

BOARD AGENDA – 13 FEBRUARY 2024

ITEM	AGENDA ITEM	ACTION	PRESENTED BY	PAGE NO	TIME
1	Attendance & Apologies	Noting	Chair	3	
2	Declaration of Interest	Noting	Chair	-	
3	Minutes			-	5:30pm
3.1	Minute of Meeting 28 November 2023	Approval	Chair	6	-
3.2	Action Sheet	Noting	Company Secretary	11	5.45pm
4	Date of Next Meeting 26 March 2024	Approval	Chair	-	
5	Health & Safety	Noting	Director of Operations	-	

ITEM	AGENDA ITEM	ACTION	PRESENTED BY	PAGE NO	TIME
6	Items For Decision				
6.1	Business Plan	Approval	Chief Executive	13	
6.2	Budgets 2024/25	Approval	Director of F&CS	126	5:45pm
6.3	Investment Programme	Approval	Assets & Contracts Manager	135	-
6.4	Training Plan 2024/25	Approval	Governance Officer	141	6:30pm
6.5	Electric Vehicle Charging Point	Approval	Director of Operations	145	
6.6	Board Member Appointment	Approval	Governance Officer	157	

ITEM	AGENDA ITEM	ACTION	PRESENTED BY	PAGE NO	TIME
7	Policies & Strategies				
7.1	Community Grants Policy	Approval	Director of Operations	158	6:30pm - 6:55pm
7.2	Domestic Abuse Policy	Approval	Chief Executive	166	
7.3	Employee Health & Safety Policies	Approval	Corporate Resources Manager	178	
7.4	Stress Management Policy	Approval	Corporate Resources Manager	194	
7.5	Fraud Policy & Checklist	Approval	Director of F&CS	208	
7.6	Whistleblowing Policy	Approval	Governance Officer	221	
7.7	Health & Safety Policy Annual Review	Approval	Corporate Resources Manager	233	
7.8	Policy Consultation Response	Noting	Governance Officer	234	

ITEM	AGENDA ITEM	ACTION	PRESENTED BY	PAGE NO	TIME
8	Noting Reports				
8.1	Management Report to 31 December 2023	Noting	Finance Manager	236	6:55pm - 7:05pm
8.2	Quarterly Treasury Report	Noting	Director of F&CS	259	
8.3	Business Plan Monitoring Report	Noting	Chief Executive	267	
8.4	Stock Condition Survey	Noting	Assets & Contracts Manager	272	

MEETING GOES INTO PRIVATE SESSION

Board Meetings 2023/24

Board Members	Notes	24-Aug-23	28-Nov-23						
Gordon Macleod									
Calum Mackay									
Alison MacCorquodale									
Helen Mackenzie									
Roddy Nicolson	1								
Norman Macdonald									
Thomas Howe	2								
Iain Macleod									
Donald Macsween	3								
Finlay Stewart									

1 - Appointed as a Community Member on 24 August 2023

2 - Appointed as a Tenant Member on 24 August 2023

3 - Resigned as Council Member on 28 November 2023



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

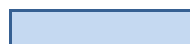
Board Training and Conferences 2023/24

Board Members	Notes	Introduction to Committee/ Board Meetings	Business Planning Day	Community Wealth Building	H&S Training for Committee			
		14-Sep-23	07-Nov-23	09-Nov-23	22-Nov-23			
Gordon Macleod								
Calum Mackay								
Alison MacCorquodale								
Helen Mackenzie								
Roddy Nicolson	1							
Norman Macdonald								
Thomas Howe	2							
Iain Macleod								
Donald Macsween	3							
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Leave

Special Leave Granted

SPECIAL LEAVE REQUEST

Board 13 February 2024

Report by Chief Executive

Purpose of Report

- 1.1 To consider and approve a request for special leave from a Board Member.

Summary

- 2.1 On 9 January 2024, Mr Calum Mackay requested special leave due to ill health for our February and March 2024 meetings.
- 2.2 Standing Order 1.65 requires:
- a special leave of absence has been requested, and granted, in writing by the authority of the Chair; and
 - that a copy of the written authorisation has been tabled at the Board meeting to enable the request to be approved.

Competence

- 3.1 The consideration of this report ensures compliance with our Rules and Standing Orders.

Recommendations

- 4.1 **It is recommended that the Board approve Mr Calum Mackay's request for Special Leave.**

Background Papers: Regulatory Standards of Governance and Financial Management

HHP Rules

Writer of Report: Iona France



HEBRIDEAN HOUSING PARTNERSHIP

Board

Minutes of Meeting held via MS Teams on Thursday 28 November 2023 at 5.30pm

PRELIMINARY ITEM					
ATTENDANCE & APOLOGIES					
	Prior to official business, the Chair extended sympathy to the family of FES FM employee Dougie Walker, who had passed away recently. Sympathy was also extended to the family of Colin B M Scott, a tenant who was a faithful attendee at our Board Meetings. Members were informed following the recent cyberattack at the Comhairle we had reached out to offer any practical support.				
1	<u>Attendance & Apologies</u> <table><tr><td><u>Attendees</u> Gordon Macleod (Chair) Calum Mackay (Vice-Chair) Roddy Nicolson Alison MacCorquodale Tom Howe</td><td><u>Staff & Consultants In Attendance</u> Dena Macleod (Chief Executive) Donald Macleod (Director of Finance & Corporate Services) John Maciver (Director of Operations) Jonathan Fairgrieve (Corporate Services Officer – Minute Taker) Iona France (Governance Officer) Angus Smith (Corporate Resources Manager) Angus E MacNeil (Assets Contracts Manager) Michael Libby (Corporate Services Officer) Garry Campbell (Debt Management Officer)</td></tr><tr><td><u>Apologies Received</u> Finlay Stewart Helen Mackenzie Iain M Macleod Norman Macdonald</td><td><u>Present for Agenda Items 1-8.5 only</u> Sawan Morrison (Development Manager) Gary Macleod (Digital Transformation Manager) James Morrison (Finance Manager) Norma Robb (People Development Officer)</td></tr></table> The Chair welcomed Tom Howe to his first meeting of the Board. The Chair notified Members that Cllr Donald Macsween had resigned from the Board. Donald was thanked for his services to the Board.	<u>Attendees</u> Gordon Macleod (Chair) Calum Mackay (Vice-Chair) Roddy Nicolson Alison MacCorquodale Tom Howe	<u>Staff & Consultants In Attendance</u> Dena Macleod (Chief Executive) Donald Macleod (Director of Finance & Corporate Services) John Maciver (Director of Operations) Jonathan Fairgrieve (Corporate Services Officer – Minute Taker) Iona France (Governance Officer) Angus Smith (Corporate Resources Manager) Angus E MacNeil (Assets Contracts Manager) Michael Libby (Corporate Services Officer) Garry Campbell (Debt Management Officer)	<u>Apologies Received</u> Finlay Stewart Helen Mackenzie Iain M Macleod Norman Macdonald	<u>Present for Agenda Items 1-8.5 only</u> Sawan Morrison (Development Manager) Gary Macleod (Digital Transformation Manager) James Morrison (Finance Manager) Norma Robb (People Development Officer)
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PRELIMINARY PROCEDURAL MATTERS					
2	<u>Declaration of Interest</u> No declarations of interest were made.				
3.1.1	<u>Minute of Board Meeting 23 August 2023</u> The minute of the Board meeting of 23 August 2023 was submitted and approved as a true and accurate record.				
3.1.2	<u>Minute of Board Meeting 24 August 2023</u> The minute of the Board meeting of 24 August 2023 was submitted and approved as a true and accurate record.				
3.2	<u>Action Sheet</u> The Chief Executive advised positive feedback had been received from the Scottish Housing Regulator visit in August 2023 and the full feedback would be shared with the Chair. The Action Sheet was noted.				
4	<u>Date of Next Meeting</u> The date of the next meeting will be Tuesday 13 February 2024.				

5	<u>Health & Safety</u> The Director of Operations informed the Board of an incident that had taken place on the Blackwater Development site where an employee of the contractor had suffered an injury. The Health & Safety Executive had been informed. A formal report from the contractor on the accident was expected shortly. The Scottish Housing Regulator had been notified on the incident. Members were advised an update would be provided when information was received.																		
ITEMS FOR DECISION																			
6.1	<u>Business Plan Feedback</u> Following the Business Planning Day on 7 November 2023, the Chief Executive presented proposed amendments to the Vision, Strapline and Strategic Goals. Alison MacCorquodale commended the format of the Business Planning Day in particular, the remote connection with Uist. The Chief Executive thanked Tom Howe for his feedback on the notes of the Business Planning Day and encouraged feedback from other Members. The Board reviewed the proposed amendments and agreed our: a) Vision be “to provide great homes and deliver excellent service throughout the Outer Hebrides”; b) Strapline remains unchanged as “Making our house your home”; and c) Strategic Goals be: 1. Placing tenants at the heart of everything we do 2. Investing in a sustainable way in tenants’ homes 3. Being an excellent employer that attracts and retains high quality staff 4. Working with partners to help our communities thrive.																		
6.2	<u>Budget Strategy</u> The Director of Finance & Corporate Services outlined the Budget Strategy and timetable for 2024/25. The Strategy was the first stage of the rent setting process of 2024/25. The Board approved the 2024/25 Budget Strategy including the Budget Timetable.																		
6.3	<u>Item taken in Private Session</u>																		
6.4	<u>Development Monitoring Report</u> The Development Manager provided an update on our 5 Year Development Plan (2022-27) since the Board meeting on 23 August 2023. <table border="1" data-bbox="316 1256 1441 1827"> <thead> <tr> <th>Project</th><th>Update</th></tr> </thead> <tbody> <tr> <td>Barra</td><td>Official Opening took place on 5 November 2023.</td></tr> <tr> <td>Lochmaddy</td><td>Progressing well with handover due in April 2024.</td></tr> <tr> <td>Blackwater</td><td>Delays with installation of electrical meters pose a risk to phase 1 handover in March 2024.</td></tr> <tr> <td>Leverburgh</td><td>Final Quantity Surveyor report awaited which will be provided to Scottish Government once received.</td></tr> <tr> <td>Scott Road</td><td>Work on planning halted until agreement with landowners over road layout has been reached.</td></tr> <tr> <td>Grimsay & Breacleite</td><td>Land acquisitions being pursued.</td></tr> <tr> <td>Gravir</td><td>Positive demand survey carried out however, no new housing applications have been received.</td></tr> <tr> <td>Point</td><td>Included in the Comhairle's Strategic Housing Investment Plan (SHIP) for 2023/36. Positive feedback from planning department and full feasibility being sought.</td></tr> </tbody> </table> Members were advised the Comhairle's Strategic Housing Investment Plan (SHIP) was under review however, due to the IT issues at the Comhairle this may be delayed. The Chief Executive advised there were some items on the reviewed SHIP that were not part of our Development Plan. Gordon Macleod congratulated staff on the nomination for the Scottish Regeneration Forum (SURF) Award for Best Practice in Delivering Wider Regeneration Benefits from Investments in Housing for the Goathill development. The Board: a) reviewed and approved the revised Development Risk Thresholds; and	Project	Update	Barra	Official Opening took place on 5 November 2023.	Lochmaddy	Progressing well with handover due in April 2024.	Blackwater	Delays with installation of electrical meters pose a risk to phase 1 handover in March 2024.	Leverburgh	Final Quantity Surveyor report awaited which will be provided to Scottish Government once received.	Scott Road	Work on planning halted until agreement with landowners over road layout has been reached.	Grimsay & Breacleite	Land acquisitions being pursued.	Gravir	Positive demand survey carried out however, no new housing applications have been received.	Point	Included in the Comhairle's Strategic Housing Investment Plan (SHIP) for 2023/36. Positive feedback from planning department and full feasibility being sought.
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	b) noted the Development Plan update.
6.5	<u>Investment Monitoring Report</u> The Assets & Contracts Manager provided an update on the 2023/24 Investment Programme. The programme as a whole was progressing well. The replacement of infra-red heating was on target for completion and had received positive tenant feedback. There were some delays to works in the Southern Isles due to issues with transport links. An increase in the uptake of Occupational Therapy works resulted in only £27K of budget remaining, Members were advised that additional grant funding for Occupational Therapy works would be sought if the opportunities arose. Calum Mackay questioned whether the replacement of solid fuel heating systems could be built into our policy on change of tenancy. The Director of Operations advised while this would be possible it could result in additional void times while the work was being carried out and contractor capacity could be an issue. The Chief Executive advised the costs and benefits of replacement of heating at change of tenancy would be identified during the Business Planning process. Gordon Macleod noted the impact issues with transportation links were having on the programme and advised this would be discussed with Scottish Housing Ministers at the scheduled meeting on 4 December 2023. The Board: a) approved that capacity going forward in the 2023/24 heating programme be used to replace solid fuel heating system for new tenants or where the system has broken beyond repair; b) noted the progress on the Investment Programme.
POLICIES & STRATEGIES	
7.1	<u>New & Expectant Mothers Policy</u> The Corporate Resources Manager presented the revised New & Expectant Mothers Policy for consultation with Unison and staff. No material changes had been made to the Policy. The Board approved: a) the revised New & Expectant Mothers Policy for consultation with Unison and staff; and b) if there are no material changes to the Policy arising from the consultation, that the Policy is approved, otherwise a revised Policy be presented to the next meeting of the Board.
7.2	<u>Parental Leave Policy</u> The updated Parental Leave Policy was presented consultation with Unison and staff. The Chief Executive advised the policy had been in place since 2015 with only one request for unpaid leave. Staff would be reminded of their entitlement through the weekly newsletter. The Policy had been amended to provide clarity on giving notice for taking parental leave and conditions attached to a return from parental leave. The Board approved: a) the revised Parental Leave Policy for consultation with Unison and staff; and b) if there are no material changes to the Policy arising from the consultation, that the Policy is approved, otherwise a revised Policy be presented to the next meeting of the Board.
7.3	<u>Recruitment Policy</u> The Chief Executive presented the revised Recruitment Policy for consultation with Unison and staff. The Policy had been updated in line with the EVH Model Policy and took account of our commitments under the Disability Confident Scheme and Armed Forces Covenant pledge, whereby anyone with a disability or an Armed Forces veteran would be guaranteed an interview if they met the essential criteria. Alison MacCorquodale asked whether diversity was considered when determining a recruitment panel and if relocation expenses were considered. The Chief Executive advised the recruitment panel consisted of a mix of genders and included someone who was not part of the team where the vacancy arose. Relocation expenses were considered for certain roles. Calum Mackay suggested a mock recruitment process be undertaken by Board Members. The Chief Executive advised this would form part of the Board Training Plan. The Board approved: a) the revised Recruitment Policy for consultation with Unison and staff; and b) if there are no material changes to the Policy arising from the consultation, that the Policy is approved, otherwise a revised Policy be presented to the next meeting of the Board.

7.4	<u>Training & Development Policy</u> The People Development Officer presented the revised Training & Development Policy for consultation with Unison and staff. Minor changes had been made to the policy including more detail on training for Board Members. The Board approved: a) the revised Training & Development Policy for consultation with Unison and staff; and b) if there are no material changes to the Policy arising from the consultation, that the Policy is approved, otherwise a revised Policy be presented to the next meeting of the Board.
7.5	<u>Digital Transformation Strategy</u> The Digital Transformation Manager provided an update on progress on the Digital Transformation Strategy. It was proposed to extend the Strategy for one year to allow full implementation of all elements of the new housing system. Members were advised information would be presented on lessons learned and efficiency savings of the new housing system. Calum Mackay questioned if the extension would require to be longer than 12 months. The Digital Transformation Manager advised it was not anticipated the extension would require to be longer than 12 months, but the Board would be kept updated on progress. Members were advised a demonstration of the tenant portal would be provided to Board Members prior to being launched. The Board approved an extension of the Digital Transformation Strategy to the end of November 2024.
7.6	<u>Disciplinary Procedures</u> The Chief Executive presented the updated Disciplinary & Grievance Procedures for Directors and Staff and the procedure for Handling a Serious Complaint against the Chief Officer. The procedures had been presented to the Joint Consultative Committee on 10 October 2023 and the feedback had been captured in the revised procedures. Training would be provided for all staff, managers and Board Members. The Board approved: a) the updated Disciplinary & Grievance Procedures for consultation with Unison and staff; b) the updated Handling a Serious Complaint against the Chief Officer; and c) if there are no material changes to the Disciplinary & Grievance Procedure arising from the consultation, that the Procedure is approved, otherwise a revised Procedure be presented to the next meeting of the Board.
7.7	<u>Policy Consultation Response</u> The Governance Officer presented the Alcohol & Substance Misuse Policy following consultation with Staff and Unison. Five responses had been received to the consultation and amendments had been made to the Policy to provide clarification. The Board approved the Alcohol & Substance Misuse Policy.
7.8	<u>Safeguarding Policy Review</u> The report confirmed the compliant of our policies with a safeguarding element with OSCR guidance. The Board noted the review of policies in respect of Safeguarding.
MONITORING REPORTS	
8.1	<u>Quarterly Treasury Report to 30 September 2023</u> The Director of Finance & Corporate Services presented the Treasury Management activities for the second quarter of 2023/24 and confirmed our cash balances were £10.248M, an increase of £0.674M compared to the previous quarter. The balance was anticipated to reduce over the next quarter due to all grant monies for Lochmaddy being drawn down and progress on the Investment Programme. All covenants were forecast to be complied with for 2023/24. The Board noted the: a) quarterly report on the Analysis of Investment and Borrowing; b) outstanding loans at 30 September 2023 of £17M; c) cash balance at 30 September 2023 of £10.248M.

8.2	Business Plan Monitoring Report
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The Chief Executive presented progress to 30 October 2023 on the Delivery Plan for the Business Plan 2019/20 – 2023/24. The report showed that overall, we are below target. Members were advised realistic targets need to be set when setting targets for the next Business Plan.

The Director of Operations provided an update on targets as follows:

Measure of Success		Update
1.1	% of satisfaction with our overall services >90%	Information gathered through Tenant Satisfaction Survey carried out every 3 years, with the next survey due in 2024. New Business Plan to look at an improved way to monitor this.
1.7	88% of tenants satisfied with opportunities to participate in decision making	
1.3	Response to complaints within SPSO targets	Occasionally complaints are not responded to within timescale but this was being monitored weekly to ensure targets are met.
1.4	Level of current arrears at 2% of Gross Debt	After a long period of stability, arrears were on an upward trend and this was being monitored closely.
1.6	Provide options for a rent guarantee period	Deadline postponed to 1 April 2025.
2.10	Reduce % of tenants in fuel poverty to under 25% by 2023 (subject to fuel prices)	Fuel poverty has been significantly impacted by the cost of living crisis and huge increases in fuel prices

The Board noted the Business Plan Monitoring Report to 30 October 2023.

8.3	Management Report to 30 September 2023
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The Finance Manager presented the Management Report for the month ended 30 September 2023. The report showed our financial covenants would be met for the year ended 31 March 2024 with £610K available headroom. There was continued pressure on general repairs and the Finance Manager advised this was being closely monitored.

Calum Mackay questioned if increased budgetary provision should be made for void repairs in 2024/25. The Chief Executive advised increased void repair costs was a sector wide issue and preventive measures were being put in place.

The Board noted the Management Report at 30 September 2023 and revised forecast out turn at 31 March 2024.

8.4	Stock Condition Survey
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The Assets & Contracts Manager provided an update on the 2023 Stock Condition Survey. All field work on the surveys had been carried out with a final report on the findings expected week commencing 4 December 2023.

Members were advised the final report would be presented to the Board in February 2024. Calum Mackay requested data from previous surveys be included in the report to show any improvements in stock condition.

The Director of Operations advised a consultation had been received from Scottish Government on a new Net Zero target. This will replace Energy Efficiency Standards for Social Housing 2, and would inform future Stock Condition Surveys. Further Information would be brought to the next meeting of the Board.

The Board noted the report.

8.5	Board Plan & Board Calendar 2024
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The report outlined a plan in respect of items to be considered by Board for 2024 and the 2024 Board Calendar.

The Board noted the:

- a) Board Plan for 2024; and
- b) 2024 Board Calendar.

MEETING WENT INTO PRIVATE SESSION

Chairperson Mr Gordon Macleod

SIGNED

DATE

BOARD ACTION SHEET

ACTION POINT	MINUTE NUMBER	ACTION TO BE TAKEN	DEADLINE/TIMESCALE	ACTION BY	PROGRESS
1	28 Nov 23 (1)	Chair to write to Donald Macsween to thank him for his services to the Board	5 December 2023	Chairperson	Letter sent 1 December 2023
2	28 Nov 23 (6.5)	Replacement of Heating systems at Change of Tenancy to be discussed at Business Planning Day	10 January 2024	Director of Operations	Included in draft Business Plan
3	28 Nov 23 (7.4)	Training on Disciplinary Procedures to be organised for Staff, Managers and Board Members	31 March 2024	Executive Office	In 2024/25 Training Plan.
4	28 Nov 23 (8.1)	Targets within Business Plan to be reviewed as part of Business Planning process.	10 January 2024	Chief Executive	New targets will be included in the draft Business Plan presented to Board in Feb 24
5	28 Nov 2023 (8.4)	Final Stock Condition Survey to be reported to the Board.	13 February 2024	Assets & Contracts Manager	Update report on agenda with final report to be presented to March Board.
6	28 Nov 23 (8.5)	Details around Equal Adventure proposal to be reported to the Board.	June 2024	Tenant Engagement Officer	Meeting held and proposal for the work being finalised. Comms with staff and tenants to be prepared.
7	23 Aug 23 (6.2)	Resolution for each of the following charities to receive £1,000 be presented at the AGM: - Macmillan Nurses; - Young Musician Hebrides; - Stornoway PHAB Club; - Autism Eilean Siar; and - Caraidean Uibhist.	24 August 2023	Company Secretary	Resolution passed and arrangements being made to for cheque presentations. Young Musicians Hebrides have declined monies this year so will rollover to next AGM
8	23 Aug 23 (8.3)	Subject to tender prices being acceptable by Scottish Government and our approved budgets, 12 new homes in Leverburgh to be progressed, 10 of which are for social housing.	31 October 2023	Development Manager	Tender report submitted to Scottish Government and will be subjected to Technical Appraisal. Update will be provided at the Board meeting.

ACTION POINT	MINUTE NUMBER	ACTION TO BE TAKEN	DEADLINE/ TIMESCALE	ACTION BY	PROGRESS
9	28 Jun 23 (6.7)	Development at Low Flyer to be reviewed on 6 monthly basis	31 December 2023	Director of Operations	Development postponed as per revised CNES SHIP. Units in the SHIP will be transferred to enable increase in number of properties in Leverburgh.
		Scott Road Development to proceed to full planning permission	31 October 2023	Development Manager	NHT requested public consultation on proposals which is planned for 31 January 2024. Planning Application preparation continuing. Changes to road and sewer lines discussed with landowner and generally positive feedback. Agreements to be finalised.
10	9 Feb 2022 (7.2)	Review garage rents.	31 March 2025	Director of Finance & Corporate Services	Amended Rent Structure presented to Development & Finance Committee in November 2023.

BUSINESS PLAN 2024/25 TO 2028/29

Board 13 February 2024

Report by Chief Executive

Purpose of Report

- 1.1 To review and approve the draft Five year Business Plan (2024/25 to 2028/29) at Appendix 1 for consultation.

Summary

- 2.1 We have held 3 key events that included our partners, staff and Board Members to enable us to prepare our draft Business Plan for the next five years.
- 2.2 Three main challenges emerged from the sessions: population; climate change and technological change; and the pressure they put on our ability to keep rents affordable and continue with development. The overarching challenge is reaching net-zero and becoming an organisation that has the question "*how will this reduce our carbon footprint?*" on the table when we are planning investment or changes to our services. There are hard decisions to be made by everyone at a business and personal level if we are to become net zero and stem the impact of climate change.
- 2.3 There are also opportunities presented by emerging technologies along with the accommodation requirements arising from the renewables work planned for the next 10 years and working with our partners on pilot projects.
- 2.4 A consultation document is at Appendix 2.

Competence

- 3.1 The financial, legal or other implications arising directly from the consideration of this report are at para 5.1 to 8.2.

Recommendations

- 4.1 **It is recommended that the Board approve the:**
- a) draft Business Plan 2024/25 to 2028/29 at Appendix 1 as the basis for the consultation document at Appendix 2 with a final Plan brought to the Board in March 2024; and**
 - b) Risk Appetite at Appendix 8 of the Business Plan.**

APPENDIX 1	Business Plan (2024/25 to 2028/29)
APPENDIX 2	Consultation Document (to follow)
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 annual budget for 2024/25.
- 5.2 The initial budget for 2024/25 will be presented at this meeting with the final detailed budgets being presented for approval by the Board in March 2024.
- 5.3 The Development Plan reflects the requirements of the Comhairle's SHIP which includes an over commitment to allow for slippage. The 30 Year financial projections do not include all of the units in the Development Plan. Funding for development will be obtained when it is affordable and required. This will ensure we remain compliant with our current funding arrangements whilst allowing the time to explore affordable funding options for an increased development programme.
- 5.4 Our current funding facility is for £25M. We can borrow up to 91% of the value of our stock this means based on 2021 Valuation we can borrow up to £43.4M. The Board have set an internal cap on borrowing equal to 70% of the value of our stock (£33.4M). To deliver the full requirements of the SHIP our borrowing would need to be increased by £6M to £31M. This represents 65% of our stock value.

Legal

- 6.1 There are no specific legal issues relating to the approval of the Business Plan.

Regulatory Guidance

- 7.1 The Regulator's guidance on Business Planning has been followed.

Risk

- 8.1 The Risk Register has been updated to reflect the draft Business Plan. Our overall risk score has reduced from 141 to 92 due to controls and actions taken to mitigate the risk, with the average score reducing from 6.4 to 5.75.
- 8.2 A draft Risk Appetite is included within the Business Plan.

Detail

Business Plan preparation events

- 9.1 A Business Planning Day with stakeholders, partners and staff was held in Stornoway and Balivanich 7 November 2023 followed by a Risk Appetite session on 10 January 2024.
- 9.2 The feedback from the sessions was distilled and a further meeting was held with managers in January 2024 to refine the Delivery Plan and the Performance Measures.

Main Themes of the Plan

- 10.1 The main themes coming out of the sessions that are included in the Plan
- **Population demographics**- how we manage the business in view of the decline and how we contribute to increasing the population or at least stemming the decline.
 - **Climate change**- the impact on all our communities and particularly on our tenants and the neighbourhoods they live in. We are committed to doing all we can to achieve the Government's Net Zero targets by investing in our houses whilst recognising the challenge of balancing the additional cost with keeping our rents affordable
 - **Opportunities with the planned renewable works**
 - **Development that supports rural communities**
 - **Technology**-the benefits it can bring to our business and to our tenants but recognizing the cost of keeping our technology up to date

Funding of the Business Plan

- 11.1 The Plan must be funded from within our current borrowing facility with the exception of the Development Plan. The Development Plan shows all the homes in the Comhairle's SHIP but that will require our borrowing to be increased by a further £6M. There will be a meeting of the Development & Finance Committee prior to the March Board meeting where full stress testing and scenario planning will be carried out.
- 11.2 Since the pandemic and the cost of living crisis interest rates have increased from 0.75% to 5.25% which leaves very little flexibility in the Plan compared with previous years when the interest rates were low. The Committee will consider various borrowing thresholds which could be set for the Business Plan and make a recommendation to the Board in March 2024.

Consultation

- 12.1 Following approval of the draft Business Plan we will consult with our Tenants, Partners and Stakeholders. A Consultation document is being prepared and will be available at the Board meeting on 13 Feb 2024.
- 12.2 We will be preparing a summary of the Business Plan once it is approved for our Web page and making available to our Tenants.



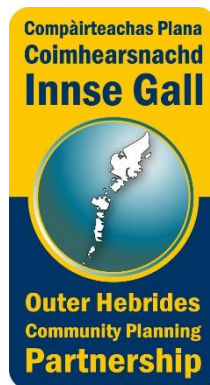
Hebridean Housing Partnership

Business Plan

2024/25 to 2028/29

Making our
house your
home





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

Email: info@hebrideanhousing.co.uk

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Phone: 0300 123 0773

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Section 1 Executive Summary

Section 1 Executive Summary

1. The Business Plan 2024/25 to 2028/29 outlines our vision, core value and our Strategic Goals to be delivered in the next five financial years. Future decision making will be guided by the goals and targets in this plan.
2. The Board, staff and partners were involved in developing this plan and the vision “*to provide good quality affordable homes and to secure consistently excellent housing services throughout the Outer Hebrides*” is summarised in our strapline “*Making our House your Home*”. We plan to make it a reality by delivering on our four Strategic Goals over the next five years.
3. The plan is underpinned by detailed 5 year financial plans and 30 year long term financial projections which we submit to our Funder and the Scottish Housing Regulator.
4. We have been operating as a Registered Social Landlord (RSL) since September 2006 following a whole stock transfer from Comhairle Nan Eilean Siar. In 2024/25 we will be entering our 20th financial year.
5. We have improved performance since Stock Transfer in the following areas

Area	Sept 2006	Dec 2023
Repairs within target	91.4%	98%
Arrears	7.4%	3.32%
Voids length of time to relet	61 days	19.5 days
Void loss	2.0%	0.78%
New build promised in first ten years	275	391

Who We Are

6. We are a charitable RSL with a Board of a maximum of 15 with 10 places currently filled. We have 54 members of staff, 48 FTE, who work out of two offices, Balivanich and Stornoway. Our full organisational structure is at Appendix 1.
7. In November the Board revised our 4 strategic goals providing a clear direction on Tenants, Houses, Staff and Communities.
8. We deliver services throughout the chain of islands that make up the Outer Hebrides and we have 2,389 houses on 12 of the 15 inhabited islands.
9. We are a key employer and with an annual turnover of £12million we are a significant contributor to the economy of the islands.
10. We have a non-charitable subsidiary, HHP Community Ltd which is currently dormant but we hope that will change over the lifetime of this plan.

STRATEGIC GOALS

GOALS

1. Tenants-Placing tenants at the heart of everything we do
2. Houses-Investing in a sustainable way in tenants' homes
3. Staff-Being and excellent employer that attracts and retains high quality staff
4. Communities-Working with partners to help our communities thrive

Operating Environment

11. Every year it feels as though the world is becoming a bit smaller particularly as the key challenges facing the world are also on our doorstep. Three of those challenges are population, climate change and technological change.
12. The population continues to grow and age which brings its own problems particularly around the balance of food resources and health care. The shortages of skills and labour force are one result of an aging population with talk now of raising the retirement age to 71 in the UK within the next 15 to 20 years.
13. There is no getting away from accepting that the change in climate is affecting our islands particularly with rising sea levels and coastal erosion.
14. The goal of the UK Government to reach Net-Zero by 2050 is under threat with funding for necessary works being reduced. In the last 3 years we have benefited from £2.4million of Scottish Government funding which has allowed us to accelerate our air source heating programme to replace more storage heating and infrared heating systems.
15. Technological change is happening quicker than ever and it can be costly to keep up but may be equally costly to fall too far behind. Technology will give us the opportunity to review and reshape how we deliver our services.

16. Our biggest challenges in the Outer Hebrides going forward remain:

- Aging and declining population
- Climate change
- Keeping rents affordable with the cost of living crisis
- Delivery of our Development Plan with the substantial increase in the build cost
- Delivery of the requirements of Rapid Re-housing

What We Want To Deliver

17. As a key business in the Outer Hebrides, we want to have a positive contribution to our communities and the neighbourhoods our tenants live in. We believe the best way to do this is to look after our tenants, our properties and our staff within the resources available to us so that we are able to provide services for the long term.
18. We will strive to keep our rents affordable and balance that with meeting the standards set by the Scottish Government. It is a fine balance as the cost of bringing all our homes up to the new Net-Zero standard is likely to be substantial.
19. Our houses meet the Scottish Housing Quality Standard (SHQS) excluding a few exceptions and abeyances.
20. A new tenant portal providing online access to their accounts will be available in March 2024. Tenants will be able to manage their tenancy online with the ability to apply for a house, real time rent balance information, ability to raise repairs requests and other key aspects of their tenancy.
21. We hope to deliver 100 new homes throughout the islands and we plan to be involved in providing an accommodation solution for the renewables work.

