**Our Timescale**	**Who is responsible for making this happen**	**Progress to August 2021**
Being heard and making a difference	Regularly collect and feedback to tenants that have participated	• News feeds and information about comments, compliment and complaints and surveys and consultations analysis • Tenant led Estate inspections • Annual news bulletin that rounds up and summarises all the surveys and input • Regular performance meetings with tenants and tenant groups	• Performance improves as a direct result of feedback and surveys • Tenants feel part of the improvement conversation • Work with the Operations Team to explore and examine the tenant feedback from surveys, comments, compliments, outreach meetings. • Analyse the data for common themes, address these themes, adapt, change and improve service.	Ongoing	Customer Services Team Housing Management Teams All	2021 survey results to be published following Board Approval. Complaints data published on website.

Area of Focus	We will	What we will do	Outcomes	Our Timescale	Who is responsible for making this happen	Progress to August 2021
Being heard and making a difference	Ensure that we are easier and quicker to access	• Local service improvement groups • Review all feedback and feed into local groups • Produce useful contact information including RTOs, community groups, community workers and development trusts etc.	• Maintain ongoing and regular contact with all the tenant groups via email, Facebook, text and face to face Community development projects • Community Environmental projects for example community garden projects	Ongoing	Housing Managers and Tenant Participation Team	Dolina in regular contact with active members.