Funding Our Plans

22. We have a funding facility of £25million in place with the Royal Bank of Scotland (RBS) which should enable the delivery of our Strategic Goals.
23. We will be investing £51million in over the next five years in our existing stock and new build which supports our local economy.
24. Options will be explored for the use of our subsidiary, HHP Community Ltd to deliver efficiency savings in some costly service areas and support the accommodation of renewables work.
25. The Board remain committed to a strategy of growth but are fully aware of the significant challenges we face as a business and a community with the cost of living crisis and the worrying results of the 2022 census showing a 5% reduction in population.
26. Good governance is essential to our success both short and long term. Membership of the partnership is encouraged as part of our succession planning for our Board Members.

Risk

27. Risk Appetite is set annually. We are committed to being proactive in efforts to contain and minimise the risks faced by the business. Risk Management is a balance between our appetite for risk and our ability to manage risk. Overall responsibility for risk management lies with the Board supported by Audit & Risk Committee and the Executive Team.
28. We manage our Risk Register using an online system. The Register was fully reviewed and has 16 Risks with a total average risk score of 5.75 which is an improvement from previous year's score of 6.4 due to the number of controls put in place and actions completed during the year.

Section 2 Who We Are



Section 2 Who We Are

Brief History

1. We were set up as Hebridean Housing Partnership (HHP) in September 2006 as a Registered Social Landlord (RSL) to own and manage the housing stock being transferred from our local authority, Comhairle Nan Eilean Siar.
2. We prepared a 30 year Business Plan showing tenants how and where we would invest and what the average rents were likely to be for the 30 years. 2024/25 will be year 20 of the Plan which is quite amazing.
3. In April 2007 we took on the stock of the five locally based RSL's (305) which brought our stock figure to 2,086.
4. In the majority of areas we have out-performed our Business Plan demonstrating the value of the decision taken by the Comhairle in 2002 to explore the benefits of housing stock transfer. It is good to be able to look back with confidence that the decision has been good for tenants and for the islands as a whole.
5. As we move into our 20th year of operation we are no longer a new untested organisation, we are well established with a good track record on delivery and an important contributor to the local economy with an appetite to learn from our mistakes to become a top housing provider in Scotland.

Our Vision

6. Our 'vision' has remained fairly consistent over the years. It is to provide great homes and deliver excellent services throughout the Outer Hebrides and this is supported by our values and goals.
7. In the coming year we will be reviewing our approach to ensure it remains appropriate for our times, tenants, and communities.



VISION
to provide great
homes and deliver
excellent services
throughout the
Outer Hebrides

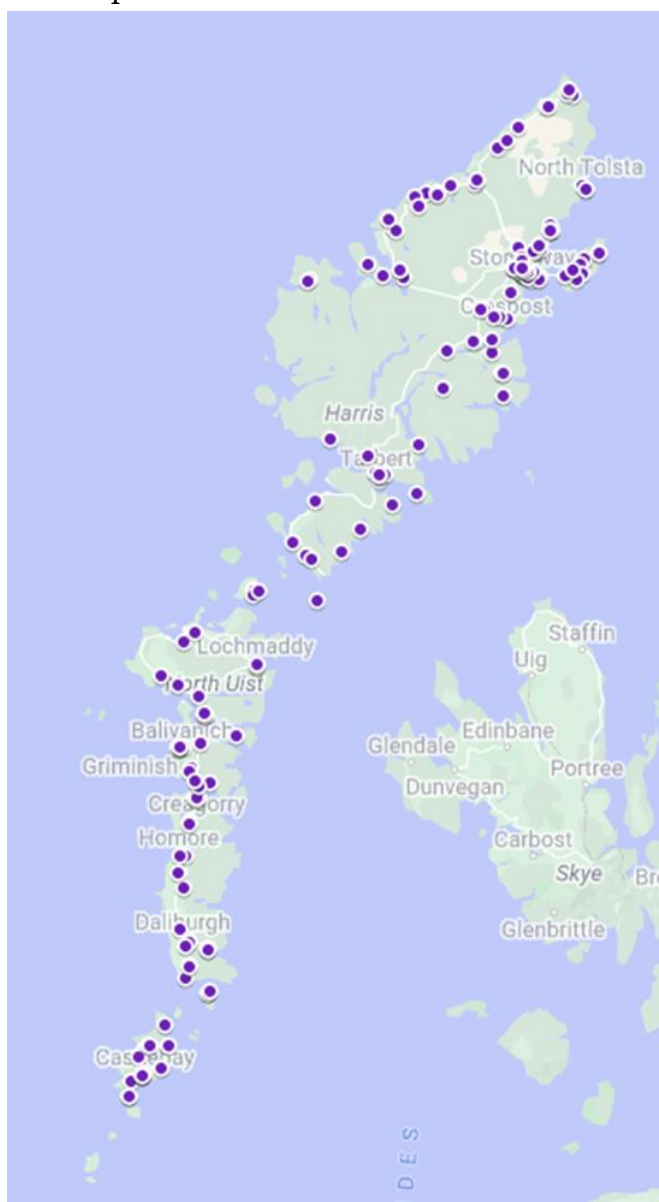
Our Structure

8. We exist to provide affordable social housing throughout the Outer Hebrides. To do this in the most effective and beneficial way to the islands we are set up as a charitable, not for profit housing association governed by a Board of volunteers.
9. We are registered under the Co-operative and Community Benefit Societies Act 2014.
10. Membership of HHP is open to all members of the community who are over 16 years of age and meet the membership criteria. Currently there are 79 members.
11. We are regulated by the Scottish Housing Regulator, Registration Number 359. As the main Registered Social Landlord (RSL) in the Outer Hebrides we are categorised as having 'systemic importance' and have medium engagement with the Regulator. We are registered with OSCR the Scottish Charity Regulator.

12. We were awarded Rural Housing Body status in September 2023 which allows us to apply a rural housing burden on any houses we sell ensuring they are kept within the affordable housing sector.

Our Service Area

13. We deliver services throughout the chain of islands that make up the Outer Hebrides. The island chain is over 130 miles long and has 15 inhabited islands. We have 2,389 homes on 12 of those islands. The islands, known for their wild beauty are connected by causeways and ferries which we are dependent on.
14. Our services are provided from two offices, one in Stornoway and the other in Balivanich. Currently the Stornoway office is responsible for 1,753 homes in Lewis and the Balivanich office is responsible for all the other 636 homes.
15. We are a key employer and economic contributor in the islands with an annual turnover for 2023/24 at over £12 million.
16. The map below shows where our houses are:

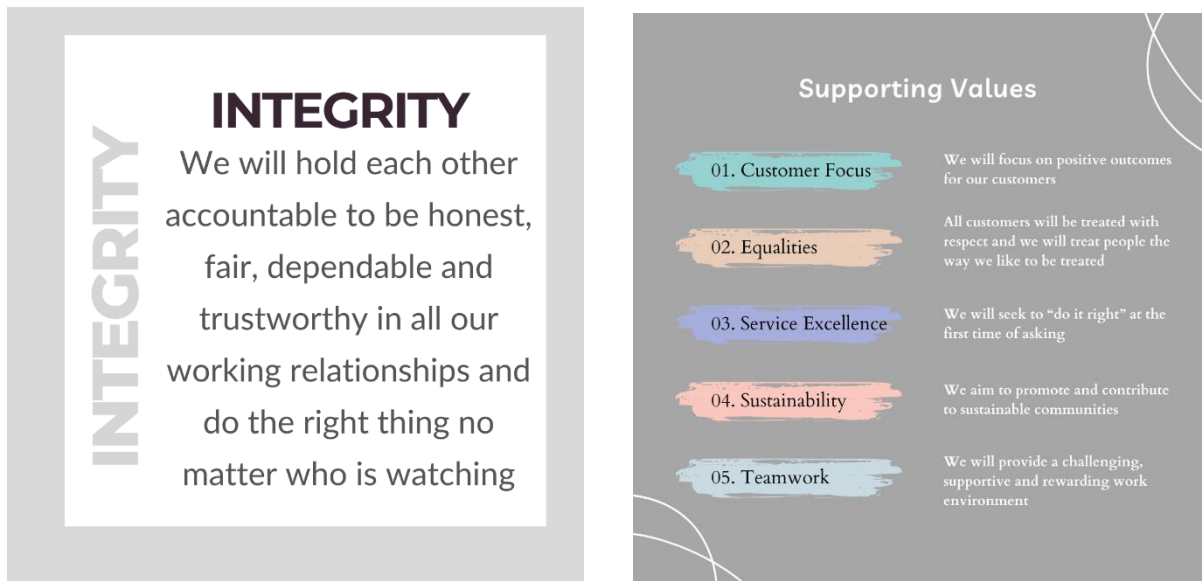


ISLANDS



Our Values

17. Our core value is INTEGRITY. For us to be a business of integrity we must hold each other accountable to this value. Our actions must demonstrate what we say we believe.



Our Goals

18. We have four Strategic Goals:



Governance

19. We are governed by a Board which is made up of Community, Tenant and Comhairle representatives. Board Members (other than Board Appointed Members and the three nominations from the Comhairle) are elected at the Annual General Meeting.
20. The Board is made up of a maximum of 15 Members as shown below



21. The minimum number of Board Members required to continue operation is seven and our quorum is four.
22. Details of our current Board Members can be found at - <https://www.hebrideanhousing.co.uk/about/>
23. All Board Members must sign our Code of Conduct before they can take up their role on the Board. By signing the Code of Conduct the Board Members are confirming they will abide by the requirements. A copy of the Code of Conduct can be found on our website - <https://www.hebrideanhousing.co.uk/wp-content/uploads/2022/01/Code-of-Conduct-for-Board-Members-August-2021.pdf>
24. The Board's Standing Orders govern how the Board does business including the use of Committees and Working Groups. There are currently three Committees - Audit & Risk, Development & Finance and Joint Consultative. There are two Working Groups - Personnel and Operations.
25. The Board is supported by the Chief Executive, the Director of Operations and the Director of Finance & Corporate Services.



26. We have struggled to attract our full complement of Tenant Board Members over the past 6 years with only one of the places filled at present. Our Rules allow Community Members to take up any vacant Tenant places if we have no interest from Tenants. Currently 3 places are available.
 27. Our Tenant Engagement Officer is working to encourage tenants to get involved at Board level but the preference appears to be to engage in a more informal setting, such as drop ins.
 28. Our Board meetings are held in person in the summer months and online for the remainder of the year, this is to ensure maximum attendance.
 29. The Board is responsible for the overall strategic direction of HHP, they want to be a Board that knows the times we live in and have the boldness to make decisions for the good of current and future tenants and our communities.
 30. Our Board Members are assessed annually to ensure the Board has the relevant knowledge and experience required for effective governance and to identify any skills gaps.
 31. We carried out our latest skills review in December 2023 and our Board Training Plan is prepared to ensure any gaps are addressed and that Board Members are able to contribute effectively to making the best decision for our tenants.
- Subsidiary**
32. HHP Community Ltd was set up in 2010 when there was the potential of taking over the ownership of some turbines sited near our estates. Following an in depth review the project did not go ahead. The Subsidiary has been dormant since 2015.

Tenant Organisations

33. In 2023 we employed a Tenant Engagement Officer (TEO). The TEO is working with existing tenants' and residents' groups such as Western Isles Housing Association Community Forum and the Cearnas Community Association. Work is also underway to support tenants throughout the islands who wish to start up new groups, whether that be a formal resident group or a small project based group.

Staff

34. The Board delegates responsibilities to the Chief Executive and the two Directors to deliver our services.
35. We have a total of 54 employees (48 FTE) including two Modern Apprentices. 45 are based in Stornoway and 9 in Balivanich.
36. There are two main Departments, Operations and Resources and an Executive Office Team.
37. A copy of the full organisation structure is at Appendix 1.

Apprenticeships

38. We employed our first Modern Apprentice in 2019 and since then we have developed a Modern Apprentice programme. We work closely with the Training & Skills Team at the Comhairle and they have provide invaluable support to our Apprentices. We are also members of the Local Employability Partnership.

Terms & Conditions

39. Our Pay & Grading system was reviewed and updated in 2019 and benchmarking was commissioned in 2023 to ensure pay scales remain appropriate.
40. We signed a Collective Agreement with Unison in 2019 and cost of living awards are currently agreed annually.
41. We are a Living Wage Employer and this applies to all our posts including our Modern Apprentices.
42. A Fair Work Statement has been signed with Unison and is available on our website <https://www.hebrideanhousing.co.uk/?s=Fair+Work+Statement>

Training & Development

43. Our training needs are assessed each year following which a Training Plan is prepared. The Plan will cover regular refresher training for all staff, one-off training, compliance training and professional development.
44. We provide support for members of the team who want to undertake professional training and so far three members of staff have obtained a Chartered Institute of Housing qualification with others working towards a professional qualification.

RESOURCES

Teams



FINANCE

- Treasury Management
- Sundry Debts
- Financial reporting
- Accounts payable

CORPORATE RESOURCES

- ITC Support
- Insurance
- Facilities Management
- Health & Safety



DIGITAL TRANSFORMATION

- Delivery of Digital Transformation Strategy

EXECUTIVE OFFICE

EXECUTIVE OFFICE

- Company Secretarial support
- Training
- Performance reporting
- HR



OPERATIONS

Teams



CUSTOMER SERVICES

- Front line services
- Complaint handling
- Repairs diagnosis
- Rent queries and receiving rent payments

HOUSING SERVICES LEWIS

- Housing Mgt services in Lewis
- Tenant Welfare & Support
- Allocations & voids
- Estate Mgt & ASB
- Voids



HOUSING SERVICES UIST

- Housing Mgt service in Harris, Uist and Barra
- Tenant Welfare & Support
- Allocations & voids
- Estate Mgt & ASB
- Voids

PROPERTY SERVICES

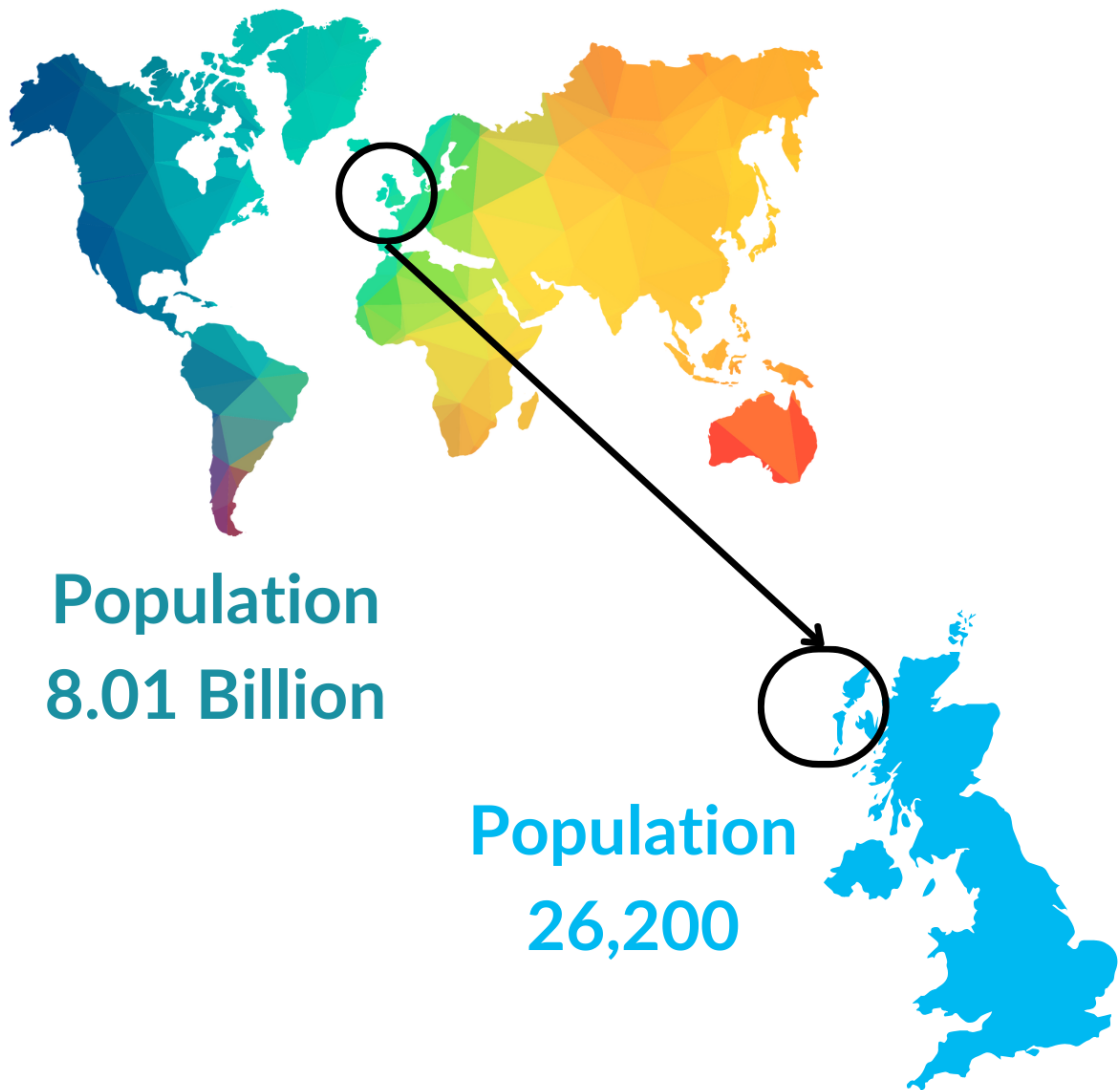
- Delivery of Investment Plan
- Repairs, voids and planned maintenance
- Compliance



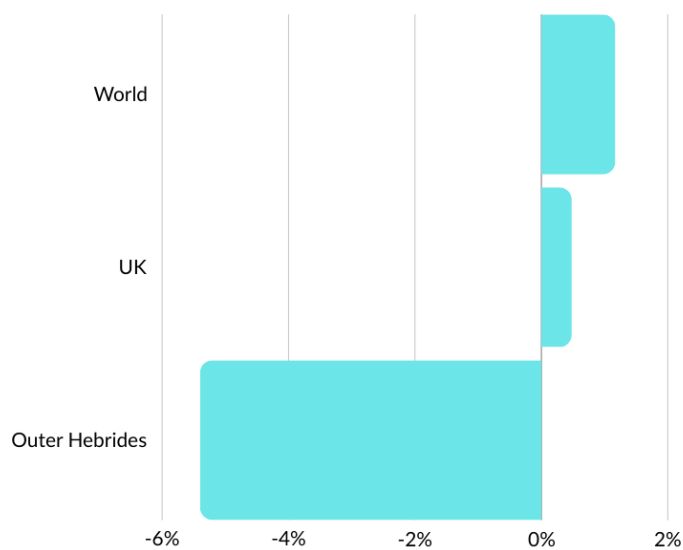
DEVELOPMENT

- Manage delivery of new build programme including grant claims
- Liaise with Scottish Government

Section 3 Operating Environment



Population Growth Rates



Section 3 Operating Environment

Global

1. We are part of something much bigger than our little islands in the northwest of Scotland. What happens in the world affects us and what we do impacts the world we live in. The world is facing enormous challenges affecting everyone. The United Nations Secretary General message for 2024 reminds us that when we work together to tackle these problems we are stronger and have a better chance of overcoming them.
2. The three significant world challenges that have the most impact on us are population, climate change and the pace of technological change.

Population

3. The current world population is just over 8 billion. The UN Report on World Population Prospects 2022 shows that the population will continue to grow to 10 billion until around 2050 to 2060 when it will begin to fall to 6 billion by around 2100. It also forecasts that life expectancy will continue to increase from 72 to 82 years.
4. A growing population requires more resources e.g. homes, jobs, energy and food. In an ideal world the demand for each of these things would balance out e.g. more homes should increase the number of jobs available, however this is not the case. Imbalance leads to injustice which expresses itself most clearly in poverty levels.
5. Nearly every country is struggling to provide the number of houses to support its population. The key points from the World Economic Forum 2022 Report estimates that the housing crisis could impact 1.6 billion people by 2025.
6. An aging population will require more health care and support but if there is insufficient working population this will become a major crisis. In some countries this is already the case.
7. Due to war the population is also being forced to move from their homes and seek refuge in other countries which brings serious challenges for them and the countries they are fleeing to.

Climate Change

8. We have always been at the mercy of the weather, but our Government's weather experts and scientists say that the extremes we are experiencing now will not only continue, but worsen IF we don't change how we use the resources entrusted to us.

9. The climate is changing, projections are we will have warmer temperatures, more heavy rain, rising sea level and drier summers. The Global Climate Change says

“While Earth’s climate has changed throughout its history, the current warming is happening at a rate not seen in the past 10,000 years.”

10. As the climate changes it affects the world’s ability to grow sufficient food to support the population. Scarce resources will create major problems for every nation. 97% of scientists agree that humans are the cause of global warming and climate change. Justice means that we need to take responsibility for addressing the problem since we caused it.



Technology

11. Technology has enabled us to be part of the global community and provides the opportunity to remind us how our lifestyle choices affect people and environments who are thousands of miles away from us, which will hopefully encourage us to amend our behaviours. It does feel that our obsession with individualism and money is working against us reaching a collective solution. If real change is to happen in the world, then we need to take responsibility for doing what we can in our own communities whilst challenging our politicians to provide the resources and infrastructure.
12. There are many, many benefits of new technologies however there are some downsides
- a) Technology is changing at what feels like an unaffordable pace with consequences which are costly not just in cash terms, but quality of life. The pace needs to be managed. The cost efficiencies hoped for when you install a new system rarely materialise as you have to put most of those savings and more, into keeping the IT infrastructure up to date.
 - b) AI promises that time spent on “routine, boring but necessary” tasks will be released to be invested in more productive areas but there needs to be a check that it doesn’t deskill people. Care needs to be exercised to ensure we don’t become more and more dependent on fewer people and end up handing over too much control.
 - c) Security of information. Senseless and cruel cyber-attacks appear to be on the increase creating a sense of trepidation for people using any IT systems.
13. Technology does however give us the opportunity to reshape how we deliver our business or services while sharpening your management skills.

United Kingdom

Political

14. Ramifications of Brexit still haunt us with the cost of living increasing. Supply chains are being clogged up inflating the cost of many of the key components for house building.

15. There will be General, Scottish and local elections throughout the lifetime of this plan which will undoubtedly impact on some of what we plan to do.

? 2024
General

7 May 2026
Scottish

6 May 2027
Local

Climate Change

16. Climate change is being felt with increased storms, flooding and the erosion of coast lines, the cost of insurance rising as a consequence.
17. The UK Government is committed to reaching Net-Zero by 2050 - that's only 26 years away! Carbon budgets are set 10 years ahead for a five year period, the current carbon budget is 2023-27. Support has been provided to switch to renewable heating but the feeling is that more needs to be done to support the insulation of homes to reduce emissions and provide a reliable infrastructure for green active transport. It is important that laws and provision of support take account of the very different nature of providing services in the rural areas so they are not left behind.
18. We are on the way to reaching Net-Zero but not as far along the road as we need to be.

Population

19. The UK has an aging population with most of the growth coming from inward migration. The challenges that come with an expanding aging population are seen particularly in the health & care sector and now in the building industry where recruitment is proving to be a real struggle.

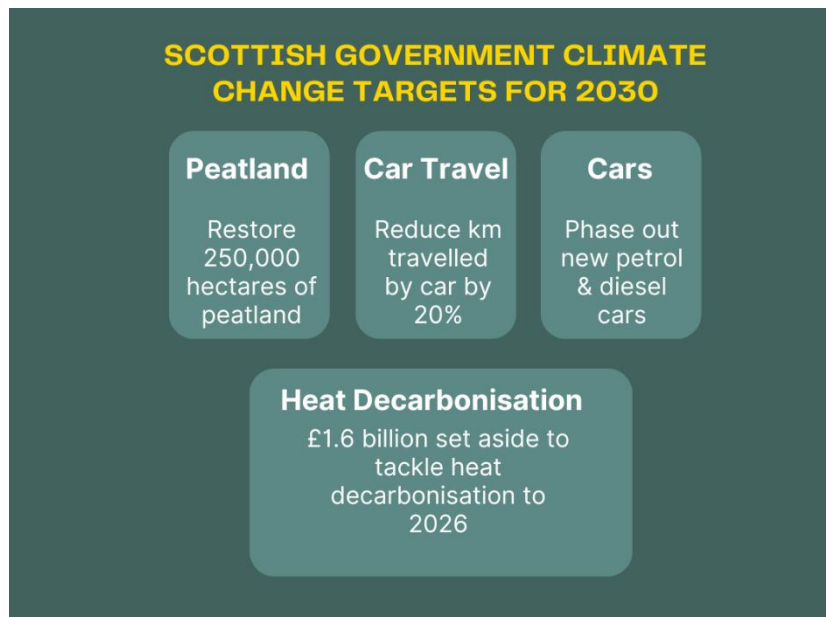
Economy

20. The cost of living crisis that followed Covid-19 is still with us and likely to be for the next three to five years. Whilst inflation has dropped from a high of 14.2% in October 2022 to 5.2% in December 2023 it is still above the target of 2%. Forecasts are inflation will be brought back within 2% target by 2026.
21. The Bank of England has warned that the UK is facing a 50-50 chance of a recession due to the gross domestic product (GDP) falling in October 2023.
22. Unemployment is expected to rise to around 1.6million and the average annual pay growth will reduce to 3.7% in 2024 and 2.2% in 2025.
23. Increased borrowing costs and rent controls could see the private rental sector shrink or rents rise as owners are unable to afford the substantial increase in mortgage costs.
24. If the private rental sector shrinks this could place an even greater burden on social landlords to provide more homes.

Scotland

Climate Change in Scotland

25. The Scottish Government have a Climate Change Plan with a number of key targets for 2030 (6 years away)

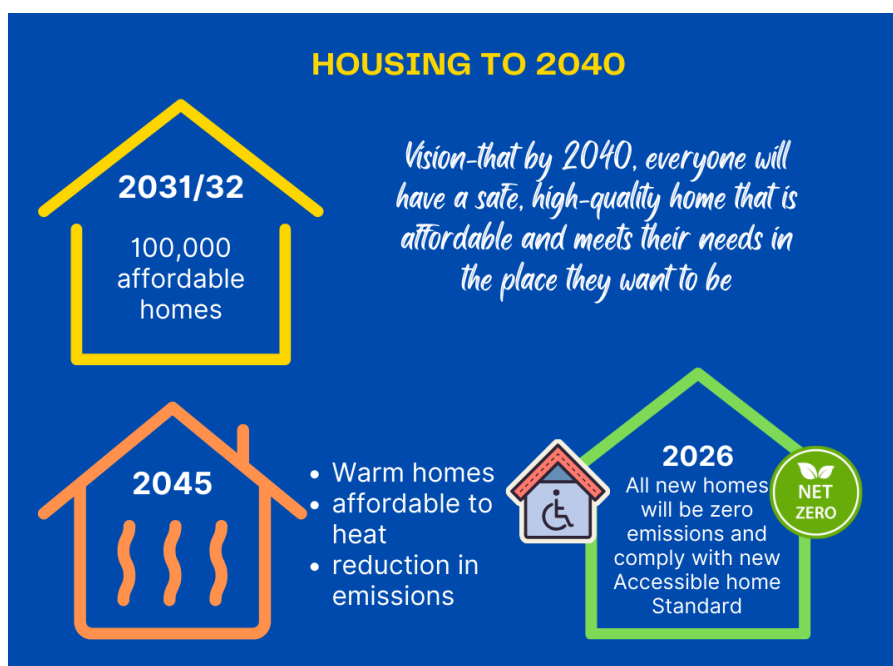


26. The Scottish Government are currently consulting on their “Climate Change - National Adaptation Plan 2024 to 2029” with five outcomes

- a) Nature connects
- b) Communities
- c) Public Services
- d) Economy, business and industry
- e) International Action

Housing to 2040

27. Housing to 2040 is the Scottish Government’s vision for housing and was issued in 2021.



Population

28. Scotland has an aging population and similar to the rest of the UK is struggling to provide the skilled labour to support the Health & Care sector, Construction, Accommodation and Food Services.
29. The 2022 census shows that the overall population has grown by 3% from the 2011 census with the increase due to inward migrations rather than an increase in births.
30. The population demographics show that the percentage of the population that is over 65% has grown from 12.3% in 1971 to 20.1% in 2022.

Poverty

31. The Institute for Fiscal Studies reported in August 2023 that average monthly earnings grew by 1.5% in Scotland compared to 5% in the rest of the UK outside London. The employment rate in the Highlands, Islands and Northeast was at 75% for (2020-2022) which is above the Scottish average.
32. JRF produced a report in October 2023 "Poverty in Scotland 2023".

Poverty in Scotland 2023

With the Scottish Government still off-track in meeting the child poverty reduction targets, action to reverse the trend of increasing levels of in-work poverty is more vital than ever. Women, disabled people and minority ethnic people in particular are at the eye of a storm of persistent low pay, unreliable and insufficient hours and a struggle to make ends meet. Of course, there are actions government can, and should, take to respond, but employers must hold up their end of the bargain in ensuring work is the sustainable route out of poverty that it should be.



33. The biggest cost that families usually face being housing and the report highlights the contribution the provision of affordable homes are making to reducing poverty. The number of people experiencing in-work poverty has reduced from one in three in 2014 to one in five in 2023.
34. There is a responsibility on HHP to keep rents affordable whilst making sure as an employer we are not contributing to the increased poverty levels in Scotland.
35. Rent arrears in Scotland are at their highest level since records began in 2012 rising by almost 7% in the year to 2022/23. [SHR]

Homelessness

36. In December 2023 Shelter reported that there was a growing 'systemic failure' in council services for homelessness with 14 out of the 32 Councils admitting they did not always fully comply with their statutory duties to the homeless.
37. A Housing Emergency has been declared by three local authorities in Scotland, Edinburgh, Glasgow and Argyll & Bute. Councils are attributing the core problem to the continued reduction in public sector funding. Another common thread with the three authorities is the reduction in private sector lets due to houses being used for holiday lets. In the rural areas this is exacerbated by second homes which are only occupied for a short time during the year.

38. There has been a 9% rise in homeless applications to 39,000 including a 9% rise in homeless households with children to a record 9,595. The length of time people are spending in temporary accommodation is increasing.

Outer Hebrides

39. Visit Scotland describes the Outer Hebrides as

“The Outer Hebrides is a group of islands that sit off the west coast of Scotland, each with its own unique way of life. The Hebridean islands offer powder-white beaches, wild Atlantic waves, diverse wildlife and vibrant Gaelic culture”

A great place to visit and a great place to live but a place that faces the same challenges as the rest of the world and some unique to the islands.

40. The ONS report that out of the 14 measures available for the Outer Hebrides 7 were better than the median and 1 was worse.

Worse than the median	Better than the median
Gigabit capable broadband	Aged 16 to 64 years employment rate (Great Britain)
Sub-national indicators explorer	Female healthy life expectancy
	Male healthy life expectancy
	Life satisfaction
	Feeling life is worthwhile
	Happiness
	Anxiety

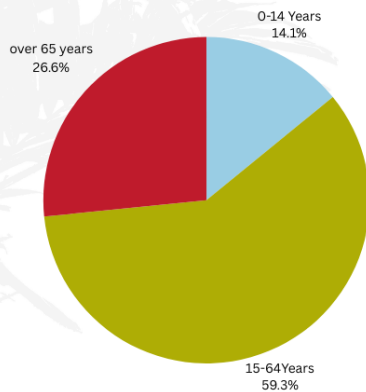
Population

41. Over the past 10 years “population decline” has been highlighted as one of the biggest challenges facing the Outer Hebrides and sadly it remains the case. What is happening in the islands is what will happen in the rest of Scotland in the future if no action is taken to change things. There is a clear connection between the action we take as islands to stem the impact of climate change and growing our population. If we don’t take action on climate change a good portion of the islands might well be under water by 2100 with little sustainable land for anyone to live on, more about that when we look at Climate Change.

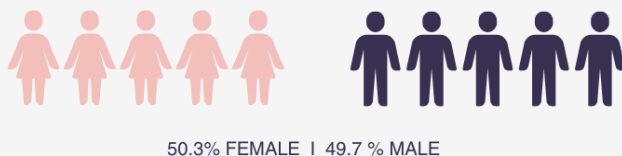
2022 SCOTLAND CENSUS *Na h-Eileannan Siar*

DEMOGRAPHICS

AGES GROUP



SEX



CHANGE SINCE 2011

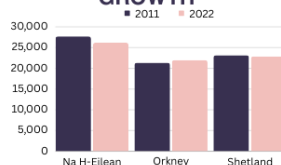
5%

DECREASE
NA H-EILEAN SIAR

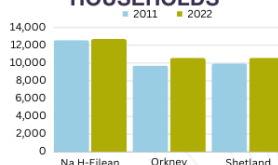
3%

INCREASE
SCOTLAND

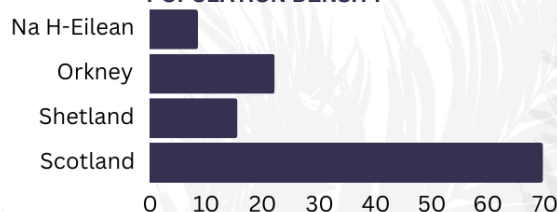
GROWTH



HOUSEHOLDS



POPULATION DENSITY



42. Scotland's 2022 Census results provide the following contextual information about the Outer Hebrides (Na h-Eileannan Siar).

43. Our under 15 year age group is comparable with the rest of Scotland at 14.1% but our working population is nearly 5% less than the Scottish average meaning that our retired population is growing at nearly 27%. This change in demographics is due to the continuing decline in the birth rate.

44. The balance of male and females is broadly similar to the national average.

45. The most worrying result of the census is the decline in our overall population. While Scotland has seen an increase of 3% there has been a decrease of 5% in our population.

46. The forecasts for the population change in the next 10 years don't show any change in the pattern of decline.

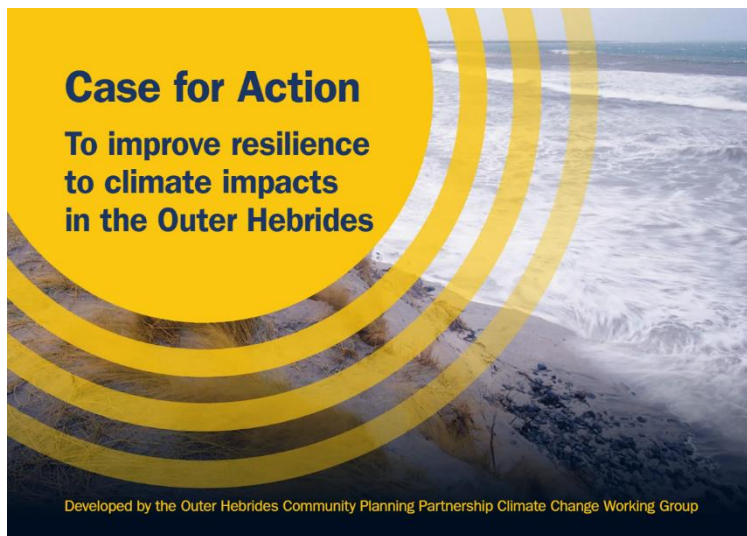
47. Population may be declining but the number of households has gone up but only slightly in comparison with Orkney and Shetland.

48. We have the lowest population density per square kilometre of any local authority in Scotland.

49. The one area that is bucking the trend of population decline is Barra.

Climate Change

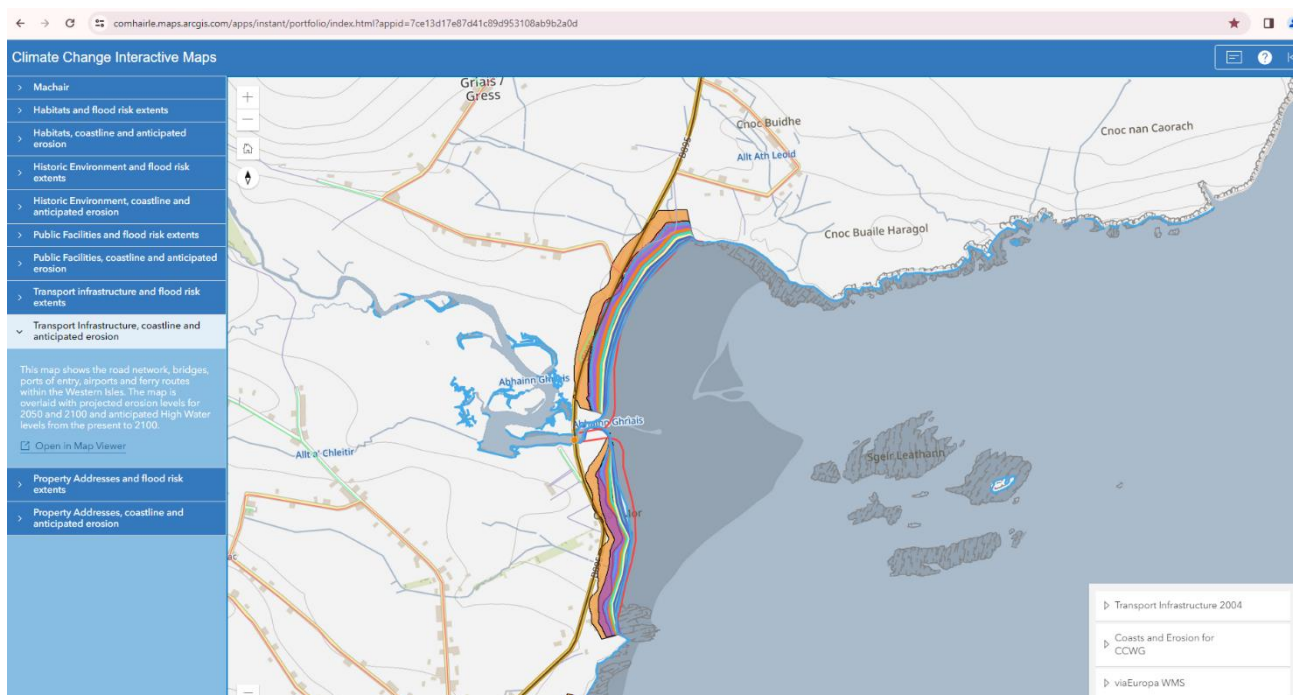
50. The impact of the change in climate is seen in our coastlines, our weather and the inability of our infrastructure to cope with continual heavy rain. Drainage is more important than ever.
51. The Outer Hebrides Community Planning Partnership (OHCPP)'s Climate Change Working Group in collaboration with Adaptation Scotland have produced a Climate Rationale and a Case for Action. We are members of the Climate Change Working Group.



52. Climate Hebrides CIC was formed in 2022 as part of the Case for Action. Climate Hebrides CIC have developed the Outer Hebrides Climate Hub and we have applied to become a member.

53. An extract from the Comhairle's mapping tool below shows the forecast for

Gress where rising sea levels could take out the main road from Stornoway to Gress and Tolsta. The website can be found at <https://storymaps.arcgis.com/stories/82f26e8ece054334a436d0c803841577>



Homelessness

54. The number of homeless presentations to the Comhairle has remained relatively steady over the last several years. There were 136 presentations in 2022/23 which was down from 153 the previous year. The main reason for homelessness (53%) was disputes within households and 19% of these involved some form of abuse. 69% of applications were made by single person households.

Islands (Scotland) Act 2018

55. The Islands (Scotland) Act introduced four key provisions:

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

56. The Scottish Government created the Act to guarantee that legislation would not unfairly target the Scottish islands. While the initiative aims to promote fairness, integration, and inclusivity, it hasn't had the intended impact. An example of this was when PAS 2035 requirements were imposed without accepting the issues raised about delivering it in an island context, causing TIG a local partner to conclude that local service delivery was no longer feasible.

Islands Growth Deal

57. This is a Deal funded by the UK and Scottish Government and is a ten-year package of investment intended to increase economic growth and the number of sustainable jobs across Shetland, Orkney and the Outer Hebrides. The total value of the Islands Growth Deal is £100million. The UK and Scottish Governments will each invest £50million over 10 years, subject to approval of full business cases for each project. The Islands Growth Deal projects are supported by a wide range of partners from across the public, private and academic sectors who together will seek to invest up to a further £293million to deliver these projects. There is £33.3million being invested within each island group. There is nothing directly planned for housing but any expansion will undoubtedly have accommodation requirements.

Key Stakeholders & Partners

58. Working with partners is essential in an island community where there are added challenges of distance, population, and transportation fragility. We are committed to making our contribution to helping communities thrive as demonstrated by our strategic goals.

Tenants and Future Tenants

59. Our key stakeholders are our tenants and future tenants. The provision of landlord services which are of the highest quality and at affordable levels will provide security for our tenants and ensure our long-term future.

60. We welcome participation from our tenants through tenants' groups and through membership of HHP. Our Tenant Engagement Officer is working with tenants to ensure our opportunities to participate are relevant and accessible.

Outer Hebrides Community Planning Partnership

61. We recognise the value that interaction with other agencies brings particularly in delivering better value for our communities through the delivery of services which are joined up. Key to engagement with partners is the work of the Outer Hebrides Community Planning Partnership (OHCPP). There had been significant progress in joining up services across the Outer Hebrides which stalled during Covid-19 but has now recovered.
62. We are members of the OHCPP and we will seek to maximise our contribution to OHCPP and also get support from our partners.
63. In November 2018 the OHCPP approved the OHCPP Partnership Agreement 2018-2027 which takes into consideration the changes to community planning and obligations on partners arising from the Community Empowerment (Scotland) Act 2015. The structure was reviewed in 2021 and approved by the OHCPP in November 2022. There are now four new priority groups:
- Climate Change
 - Poverty
 - Community Justice Partnership
 - Children and Young People's Planning Partnership
64. We also work closely with Police Scotland and the Scottish Fire & Rescue Service to develop preventative measures for the benefit of our tenants.
65. We are in the process of signing up to the Armed Forces Covenant which supports individuals involved in the Armed Forces, ensuring they are not disadvantaged in the provision of housing and employment.
66. There has been a rise in requests from employers, primarily public agencies for accommodation for employees. The demand is expected to increase due to difficulties in on-island recruitment. We have supported this by providing accommodation under our Allocations Policy provisions on key workers. We have also been approached by private sector employers to lease properties to them which they in turn will lease to their employees. We have received 50 applications since the Policy was introduced in 2021 and have been able to house 27 applicants. 6 are currently active. The remainder were withdrawn or resolved by other means.

Comhairle

67. The Comhairle as the Strategic Housing Authority is a key partner and we work with them to support the development and implementation of the Local Housing Strategy (LHS) which delivers key housing priorities for the Outer Hebrides.
68. We are members of the Homelessness Task Force and the Stornoway Vision Group which are led by the Comhairle.

69. In December 2023 we joined the Renewable Energy Major Development Forum Accommodation Group. This group has been convened to address the accommodation needs of the three major renewable projects planned in the islands over the next 10 years.

Highlands & Islands Enterprise

70. We are an RSL and a business that makes a significant contribution to our local economy whose contribution sustains jobs both directly, in the construction sector, and indirectly through the local supply chain. As a business we value the support of the Highlands & Islands Enterprise Area Team.
71. We have been working on a number of projects throughout the islands and enjoy a positive relationship with the local Team.

Highland & Islands Regional Economic Partnership

72. HIREP formed a housing sub-group in the summer of 2023 to address the issue that housing shortages are holding back the region's economic growth. HIE are providing support to the sub-group as they are seeking a more direct involvement in the housing sector. HIE recently engaged with the local RSL's to provide a two-way channel between the RSL's who operate in the region and HIREP's housing sub-group.

Poverty Partners

73. There are hidden pockets of poverty and deprivation in the Outer Hebrides. Problems include growing isolation of older people, addiction, alcoholism, lack of literacy skills and unemployment. We work with the following partners to try and alleviate poverty and deprivation.



74. The Outer Hebrides Anti Poverty Strategy 2019-2024 has been effective in sharing info and coordinating action particularly during Covid restrictions and in use of recovery funding. We will participate in the update of the new Strategy.

Western Isles Health Board

75. The Western Isles Health Board (WIHB) and the Integrated Joint Board (IJB) are key organisations locally. Our Chief Executive is a non-voting member of the IJB. In 2024 our Housing with Extra Care homes will be officially opened marking the completion of a very successful partnership with the IJB and the Comhairle. It is testament to what can be done when we have a shared vision.

Membership Forums

76. We actively participate in a number of membership forums: The Scottish Federation of Housings Associations, Rural & Islands Housing Association Forum, the Highlands & Islands Liaison Group, Welfare Reform (Highlands & Islands), SHN and the Chartered Institute of Housing (Scotland).

Scottish Government

77. Our main contact with the Scottish Government is with More Homes Division based in Inverness. We have worked closely with the Inverness team and they have an invaluable understanding of the challenges being faced in the rural and island areas. They have gone the extra mile to enable developments to proceed within the Government's guidance for Value for Money.
78. Scottish Government have committed to end rough sleeping and homelessness. We are working to assist and support the Comhairle in the delivery of their Rapid Re-housing Transition Plan. We let 49% of vacancies in Stornoway to homeless applicants in 2022/23 including 29 one bedroom properties. This met or exceeded targets we had agreed with the Comhairle. However only 14% of lets in areas outwith Stornoway were taken up by homeless applicants.
79. Our challenge in contributing to the Scottish Government's Housing to 2040 will be balancing the cost of meeting ever increasing building standards whilst keeping our rents affordable and not exacerbating fuel poverty for our tenants.

Scottish Housing Regulator

80. HHP is a systemically important landlord regulated by the Scottish Housing Regulator (SHR) and has a "Compliant" regulatory status for 2023/24. The Regulator reviews the risks and challenges faced by the business and progress against the Business Plan. We provide financial and other information as required, including 30 year and 5 year financial projections. A meeting takes place annually with our Regulation Manager, to discuss and review the financial projections and matters highlighted in the Regulation Plan for the financial year.
81. Every May, an Annual Return on the Charter (ARC) is submitted to the SHR that reports to tenants on the standards and outcomes set out in the Scottish Social Housing Charter. It covers seven sections that include equalities, tenant satisfaction, customer/landlord relationship, housing quality, neighbourhood, access to housing and support, getting good value from rents and service charges, and other customers.

82. We submit an Assurance Statement annually in October to confirm we comply with SHR's Regulatory Framework. The framework re-affirms the Regulator's position on statutory and advisory guidance. We aim to comply with both unless there is a practical reason not to do so.
83. Our 2023 Assurance Statement confirmed we are in the process of implementing an effective approach to the collection of equalities information and ensuring a human rights approach to our work. The Statement also included a clause on our position with Electrical Installation Conditions Report (EICR). Our 2023 Assurance Statement can be found on our website at the following link: <https://www.hebrideanhousing.co.uk/wp-content/uploads/2023/08/Annual-Assurance-Statement-Unsigned.pdf>

Contractors and Developers

84. We cannot deliver our Investment or Development Plans without contractors and developers. We aim to invest in ways that benefit the local economy. Contractors build new homes and maintain existing ones with a focus on quality as is demonstrated by the feedback from tenants and communities and the following formal recognitions:
- O'Mac Construction receiving a Premier Excellence Award: Quality Recognition Award in August 2021 on the Sinclair Avenue development
 - Lewis Builders was shortlisted as a finalist in the prestigious Royal Town Planning Institute's (RTPI) Planning in Excellence Awards in the Planning for Heritage and Culture category for the Lady Matheson Court development
 - The Goathill development won the Scottish Regeneration Forum 'Housing and Regeneration' 2023. This project delivered 74 affordable homes, 50 housing with extra care flats and a 52 bed residential care home hub.
85. Our contractors are a key point of contact with our tenants both in reactive repairs and in our investment and maintenance works. We work closely with them to ensure that the customer experience is first class. Our tenants are also involved in this process and scrutiny work has been carried out by tenants on reactive repairs and re-letting standards and processes. We will refresh this work on a regular basis as part of our aspiration to continually improve on what we do. In addition to this, we continue to test customer experiences with all work through point of service surveys and through our major satisfaction surveys. These show high levels of satisfaction with 91% of tenants stating they were happy with the repair service provided in our 2021 survey.

Lender

86. To finance our New Build Programme and Investment Programme, we are dependent on external funding. Our Funder is RBS. We have a £25million borrowing facility of which £17million has been used so far.
87. Communicating with the Funder, RBS, is crucial in providing timely and significant information. RBS has been supportive in providing borrowing facilities to achieve the Board's Strategic Goals.

Section 4 Where We Are

Section 4 Where we are

Introduction

1. The last five years were turbulent, challenging and frightening as we grappled with BREXIT, a pandemic and wars resulting in a cost of living crisis. Every local business was tested to the hilt and it is important that we don't forget what we delivered in those days, the commitment shown by, our staff, our contractors and our partners to look after our communities was quite something.
2. Our ability to deliver what we promised in Business Plan in March 2019 was undoubtedly hampered but the resilience shown by the Board and the Team is demonstrated in what was actually achieved.
3. We have learned lessons particularly not to take things for granted and the value of balancing risk with prudence meant that over the last 8 years we were able to keep our rent increases at below inflation.

How we delivered

4. We set Measures of success and a number of actions for each Strategic Goal over the five years of the Plan from 2019/20 to 2023/24. Some of our targets were ambitious and on reflection others could not be delivered directly by us but overall the performance was very good. The table below shows what we delivered to 31 December 2023.
5. In February 2023 the Board agreed to replace all infra-red heating systems, subject to consultations with individual tenants, by the end of 2024/25. The decision followed strong representations from tenants along with our own survey, that the systems were not delivering efficiencies.

GOAL ONE: Placing tenants at the centre of everything we do

6. We set ourselves 7 measures of success and 11 actions for this goal.

Detail	Promised	Delivered	Notes
% of satisfaction with our overall services >90%	>90%	86%	2021 survey during lockdown
All our homes meet or exceed SHQS	100%	86%	Excludes abeyances & exemptions
Respond to complaints within SPSO targets	100%	93%	
Current arrear as a % of gross rent debit	2%	2.2%	
Voids as % of gross rent debit	<1%	0.78%	
Provide options for rent guarantee and new rent structure	Yes	No	Postponed to 2024
Tenants satisfied with opportunities to participate in decision making	88%	85%	
Carry out affordability checks	Yes	Yes	
Deliver on Value for Money Strategy	Yes	Yes	Strategy approved in March 2022
Profile our customers' needs	Yes	%	
Support Western Isles Housing Association Forum	Yes	Yes	Funding provided for attendance at conferences
Develop tenant scrutiny	Yes	Yes	The tenant scrutiny panel operated for 4 years but is no longer in place. Alternative will be explored
Provide dedicated tenant participation support	Yes	Yes	Now provided directly by HHP
Ensure tenants maximise their opportunities to access digital services	Yes	Partial	Tenant Portal due for launch in March 2024 Tenants will be able to manage their tenancy online with the ability to apply for a house, real time rent balance information, ability to raise repairs requests and other key aspects of their tenancy
Develop a Digital Transformation Strategy	Yes	Yes	Digital champions in place Digital Transformation Manager in post
Develop an Anti-Poverty Strategy	Yes	Yes	Signature to Outer Hebrides Anti-Poverty Strategy 2019-2024
Benchmark our services with other Housing Associations	Yes	Partial	2023 SHN review showed improvement in performance overall Benchmarking process for 2024/25 agreed

GOAL TWO: Investing in an environmentally sustainable way in tenants homes

7. We set ourselves 5 measures of success and 3 actions and a further 2 actions were added in 2023.

Detail	Promised	Delivered	Notes
Deliver new homes	214	214	
Deliver 50 extra care units in Sornoway	50	50	
Reduce % of tenants in fuel poverty to	<25%	41%	No data available but anticipated that levels will have increased very significantly in view of the increases in fuel prices since 2019
Properties achieving EESSH	100%	96%	
Stock assesses in terms of long term viability	100%	100%	
Develop an Environmental Strategy	Yes	Yes	ESG Strategy approved in June 2022
Update Assets Management Strategy	Yes	Yes	
Annual Investment programmes completed by February each year	Yes	No	
Replace all Infra-Red heating systems by the end of 2024/25	104	77	34 programmed for 2023/24 95 programmed for 2024/25
Implement Recommendations on Ombudsman's report on Damp & Mould	Yes	Partial	Action Plan developed Damp & Mould Policy approved in March 2023

GOAL THREE: Being a good employer that attracts and retains high quality staff

8. We set ourselves 6 measures of success and 5 actions.

Detail	Promised	Delivered	Notes
Flexible Working Policy in place	2020	2020	
Staff survey showing positive feedback	Yes	Yes	Additional Wellbeing surveys carried out June to August 2023
Staff pursuing and obtaining qualifications	7%	15%	
Vacancies filled on first attempt	100%	83%	1 post had to be advertised twice
Sustain HHP staff with a length of service >3 years	60%	71%	
Staff turnover less than	10%	4%	
Annual Team Building events	Yes	Yes	Except during lockdown
Round table discussion with Manager	Yes	Partial	Held up until lockdown
Develop use of on-line system for appraisals	Yes	Yes	1-2-1 and annual appraisals recorded on system
Deliver annual training plan	Yes	Yes	60% of 2023/24 Plan complete or in progress

GOAL FOUR: Working with our partners

9. We set ourselves 5 measures of success and 4 actions

Detail	Promised	Delivered	Notes
Population forecast decline and demographics	Yes	No	Participated in workgroups Supporting employers with key worker accommodation
Increase demand for affordable housing	Yes	Yes	Demand broadly stable over the period but increase in 22/23. Overall change 416 to 459 (excluding suspensions and deferred)
Community Benefit measures delivered across our communities and on all our contracts	Yes	Yes	
% of tenants satisfied with management of the area they live in	95%	81.2%	
Carry out a Housing Needs Assessment	Yes	Yes	
Work with community groups to improve common areas	Yes	Yes	We were one of the funders that supported “Pals of Bayhead” to install new play equipment
Identify opportunities to generate Income	Yes		Applications for grant funding to support tenants successful with heating grants and warm home packs
Support OHCPP to deliver its aims	Yes	Yes	
Work with CNES to deliver LHS	Yes	Yes	

Operating Environment

10. In Section 3 we explored the big picture operating environment and here we will look at what is unique to HHP including what we think the future trends will be.
11. There have been two key moments where the harsh reality of climate change on our islands were brought home:
- At a Highland and Islands Liaison meeting where Officers from TIG presented the results of an arts project by Taigh Chearsabhagh Museum (A Climate Beacon). Lights were placed on building where the water mark could be in the future if no preventative action taken. The water was up to the half way mark on some buildings. <https://www.taigh-chearsabhagh.org/environment/>

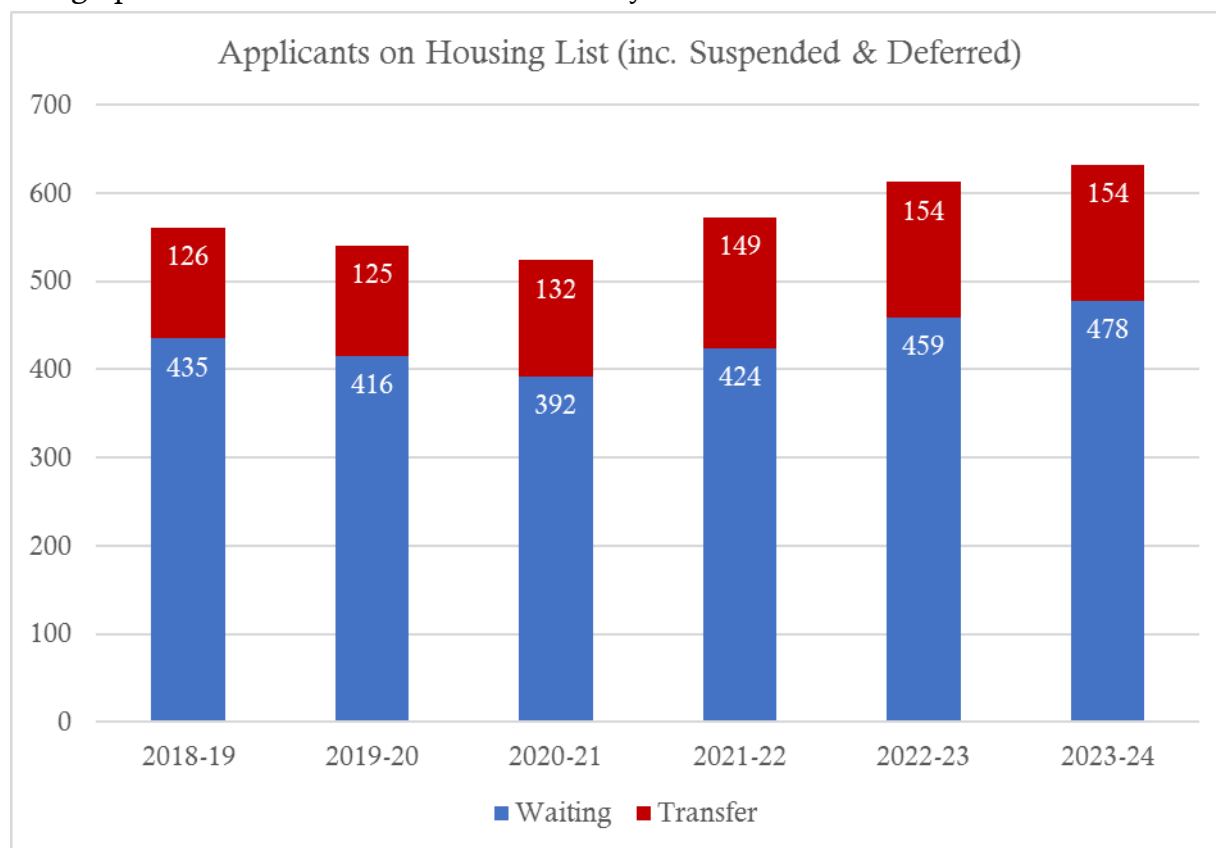
- OHCPP's Climate Change working group presented maps showing what will happen in the Outer Hebrides if no preventative action is taken, roads are underwater and coast lines are eroded.
12. We want to make a lasting impact on our communities because we owe it to future generations. There is so much need screaming at us from all directions at present such as population decline, demographics showing an older non-working population but even if by some miracle we were able to address those issues within the next five years they could become irrelevant if we don't deal with the big overarching issue of what is happening to our climate.
 13. We need to know our carbon footprint, we need to know that the actions we are taking are having a positive contribution, not just to satisfy the Governments requirements but so that there will be a legacy to leave those who want to make the Outer Hebrides their home.
 14. The Comhairle's LHS is currently being developed and is expected to be finalised later in 2024. The key challenges emerging at present are population decline, fuel poverty and housing supply (including affordability, quality, connectivity and health & wellbeing).
 15. Other consideration in the LHS include:
 - Health & Social Care agenda – mapping of home & social care requirements
 - House condition and fuel poverty – there has been a negative impact of grant withdrawal on the private sector house conditions
 - Climate change – requirements for decarbonising of buildings
 - Homelessness
 - Economic development – to support renewables related economic development and general business development
 16. Assessing our operating environment from global to local it would be easy to feel overwhelmed and almost paralyzed by the size of the problems facing us but there is hope and encouragement from knowing that we are not alone in the challenges we face-this means there should be a greater number of minds working to address the problem which should mean a great chance of finding a solution.
 17. We can't improve if we choose to keep doing things the way we have always done them so even changing a few things in the right direction will make a difference.
 18. The Outer Hebrides is a great place to live with stunning nature on our doorstep and committed communities working to improve their area but there are challenges that threaten this.

Our Business

19. Our business is providing homes for those in need at an affordable rent and the key factors to remaining financially viable are
 - a) a healthy demand for our homes
 - b) keeping our homes at a high-quality standard
 - c) being efficient in the way we deliver services
 - d) reviewing opportunities to grow

Demand

20. The graph below shows our demand over the years:



Standard of Homes

21. Our Stock Condition Survey indicates that the stock is in good condition with minimal catch up repairs required. Our houses achieve the SHQS with the exception of refusals and those where work cannot be carried for technical reasons.

Efficiency in Service Delivery

22. We have a Value for Money Strategy which has delivered around £608k savings in the past 5 years which have been invested back into the organisation and helping to keep the rents affordable.

Reviewing Opportunities to Grow

23. As the world around us changes it is important that we review how we provide our services and explore ways in which we can grow and develop as a business to provide more resources to reinvest into our services.

Skills Base

24. The recruitment market is becoming more challenging with the likelihood of being successful in the first recruitment attempt reducing.

25. The skills we need tomorrow will differ from those today and we need to continue to invest in staff training.

26. We are already seeing challenges in certain areas where we have struggled to procure services e.g., External Audit.,

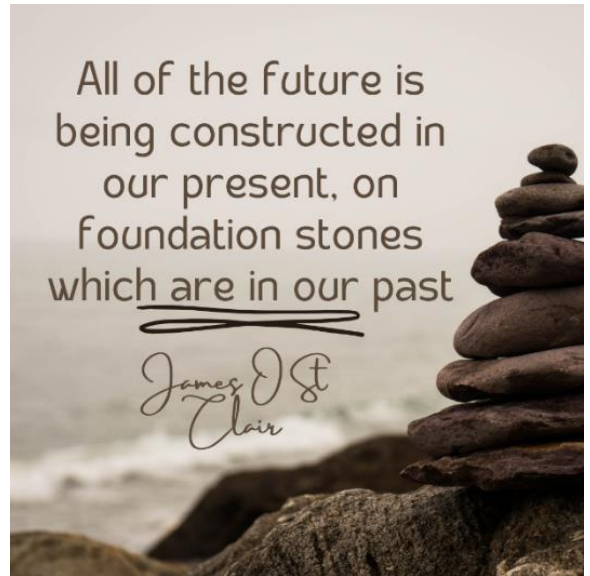
Business Planning Day

27. We held our Business Planning day on 7 November 2023. We had two sessions; in the morning we invited our key partners to share with the Board what they would like the Board to take into consideration as they prepare the Business Plan for the next five years; in the afternoon we met with the staff and carried out a SWOT, PESTLE and Three Horizons exercise.

Partner Considerations

28. Our partners asked the Board to take the following into account

- Making more use of pilot projects
- Accommodation for the renewables projects
- Housing with Extra Care Barra
- Community landlords ambitions for housing and care provision
- Climate change projections for the islands
- Energy advice service provided by TIG
- The recruitment challenge for the care and construction sector
- Aging demographics
- Islands Growth Deal
- Encouraging apprenticeships
- Importance of robust demand data
- Homeless-additional support post tenancy



29. Following the presentations, we went into workshops and looked at the challenges facing the islands and HHP and also the opportunities available. The outcomes are below:



Strategic Analysis and Key Issues

30. Staff and Board used three different analysis tools, SWOT Analysis, PESTLE Analysis and Three Horizons.

SWOT Analysis

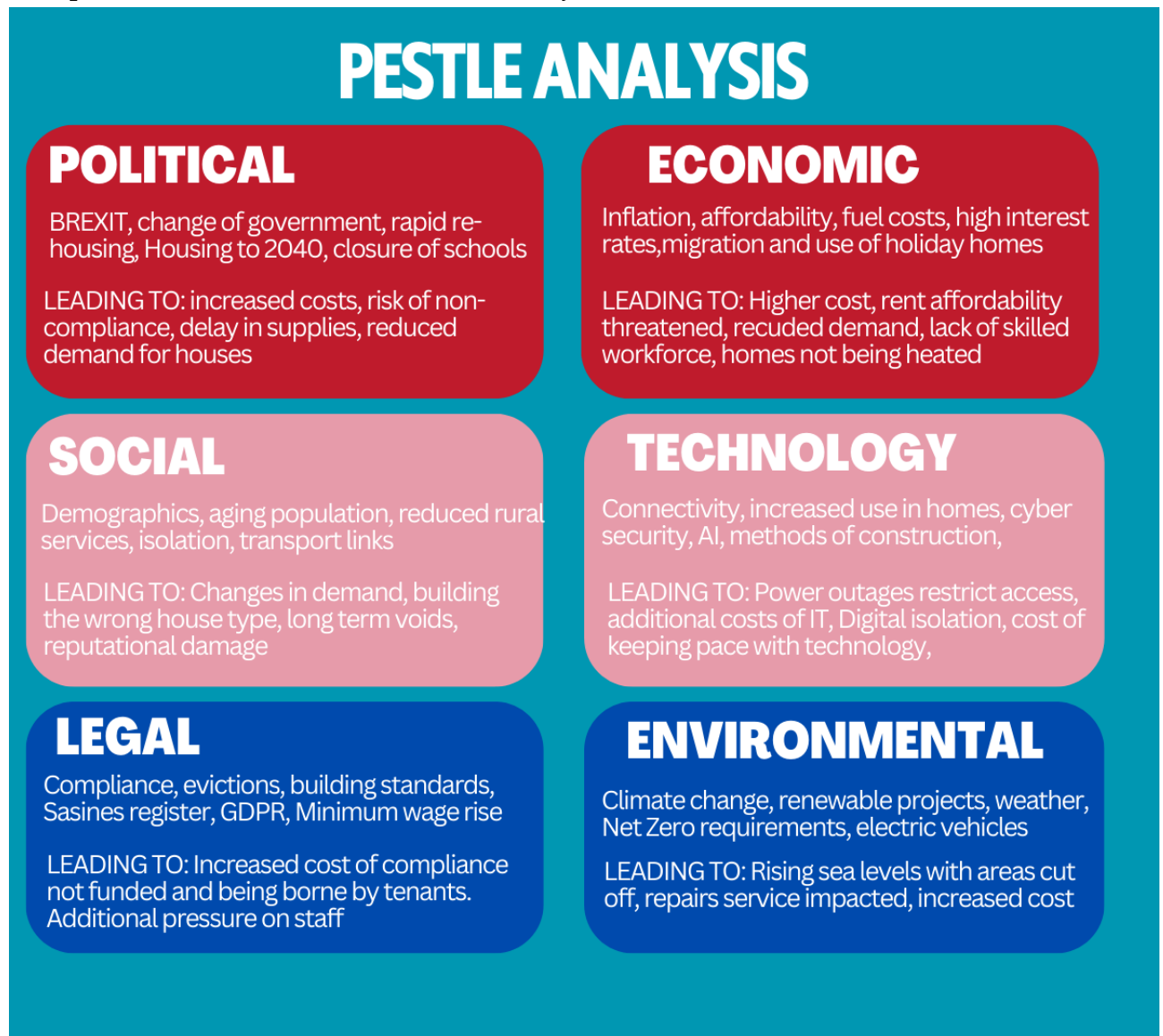
31. The SWOT Analysis identified knowledgeable staff and their relationships with our tenants as our main strength. Good relationships both within the organisation and with tenants were highlighted. Our stock is largely in good condition and our investment and new build programmes enhance this.
32. Our weaknesses include overly bureaucratic processes and structure, ineffective tenant/community engagement and attracting new Board Members.
33. Working with other agencies, including community groups, Penumbra and partnership working were recognised as opportunities. Other opportunities included grant funding, the Modern Apprentice Scheme and sharing of knowledge with other agencies.
34. The aging population and decrease in population were the main threats. Other threats included the Single Islands Authority, cost of living crisis, cyber security, climate change,

increasingly having to deal with mental health issues and lack of skilled labour in the construction industry. Lack of connectivity and transport links in Uist and Barra also pose a threat to being able to provide our services effectively.

	Helpful to achieving OUR GOALS	Harmful to achieving OUR GOALS
Internal origin attributes of HHP	Strengths • Housing knowledge • Staff • Good employer • Good working relationships • Resourceful (grant funding) • Supporting tenants welfare • Stock in good condition • Listen to tenants (e.g. infra-red)	Weaknesses • Reliance on historic knowledge • Communication • Volume of policies • Management structure top heavy • Board Member recruitment • Spend on estate aesthetics
External origin attributes of the environment	Opportunities • Partnership working • Grant funding • Community Groups • Apprenticeship Scheme • Working with Penumbra • Funding for Net Zero • New Build for renewables • Barra campus	Threats • De-population • Aging population • Climate change • Cyber Attacks • Lack of skilled labour • Changes in legislation • Connectivity • Transport • Lack of mental health support • Rent controls

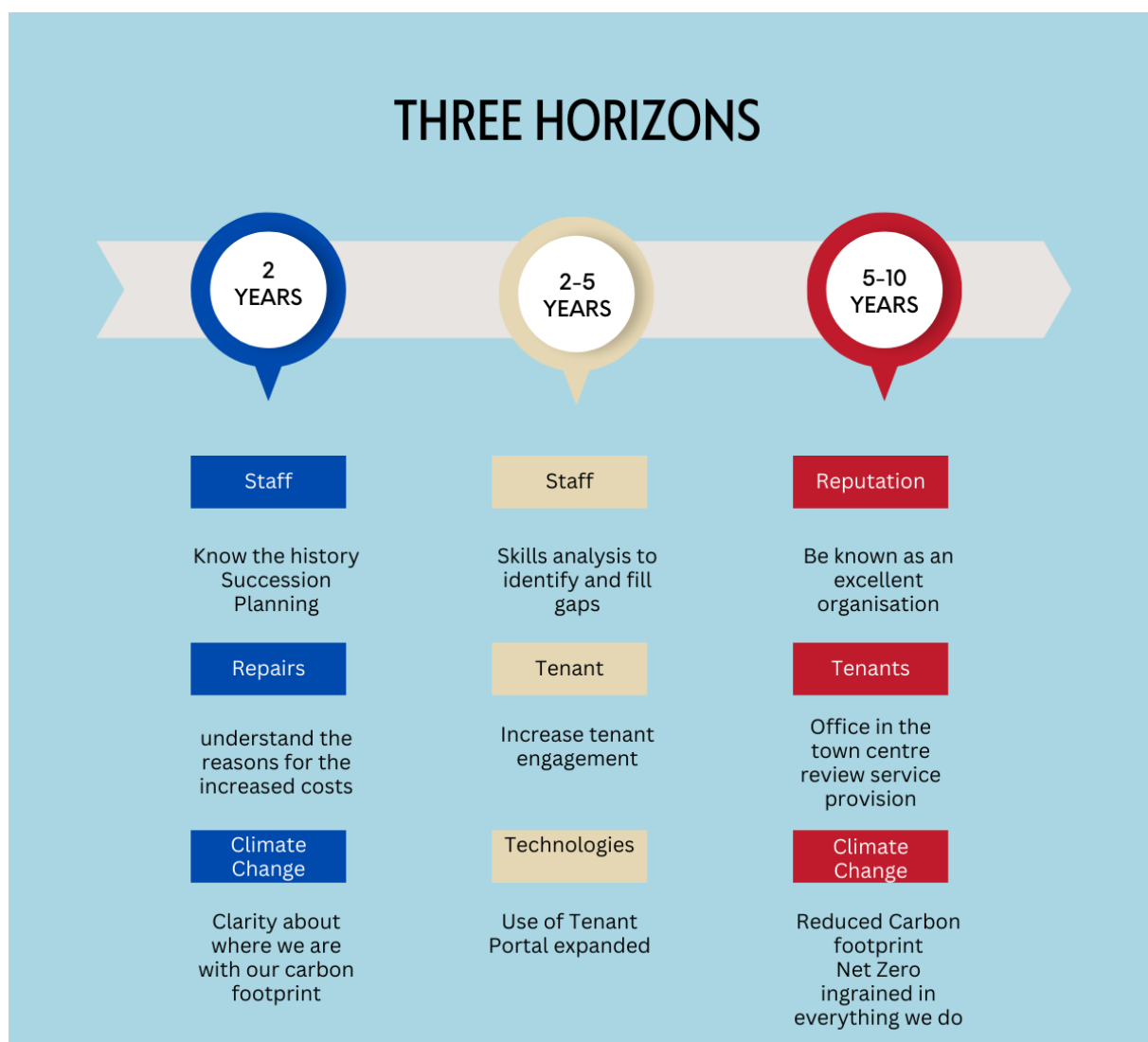
PESTLE Analysis

35. This was the first time we used PESTLE analysis as part of the Business Planning process it proved useful and a summary of the outcomes is below:



Three Horizon Analysis;

36. Three Horizons was another tool we used for the first time. Three time lines were set 1-2 years, 2-5 years and 5-10 years then the question was asked “what kind of organisation do we want to be in 10 years time and what do we need to be doing now to get there?” A summary of the findings are below



37. There is a constant thread running through all three analysis: population, climate change and technology which is what we identified as the key global challenges facing us.
38. Section 5 outlines what we want to deliver and this is supported by a Delivery Plan at Appendix 2 which has actions targeted at addressing the three main challenges.

Risk Appetite

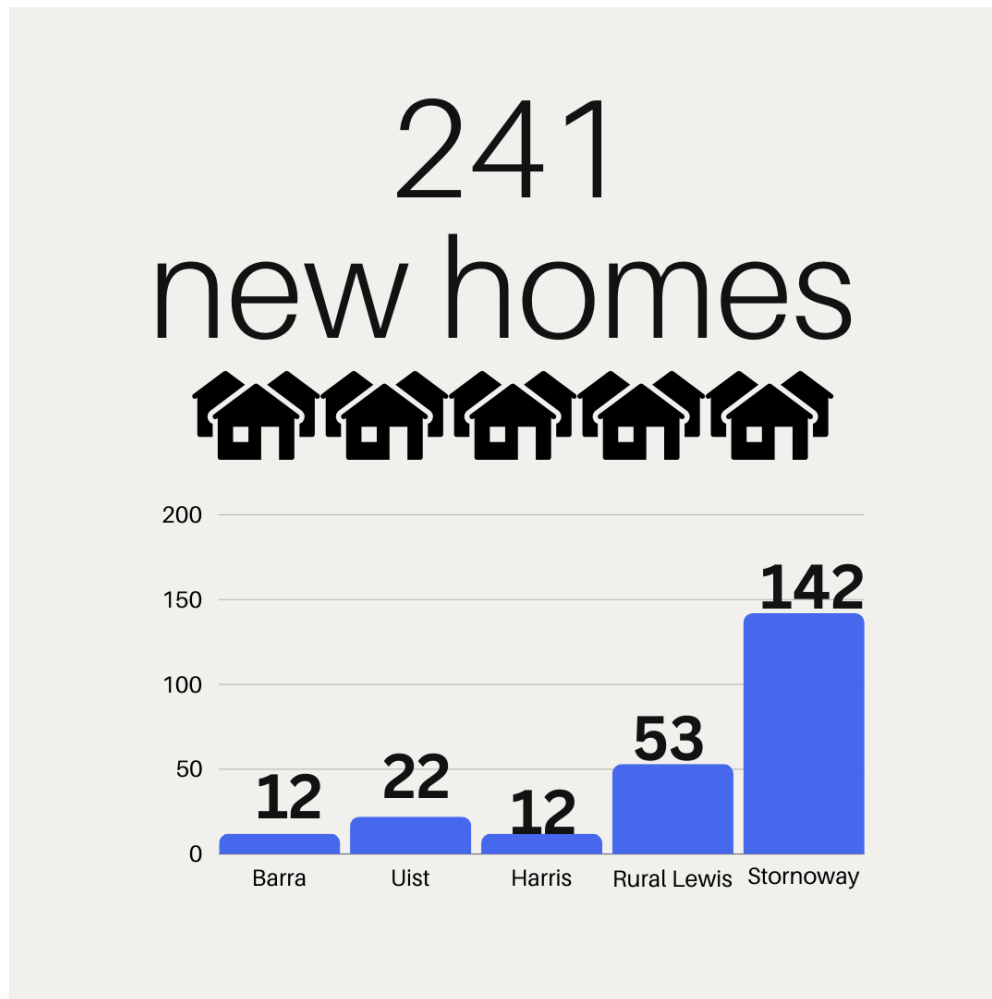
39. On the 10th January 2024 we met to review and agree our Risk Appetite for the year ahead and the outcome is in Section 7.

Culture

40. We took the opportunity on the 10th January 2024 to consider the value of a culture audit. There is always the danger that how an organisation functions is different in reality to how it wants to function, the culture expectation of management being adrift from the reality which chips away at our core value of integrity. Scarce resources all round make it even more important that we are clear about the impact we want to have as a business in the Outer Hebrides and this is picked up in our Delivery Plan.

Operational

41. Our previous Business Plan ambitions to build 214 affordable homes and 50 housing with extra care was achieved.



42. Our aim of providing 50 extra care units in Stornoway was also achieved.
43. Achieving this level of new build required a significant level of partnership working with the Comhairle's Housing Team and Planning Team and would not have been possible without the significant level of grant funding made available to us by Scottish Government.

Repairs

44. We have continued to deliver a high quality reactive repairs service but budgets are under pressure as material and labour costs increase. Our partnership with FES has continued to be positive and they responded admirably during Covid restrictions. Our Board have agreed to exercise a 2 year extension option on our contract with FES with effect from April 2025.

Damp & Mould

45. We are wherever possible, working with our tenants to ensure that they are not adversely affected by the causes of damp and mould so that they have warm, safe and healthy homes to live in.

46. We are be proactive in the prevention, treatment and remediation of these issues to the benefit of our tenants. Our procedures will provide an end-to-end customer service from reporting and identification through to advice, guidance and support and we will install preventative technology if required.

Arrears

47. Our focus continues to be on preventing arrears through early action and engagement with tenants. We work closely with other partners such as DWP, CNES, CAB and TIG to maximise income and to help people with issues such as assistance with energy costs. However, where tenants do not engage or co-operate we will reluctantly pursue legal action including eviction as a last resort.

Voids

48. Maximising rental income is critical to the business and we seek to relet properties as quickly as possible. There have been increasing challenges with the costs of bringing some properties back into use linked to the inability of the previous tenants to cope because of issues such as health and addictions.

Rechargeable Repairs

49. We have revised our approach to rechargeable repairs and will monitor this to assess the impact on prevention and collections rates. We will review our approach where we encounter individuals whose behaviour has been impacted by health and other factors.

Housing System

50. We went live with a new housing system in March 2023. This has brought some cost savings through reductions in the annual licencing cost and once fully operational will bring a number of operational efficiencies. Our Tenant Portal is due to go live in March 2024 and will allow tenants to manage all aspects of their tenancy from application through to tenancy termination. Tenants will be able to see their rent accounts online, make payments through our Allpay payments portal and diagnose and report repairs.

Rents

51. Our Board review our rents annually and we do our best to balance what we need to spend to provide an excellent service and meet our legal obligations with what is affordable for tenants. Over the last 8 years the average annual rent increase was 3.2% compared to an annual inflation increase of 4.7% over the same period.

Section 5 What We Want To Deliver

Section 5 What We Want To Deliver

Introduction

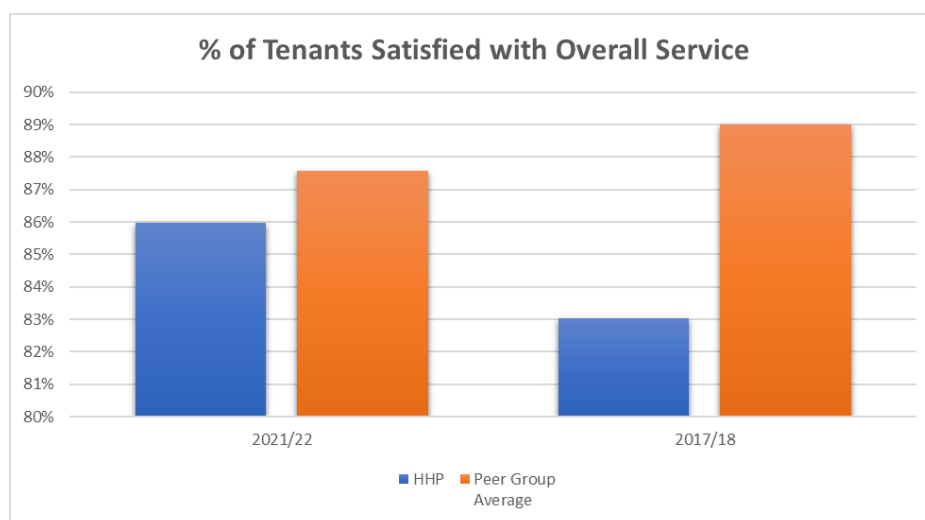
1. Our Vision will be delivered through four Strategic Goals.
2. We want to continue delivering a high standard of affordable housing throughout the islands, we want to get better at the areas where tenants feel we haven't done so well and we need to deliver it all within a very challenging economic environment. We want to ensure achieving Net-Zero is considered with everything we do, pushing ourselves out of our comfort zone to change the way we think and what we do.
3. We want to be an organisation that has a positive impact on the communities we live in, to work with others to do the right thing for the islands and for every member of staff to know they are contributing to something vital in our communities.
4. To make all these things a reality the Board have set four Strategic Goals. The detailed Delivery Plan is at Appendix 2 which shows targets and timescales. A report on performance will be presented to the Board on a quarterly basis. The Performance Report will be at a high level and an example of the report is at Appendix 3. Operational performance will be monitored by Managers on a monthly basis and these reports will be available to the Board on the online portal.

Goal one: TENANTS -Placing tenants at the heart of everything we do

5. To deliver on our promises we will place tenants at the heart of everything we do.

Tenant Engagement

6. In 2023 we appointed our first Tenant Engagement Officer shifting the responsibility from tenants to HHP for the engagement. We do not want to put pressure on tenants to participate in meetings or events that are of little or no value to them so our Tenant Engagement Officer will be reviewing our Tenant Participation Strategy to ensure we engage with tenants in a way that suits them.
7. In the summer of 2024, we will be conducting a tenant satisfaction survey and we are aiming for an improvement in our overall satisfaction by at least 2% since our last survey in 2021.
8. Graph with satisfaction levels from previous years and how we compare with our peers.



Affordability

9. We carry out affordability checks using the Scottish Federation of Housing Associations (SFHA)'s affordability tool and we benchmark our rents with our peer group in the Highlands and Islands. We don't see any evidence at present to suggest that tenants are struggling to pay rent because of rent levels. Where tenants are struggling other factors are considered to be the main drivers.
10. One of the key ways to keep rents affordable is to ensure monies are spent wisely and deliver value for money. This does not mean we will go for the lowest price because that can sometimes work out more expensive, but we will not spend money we cannot justify. Our Value for Money Strategy will be reviewed and an annual VFM report presented to the Board. Staff will also be given refresher training in VFM.
11. We will also complete the work on a revised Rent Structure in 2024/25.
12. Ensuring tenants homes are energy efficient is also an important contributor to affordability this will be picked up under Goal 2.

Supporting Tenants

13. Our local health board is struggling to recruit its full quota of staff for its mental health service and we are seeing the impact of the reduced support in the lives of some of our tenants. While we can signpost tenants to other agencies for help that help is not always available. Our Housing Officers do not walk away when someone in one of our homes needs support and have regularly gone the extra mile to get a tenant the help they need. Sadly the consequences can be that our property is seriously damaged and very costly to repair.
14. The instances of a tenant needing more support is becoming more frequent and it is not right to place the burden on staff who are untrained to provide mental health support so to that end we entered into discussion with Penumbra with a view to carrying out a pilot project over two years. This project would provide crisis intervention or a preventative approach to individuals with an intended outcome of improved self care and ability to maintain their home.

15. We will also do our best to assist the Health Board with their recruitment by providing accommodation where we can.

Equalities

16. In the summer of 2024, we will be working with Equal Adventure who provide training, equipment for activities that support disabled people, their communities and families. Equal Adventure will run activities that will benefit our tenants who have a disability.

Tenant Portal

17. In 2023 we installed a new housing system which will enable us to provide a portal for tenants to access their rent accounts. The portal will be similar to those provided by banks and energy providers and should be straightforward to use. It will allow tenants real time access to their rent accounts, self-service with respect to repairs, tenancy management, periodic surveys e.g. tenant satisfaction surveys.
18. The portal is due to go live in March 2024 and we will be writing to tenants soon with activation codes and instructions on how to use the portal.

Change of Tenancies

19. The standard practice by Housing Associations is to ask outgoing tenants to remove all their furnishings including their carpets, laminate flooring and curtains however this practice is being increasingly reviewed nationally due to concerns about:
- Sustainability
 - Recycling
 - Affordability and cost pressures for new tenants
20. Other issues that have been highlighted are the standard of decoration, heating systems and other components.
21. A review of Change of Tenancy standard, practice and timescales will be undertaken in 2024/25.

Goal two: HOUSES-Investing in a sustainable way in tenants' homes

Net-Zero

22. The Scottish Government's consultation on the Net-Zero standard is currently underway and this will determine the standard all homes, not just social homes will have to meet to ensure we become a Net-Zero nation by 2045.
23. The Comhairle have submitted their Local Heat and Energy Efficiency Strategy and Delivery Plan showing how the islands will decarbonise its building. At present our housing stock is contributing very positively to the Comhairle's overall position as 78% of our off-gas properties have zero emissions heating systems already installed.
24. We will review our new house build standard to ensure it is meeting net zero targets, this may mean that we can build fewer houses because unless there is additional grant it will be more expensive to build to this standard.
25. We will review effectiveness and benefit of solar panels to inform future investment programmes.

26. We will work with the Comhairle and other partners to deliver the new homes that are needed but ensuring there are services within reasonable travelling distance. A copy of our Development Plan is at Appendix 4.

Older Stock

27. We have completed a Stock Condition Survey in 2023 and this has informed our 30 year Investment Plan. Our detailed Investment Plan is at Appendix 5.

Damp & Mould

28. All staff have undergone training in Damp & Mould and we have implemented the recommendations in the Ombudsman's Damp & Mould report. Ensuring our homes are free from damp and mould is very much a partnership work with our tenants.
29. Quarterly reports on repairs for damp and mould will be reviewed at Managers meetings.

Goal three: STAFF- Being an excellent employer that attracts and retains high quality staff

Culture Audit

30. As mentioned in Section 4 we will be carrying out a Culture Audit in 2024. Sometimes the language we use when it comes to our long term plans for the business can seem cold and distant and far away from what people do in their day to day job. We want to connect everyone in the organisation with the vision by framing things differently, so they are more relatable and therefore more effective.
31. The work will be undertaken in the early months of 2024/25 with the main results presented to staff at our annual Team Building Day in June 2024.

Workforce Strategy

32. In the analysis undertaken the risk of not having skilled people is increasing as the workforce gets older and retires. We have a Workforce Strategy that is reviewed annually which helps to identify areas where succession planning is required. We hope our first Housing Modern Apprentice will be qualified by 2025 and our plan is to maintain the Apprentice programme and to become known in the community and the sector for being excellent at training Apprentices.
33. Part of the succession planning will be to give our managers development opportunities by taking responsibility for a cross cutting role such as Well Being, Culture and ESG.
34. As the business grows, changes and adapts for the future the structure will need to be reviewed to ensure it remains appropriate. This will include reviewing how the service is provided and to identify where there are any skills gaps e.g. do we have all the skills we need to get to Net-Zero? The review will be completed by March 2025.
35. The use of Artificial Intelligence (AI) could help us be more efficient in some mundane tasks and we will be trialling the use of AI for meeting minutes, presentations and research.
36. We will keep our Flexible Working Policy under regular review to ensure it remains suitable for business continuity and staff.
37. We will conduct benchmarking on our salaries and structure on a 3 to 4 year cycle.

Training Plan

38. Our Training Plan is prepared on an annual basis taking into account training needs identified through the Appraisal process.
39. We will ensure there is sufficient budgetary provision each year to deliver our Training Plan.

Goal four: COMMUNITIES-Working with partners to help our communities thrive

40. We have worked effectively with partners to deliver Community Benefit. We will work with the Community landlords as they deliver their plans for their areas in particular with relation to housing but also with housing with Extra Care. Urras Oighread Ghabhsainn are looking at a Housing with Extra Care project.
41. We will consult with local communities either through the Community Council, Community Landlord or Development Companies when we have any surplus assets before we put them on the open market.
42. Our office in Balivanich is larger than we now require and we will work with HIE with a view to enabling Third Sector organisations to come together and buy our office building so they are in one space while we move to a new smaller office space being built by HIE.
43. We will support Partnership organisations by encouraging our staff to attend meetings and with the use of Key Worker accommodation.
44. We incorporate Community Benefit requirements in our contracts and agree the specific delivery actions on a contract by contract basis taking account of local community priorities.
45. We will support Community Groups through our grant scheme which will be promoted by our Tenant Engagement Officer.
46. We will develop and produce an annual social value impact report.
47. We will continue to improve our factoring services and will review our communication with owners and our supporting processes

Renewables

48. There is an incredible opportunity for the islands with the renewables work planned over the next 4 to 10 years. We will work with our colleagues in Orkney and Shetland to develop a mechanism that will enable houses to be built for the workers which will then become a legacy for the islands to use in the future.

Corporate Services

49. Every business has a team or teams that provide core services to enable other teams to deliver the main elements of the Strategic Goals and it is important that the work they do is identified and that there are performance actions and measures for them to work to.
50. Detail what was picked up by manager actions and make sure they are included in the delivery plan.

ESG Strategy

51. We will review the best way to gather data on our carbon footprint with a view to reporting on it annually.
52. Review options for staff to minimise their travel carbon footprint through the provision of electric vehicles and supporting, where we can the development of cycle and walkways.
53. An annual report on the progress of our ESG will be presented to the Board in June.

Finance

54. The Finance Team will ensure that payments to our tenants and our suppliers are made within 7 working days of receiving valid invoices.
55. We will research and reach out to debt collection agencies to support us make cost effective recoveries and take legal action where necessary.
56. We will process Grant Claims in an accurate and timely manner.

Governance

57. We will promote Membership of the Partnership and at least one member of the Executive Office will attend every event tenant event and where possible community events.
58. We will carry out a Self Assessment evaluation using SHN's assessment tool on an annual basis.

Accreditations

59. Over the next year we will research suitable accreditations for the business with a view to achieving them within the lifetime of the Plan.

ICT Services

60. We require to implement new ICT hosting and telephony solutions, that are: flexible, scalable, secure and manageable. We will also work on delivering tenant requirements to the portal and disaster resilience, whilst we also ensure we protect ourselves from cyberattack and ransomware. We will bring proposals for changes to our ICT infrastructure to the Board in March 2024 with a view to implementing them in during 2024/25.

Office Support Services

61. We will undertake the 'Continuous Improvement Program for Procurement' program as delivered by ScotlandExcel by December 2024.
62. We will ensure that appropriate investment is made in our offices.

Communications

63. We will prepare an annual Communications Plan, which will keep our stakeholders informed and enhance our reputation in the community. Communications will be clear and timely and distributed appropriately to ensure the widest possible coverage.
64. All information requests will be responded to within FOI/GDPR guidance/timelines, and in an open and accountable as possible, whilst maintaining confidentiality.

Health & Safety

65. Our Health & Safety Committee will deliver and manage the Staff and Landlord related H&S awareness, training, and deployment.

Section 6 How Our Plans Are Funded

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Introduction

1. Our plans and aspirations have been laid out in Sections 2 to 5 but like nearly all plans they require funding to make them happen. We prepare our plans at three levels, annual, five yearly and 30 years.
2. As a stock transfer organisation we were required to produce 30 year financials to ensure that any funds borrowed could be repaid within the 30 year time frame. Our Stock Condition survey information is generally provided for 30 year so we have continued the good practice of preparing 30 year projections using BRIXX software.
3. We are planning to use our subsidiary to enable us to be part of the provision of houses for the Renewables work taking place on the islands from 2026 onwards and a separate plan will be prepared for that.

Where the money comes from

4. Our income which funds our expenditure plans comes from three main sources as shown below (includes a provision for inflation):

Period: 01 April 2024 - 31 March 2054	2024/25	2025/26	2026/27	2027/28	2028/29	5 Year Total	30 year Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Rents	12,240	13,100	14,190	14,980	15,510	70,020	611,050
Other Income	590	500	400	120	120	1,730	4,600
New Build Grants	10,360	4,190	3,920	1,680	-	20,150	20,150
Borrowing	1,000	-	1,500	-	-	2,500	16,000
Total Income	24,190	17,790	20,010	16,780	15,630	94,400	651,800

5. The amount we can borrow is decided by the Board each year.

Where we will spend the money

6. We plan to spend a significant amount of money over the next 30 years to increase our stock and ensure our homes are maintained at the required standard. The table below which includes a provision for inflation provides an overview of our spending plans:

	Year 1	Year 2	Year 3	Year 4	Year 5		
Period: 01 April 2024 - 31 March 2054	2024/25	2025/26	2026/27	2027/28	2028/29	5 Year Total	30 year Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Repairs	3,260	3,480	3,660	3,780	3,880	18,060	151,240
Investment	3,280	3,720	3,850	3,850	4,900	19,600	221,450
OT Adapts	120	120	120	120	120	600	3,480
New Build	13,600	7,900	7,570	2,630	0	31,700	38,510
Property Costs	20,260	15,220	15,200	10,380	8,900	69,960	414,680
Management Costs	3,010	3,210	3,360	3,480	3,590	16,650	137,930
Interest	1,140	1,180	1,390	1,440	1,440	6,590	23,360
Repayment of Loans	-	-	-	-	-	0	38,490
Finance Costs	1,140	1,180	1,390	1,440	1,440	6,590	61,850
Total costs	24,410	19,610	19,950	15,300	13,930	93,200	614,460

Assumptions

7. The key assumptions in our plan are:

Period: 01 April 2024 - 31 March 2054	2024/25	2025/26	2026/27	2027/28	2028/29	Notes
Housing Stock	2,428	2,482	2,507	2,551	2,565	
Base Rate of Interest	6.00%	6.00%	5.85%	5.85%	5.85%	5.85% from year 3-30
Inflation	6.10%	6.50%	3.50%	2.50%	2.50%	2.5% to Year 30
Rent Increase	5.10%	6.50%	4.50%	3.50%	3.50%	Inflation +1% to Year 10, RPI Only Year 11-30
Void Loss	2.00%	2.00%	2.00%	2.00%	2.00%	2% of Rental income over 30 years
Bad Debts	2.00%	2.00%	2.00%	2.00%	2.00%	2% of Rental income over 30 years
Management	0.50%	0.50%	0.50%	0.50%	0.50%	0.5% to year 5
Repairs	0.25%	0.25%	0.25%	0.25%	0.25%	0.25% to Year 30
Major repairs	0.50%	0.50%	0.50%	0.50%	0.50%	0.5% to Year 5

8. The assumptions may differ to the targets we set for our performance e.g. we will have a prudent assumption on voids and bad debts but we will set a challenging target to be achieved.

Housing Stock

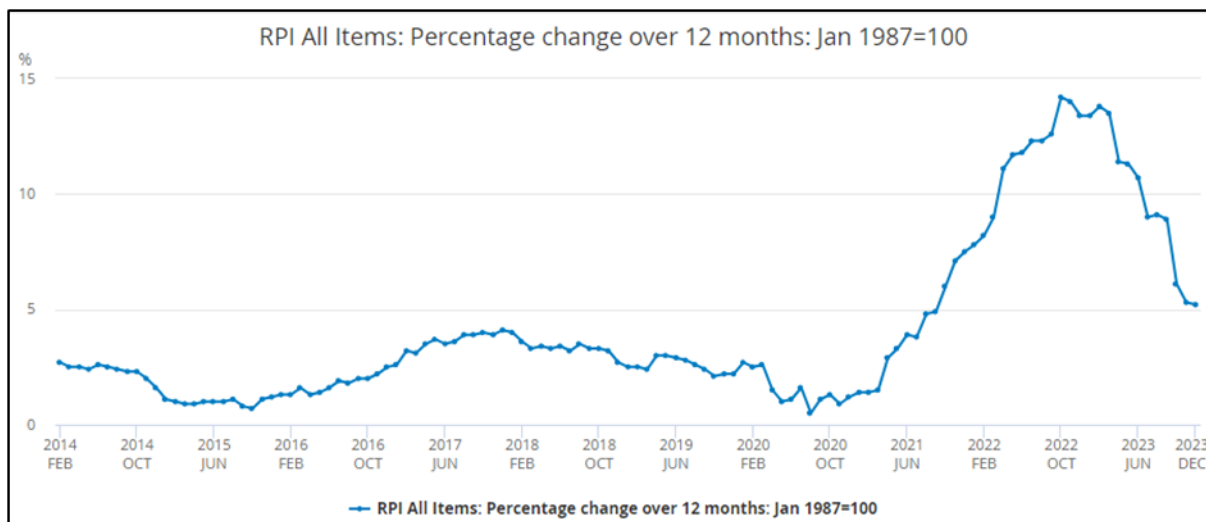
9. As part of our Asset Management Strategy, we will be assessing whether some of our housing stock should be disposed of or re-provisioned and our assumptions below reflect this:

Period: 01 April 2024 - 31 March 2054	2024/25	2025/26	2026/27	2027/28	2028/29	5 Year Total	30 year Total
	Units	Units	Units	Units	Units	Units	Units
Opening Stock	2,389	2,428	2,482	2,507	2,551	2,389	2,389
Sales/RTB	(2)	-	-	-	-	(2)	(2)
New Build	41	54	25	44	14	178	178
Closing Stock	2,428	2,482	2,507	2,551	2,565	2,565	2,565

10. Our New Build provision is aligned with the first three years of Comhairle's Strategic Housing Investment Plan. Scottish Government have confirmed there will be a significant reduction in the overall housing budget for 2024/25 and this could result in a reduction in the grant available going forward.
11. The SHIP includes a further 88 units which if progressed would require a minimum £6 million pounds of additional private finance to progress. The Development and Finance Committee will meet in March 2024 to model these additional units and their associated impact on the 30 year Business Plan.

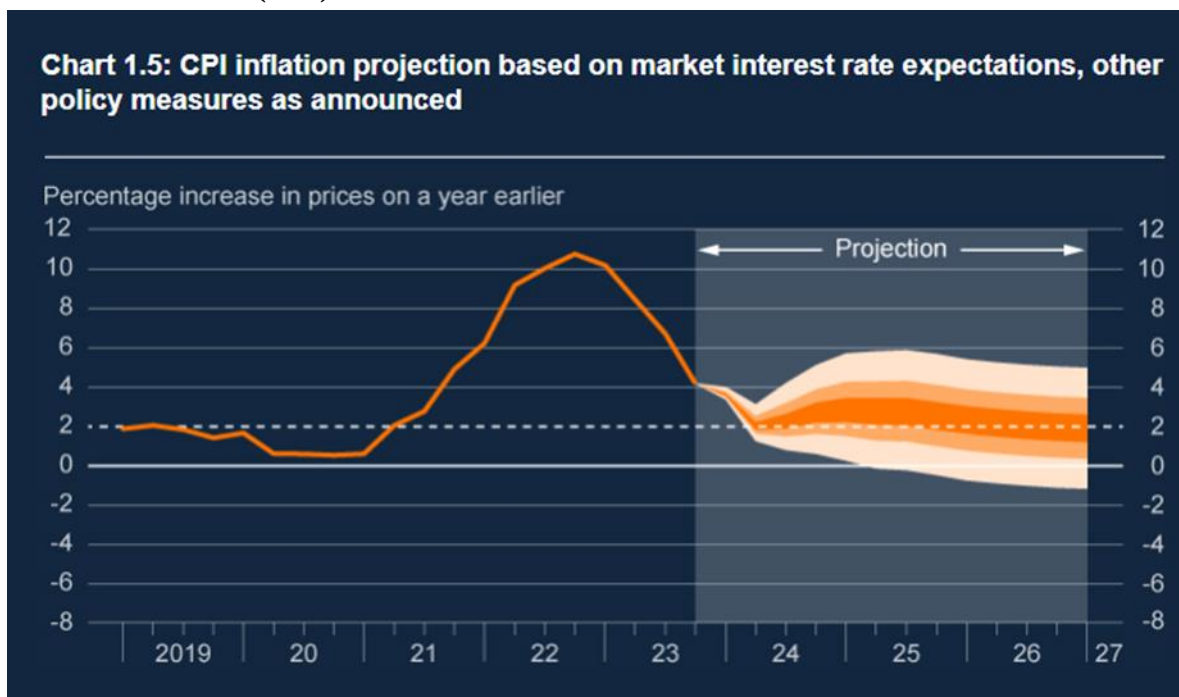
Inflation

12. Inflation is a key assumption in our plan affecting our costs and our income. Our assumptions are based on forecasts from Bank of England (BOE). Over the past 4 years there has been a period of rising inflation with RPI peaking at a 40 year high of 14.2% in October 2022.



Source: www.ons.gov.uk

13. The first 2 years of the plan has assumed that inflation remains high with a return towards the Bank of England (BOE) 2% target in year 4. The below table provides an overview of the BOE inflation (CPI) forecast:



*Source: Monetary Policy Report - February 2024 | Bank of England

Voids and Bad Debts

14. Minimising voids is essential to a strong cashflow which contributes to long term financial stability. As mentioned Section 3 the population of the Outer Hebrides fell by 5.5% since 2011 and is projected to fall even further over the next ten years due to our age demographic. Population has an impact on our waiting list and consequentially our voids.

15. Voids are provided for in our 30 year plan at 2% of rental income. Voids loss has fallen from 1.1% in 2021/22 to 0.6% in 2022/23. This improvement has been driven by a reduction in the time taken to re-let properties as COVID restrictions were lifted in 2022/23. A reducing and aging population will likely have a negative impact on demand and the risk of increasing voids.
16. Our rental income assumptions are the most critical element of our business plan. As a result, we annually model the potential impact of increasing voids on our rental income.

Management Costs

17. Management costs are made up as follows:

Mangement Costs 2024/25	£000's
Employee Costs	2,518
Supplies & Services	322
Corporate Expenses	515
Admin Costs	114
Total costs	3,469
Interl Fee Income	(460)
Total costs	3,009

18. We have assumed employee costs at £720 per unit for year 1 with overhead costs set at 10% of turnover.
19. Included within our management costs is the cost to insure our housing stock. The insurance market has become very volatile over the last few years with significant storm/flood/fire events leaving insurers increasing their premiums to cover their costs. Some insurers have left the market entirely as they unwilling to accept the increasing exposure to these risks.

Value for Money

20. We have a Value for Money Strategy and over the last five years we have delivered the following
 - a) Phone System -£13.7K annual savings on new phone system
 - b) IT Maintenance-£37K annual savings on hosted systems
 - c) Review of our owned technology
 - d) Taking the receipt of online/phone payments in house-£15.8K per annum
 - e) Since 2021/22 we have secured £2.5million of funding from the Scottish Government to install air source heat pumps in our homes
 - f) In 2021/22 we also secured £1million of income from the final year of the Renewable Heat Incentive Scheme
21. Securing value for money is the responsibility of the Board and everyone who works for HHP.

22. The VFM Strategy also outlined potential efficiencies through the following:
- a) CX-New Housing System;
 - b) Consultancy – Reduce our dependency on third party consultants
 - c) Travel – utilisation of technology to reduce business mileage and in turn our carbon footprint
 - d) Repairs & Maintenance – seek to maximise planned maintenance work thus reducing the requirement to react to repairs which can be costly.
 - e) Printing – reducing our use of paper through further digitisation of processes, in turn reducing our carbon footprint.
 - f) Development – exploring alternative approaches to construction e.g., modular build

Funding

23. Our total borrowing is £17million which is £7,116 per house (2022/23 average RSL debt per unit £16,217).
24. Our long-term funding is with the Royal Bank of Scotland (RBS) and a loan from the Scottish Government as part of the Stock Transfer Agreement.
25. To assist with cashflow in the early years of HHP the Scottish Government agreed we could retain £5.53 million of Right to Buy (RTB) receipts (this was in lieu of receiving a grant to cover the deficit valuation). The RTB receipts can be used to assist with our development plan with the remainder due for repayment in 2036.
26. The RBS loan facility which was re-structured in June 2021, allows us to borrow up to £25million.
27. In broad terms, we assume that borrowing will increase each year until the maximum of £25million is reached in 2025 reflecting the significant investment in improving our current stock and building new homes. Debt is progressively paid off in subsequent years and is projected to be fully paid off by 2046.
28. The reason the housing stock had to be transferred from the Comhairle was the high debt per house leaving little funds to invest in the homes. We want to avoid being in the same position so the Board have set a threshold for our borrowing of £11,500 per house and a requirement that all borrowing can be repaid within 30 years.

29. Our borrowing at 31 December 2023 with RBS is as follows:

Borrowings		Dec-23
		£000's
Facilities arranged		25,000
<i>Loans outstanding</i>		17,000
<i>Variable/Fixed analysis-amounts</i>		
	Variable amount	1,500
	Fixed amount	15,500
	Other Hedging	-
		17,000
<i>Variable/Fixed analysis-Percentages</i>		
Variable		8.82%
Fixed		91.18%
		100%

Scenario Planning

30. As we have seen over the past five years, plans are subject to change, some changes we have an element of control over and others we have no control at all over. A key part of our business planning process is to look at how various scenarios will affect our finances and our obligations under our funding agreement.

31. The Plan is stress tested for changes in interest rates, inflation, rent increase, bad debts and voids by the Development & Finance Committee. The results are in the table below:

		Peak Debt £000's	Year	Repayment
	BASE POSITION	30,583.00	2031	2046 (£8M RCF Redrawn)
1	INTEREST RATES			
	1%	30,583.00	2031	2046 (£8M RCF Redrawn)
	0.50%	30,583.00	2031	2046 (£8M RCF Redrawn)
	-0.50%	30,583.00	2031	2046 (£8M RCF Redrawn)
2	INFLATION			
	1%	30,583.00	2031	2046 (£8M RCF Redrawn)
	1.50%	30,583.00	2031	2046 (£8M RCF Redrawn)
	2%	30,583.00	2031	2046 (£8M RCF Redrawn)
3	RENT INCREASES			
	RPI	30,583.00	2031	Doesn't Repay
	RPI+0.5%	30,583.00	2031	2046 (£8M RCF Redrawn)
	RPI – 0.5%	70,617.80	2053	Doesn't Repay
	RPI – 1%	126,494.70	2053	Doesn't Repay
4	BAD DEBTS			
	5% Year 3 onwards	42,002.20	2053	Doesn't Repay
	10% Year 3 onwards	142,249.70	2053	Doesn't repay

32. What the above table clearly shows is that if increases in costs are not covered by rental income then budgets will need to be revised to ensure that our covenants are met and that we can repay our borrowing.

33. In addition to the above stress testing, we undertake covenant compliance testing to ensure our Business Plan complies with our covenant requirements over the 30 year period. The minimum interest cover over 30 year is 151% which is well above the minimum 110% requirement with a minimum annual headroom of £627K.

Challenges

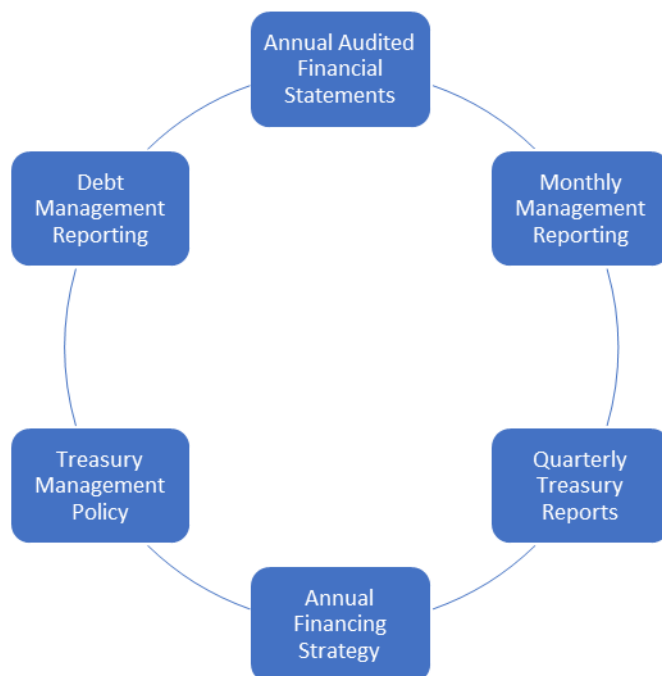
34. The following are known pressure points and have also be considered in our scenarios:

- Affordability;
- Economic uncertainty resulting in an upward pressure on inflation;
- Climate Change;
- Changes in Building Standards both on new build and current stock;
- Weakening demand in some peripheral areas and the general changes in the population demographic;
- End of HMRC development agreement where VAT will no longer be able to be claimed on investment works;
- Challenging Insurance Markets
- Cost of responsive repairs and increasing pressure on cyclical maintenance from Air Source Heat Pumps; and

- i) Changes in technology

Financial Management

35. Arrangements in place for Financial Management and reporting back to Board and tenants.



36. 30 year financial projections are performed using a bespoke Financial Modelling System called HousingBRIXX. The following Reports have been generated from HousingBRIXX:

- a) Appendix 6 - Debt Outstanding including Stress Testing
- b) Appendix 7 - 30 Year Cashflow

Conclusion on Financial Position

37. We are in a good financial position due to continued efforts of officers and the Board to pursue the most cost-effective methods to deliver services.
38. With inflation hitting a 40 year peak in 2022/23 the Board approved a rent increase of 6% (8.2% below inflation). Despite this sub inflationary increase in rents, arrears, whilst still low, have started to increase over the last year.
39. Void are currently performing well at 0.6% against the 2% assumption in our plans.
40. We have just completed a Stock Condition Survey which has confirmed that the condition of our houses is good with minimal levels of catch-up repairs required. Provision is made within the 30 year plans to ensure we continue to reinvest in our homes.

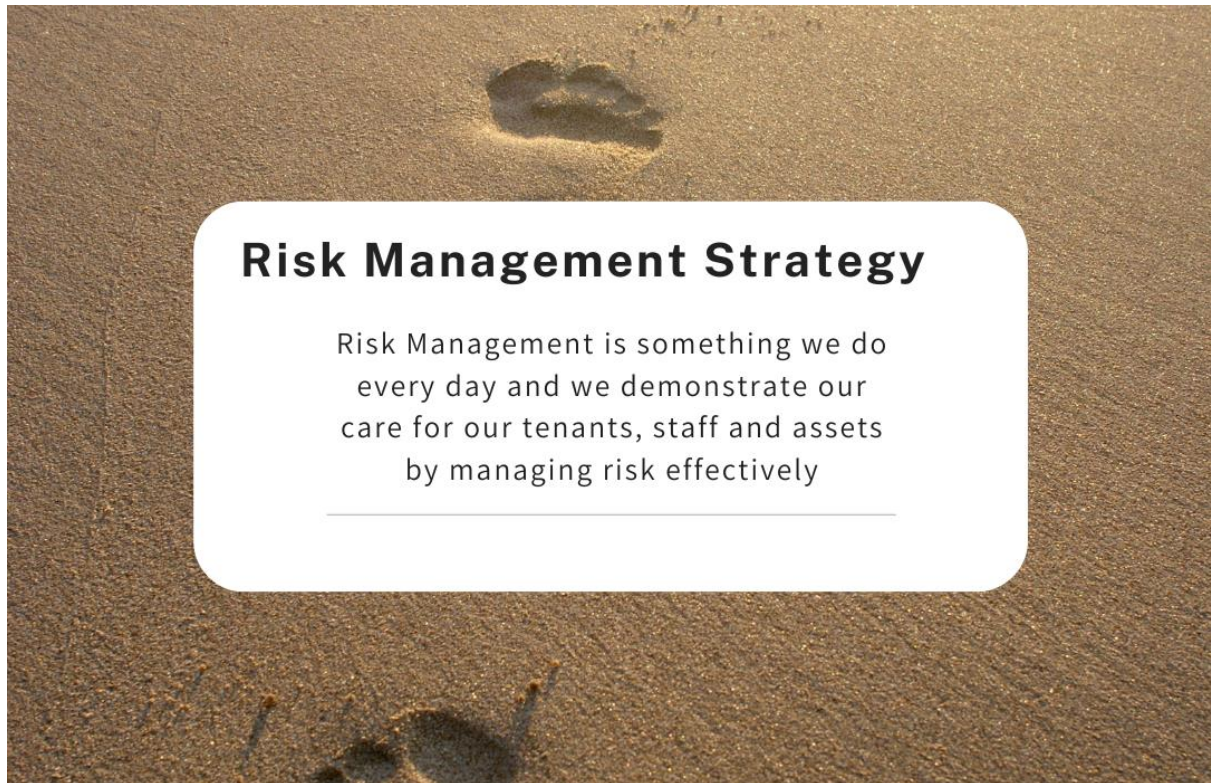
41. Over the next 5 years we anticipate to spend £51.3 million on our housing capital programme as shown:

	Cost (£M)	Grant (£M)	Paid for by HHP (£M)
Investment	£ 19.60	£ 1.60	£ 18.00
Development	£ 31.70	£ 20.15	£ 11.55
TOTAL HOUSING CAPITAL PROGRAMME	£ 51.30	£ 21.75	£ 29.55

42. These programmes are vital to the economy of the Outer Hebrides, helping to sustain jobs in the local supply chain.

Section 7 How We Manage Risk

Section 7 How We Manage Risk



1. Our Risk Management Strategy recognises there are risks with every plan and you could argue the whole of life is a risk that needs to be balanced otherwise we exist rather than live.
2. The Strategy confirms our commitment to being proactive in efforts to contain and minimise risks faced in the business. We will learn from the times we get it wrong and adapt our appetite for risk accordingly.
3. Overall responsibility for risk management lies with the Board supported by the Executive Team.
4. We identify and score potential risks annually that could prevent us from achieving our strategic goals. We then set a target risk and put mitigation measures in place, including insurance or controls, to bring the score within the target. If these measures don't reduce the risk enough, we agree on further actions for the year or adjust the target risk.
5. The finalised risks form our Corporate Risk Register which is managed using cloud based software and is available online to all Board Members. The Risk Register is reviewed monthly by managers and reported to each Audit & Risk Committee meeting.
6. There are subsidiary risk registers for ICT, Projects and Development which feed into the Corporate Risk Register.

Risk Appetite

7. Risk Appetite is reviewed annually and updated to reflect the Board's position on risk. The Board take into account the impact the Risk Appetite will have on our ability to deliver on our Strategic Goals.

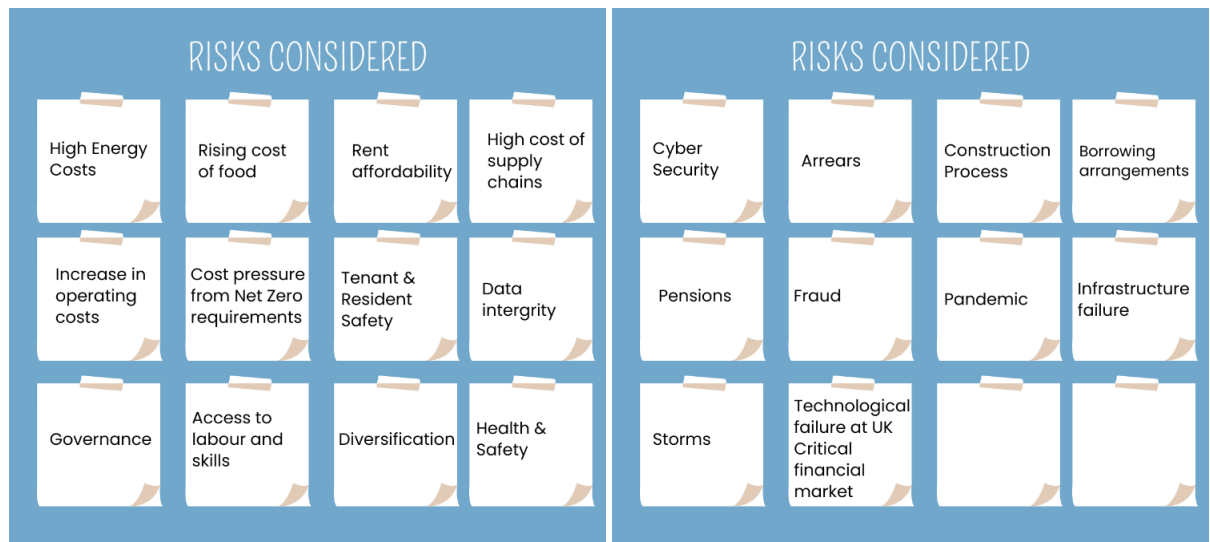
8. The Board met on 10 January 2024 to review their Risk Appetite and the outcome is summarised below with the full statement at Appendix 7.

Strategic Goal		Risk level				
		No Appetite	Low	Cautious	Open	Hungry
1 – Placing tenants at the heart of everything we do	Rent Affordability					
	Supporting Vulnerable Tenants					
	Reputation					
	Communication with tenants					
2 – Investing in a sustainable way in tenants's homes	All homes to Net Zero					
	Development Plan					
	Climate Change (ESG Strategy)					
3 – Being an excellent employer that attracts and retains high quality staff	Succession Planning					
	Training Plan					
4 – Working with our partners to help our communities thrive	Population Strategy					
	Poverty Action (including fuel poverty)					
	Partnership working					

9. In our previous plan we quoted Peter Drucker who said “*Culture eats strategy for breakfast*” and recognising the truth in his statement we will be carrying out a Culture audit in 2024 to provide additional resilience to our risk management. We value having a culture which encourages staff to operate within the Risk Appetite set by the Board.
10. Risk Management is also about assessing opportunities to make sure we take them when they add value for our tenants.

Risk Register

11. A full review of the Risk Register was carried out. As part of the review we consulted the following documents and noted some of the key risk factors identified for consideration
- National Risk Register
 - SHR-Risk Assessment of Social Landlords - March 2023
 - Regulator of Social Housing-Sector risk profile - November 2023



12. We took the opportunity to combine some risks and overall our total risk score has moved from 141 to 92 since last year. The average risk score has reduced from 6.4 to 5.75. We now have 16 risks which have been categorised as either Strategic, Operational, Financial, Technology or Project. Our top five risks are



13. We recognise that population decline represents a risk to the islands but we amended our approach to reflect the risk of us not doing anything about population decline. The impacts of population decline are picked up in other risks.
14. Significant work has been done on controls and actions which has brought our overall risk score down to 92 from 141.
15. A summary of our Risk Register can be found at Appendix 8.

Appendices

APPENDIX 1: Organisational Structure

APPENDIX 2: Development Plan

APPENDIX 3: Investment Plan

APPENDIX 4: Delivery Plan

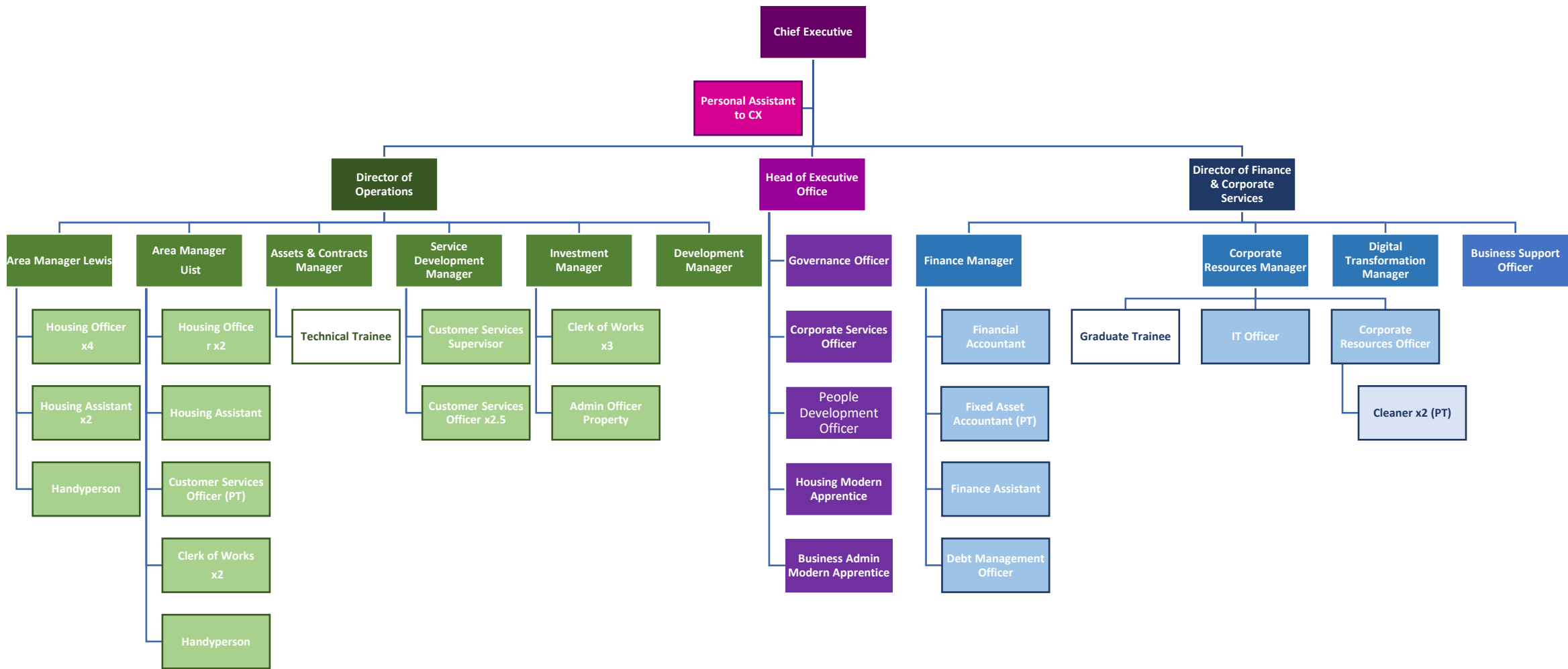
APPENDIX 5: Key Performance Indicators

APPENDIX 6: Debt Outstanding & Stress Testing

APPENDIX 7: 30 Year Cashflow

APPENDIX 8: Risk Register

APPENDIX 9: Risk Appetite



DELIVERY PLAN

Strategic Goal 1 – Placing tenants at the heart of everything we do

Measure of Success/ Actions		Baseline	Target	Timescales	Lead Officer
1	Satisfaction with our overall services improved by 2%	86%	88%	31 March 2025	Service Development Manager
2	Voids	0.78%	>1%	Annually	Area Managers
3	Void Performance (including low demand)	32 days	<29 days	Annually	Area Managers
4	Respond to complaints within SPSO targets	93%	95%	Annually	Service Development Manager
5	Level of expected current arrears at 2% of gross rent debit	2.49%	2%	Annually	Area Managers
6	Tenants satisfied with the opportunities to participate in decision making improved by 2%	85%	87%	31 March 2025	Service Development Manager
7	Resolve anti-social behaviour cases within 3 months	85%	90%	Annually	Area Managers
8	Monitor rechargeable repairs to assess the impact on prevention and collection rates.			Quarterly	Service Development Manager

DELIVERY PLAN

Strategic Goal 1 – Placing tenants at the heart of everything we do

Measure of Success/Actions		Baseline	Target	Timescales	Lead Officer
9	Number of houses allocated to key workers			Annually	Area Managers
10	Complete Tenant Satisfaction every 3 years			31 Dec 2024 31 Dec 2027	Service Development Manager
11	Revised Rent Structure			1 April 2025	Director of Finance & Corporate Services
12	VFM annual reports			30 June 2024	Director of Finance
13	Provide performance information by Area including VFM			31 March 2026	Finance Manager
14	Deliver Equal Adventure Project			30 September 2024	Tenant Engagement Officer
15	Pilot Project started with Penumbra		To provide additional support to tenants	31 Oct 2024	Director of Operations
16	Annual Tenant Event Plan			Annually	Service Development Manager

DELIVERY PLAN

Strategic Goal 1 – Placing tenants at the heart of everything we do

Measure of Success/ Actions		Baseline	Target	Timescales	Lead Officer
17	Review of Tenant Participation Strategy		Fill tenant vacancies on Board	Annually	Service Development Manager
18	Review of COT's (Recycling & replacement of Heating Systems)			31 March 2025	Director of Operations
19	Review options for tenant involvement in Decision Making-Tenant Panel/Tenant Board			31 March 2025	Tenant Engagement Officer

DELIVERY PLAN

Strategic Goal 2 – Investing in a sustainable way in tenant's homes

Measure of Success/Actions		Baseline	Target	Timescales	Lead Officer
1	Deliver 180 new build homes by 2029		100%	31 March 2029	Development Manager
3	100% of stock assessed in terms of long-term viability	86%	100%	Annually	Asset & Contracts Manager
4	Replace all Infra-red Heating by end of 24/25	35%	100%	31 March 2025	Investment Manager
5	Ensure all our homes, including new build, meet or exceed the SHQS and Net-Zero standard by Govt Targets dates		100%	Timescales awaited from Scottish Government	Investment Manager/Development Manager
7	Quarterly reports on Damp & Mould to Managers			Quarterly	Asset & Contracts Manager
	Quarterly Reports on ESG Strategy to Managers			Quarterly	Investment Manager
8	Stock Condition Survey			31 Dec 2028	Assets & Contracts Manager
9	Explore ways to measure and report our carbon footprint		Collate our carbon footprint	31 March 2026	Climate Change working group

DELIVERY PLAN

Strategic Goal 3 – Being an excellent employer that attracts and retains high quality staff

Measure of Success/ Actions		Baseline	Target	Timescales	Lead Officer
1	Staff pursuing and obtaining qualifications	15%	7%	31 March 2027	People Development Officer
2	Vacancies filled on first attempt	83%	100%	Annually	Chief Executive
3	Sustain a minimum of staff with a service length greater than 3 years	71%	65%	Annually	Chief Executive
4	% of staff turnover	4%	<10%	Annually	Chief Executive
	Deliver annual training plan	70%	100%	Annually	People Development Officer
5	Review of staff and organisational structure to ensure skill gaps are identified e.g. Net-Zero			31 March 2027	Chief Executive
6	Provide development opportunities for Managers to take on a cross cutting role			Annually	Director of Finance & Director of Operations

DELIVERY PLAN

Strategic Goal 3 – Being an excellent employer that attracts and retains high quality staff

Measure of Success/Actions		Baseline	Target	Timescales	Lead Officer
7	Review effectiveness of flexible working arrangements to ensure they remain appropriate			March 2026	Chief Executive
8	Carry out Salary Benchmarking			31 March 2028	Chief Executive
8	Carry out a pilot project on the efficiencies AI could bring to the administration in Governance Team			31 March 2025	Governance Officer

DELIVERY PLAN

Strategic Goal 4 – Working with partners to help our communities thrive

Measure of Success/ Actions		Baseline	Target	Timescales	Lead Officer
1	Review of Community Benefit measures delivered across our communities and on all projects	100%	100%	Annually	Assets & Contracts Manager
2	Improve % of tenants satisfied with the landlord's contribution to the area they live in by 2%	81%	83%	31 March 2025	Service Development Manager
3	Improve owner satisfaction with factoring service by 2%	42.1%	44.1%	31 March 2025	Lewis Area Housing Manager
4	Develop and produce an annual social value report			31 March 2026	Director of Finance & Corporate Services
6	Contribute to OHCPP review and update of the OHCPP Poverty Strategy			Annually	Director of Operations
7	Explore opportunities for the provision of accommodation for the Renewables work			31 March 2025	Director of Operations/Director of Finance & Corporate Service
8	Work with local community landlords to see how we can enable them to deliver their vision for housing in their area			31 March 2026	Development Manager
9	Support community groups through grants			Annually	Area Managers

DELIVERY PLAN

Core Services

Measure of Success/ Actions		Baseline	Target	Timescales	Lead Officer
1	Benchmarking our core services with a view to improve 2 areas per annum	2 per annum	2 per annum	Annually	Governance Officer
2	Monitor engagement to promote good news more effectively			Quarterly	Governance Officer
3	Explore accreditations/awards available for each of our Strategic Goals and make a recommendation for which ones should be pursue			31 March 2025	Governance Officer
7	Carry out a Culture Audit			31 March 2025	Chief Executive
8	Carry out Self-Assessment			31 March 2025	Governance Officer
9	Management Reports			31 March 2025	Director of Finance & Corporate Services/Finance Manager
10	Review Quality Assurance processes to ensure data integrity			March 2025	Digital Transformation Manger

APPENDIX 3 PERFORMANCE REPORT

Reported to Board	Score	Comments on performance	KPI that feed into this one	TARGET	Green	Amber	Red
Income		Example only	Rent Arrears as a % of Debit	2%	2%	3%	>3%
			Void Loss	<1%	<1%	2%	3%
			Average Relet times				
			Level of FIA				
			Level of Rechargeable Repairs				
			level of Sundry Debt				
			Time to raise an invoice				
Service Delivery		Example only	Repairs % within target				
			Repairs Average time to complete by category				
			% of investment delivered				
			Annual Development completions within budget and on time				
Satisfaction		Example only	Repairs Satisfaction				
			Allocations				
			Complaints				
			Investment tenant satisfaction				
Health & Safety		Example only	Gas Servicing				
			Fire Door checks				
			RIDDOR events				
Neighbourhoods		Example only	ASB cases and % resolved within 3 months				
			Number of Estate surveys carried out				
			Community Benefit delivered				
Business Continuity		Example only	Notifiable events				
			Covenants				
			IT system Breach				
			Insurance				
			Board Membership				
			IT systems available				
			Business continuity tested				
			FOI/Data Access dealt within timescales				
People		Example only	Turnover rates				
			Sickness rates				
			Complaints				
			Diciplinary action				
			Grievances				
			Qualifications achieved				
BP Actions		Example only	Number agreed for the year	100%			



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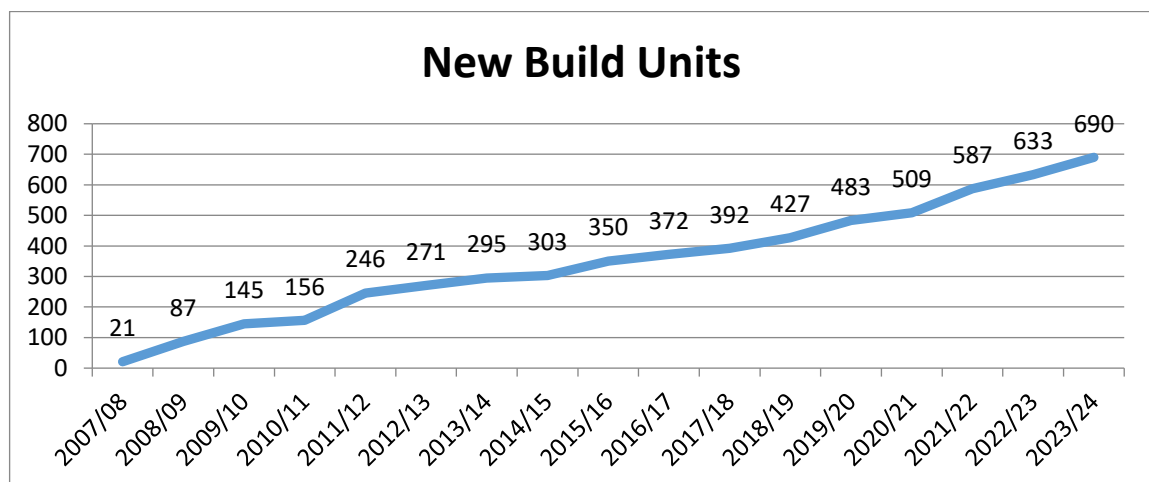
5 YEAR DEVELOPMENT PLAN

Introduction

- 1.1 We are in a unique position as the only developing Registered Social Landlord (RSL) in our local authority area. This places a particular responsibility on us to work closely with the Comhairle to meet their aspirations as outlined in the yearly updated Strategic Housing Investment Plan.
- 1.2 As a business, we acknowledge our responsibility to deliver our plan. However, we also need to consider the long-term sustainability of our actions and the potential risks. We recognise that certain projects may not come to fruition, and timelines may need to be modified from time to time. Therefore, our Development Plan must remain flexible.
- 1.3 Maintaining social housing supply in an area with a decreasing population is unsustainable. In light of this, a Housing Needs Survey was conducted in 2021, which revealed that our current plans for new builds should result in a balance between supply and demand by the end of the decade, assuming the existing trends continue. However, major developments are planned for the islands, which could offer a chance to improve the situation.

Looking back

- 2.1 Since HHP was formed in September 2006 we have constructed 690 homes for social rent and shared equity. These homes have been built in most of our communities and across the entire island chain. In recent years, we have endeavored to fulfill the Comhairle's goal of providing 55% of new homes outside of Stornoway to protect and sustain rural communities. However, during this time, budget cuts have led to the closure of schools and the reduction of other services in rural areas.



Where We Build

- 3.1 Our building locations are determined through a combination of SHIP priorities and our own waiting list. While we do our best to influence the SHIP process, we acknowledge that waiting lists are not always an accurate measure of demand. After all, people won't apply for housing that does not exist. Moreover, new developments in an area can generate demand. Therefore, as part of our feasibility

works and exploration of potential sites, we are prepared to conduct localized surveys to capture any hidden demand.

- 3.2 The growth of renewable energy generation will have substantial accommodation requirements during and after construction. Our team is committed to collaborating with Comhairle and developers to recognise these demands and determine how we can provide support. This includes facilitating prompt project advancement in response to identified opportunities and needs.
- 3.3 Based on our recent Housing Needs Survey, we have identified specific challenges in the housing market in Harris. It has become increasingly difficult for people to find suitable housing, likely due in part to the area's growing popularity among tourists and an increase in second homes and Air BnBs. To combat this issue, we plan on developing a significant number of properties in Tarbert and Leverburgh during this plan period, as these are the main population and service centres.

What We Build

- 4.1 We will continue to build our houses to the highest standards while incorporating the following guidance
- **Housing for Varying Needs** – to ensure homes can meet the changing needs of people in different life stages.
 - **Scottish Housing Quality Standard** – to ensure homes are energy efficient, safe and secure.
 - **Energy Efficiency Standard for Social Housing (ESSH)** – we seek to minimise energy consumption and tackle fuel poverty through high quality fabric, good levels of air-tightness and the use of air source heating. We will seek to ensure new homes achieve EPC band rating B as a standard.
 - **HHP house design and specification** – we continue to develop this to reflect experience and tenant feedback. It's been built to ensure our homes are beautiful and functional but will also withstand the test of time. We seek to ensure components are of high quality and standardised to help keep maintenance costs as low as possible.

Funding

- 5.1 Funding for the development plan comes from two main sources
- **The Scottish Government** is the primary funder for new development, and we work closely with the More Homes Division to plan ahead and secure grants. Through the Resource Planning Assumption (RPA), the government provides the Comhairle with an estimate for future years to guide programming. Individual projects exceeding benchmarks are evaluated based on their value for public funds. Given the remote location of our islands and the supply chain challenges, it's rare for us to develop projects within the benchmarks. However, More Homes has shown great support and understanding towards these as they recognise the remote nature of our islands and the particular challenges posed by supply chain issues and a limited contracting sector.

- **HHP Private Financing** – This is borrowing we put in place to deliver the ambitions of the development plan. This is funded from rental income and is therefore constrained by the need to ensure rents are affordable.

5.2 The Comhairle has receives funding from the Additional Council Tax on Second Homes (ACTISH) to support the provision of homes. In the early years ACTISH was used to support housing developments particularly in rural areas where it is more costly to build. The ACTISH funds were the difference between the project proceeding or being put on hold. Unfortunately due to the financial pressures the Comhairle are under, the majority of this funding has been redirected to support services, with only a small portion being allocated to feasibility studies.

Assumptions

6.1 Our development plan assumes the following for private finance contribution per unit.

Financial Year	HHP Private Finance per unit (£)
2024/25	65,000
2025/26	66,000
2026/27	67,000
2027/28	68,000
2028/29	69,000

6.2 Our assumptions are based on the level of borrowing that can be funded through rents while ensuring that provision is made for the future management and maintenance of homes and is compliant with our lenders financial covenants. A higher contribution may be agreed by our Board to reflect site specific issues, local circumstances and context.

Plan's relationship with the Strategic Housing Investment Plan (SHIP)

7.1 We seek to provide insight and guidance on the SHIP's development. This involves providing advice on funding capacity, risk assessment, and determining the ideal locations for construction. The current version of the SHIP, agreed by the Comhairle in November 2023, covers five years from 2024/25 to 2028/29. The Comhairle's aspiration is to ensure that 55% of the SHIP is constructed in rural areas.

7.2 Our Development plan for this period is at Appendix A. The highlighted projects are new to the plan and aligned with the SHIP. The one exception is the former RAF base at Stornoway airport which is included in the SHIP, but where a delivery vehicle is still to be agreed.

- 7.3 The table below summarises the difference between the SHIP (excluding house under construction 80) compared to our existing plans and commitment.

Areas	SHIP Ambition	Existing HHP Development Plan	Difference to SHIP (Units)
Barra	22	16	6
Harris	36	36	-
Uist	40	18	22
Rural Lewis	34	16	18
Stornoway	56	14	42
Total	188	100	88

- 7.4 To enable the delivery of all the projects in the SHIP ambition requires at a minimum, a further £6 million of private finance. Until the cost of delivering the new Net-Zero standard for our current stock is known, it is unlikely we will be in a position to increase our borrowing for new homes. The position will be reviewed each year as part of the Business Plan review. Development always presents a level of risk but the level of uncertainty around forward planning has never been higher. This is due primarily to global volatility in supply chains but also local labour market issues and the limited local contracting sector.
- 7.5 Windfall opportunities may also arise during the period of this plan and these will be assessed as and when they arise. We will always be open to identified opportunities whether these come from contractors, landowners, communities or other partners. If such opportunities are pursued then the plan will be revised
- 7.6 Some of the key risks to the Plan are identified below.

[Risks to Development Plan](#)

- 8.1 **Build Costs** – cost increases since the pandemic have yet to stabilise and subsequent war in Ukraine and the Red Sea have compounded uncertainty. In addition, the local tendering environment is challenging in terms of securing value for money and funding to progress projects.
- 8.2 **Demand** – our waiting list figures and Housing Demand Survey results coupled with demographic trends show fragile demand in rural areas. While there is community aspiration to see new housing built, this presents risk and requires to be reviewed before projects progress. In addition, the availability of services and the cost of accessing these are important factors when many tenants are on low incomes and facing cost of living challenges.
- 8.3 **RPA reduction** – In December 2023, Scottish Government announced a capital budget decrease of 22% from the previous published budget for 2024/25. The grant requirements estimated in the SHIP are likely to be under stated based on cost volatility and the tender prices being experienced. There is therefore a significant likelihood that projects cannot progress in the timescales envisaged as overall funding is reduced and as the need for funding is significantly above the benchmark levels increases.

- 8.4 **Availability of land** – this is not a new risk but the fact that most of the land in the islands is in crofting tenure presents additional challenges. This includes the process for acquiring suitable land and in terms of the time constraints connected to decrofting and resumption and subsequent development of sites.

APPENDIX A PROPOSED DEVELOPMENT PLAN

AREA	PROJECT NAME	TOTAL UNITS	2024/25	2025/26	2026/27	2027/28	2028/29
Stornoway	Blackwater	72	33	26	13	-	-
Uist	Lochmaddy	8	8	-	-	-	-
Harris	Leverburgh	10	-	10	-	-	-
Harris	Leverburgh (NSSE)	2	-	2	-	-	-
Rural Lewis	Berneria	4	-	4	-	-	-
Uist	Grimsay, North Uist	8	-	8	-	-	-
Barra	Cleat Road Ph 2	6	-	6	-	-	-
Rural Lewis	Point (Knock)	4	-	-	4	-	-
Rural Lewis	Gravir	4	-	-	4	-	-
Uist	Low Flyer	4	-	-	4	-	-
Stornoway	RAF Site – Stornoway*	28	-	14	14	-	-
*Delivery partner for this site to be confirmed – potential delivery through Partnership support.							
Harris	Scott Road	24	-	-	-	24	-
Barra	Barra HWEC	10	-	-	-	10	-
Uist	South Uist	6	-	-	-	6	-
Rural Lewis	Cross Skigersta	4	-	-	-	4	-
Stornoway	Stornoway Periphery	14	-	-	-	-	14
Uist	North Uist	6	-	-	-	6	-
Rural Lewis	Rural Lewis	12	-	-	-	12	-
Uist	South Uist	6	-	-	-	6	-
Barra	Barra	6	-	-	-	-	6
Uist	South Uist	6	-	-	-	-	6
Stornoway	Stornoway Periphery	14	-	-	-	-	14
Rural Lewis	Rural Lewis	6	-	-	-	-	6
Uist	Benbecula	4	-	-	-	-	4

The plan shows completions in a year, not the year the project will start.

5 YEAR INVESTMENT PLAN



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Introduction

- 1.1 The quality of tenants' homes and their environment is fundamental to us. If we do not adequately maintain homes then people will not choose to live in them. Our spending plans detail how homes will be maintained and improved over the next 30 years.

Stock Condition Survey

- 2.1 We completed a Stock Condition Survey in 2023 which reported that the housing stock was in good condition with a minimal requirement for 'catch – up repairs'. This reaffirms the findings of the previous stock condition survey carried out in 2018 and gives confidence that our approach to investment and maintenance is being effective.
- 2.2 The findings of the Stock Condition Survey is being used to review and develop our approach to meeting the needs of the stock and to update our 30 Year Investment Plan. This seeks to ensure that houses continue to meet the SHQS in the long term and that our plans are consistent with the EESSH standard requirements.
- 2.3 We will also continue to review the expected lifespan of components and will increase or decrease these as appropriate based on experience and information from the stock condition survey and our experience of repair and maintenance issues.

Social Housing Net Zero Standard

- 3.1 The Scottish Government have consulted during 2023 on a new Social Housing Net Zero Standard to replace EESSH2 and are currently finalising proposals on how this will be implemented. This seeks to set a target for emissions from social housing which are aligned with Scotland's Net-Zero target.
- 3.2 While our approach to investment is consistent with the emerging proposals this will need to be reviewed further once the standard is finalised. There are 2 main threads to the proposals as set out to date.
- 3.3 Firstly, there is a need to improve the fabric efficiency of homes and secondly there will be a requirement to have clean heating systems installed by 2045. On this latter measure we are significantly ahead of proposed milestones with 68% (83% of off-gas properties) of our homes expected to have renewable heating systems installed by the end of 2024/25.
- 3.4 In terms of fabric efficiency there is likely to be a requirement for a measure of the heat demand in a property with a set of minimum measures needing to be installed where appropriate. We have already substantially completed the minimum measures proposed with the exception of suspended floor insulation which is technically and financially problematic in a large number of properties due to lack of space in the sub-floor. We will however continue to look for options as to how floor insulation could be delivered.

Scottish Housing Quality Standard

- 4.1 Our properties currently meet the Scottish Housing Quality except where there have been refusals or where works cannot technically be carried out e.g. due to kitchen size. We will continue to maintain homes at the SHQS through 2 streams of work, our investment programmes and our planned and cyclical programmes.

- 4.2 Our investment programme addresses the replacement of the main components of homes at the end of their lifecycle. This includes, kitchens, bathrooms, heating, wiring, windows, roofs and roughcast. Where possible we will seek to install external or internal wall insulation, but we will require grant support to carry out this work.
- 4.3 Our planned and cyclical programmes seek to protect the health and safety of tenants and to ensure we fulfil our statutory duties. These works include heating servicing, checking fire safety measures, legionella testing, 5 yearly electrical testing and asbestos inspections. In addition, we seek to protect the fabric of houses and maintain the surrounding environment.

Continuous Improvement

- 5.1 We will continue to review the use of materials and other opportunities to reduce life cycle costs and to improve ease of use and advice to tenants where appropriate. We believe that using good quality materials delivers savings in the longer term and enhances tenant's experience of their homes. In addition, we will continue to review new initiatives, innovations and to learn from the experience of others when taking decisions on investment. We will also work toward improved sustainability and contributing to net zero targets in our contracts and projects and will continue to engage our contractors in this.

Fuel Poverty

- 6.1 Addressing and alleviating fuel poverty is a key part of our Investment Plan through measures such as improving fabric and the installation of renewable heating systems and high efficiency gas boilers. We will seek to survey tenants during 2024 to identify the extent of fuel poverty. Unfortunately, this is likely to have increased significantly over the last 5 years due to the huge increases in fuel prices.
- 6.2 A survey we carried out during 2022 found that tenants, regardless of heating type were either switching off or dramatically reducing their heating. This makes homes more susceptible to damp and mould and we have found that more tenants are experiencing such issues. While the causes can be complex part of the solution can be the provision of more controllable and affordable heating systems. We therefore intend to replace all storage heating systems within our housing stock during this plan period. The replacement of infra-red heating systems will be completed during 2024/25 as agreed by our Board in February 2023. We will continue to seek support from the Scottish Government through the Social Housing Net Zero Heat Fund to assist in installing new renewable heating systems.
- 6.3 We have formalised our approach to reports of damp and mould and will monitor the prevalence of such issues and the effectiveness of our investment works and other interventions in addressing problems. Where appropriate we will install mechanical ventilation to ensure that humidity levels in houses are adequately controlled thereby reducing the risk of mould and condensation.
- 6.4 Our investment plan for 2024/24 is set out in the following table. We are also finalising our 30 year plan based on the findings of our stock condition survey. The main elements anticipated to be included in the programme are identified but these continue to be refined and the exact composition and timing of the programme will be subject to annual review.

2024/2025 INVESTMENT PROGRAMME

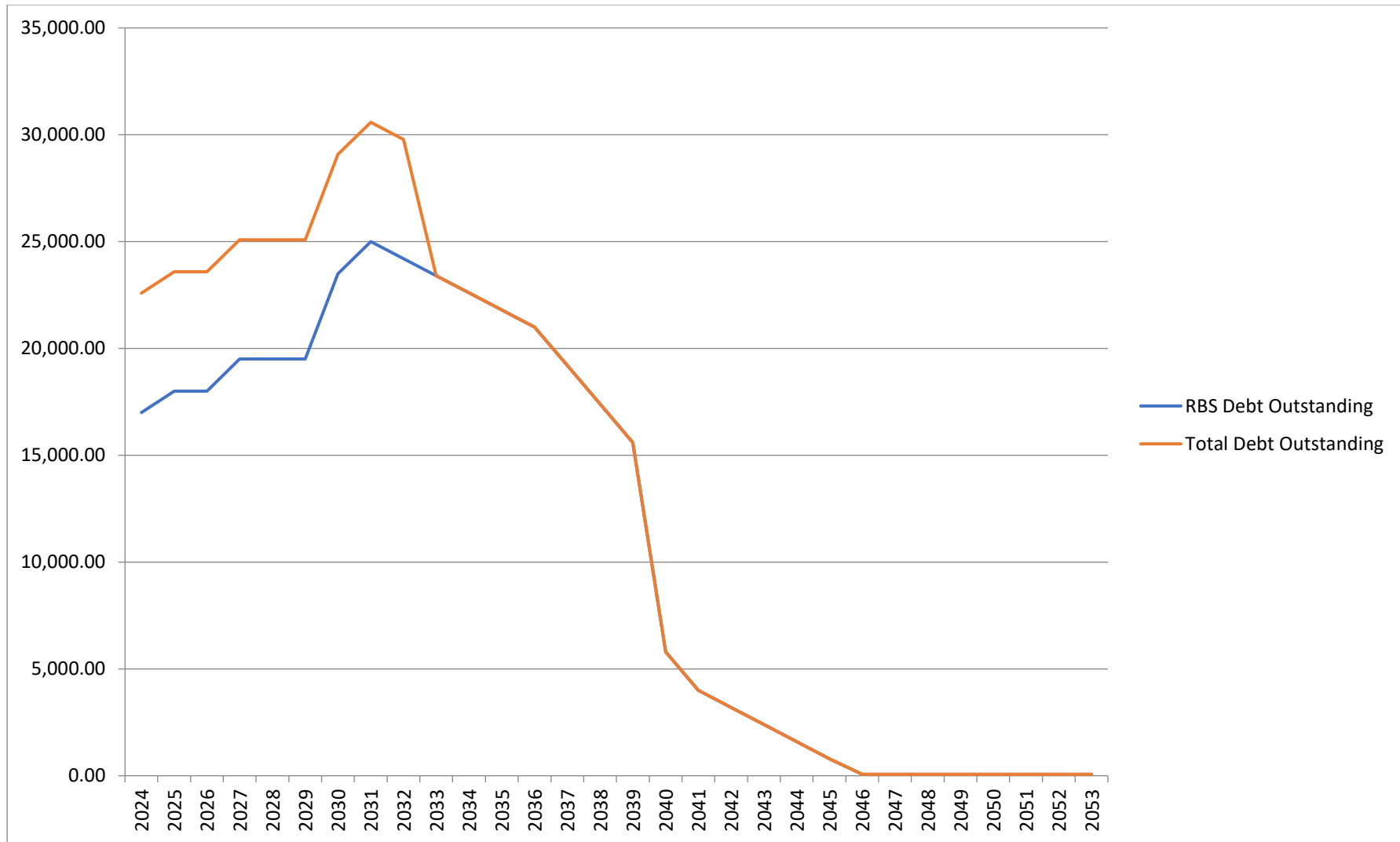
VAT / Works type	Units	Budget £
VAT Recover		
Bathroom	65	263,340
Electrical Works - remedials	165	220,000
External Wall Insulation	30	360,000
Kitchen	63	533,610
Roughcast	17	158,950
Roofing	16	371,250
Windows & Doors	45	418,275
VAT Non Recoverable		
Shower	65	106,029
Heating	95	614,160
VAT Non Recoverable - HHP built/ MTR/ROT		
Bathroom & Shower	2	13,398
Windows & Doors	6	66,924
VAT Non Recoverable - RSL		
Bathroom & Shower	6	40,194
Kitchen	7	71,148
Heating	9	64,800
Windows & Doors	8	89,232
Grand Total	599	3,391,310

30 Year Investment Plan showing key components

Sum of Replacement		Column Labels					
Row Labels	Bathroom	Heating - Boiler	Kitchen	Rewiring	Roofs	Windows & Doors	Grand Total
2024	112	113	65		10	103	403
2025	87	130	42		46	107	412
2026	60	129	24		91	76	380
2027	109	92	18		40	69	328
2028	65	95	42		58	86	346
2029	26	93	13		55	58	245
2030	91	145	36		93	33	398
2031	14	158	80		33	19	304
2032	44	152	144		47	39	426
2033	53	151	182		25	13	424
2034	45	236	148		27		456
2035	48	144	121		4	66	383
2036	97	294	145		16	84	636
2037	42		134		38	85	299
2038	135	273	114		8	84	614
2039	77	62	93			87	319
2040	53	63	103		5	95	319
2041	109	69	128		26	169	501
2042	68	36	123		21	114	362
2043	119	54	72		24	187	456
2044	90	67	151		23	161	492
2045	137	64	78		63	57	399
2046	90	101	54		34	31	310
2047	31	119	133		5	47	335
2048	75	96	74		11	52	308
2049	141	119	2		24	104	390
2050	62	45	19		51	70	247
2051	20	232	33		20	67	372
2052	54	29	74		17	107	281
Grand Total	2154	3361	2445		915	2270	11145

Outstanding Debt

APPENDIX 6



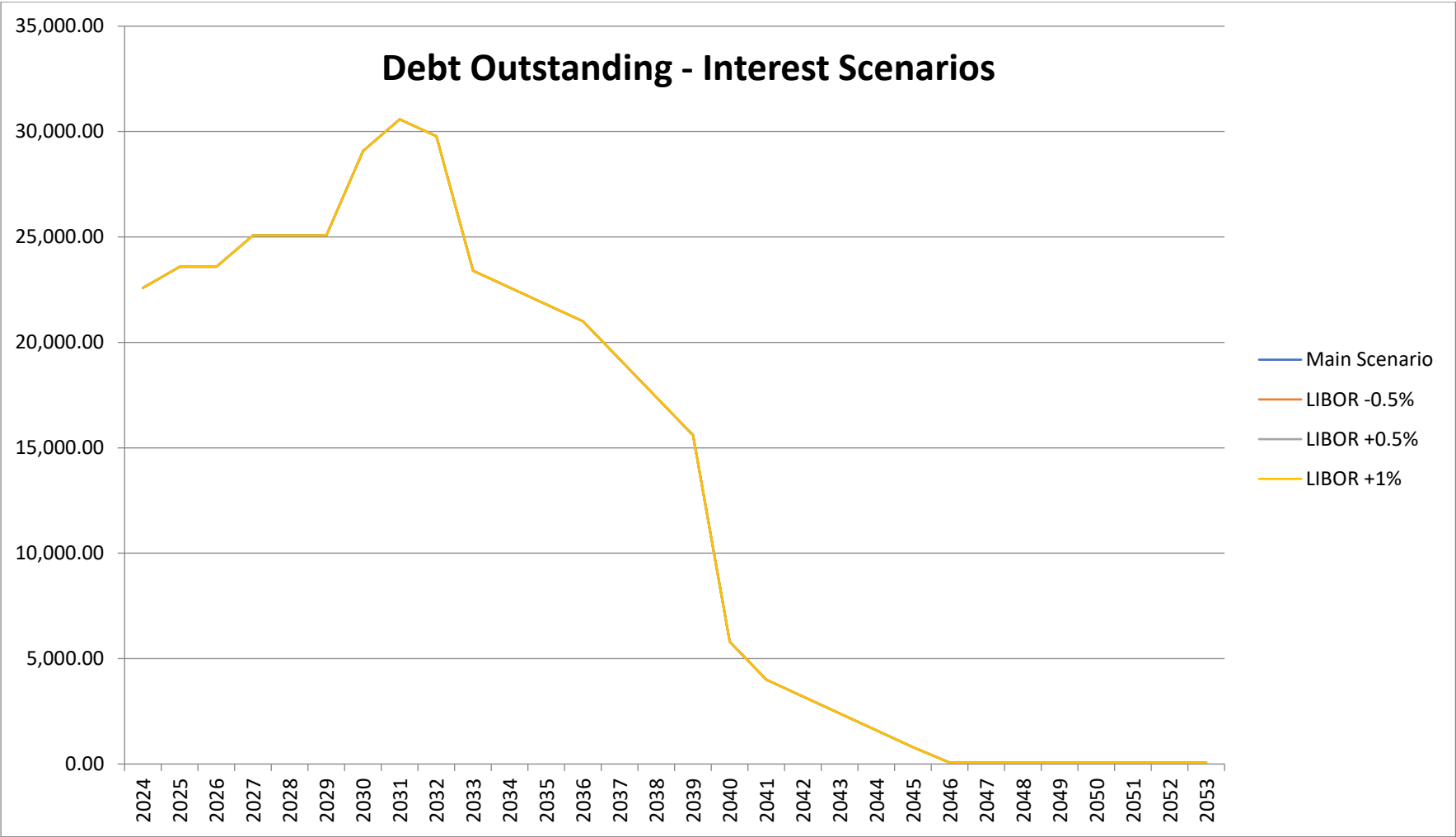
1. Our Business Plan is tested annually for a number of different scenarios. These scenarios are as follows:
 - a. Changes in the base rate of interest
 - b. Changes in inflation
 - c. Changes in rental assumptions
 - d. Changes in voids & bad debts
2. Our plan is resilient when it comes to scenarios (a) & (b) above, mainly due to the level of hedging we have on our current loan facility and the general assumption that rental income will broadly move in line with inflation.
3. The plan however is most sensitive to material changes in our rental income assumptions.
4. The impact of these scenarios has been modelled and an overview can be found in the graphs below, showing the impact each scenario has on debt outstanding over the life of the plan.

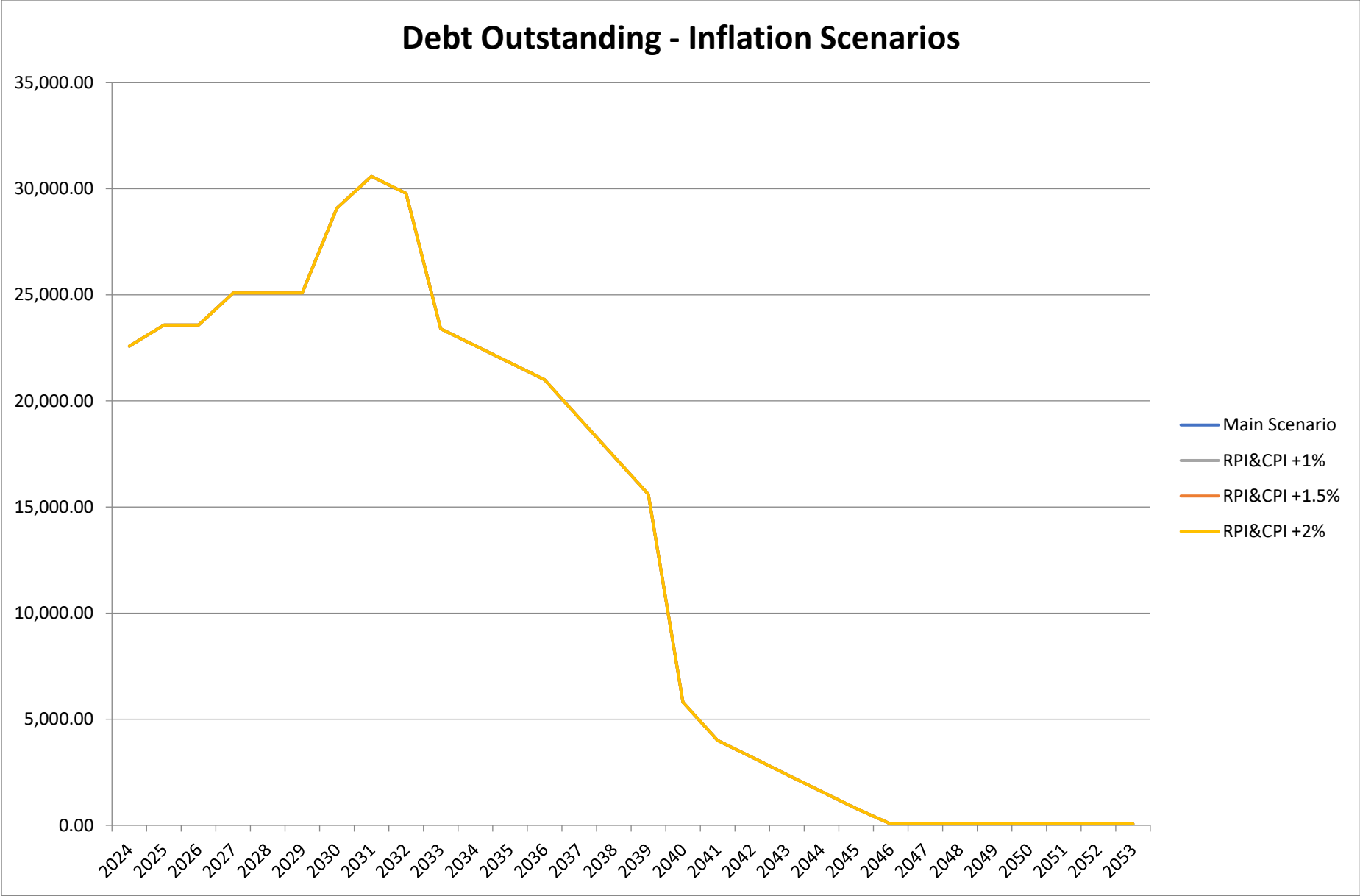
Covenant Modelling

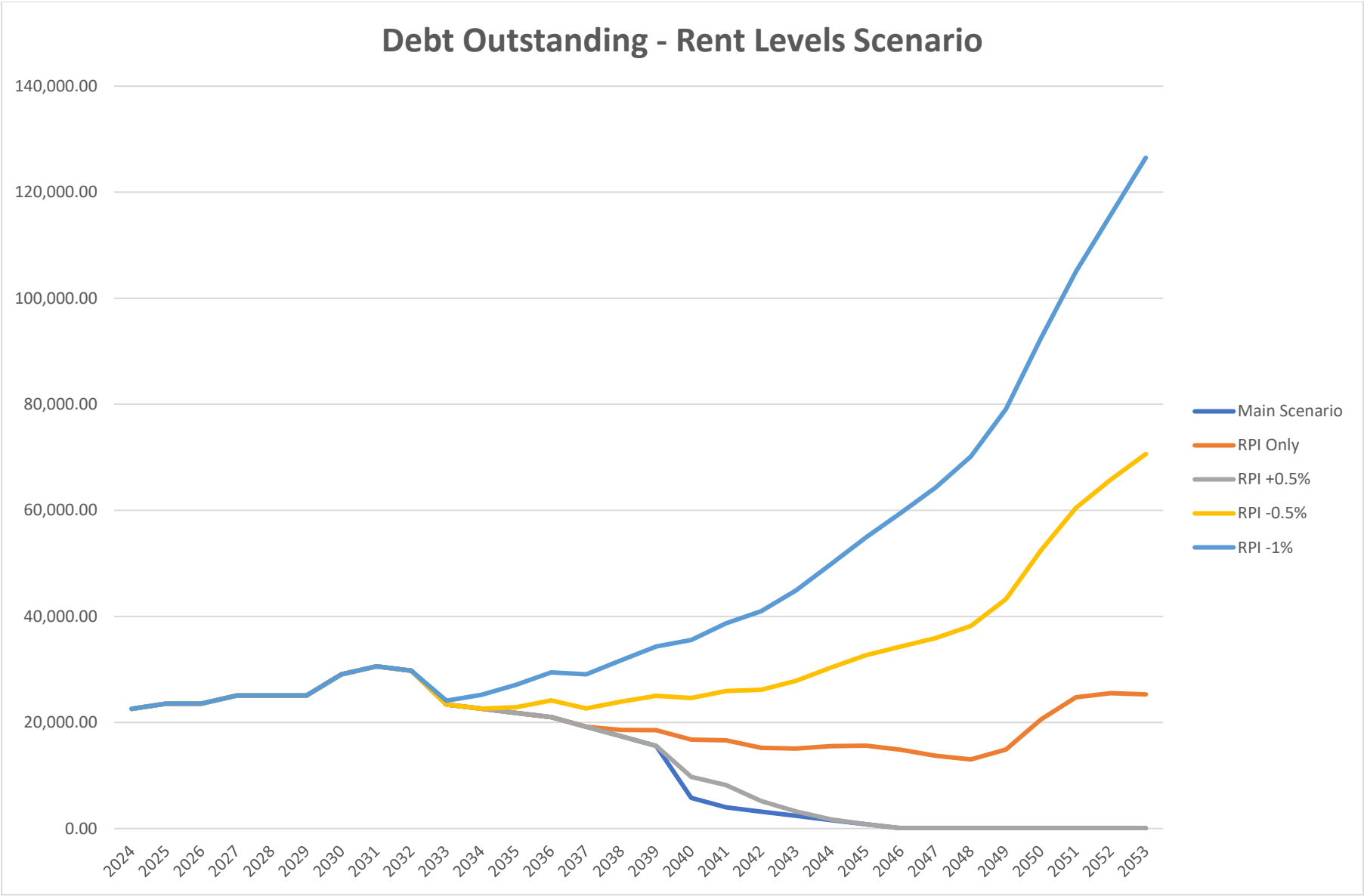
1. In addition to the above stress testing, we undertake covenant compliance testing to ensure our Business Plan complies with our covenant requirements over the 30 year period. The minimum interest cover over 30 year is 151% which is well above the minimum 110% requirement with a minimum annual headroom of £627K.

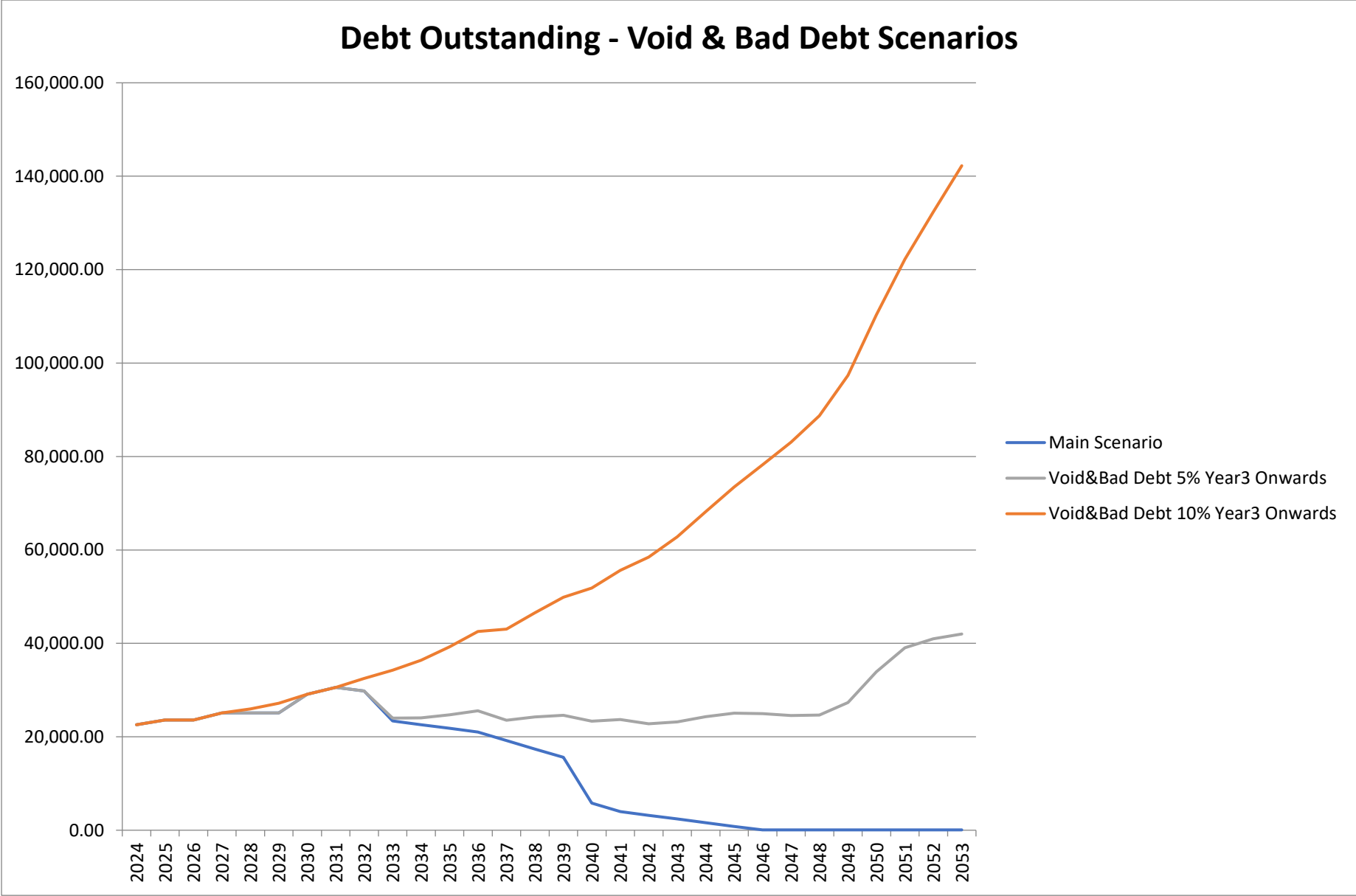
Mitigations

1. In order to ensure covenants are complied with and borrowing facilities are repaid, in the event that any of the scenarios which follow become reality, we will seek to mitigate these impacts by taking the following actions:
 - a. Supervision & Management Costs
 - i. Freeze on recruitment of vacant posts
 - ii. Review organisation structure
 - b. Planned Maintenance
 - i. Capital investment programmes being pushed into future years – Protect Fuel Poverty measures where possible
 - ii. All Health & Safety commitments still to be met
 - c. New Build – Reduce or Pause New Build Programme









Consolidated Statement of Cash Flow | 2023/24 30 Year Plan | Plan

Period: 01 April 2023 - 31 March 2053	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Total Receipts	14,254.50	12,332.60	13,122.20	14,108.80	14,598.60	15,070.00	15,656.90	16,231.70	16,842.80	17,314.80	17,940.50
Total Payments	-8,779.90	-6,577.60	-7,593.60	-7,936.70	-8,196.10	-8,428.10	-8,697.20	-8,897.50	-9,132.30	-9,373.80	-9,667.30
Cash Paid To Employees											
Cash flow from Operating Activities	5,474.60	5,754.90	5,528.60	6,172.10	6,402.50	6,642.00	6,959.70	7,334.30	7,710.50	7,941.00	8,273.20
Provisions for tax											
Surplus for the year	5,474.60	5,754.90	5,528.60	6,172.10	6,402.50	6,642.00	6,959.70	7,334.30	7,710.50	7,941.00	8,273.20
Net cash generated from operating activities	5,474.60	5,754.90	5,528.60	6,172.10	6,402.50	6,642.00	6,959.70	7,334.30	7,710.50	7,941.00	8,273.20
Cash flow from investing activities											
Purchase of tangible fixed assets	-8,755.60	-16,811.40	-10,995.00	-10,765.00	-5,814.30	-4,214.30	-4,565.10	-5,128.90	-5,410.00	-5,284.10	-5,474.70
Proceeds from sale of tangible fixed assets	140	28									
Grants received	4,210.30	10,356.80	4,194.40	3,919.90	1,680.00						
Interest Received (cash)	35.4	38.1	30.3	22.4	22.6	27.2	41.1	58.9	62.7	62.2	35.4
Total Cash flow from investing activities	-4,369.90	-6,388.50	-6,770.30	-6,822.80	-4,111.70	-4,187.20	-4,524.00	-5,070.00	-5,347.20	-5,221.90	-5,439.30
Cash flow from financing activities											
Interest paid	-966	-1,176.60	-1,211.00	-1,413.70	-1,464.30	-1,464.30	-1,623.50	-1,539.30	-2,177.50	-1,791.30	-1,730.10
Interest element of finance lease rental payment											
New secured loans		1,000.00		1,500.00			4,000.00	9,500.00			
Capital Repayments								-8,000.00	-800	-6,383.00	-800
Total Cash flow from financing activities	-966	-176.6	-1,211.00	86.3	-1,464.30	-1,464.30	2,376.50	-39.3	-2,977.50	-8,174.30	-2,530.10
Cash & cash equivalents at the beginning of year	7,853.40	7,992.10	7,181.90	4,729.20	4,164.80	4,991.40	5,981.90	10,794.20	13,019.20	12,405.00	6,949.80
Net Change in Cash & cash equivalents	138.7	-810.2	-2,452.70	-564.4	826.6	990.6	4,812.30	2,225.00	-614.2	-5,455.20	303.9
Cash & cash equivalents at the end of year	7,992.10	7,181.90	4,729.20	4,164.80	4,991.40	5,981.90	10,794.20	13,019.20	12,405.00	6,949.80	7,253.60

Consolidated Statement of Cash Flow | 2023/24 30 Year Plan | Plan

Period: 01 April 2023 - 31 March 2053	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Total Receipts	18,391.30	18,956.60	19,289.30	19,827.30	20,288.10	20,867.60	21,282.30	21,885.60	22,380.90	23,055.20
Total Payments	-9,867.50	-10,226.20	-10,472.40	-10,800.10	-10,272.30	-10,502.90	-10,764.00	-11,095.70	-11,314.70	-11,605.10
Cash Paid To Employees										
Cash flow from Operating Activities	8,523.80	8,730.30	8,816.90	9,027.20	10,015.70	10,364.70	10,518.30	10,789.80	11,066.20	11,450.20
Provisions for tax										
Surplus for the year	8,523.80	8,730.30	8,816.90	9,027.20	10,015.70	10,364.70	10,518.30	10,789.80	11,066.20	11,450.20
Net cash generated from operating activities	8,523.80	8,730.30	8,816.90	9,027.20	10,015.70	10,364.70	10,518.30	10,789.80	11,066.20	11,450.20
Cash flow from investing activities										
Purchase of tangible fixed assets	-6,314.20	-6,651.00	-3,869.90	-6,855.30	-7,481.60	-6,253.40	-8,141.50	-7,176.10	-8,764.40	-9,736.20
Proceeds from sale of tangible fixed assets										
Grants received										
Interest Received (cash)	35.4	34.3	37.5	39.9	36.1	18.6	2.6	9.3	19.1	24.3
Total Cash flow from investing activities	-6,278.80	-6,616.80	-3,832.40	-6,815.40	-7,445.50	-6,234.80	-8,139.00	-7,166.80	-8,745.30	-9,711.90
Cash flow from financing activities										
Interest paid	-1,656.90	-1,595.70	-1,501.20	-1,367.50	-1,233.80	-830.6	-383.8	-278	-216.8	-155.6
Interest element of finance lease rental payment										
New secured loans										
Capital Repayments	-800	-800	-1,800.00	-1,800.00	-1,800.00	-9,800.00	-1,800.00	-800	-800	-800
Total Cash flow from financing activities	-2,456.90	-2,395.70	-3,301.20	-3,167.50	-3,033.80	-10,630.60	-2,183.80	-1,078.00	-1,016.80	-955.6
Cash & cash equivalents at the beginning of year	7,253.60	7,041.90	6,759.70	8,442.90	7,487.30	7,023.70	522.9	718.5	3,263.60	4,567.70
Net Change in Cash & cash equivalents	-211.8	-282.1	1,683.20	-955.7	-463.6	-6,500.80	195.5	2,545.10	1,304.20	782.7
Cash & cash equivalents at the end of year	7,041.90	6,759.70	8,442.90	7,487.30	7,023.70	522.9	718.5	3,263.60	4,567.70	5,350.50

Consolidated Statement of Cash Flow | 2023/24 30 Year Plan | Plan

Period: 01 April 2023 - 31 March 2053	2045	2046	2047	2048	2049	2050	2051	2052	2053	Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Total Receipts	23,479.20	24,093.60	24,695.40	25,450.60	25,942.40	26,582.30	27,246.60	28,023.20	29,431.80	608,642.80
Total Payments	-11,893.90	-12,251.10	-12,503.20	-12,834.70	-13,144.00	-13,539.00	-13,851.30	-14,207.60	-14,650.40	-319,076.30
Cash Paid To Employees										
Cash flow from Operating Activities	11,585.30	11,842.50	12,192.20	12,615.90	12,798.40	13,043.20	13,395.30	13,815.70	14,781.40	289,566.60
Provisions for tax										
Surplus for the year	11,585.30	11,842.50	12,192.20	12,615.90	12,798.40	13,043.20	13,395.30	13,815.70	14,781.40	289,566.60
Net cash generated from operating activities	11,585.30	11,842.50	12,192.20	12,615.90	12,798.40	13,043.20	13,395.30	13,815.70	14,781.40	289,566.60
Cash flow from investing activities										
Purchase of tangible fixed assets	-9,457.90	-8,822.40	-8,899.60	-9,758.10	-12,444.90	-16,169.10	-14,799.30	-11,348.60	-11,216.90	-257,378.90
Proceeds from sale of tangible fixed assets										168
Grants received										24,361.30
Interest Received (cash)	27.1	36.6	51.8	67.4	76.4	66.4	57.9	61.2	76.1	1,214.20
Total Cash flow from investing activities	-9,430.80	-8,785.80	-8,847.80	-9,690.70	-12,368.60	-16,102.70	-14,741.40	-11,287.30	-11,140.80	-231,635.40
Cash flow from financing activities										
Interest paid	-94.4	-33.2								-25,904.60
Interest element of finance lease rental payment										
New secured loans										16,000.00
Capital Repayments	-800	-733.3								-38,516.30
Total Cash flow from financing activities	-894.4	-766.5								-48,421.00
Cash & cash equivalents at the beginning of year	5,350.50	6,610.60	8,900.90	12,245.30	15,170.50	15,600.30	12,540.80	11,194.60	13,722.90	7,853.40
Net Change in Cash & cash equivalents	1,260.20	2,290.20	3,344.40	2,925.20	429.8	-3,059.50	-1,346.20	2,528.30	3,640.60	9,510.20
Cash & cash equivalents at the end of year	6,610.60	8,900.90	12,245.30	15,170.50	15,600.30	12,540.80	11,194.60	13,722.90	17,363.60	17,363.60

Risk Appetite Statement

2024/25



RISK 

LOW

MEDIUM

HIGH



hebridean housing
partnership

RISK APPETITE STATEMENT

- 1.1 Risk Appetite can be defined as "*the amount and type of risk that an organisation is willing to take in order to meet their strategic objectives*". The Risk Appetite sets a clear strategic direction and sets tolerances around controls.
- 1.2 Each year the Board agrees the level of Risk Appetite. Good practice states that once the Risk Appetite has been agreed the Board should prepare a Risk Appetite Statement which is communicated to all employees.
- 1.3 On 10 January 2024 the Board met to set the Risk Appetite for 2024/25. The outcome of the session will be presented at the Board meeting on 13 February 2024 for approval.
- 1.4 The boundaries for our Risk Appetite were:
- Failure to maintain Regulatory Standards set by Scottish Housing Regulator
 - Breaching the conditions of our funding
 - Significant Health & Safety breach
- 1.5 On 28 November 2023 the Board agreed four Strategic Goals for the five years to March 2029. The Risk Register and the Risk Appetite have been reviewed and aligned to our Strategic Goals.

STRATEGIC GOALS

- Goal 1** [Placing tenants at the heart of everything we do](#)
- Goal 2** [Investing in a sustainable way in tenants' homes](#)
- Goal 3** [Being an excellent employer that attracts and retains high quality staff](#)
- Goal 4** [Working with partners to help our communities thrive](#)

- 1.6 The Board previously agreed to the definitions below when assessing risk appetite.

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

1.7 The previously agreed Risk Appetite was reviewed and some changes were made as shown in the table below:

Strategic Goal – 1. Placing tenants at the heart of everything we do	Risk Level	Detail
Rent Affordability	OPEN	The value and benefits will be considered we will not just go for the cheaper option. We will take the long term approach rather than the short quick fix. We will embrace new technologies we believe will bring benefit to our tenants.
Supporting Vulnerable Tenants	HUNGRY	We will explore options of providing additional support services to tenants through partners with expertise in a particular area.
Reputation	OPEN	We will take decisions with the potential to expose the organisation to additional scrutiny but only where the appropriate steps have been take to minimise any exposure and the potential benefits outweigh the risks.
Communication with Tenants	OPEN	Captured above.

Strategic Goal – 2. Investing in a sustainable way in tenants' homes	Risk Level	Detail
Bringing all stock up the Scottish Government Standards for Net-Zero and Accessibility	OPEN	We will research new technologies and participate in pilot projects where we believe this will bring long term benefit to our tenants.
New Build	LOW	We will deliver the Comhairle's SHIP as far as possible within the allocated budget. We will use our Subsidiary for all development other than homes built for rent e.g. LIFT, Mid-market rent.
Delivery of our ESG Strategy	OPEN	We will work with local partners to contribute to the overall Climate Change Strategy for the Outer Hebrides.

Strategic Goal – 3. Being an excellent employer that attracts and retains high quality staff	Risk Level	Detail
Succession Planning	OPEN	We will employ a range of experience levels including trainees, apprentices and development roles. We will regularly review our organisation structure (including the use of our subsidiary) to accommodate innovative approaches to delivering current and potential new services which are more cost effective and represent Value for Money.
Training Plan	OPEN	We will ensure our training budget supports the development needs of our staff and Board Members.

Strategic Goal – 4. Working with partners to help our communities thrive	Risk Level	Detail
Population Strategy	OPEN	We will work with other partners and the Outer Hebrides Community Planning Partnership to develop and deliver on any strategy relating to growing our population.
Poverty	HUNGRY	We will work with partners to alleviate poverty and dedicate time to access grants to support our tenants who are in poverty.
Partnership Working	OPEN	We will explore working with new partners to deliver services in a different way e.g. Penumbra.



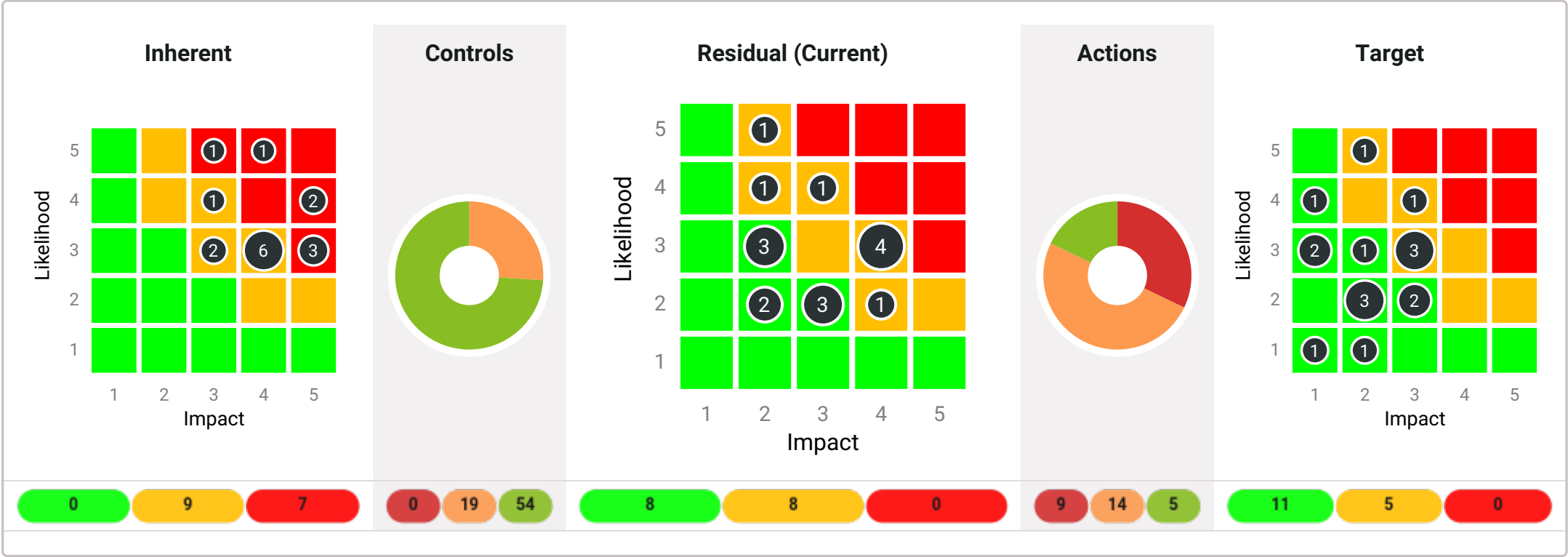
HHP is a registered society under the Co-operative and Community Benefit Societies Act 2014, Registered Number: 2644R(S), Registered Office: Creed Court, Gleann Seileach Business Park, Willowglen Road, Stornoway, Isle of Lewis HS1 2QP. It is a charity registered in Scotland, Charity Number: SC035767,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

Email: info@hebrideanhousing.co.uk

Web: www.hebrideanhousing.co.uk

Phone: 0300 123 0773

Risk Status: New, Open



Ref	Category	Title	Controls on Track	Residual Risk Likelihood x Impact	Movement in score	Actions on Track	Target Risk Likelihood x Impact
1	Strategic	Rent Affordability	2 Amber 5 Green	3 x 4 12	↓ 5 x 4 = 20 6th Feb 2024	2 Amber 1 Green	3 x 3 9
2	Operational	Construction Process	7 Green	3 x 4 12	↔ 4 x 3 = 12	1 Red 1 Amber	3 x 3 9
3	Financial	Borrowing Arrangements	3 Amber 8 Green	2 x 3 6	↓ 3 x 3 = 9 6th Feb 2024		2 x 2 4
4	Strategic	Failure to adapt to changing demographics and reducing population	4 Amber 5 Green	2 x 4 8	↓ 5 x 4 = 20 6th Feb 2024	1 Amber	2 x 3 6
6	Strategic	Climate Change	1 Green	4 x 3 12	↓ 5 x 4 = 20 3rd Aug 2022	4 Red 2 Amber	4 x 3 12
8	Strategic	Global event (pandemic, world war, global food shortage)	1 Green	3 x 4 12	↓ 3 x 5 = 15 3rd Aug 2022		3 x 2 6
9	Operational	Infrastructure failure	2 Amber	4 x 2 8	↓ 5 x 2 = 10 6th Feb 2024	1 Amber	4 x 1 4
10	Strategic	Governance	4 Green	3 x 2 6	✱ 21st Jul 2022	3 Amber	3 x 1 3
11	Operational	Loss of key staff/skills	2 Amber 3 Green	3 x 2 6	✱ 22nd Jul 2022	1 Red 2 Amber 1 Green	3 x 1 3
13	Operational	Data security and integrity	6 Green	2 x 3 6	↓ 3 x 3 = 9 7th Feb 2024	1 Red	2 x 3 6

Ref	Category	Title	Controls on Track	Residual Risk Likelihood x Impact	Movement in score	Actions on Track	Target Risk Likelihood x Impact
14	Operational	Fraud	2 Green	2 x 2 4	3 x 3 = 9 7th Feb 2024		2 x 2 4
16	Strategic	Impact of Regulatory & Legislative changes on service delivery.	1 Amber 3 Green	5 x 2 10	5 x 1 = 5 3rd Aug 2022	1 Amber 1 Green	5 x 2 10
18	Strategic	Serious breach of Health & Safety	1 Amber 5 Green	2 x 2 4	22nd Jul 2022	1 Amber	1 x 1 1
19	Strategic	Reputational	2 Green	2 x 3 6	2 x 2 = 4 12th Jan 2023	1 Red 1 Green	1 x 2 2
21	Operational	Housing components Technology Failure	4 Amber 1 Green	3 x 4 12	3 x 2 = 6 6th Feb 2024	1 Red	3 x 3 9
22	Financial	Lack of Competition in Insurance Market	1 Green	3 x 2 6	2 x 2 = 4 6th Feb 2024	1 Green	2 x 2 4

BUDGETS 2024/25

Board 13 February 2024

Report by Director of Finance & Corporate Services

Purpose of Report

- 1.1 To present for consideration and approval the proposed 2024/25 budgets including charges for rents, garages and services.

Summary

- 2.1 The draft budgets at Appendix 1 have been prepared taking into account the cash planning limits for 2024/25 set in the revised 30 Year Business Plan which will be provided to our funder (RBS) in March.
- 2.2 The changes to the key assumptions in our plan can be found at paragraph 9.5 - 9.13.
- 2.3 The Development & Finance Committee met on 24 November 2023 and agreed to consult with tenants on 2 rent options. Option 1, which was the Board's preference, was an RPI minus 1% Increase (5.1%) & Option 2 was an RPI plus 0.5% increase (6.6%).
- 2.4 2023/24 rents were increased by RPI minus 8.2% following consultation with our tenants. This represented a 6% increase.
- 2.5 A consultation exercise on the proposed rent increase for 2024/25 ended on 14 January 2024 with 82% of those responding choosing Option 1 (5.1% rent increase).

Competence

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

Recommendations

- 4.1 **It is recommended that the Board:**
- a) approve the increase of house rents for 2024/25 at RPI minus 1% (5.1%), an average increase of £4.61 per week to £95.01 per week**
 - b) approve garage rents and garage site rents for 2024/25 be increased by 6.1% (October RPI);**
 - c) approve all other services and charges for 2024/25 as shown at Appendix 2 be increased by 6.1% (October RPI); and**
 - d) note that detailed budgets will be submitted to the Board for approval on 26 March 2024.**

APPENDIX 1 Proposed Budgets for 2024/25

APPENDIX 2 Service Charges 2024/25

Background Papers: None

Writer of Report: Donald MacLeod

Tel: 0300 123 0773

Competence

Financial

- 5.1 The report considers the resources the Partnership requires for 2024/25. The report outlines the main changes to the Business Plan since the Board approved the Plan in March 2023. Detailed budgets will be presented to the Board in March 2024 which take account of changes in the new Business Plan.
- 5.2 The budget has been set in accordance with current accounting standards.
- 5.3 Budgets are required to comply with the two corporate covenants outlined in our Restated Financing Agreement (RFA) with RBS. An interest cover covenant with an allowance of 110% and a Gearing cover with maximum gearing of 30%.

Legal

- 6.1 The Partnership's Rule 69 states that *"The Partnership must keep proper books of account to cover its income, expenditure, spending, assets and liabilities in line with sections 75 and 76 of the Co-operative and Community Benefit Societies Act 2014. It must also set up and maintain a suitable system for controlling its books of accounts, its cash and its receipts and invoices"*.
- 6.2 The Board has ultimate responsibility for the Partnership's finances and in accordance with the Financial Regulations the Board has the responsibility to approve the annual budgets.
- 6.3 We are required to provide the Scottish Housing Regulator with our annual Business Plan and five year financial projections which are formed from the Board approved 30 year plans.

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

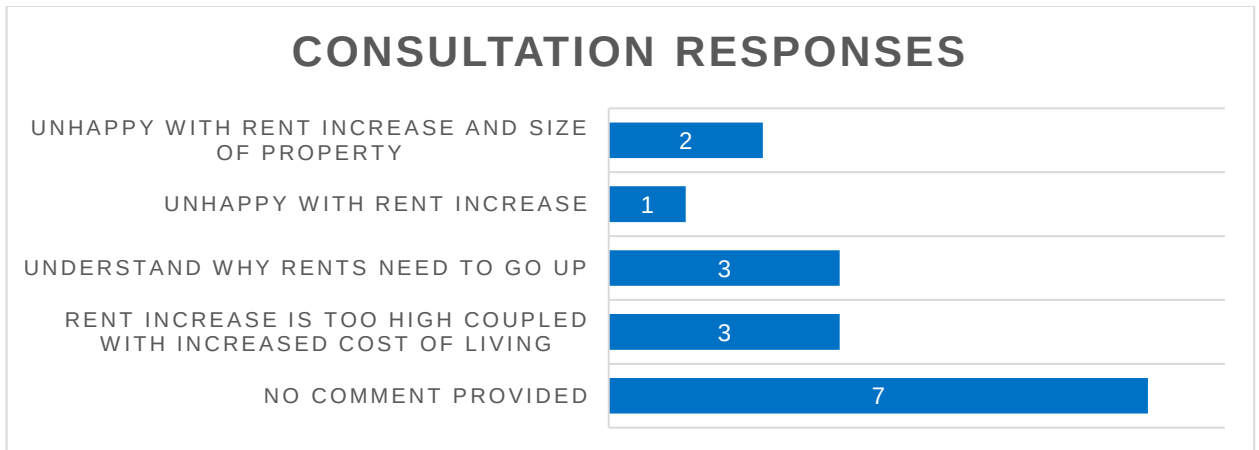
- 8.1 The major risk to setting the rents is that the income for the financial year is set incorrectly and the Partnership is unable to meet financial commitments. This risk is mitigated by setting prudent Bad Debt and Void assumptions in the 30 Year Business Plan and by modelling how the plan responds to changes in these assumptions.
- 8.2 It is anticipated that interest rate and inflation pressures will continue in the short term driven by a number of factors including the war in Ukraine although we are seeing signs of this starting to reduce. The Business Plan has been prepared taking these challenges into consideration.
- 8.3 Increasing development costs continue to drive up the build cost per unit. Any shortfall between the private finance provided for in the budget will need to be funded by additional Scottish Government grant contributions to minimise risk to HHP.
- 8.4 With respect to Investment a new framework contract is in place for the delivery of the programme. There is a risk that tenders come in above the assumed component replacement cost which may result in some works being postponed.

Report Details

- 9.1 Budgets are set each year which identify the income available to the Partnership and the funds required to deliver:
- a) the promises made to tenants as part of the Stock Transfer;
 - b) the Strategic Goals of the Business Plan;
 - c) RSL's health and safety requirement are met;
 - d) Regulatory requirements; and
 - e) Scottish Government requirements in relation to the standard of the housing stock.
- 9.2 Budgets are set in the context of the 30 Year Business Plan making amendments as required to ensure the Partnership is still in a position to repay the funds borrowed.
- 9.3 The following updates have been made to the 30 year Plan approved by the Board in March 2023:
- Rent Increase*
- 9.4 The cash planning limits assume that the rent increase will be RPI minus 1% based on October RPI, which gives a rent increase of 5.1%.
- 9.5 An overview is provided at Appendix 1 showing the areas where rental income will be spent.
- 9.6 The 2024/25 budget does not include any carry forward proposals. Carry forward proposals, will be included in the detailed budgets presented to the Board in March 2024.
- 9.7 Detailed budgets will be presented to the Board in March 2024 which take account of changes in the new Business Plan.
- 9.8 Service Charges are proposed to increase in line with October RPI (6.1%).
- 9.9 Supervision & Management costs will be updated in March to reflect the outcome of the salary benchmarking and annual pay award process.
- 9.10 The Planned Maintenance programme for 2024/25 is being finalised and any changes will be incorporated into the detailed budgets brought to Board in March 2024.
- Development*
- 9.11 Current year development spend and associated grant drawdown has been updated to reflect the latest cashflow projections provided by our contractors.
- Investment*
- 9.12 Allowance is made within the 2024/25 investment budget to continue the replacement of infra-red heating systems. A funding application will be submitted to the Scottish Government Net Zero Housing Fund with a decision anticipated in March 2024. If this application is not successful, we will need to reprofile our investment programme to ensure infrared replacements are completed in 2024/25.
- 9.13 The investment budget is currently based on the cash planning limit from year 2 in our 30 year plan, approved by the Board in March 2023. We are working through the stock condition survey results to finalise the programme for 2024/25 and this will be updated when the detailed budgets are brought to Board in March 2024.

Consultation Exercise

- 10.1 Tenants were consulted through a survey on our website in the same manner as in prior years. The closing date for comments was 14 January 2024.
- 10.2 We had 16 responses to the consultation (17 Responses last year) and the general theme of responses are as follows:



- 10.3 The Development & Finance Committee will meet in February 2024 to review the detailed budgets and conduct appropriate sensitivity and scenario stress testing and covenant compliance checks.
- 10.4 It is understandable tenants would prefer a lower increase than 5.1% as the cost of living crisis continues to squeeze tenant's disposable income. It is however not possible for us to continue investing, at current levels, in tenants' homes if rents were increasing by less than 5.1%.

CASH PLANNING LIMITS

	BRIXX (2023/24) £000's	BRIXX (2024/25) £000's	Budget (2024/25) £000's	Diff £000's
Gross Income	12,239,800	12,950,899	12,950,899	-
Voids	(235,500)	(251,100)	(251,100)	-
Bad Debts	(230,200)	(246,800)	(246,800)	-
Net Income	11,774,100	12,452,999	12,452,999	-
Expenditure				
Supervision & Management	2,876,000	3,008,200	3,008,200	-
Repairs	1,948,400	2,099,300	2,099,300	-
Planned	1,196,418	1,019,400	1,019,400	-
Estate Works	136,700	139,300	139,300	-
Interest	1,189,400	1,176,600	1,176,600	-
Investment	3,919,604	3,398,200	3,398,200	-
Aids & Adapts	120,000	140,000	140,000	-
Development Private Finance	1,647,185	3,240,200	3,240,200	-
Total Expenditure	13,033,707	14,221,200	14,221,200	-
Net	(793,907)	(1,270,301)	(1,270,301)	-

DATE: 31 January 2024

APPENDIX 1

Hebridean Housing Partnership											
	2019/20 ACTUAL OUT-TURN	2020/21 ACTUAL OUT-TURN	2021/22 ACTUAL OUT-TURN	2022/23 ACTUAL OUT-TURN	2023/24 INITIAL BUDGET	2023/24 REVISED BUDGET	2023/24 ACTUAL DECEMBER	2024/25 INITIAL BUDGET	CHANGE	CHANGE %	Notes
Income & Expenditure											
Dwelling Rent (Net)	£9,094,402	£9,463,805	£9,769,791	£10,461,253	£11,023,855	£11,102,965	£8,565,154	£11,697,059	(£673,204)	(6.1%)	1
Non Dwelling Rent (Net)	£15,187	£15,556	£15,440	£16,429	£17,120	£17,120	£14,540	£18,147	(£1,027)	(6.0%)	2
Profit/(Loss) on Disposal of Assets	(£416,801)	(£206,411)	(£248,435)	(£1,499,632)	(£45,000)	(£45,000)	(£10,933)	(£45,000)	£0	0.0%	3
Grant Funding	£600,239	£763,072	£866,639	£925,019	£550,000	£815,000	£630,768	£570,000	(£20,000)	(3.6%)	4
Other Income	£87,504	£70,158	£67,544	£79,403	£204,630	£244,380	£154,236	£212,793	(£8,163)	(4.0%)	
Total Income	£9,380,531	£10,106,180	£10,470,980	£9,982,472	£11,750,605	£12,134,465	£9,353,765	£12,452,999	(£702,394)	(6.0%)	
Supervision & Management	£2,430,261	£2,657,122	£2,737,321	£2,893,902	£2,941,015	£2,963,901	£2,116,182	£3,008,200	(£67,185)	(2.3%)	5
Response Repairs	£1,537,705	£1,635,035	£1,889,388	£2,002,842	£1,952,905	£2,054,905	£1,574,892	£2,099,300	(£146,395)	(7.5%)	6
Planned Maintenance	£751,846	£889,028	£793,832	£952,317	£1,194,925	£1,189,925	£819,791	£1,019,400	£175,525	14.7%	7
Estate Works	£66,082	£65,930	£140,339	£93,115	£136,700	£134,243	£95,477	£139,300	(£2,600)	(1.9%)	
Total Operating Expenditure	£4,785,894	£5,247,115	£5,560,880	£5,942,176	£6,225,545	£6,342,974	£4,606,342	£6,266,200	(£40,655)	(0.7%)	
Operating Surplus/(Deficit)	£4,594,636	£4,859,065	£4,910,100	£4,040,296	£5,525,060	£5,791,491	£4,747,422	£6,186,799	(£661,739)	(12.0%)	
Grant Amortisation	(£1,356,161)	(£1,382,934)	(£1,462,709)	(£1,612,107)	(£1,538,600)	(£1,588,600)	(£1,377,606)	(£1,608,100)	£69,500	(4.5%)	
Interest & Depreciation	£3,587,124	£3,685,959	£4,002,225	£4,711,785	£5,807,000	£5,404,515	£3,887,681	£6,027,700	(£220,700)	(3.8%)	
Surplus/(Deficit)	£2,363,674	£2,556,040	£2,370,584	£940,619	£1,256,660	£1,975,576	£2,237,348	£1,767,199	(£510,539)	(40.6%)	
Capital Investment											
Housing Investment Programme	£4,582,943	£2,545,443	£4,284,001	£3,968,862	£4,039,595	£4,322,885	£1,737,968	£3,398,200	£641,395	15.9%	
Non-Housing Investment Programme	£57,644	£40,141	£266,021	£142,778	£6,920	£8,958	£5,487	£0	£6,920	100.0%	
Development Programme	£1,775,905	£1,625,030	£9,480,818	£3,344,778	£1,647,190	£779,171	£364,409	£3,240,200	(£1,593,010)	(96.7%)	
LIFT	£449,813	(£673,127)	(£485,712)	(£313,136)	£0	£0	£336	£0	£0	-	
Total Capital Investment	£6,866,305	£3,537,487	£13,545,128	£7,143,283	£5,693,705	£5,111,014	£2,108,201	£6,638,400	(£944,695)	(16.6%)	

Notes

- 1 Dwelling rent increase of 6.1% driven by increased number of units in 2024/25 coupled with annual rent increase of 6.1%
- 2 Increase driven by annual rent increase.
- 3 Estimated cost of disposing components earlier than anticipated
- 4 Increase in RHI Grant driven by annual inflationary uplifts
- 5 £67K increase mainly driven by an increase in the number of units in management and the impact this has on our insurance costs
- 6 7.5% increase to reflect the increase in the number of properties and the increased in the average repair cost per unit.
- 7 14.7% reduction as EICR testing completed in 2023/24 - Detailed programme under review with updated budget coming to Board in March 2024.

APPENDIX 2

2024/25 MANAGEMENT/FACTORAGE CHARGES INCREASE	CHARGE DESCRIPTION	2021/22 CHARGES	2022/23 CHARGES	2023/24 CHARGES	2024/25 CHARGES
TENANCY REFERENCE CHARGE (RPI) add VAT	Fee per chargeable tenancy request	£46.29	£49.58	£52.56	£55.77
SALE OF ASSETS - ENQUIRY FEE	Enquiry fee including any title searches			£50.00	£53.05
BALIVANICH BOARDROOM HIRE	Chargeable per hour	£10.13	£10.85	£11.50	£12.20
100% OWNERSHIP Flats 1,3 & 6 Ranol Court, Keith Street, Stornoway, Isle of Lewis	Annual management fee, staircase lights & grounds maintenance + VAT on all charges	£272.01	£291.38	£308.86	£327.70
100% OWNERSHIP Flats 1,3 & 6 Ranol Court, Keith Street, Stornoway, Isle of Lewis	Annual VAT	£54.40	£58.28	£61.77	£65.54
LIFT PROPERTIES					
ARDANMHOR COURT LIFT PROPERTIES	Annual management fee, service levy & maintenance, building insurance & Cyclical maintenance + VAT where appropriate	£536.10	£574.28	£608.74	£645.87
1-4 MANOR DRIVE LIFT PROPERTIES	Annual management fee and ground maintenance + VAT where appropriate	£79.68	£85.36	£90.48	£96.00
18-25 MANOR DRIVE LIFT PROPERTIES	Annual management fee, service levy & maintenance, building insurance, cyclical maintenance & grounds maintenance + VAT where appropriate	£639.77	£685.33	£726.45	£770.77
LIFT PROPERTIES CHANGE OF OWNERSHIP CHARGES					
Additional administration costs which is added to the seller's final account.		£34.41	£36.86	£39.07	£41.46
Where documentation (e.g. Building Warrants, Certificates, Local Authority Certificates, etc) is required.		£57.35	£61.43	£65.12	£69.09
Where a solicitors request information less than five days prior to the settlement date of the sale.		£172.05	£184.30	£195.36	£207.28

APPENDIX 2

2024/25 ADDITIONAL RENTAL CHARGES INCREASE (6.1%)	INCREASE BY INFLATION = RPI 6.1%	2021/22 CHARGES	2022/23 CHARGES	2023/24 CHARGES	2024/25 CHARGES
76B & 76C Keith Street, Stornoway, Isle of Lewis	Additional Charge (white goods charge)	£1.00	£1.06	£1.12	£1.19
27 -29 & 31-34 Doig Crescent, Stornoway, Isle of Lewis	Additional Charge (white goods charge)	£1.02	£1.08	£1.14	£1.21
27 -29 & 31-34 Doig Crescent, Stornoway, Isle of Lewis	Communal Maintenance (cleaning)	£2.15	£2.29	£2.43	£2.58
36 Doig Crescent, Stornoway, Isle of Lewis	Additional Charge (white goods charge)	£0.91	£0.96	£1.02	£1.08
2 Muirneag Court, Keith Street, Stornoway, Isle of Lewis	Additional Charge (white goods charge)	£1.02	£1.08	£1.14	£1.21
3, 9-13 & 15 Mackay Court, Stornoway, Isle of Lewis	Additional Charge (white goods charge)	£1.02	£1.08	£1.14	£1.21
1-15 Mackay Court, Stornoway, Isle of Lewis	Service Levy (external & stair light, access control, satellite control box)	£2.57	£2.71	£2.87	£3.05
35-37 Torquil Terrace, Stornoway, Isle of Lewis	Additional Charge (white goods & serv levy house)	£1.18	£1.26	£1.34	£1.42
38-40 Torquil Terrace, Stornoway, Isle of Lewis	Additional Charge (white goods & serv levy flat)	£1.44	£1.53	£1.62	£1.72
49 Westview Terrace, Stornoway, Isle of Lewis, HS1 2HP	Additional Charge (white goods & serv levy house)	£1.18	£1.26	£1.34	£1.42
1 & 4 - 22 Elizabeth Haldane Court, Stornoway, Isle of Lewis	Communal Lighting	£2.95	£3.13	£3.32	£3.52
1 & 4 - 22 Elizabeth Haldane Court, Stornoway, Isle of Lewis	Communal Maintenance	£3.53	£3.75	£3.98	£4.22
2 & 3 Elizabeth Haldane Court, Stornoway, Isle of Lewis	Adapted Properties - Amenity Lighting	£1.53	£1.62	£1.72	£1.82
2 & 3 Elizabeth Haldane Court, Stornoway, Isle of Lewis	Adapted Properties - Amenity Maintenance	£2.10	£2.23	£2.36	£2.51
3-10 & 15-22 Cearn Tharasaigh, Stornoway, Isle of Lewis	Communal Maintenance	£1.88	£1.99	£2.11	£2.24
3-10 & 15-22 Cearn Tharasaigh, Stornoway, Isle of Lewis	Ground Maintenance	£0.62	£0.66	£0.70	£0.74
23 Calabhaigh, Lochboisdale, Isle of South Uist	Additional Charge (white goods charge)	£0.91	£0.96	£1.02	£1.08
6 Calabhaigh, Lochboisdale, Isle of South Uist	Furniture	£32.96	£34.94	£37.04	£39.30
6 & 8 Calabhaigh, Lochboisdale, Isle of South Uist	Additional Charge (white goods charge)	£7.38	£7.82	£8.29	£8.79
1-11, 13-15, 18-22 & 24 Calabhaigh, Lochboisdale, Isle of South Uist	Service Charge (TV Aerial)	£0.58	£0.61	£0.65	£0.69
Ceann an Ora, Bunavoneader, Isle of Harris	Service Charge (TV Aerial)	£1.30	£1.39	£1.47	£1.56
Ardanmhor Court, Kenneth Street, Stornoway, Isle of Lewis	Service Levy (com lights, door entry, satellite dish)	£2.95	£3.13	£3.32	£3.52
Ardanmhor Court, Kenneth Street, Stornoway, Isle of Lewis	Service Maintenance (time clock, door entry, satellite dish)	£1.53	£1.62	£1.72	£1.82
Manor Drive, Stornoway, Isle of Lewis	Communal Maintenance (Grounds Maintenance)	£0.91	£0.96	£1.02	£1.08
5-14 Manor Drive, Stornoway, Isle of Lewis	Service Levy (com lights, door entry, satellite dish)	£3.43	£3.63	£3.85	£4.08
26-33 Manor Drive, Stornoway, Isle of Lewis	Service Levy (com lights, door entry, satellite dish)	£2.07	£2.19	£2.32	£2.46
5-13 Manor Drive, Stornoway, Isle of Lewis	Service Maintenance (time clock, door entry, satellite dish)	£2.31	£2.45	£2.60	£2.76
26-33 Manor Drive, Stornoway, Isle of Lewis	Service Maintenance (time clock, door entry, satellite dish)	£1.16	£1.22	£1.29	£1.37
Shared Ownership Flats 2, 4 & 5 Ranol Court, Keith Street, Stornoway, Isle of Lewis	Management Fee	£9.09	£9.64	£10.22	£10.84
Shared Ownership Flats 2, 4 & 5 Ranol Court, Keith Street, Stornoway, Isle of Lewis	Staircase Lighting	£1.11	£1.17	£1.24	£1.32
Shared Ownership Flats 2, 4 & 5 Ranol Court, Keith Street, Stornoway, Isle of Lewis	Building Insurance	£1.58	£1.67	£1.77	£1.88
Shared Ownership Flats 2, 4 & 5 Ranol Court, Keith Street, Stornoway, Isle of Lewis	Ground Maintenance 2	£0.33	£0.35	£0.37	£0.39

APPENDIX 2

2024/25 ADDITIONAL RENTAL CHARGES INCREASE (6.1%)	INCREASE BY INFLATION = RPI 6.1%	2021/22 CHARGES	2022/23 CHARGES	2023/24 CHARGES	2024/25 CHARGES
1-6 & 9-13 Gibson Gardens, Ripley Place, Stornoway, Isle of Lewis, HS1 2AG	Communal Maintenance	£1.58	£1.67	£1.77	£1.88
1-6 & 9-13 Gibson Gardens, Ripley Place, Stornoway, Isle of Lewis, HS1 2AG	Service Maintenance	£0.27	£0.29	£0.31	£0.33
7,8 & 14-24 Gibson Gardens, Ripley Place, Stornoway, Isle of Lewis, HS1 2AG	Communal Maintenance	£3.79	£4.02	£4.26	£4.52
7,8 & 14-24 Gibson Gardens, Ripley Place, Stornoway, Isle of Lewis, HS1 2AG	Service Maintenance	£0.82	£0.87	£0.92	£0.98
1-6 & 9-10 Gibson Gardens, Ripley Place, Stornoway, Isle of Lewis, HS1 2AG	Service Levy	£0.55	£0.58	£0.61	£0.65
7,8 & 14-24 Gibson Gardens, Ripley Place, Stornoway, Isle of Lewis, HS1 2AG	Service Levy	£1.35	£1.43	£1.52	£1.61
Langley Apartments, Stag Road, Stornoway, Isle of Lewis, HS1 2AJ	Communal Maintenance	£1.92	£2.02	£2.14	£2.27
Langley Apartments, Stag Road, Stornoway, Isle of Lewis, HS1 2AJ	Service Charge	£1.59	£1.69	£1.79	£1.90
Langley Apartments, Stag Road, Stornoway, Isle of Lewis, HS1 2AJ	Service Maintenance	£5.05	£5.35	£5.67	£6.02
Lady Matheson Court, 74 Keith Street, Stornoway, Isle of Lewis	Service Charge	£0.00	£0.92	£0.98	£1.03
Lady Matheson Court, 74 Keith Street, Stornoway, Isle of Lewis	Service Maintenance	£0.00	£1.18	£1.25	£1.33
James Place, West Tarbert, Isle of Harris	Service Charge	£0.00	£0.46	£0.49	£0.52
James Place, West Tarbert, Isle of Harris	Service Maintenance	£0.00	£3.73	£3.95	£4.19
Johnstone Court, Balivanich, Isle of Benbecula	Grounds Maintenance	£0.00	£1.15	£1.22	£1.29
Bremner Court, Stornoway, Isle of Lewis, HS1 2AQ	Automatic doors			£0.68	£0.72
Bremner Court, Stornoway, Isle of Lewis, HS1 2AQ	Electrical Testing - Building & Appliances			£1.02	£1.08
Bremner Court, Stornoway, Isle of Lewis, HS1 2AQ	Electricity (incl ASHP) - common areas & services (£18.14 units 1-15)			£17.94	£19.03
Bremner Court, Stornoway, Isle of Lewis, HS1 2AQ	Entry system admin			£0.68	£0.72
Bremner Court, Stornoway, Isle of Lewis, HS1 2AQ	Evacuation Chairs			£0.20	£0.21
Bremner Court, Stornoway, Isle of Lewis, HS1 2AQ	Fire alarm systems/emergency lighting			£1.69	£1.79
Bremner Court, Stornoway, Isle of Lewis, HS1 2AQ	Fire dampers/ventilation			£1.35	£1.43
Bremner Court, Stornoway, Isle of Lewis, HS1 2AQ	Gas (Heating) - common areas & services (£7.40 units 1-15)			£7.32	£7.77
Bremner Court, Stornoway, Isle of Lewis, HS1 2AQ	Grounds Maintenance			£0.81	£0.86
Bremner Court, Stornoway, Isle of Lewis, HS1 2AQ	Heating Charge (£13.70 units 1-15)			£13.55	£14.38
Bremner Court, Stornoway, Isle of Lewis, HS1 2AQ	Insurance Inspections			£0.10	£0.11
Bremner Court, Stornoway, Isle of Lewis, HS1 2AQ	Lift Maintenance			£0.68	£0.72
Bremner Court, Stornoway, Isle of Lewis, HS1 2AQ	Lightning protection system			£0.34	£0.36
Bremner Court, Stornoway, Isle of Lewis, HS1 2AQ	Secure Entry Systems			£0.68	£0.72
Bremner Court, Stornoway, Isle of Lewis, HS1 2AQ	SUDS pond maintenance			£0.26	£0.28
Bremner Court, Stornoway, Isle of Lewis, HS1 2AQ	White Goods (Excl Units 1-15)			£0.87	£0.92
Bremner Court, Stornoway, Isle of Lewis, HS1 2AQ	Window cleaning			£0.79	£0.84
5-8, Leana Ruadh, Isle of Lewis HS2 9JJ	Grounds Maintenance			£1.22	£1.29
1-2 Rathad na Ceardaich, Grean, Isle Of Barra, HS9 5AB	Grounds Maintenance				£1.15
GARAGES	Weekly Rent	£5.42	£5.62	£5.96	£6.32
GARAGE RENT VAT	VAT (20% where applicable)	£1.08	£1.12	£1.19	£1.26
GARAGE SITE RENTS	Annual Rent	£92.69	£95.93	£101.69	£107.89
GARAGE SITE RENT VAT	VAT (20%)	£18.54	£19.19	£20.34	£21.58
GARAGE SITE RENTS- Garage Site 30 Leverhulme Dr; Garage Site 2,4,5,&6 Perceval Road South (East End)	Annual Rent	£105.71	£109.42	£115.99	£123.06
GARAGE SITE RENT VAT	VAT (20%)	£21.14	£21.88	£23.19	£24.61
Houses serviced by septic tank	Sewerage Charges		Aligned to Scottish Water Increase		

INVESTMENT PLAN

Board 13 February 2024

Report by Director of Operations

Purpose of Report

- 1.1 To provide an update on the 2023/24 Investment Programme and present the 2024/25 Investment Programme for approval.

Summary

2023/24 Investment Programme

- 2.1 The programme is progressing well. There are no current issues with the substantive elements of the programme such as windows, kitchens and heating. Infra-red heating replacement works are progressing well and are on target. The initial tenant feedback is positive.
- 2.2 The replacement of a further 16 heating systems following the successful grant application are programmed to be carried out in March.
- 2.3 Tender prices were received for Lot 5 Roughcasting which were significantly in excess of budget and are not considered to be justified, in addition there was no buy-in from affected owners. The works will require to be rescheduled when more competitive prices might be achieved.

2024/25 Investment Programme

- 2.4 The proposed 2024-25 Investment Programme is at Appendix 1. This is primarily based on data from the Stock Condition Survey and the previous Board decision in February 2023 to replace infra-red heating systems over a 2 year period.
- 2.5 The programme continues to tackle fuel poverty and to progress towards the anticipated requirements of the Energy Efficiency Standard for Social Housing (EESH2) by 2032. The Programme also seeks to ensure that we maintain homes at the Scottish Housing Quality Standard.
- 2.6 The Investment framework contract will be used for the delivery of the programme. Tendering of the heating programme has commenced and the remainder of the programme will be procured once approved in February through to April 2023.
- 2.7 The stock condition survey continues to be analysed and a detailed 5 year programme will be presented to the March board.

Aids and Adaptations

- 2.8 The grant funding has been fully committed. There was no further funding application opportunity in January from the Scottish Government. A £25k virement will be processed to enable works on referrals to continue to the end of March with grant being claimed in 24/25. The virement is within authorised delegation.

Competence

- 3.1 The legal, financial, or other constraints to the recommendations in this report are contained in paragraph 5.1 – 8.3.

Recommendations

- 4.1 **It is recommended that the Board:**
- a) note the progress on the Investment Programme; and**
 - b) approve the Investment Programme 2024/25 at Appendix 1**

APPENDIX 1: 2024/25 Investment Programme
Background Papers: Risk Register
Management Report to 31 December 2023
Writer of Report: Angus MacNeil

Tel: 0300 123 0773

Competence

Financial

2023/24 Investment Programme

- 5.1 The approved Investment Budget for 2023/24 is £3.919M as set out and approved by Board on 29 March 2023. The current budgetary position is detailed in the Management Accounts on this Board agenda.
- 5.2 The Scottish Government have awarded Aids and Adaptation funding of £0.275M of which £0.273M has been committed.
- 5.3 A further grant application was submitted in September 2023 to support the replacement of 16 inefficient electric heating systems with new air source heat pump. This application was successful and the full Grant Award letter has been received and works have commenced.

2024/25 Investment Programme

- 5.4 The cash planning limit for investment budget for the 2024/25 Investment Programme is approved at £3.398M. The 2024/2025 programme at Appendix 1 is within the limit.
- 5.5 A further Social Housing Net Zero Heat Fund application for 110 units on the Infra-red heating replacement programme will be made in February with the outcome expected by April 2024. A bid will also be submitted for External Wall insulation works in Plasterfield.
- 5.6 The 2024/25 programme has been prepared on the assumption of successful grant applications. Should we not be successful, the works would be re profiled to ensure completion of the 2024/25 Infra red replacement.

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 the actual forecast and progress on the Investment Programme be reported to each routine meeting of the Board.

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. This includes affordability for tenants leading to increased levels of fuel poverty. This has a residual risk of 20 which is considered a high risk.
- 8.2 There are further risks highlighted in the Register concerning the failure of a major contractor, the health of the local economy including the capacity of contractors to deliver programmes.
- 8.3 The Scottish Government requires landlords to comply with SHQS. Failure to meet the standard could result in regulatory engagement .

Report Details

2023/24 Investment Programme

- 9.1 The position of each contract Lot is set out below. Progress on works is shown below. Currently there are no issues with the supply chains.

Lot/ Works	Status/ Contractor	Site Start date	Estimated Completion Date
Lewis & Harris			
Lot 1A - Windows & Doors	Alex Murray (Construction) Ltd	November	March
Lot 1B - Windows & Doors	Alex Murray (Construction) Ltd	Completed	
Lot 2A - Heating – Gas	FES FM Ltd	January	March
Lot 2B - Heating – Infra red replacement	Alex Murray (Construction) Ltd	August	February
Lot 2C - Heating – Infra red replacement	Alex Murray (Construction) Ltd	August	February
Lot 2D – Heating – Infra red replacement	Alex Murray (Construction) Ltd	January	March
Lot 2E – Heating – Infra red replacement	Alex Murray (Construction) Ltd	March	March
Lot 3A - Bathroom & Showers	FES FM Ltd	October	February
Lot 3B - Bathroom & Showers	FES FM Ltd	February	March
Lot 3C - Showers	FES FM Ltd	January	March
Lot 4 - Kitchens	FES FM Ltd	January	February
Lot 5 - Roughcast	No award	On hold	
Lot 6 - Electrical	Alex Murray (Construction) Ltd	January	March
Lot 8 - Occupational Therapy	Alex Murray (Construction) Ltd	May	March
Energy Efficiency (External Wall Insulation) – Scotland Excel framework	BCA Group	Complete	
Uist & Barra			
Lot 9a - Windows & Doors	FES FM Ltd	Complete	
Lot 9b - Windows & Doors	Alex Murray (Construction) Ltd	November	March
Lot 9c – Windows & Doors	Alex Murray (Construction) Ltd	January	March
Lot 10 - Heating	FES FM Ltd	October	November
Lot 11 - Bathroom & Showers	Alex Murray (Construction) Ltd	February	March
Lot 11A - Showers	FES FM Ltd	January	March
Lot 12A - Kitchens	FES FM Ltd	September	October
Lot 12B - Kitchens	Alex Murray (Construction) Ltd	February	March
Energy Efficiency (External Wall Insulation) – Scotland Excel framework	BCA Group	Complete	

Programme Progress

- 9.2 Generally the programme is proceeding well with some packages/Lots already completed. However, completion for end March for some lots is challenging because of the late start due to grant funding decisions being awaited.
- 9.3 Infrared heating replacement works are progressing across a number of lots. Tenant satisfaction responses are positive. Works are continuing to the end of March.
- 9.4 There are no issues being reported with the supply chain at present. Transport links to Uist have been restored on the Leverburgh/ Berneray ferry which previously presented a problem.

Aids and Adaptations position

- 10.1 The current position on General Adaptations is detailed below.
- 10.2 The budget allocation from the Scottish Government is fully committed with completion of works on target for 31 March 2024.
- 10.3 We were unable to apply for further Scottish Government funding therefore a virement will be processed if necessary to enable works on referrals to continue to the end of March . Thereafter, it is anticipated the expenditure would be recoverable by grant allocated in 2024/25. It is intended to vire £25K from the Roughcast programme which is unable to progress at this time due to very high tender prices.

Occupational Therapy Referrals

Occupational Therapy Referrals	2023/24
Number of Properties	81
Number of Referrals (some properties have more than one referral)	94
Number of tasks on Referrals (a referral can have multiple tasks)	206
Number of referrals completed	77
Number of Referral tasks completed	169
Total Spend/ Committed	£273K
Grant Allocation – General Adaptations	£275K

2024/2025 INVESTMENT PROGRAMME

VAT / Works type	Units	Budget £
VAT Recover		
Bathroom	65	263,340
Electrical Works - remedials	165	220,000
External Wall Insulation	30	360,000
Kitchen	63	533,610
Roughcast	17	158,950
Roofing	16	371,250
Windows & Doors	45	418,275
VAT Non Recoverable		
Shower	65	106,029
Heating	95	614,160
VAT Non Recoverable - HHP built/ MTR/ROT		
Bathroom & Shower	2	13,398
Windows & Doors	6	66,924
VAT Non Recoverable - RSL		
Bathroom & Shower	6	40,194
Kitchen	7	71,148
Heating	9	64,800
Windows & Doors	8	89,232
Grand Total	599	3,391,310

TRAINING PLANS 2024/25

Board 13 February 2024

Report by Chief Executive

Purpose of Report

- 1.1 To present the 2024/25 Staff and Board Training Plans for consideration and approval.

Summary

- 2.1 The staff training requirements have been identified from a number of different sources including policy and contractual requirements, staff appraisals and discussions with the Management Team. These have been assessed and collated to form a comprehensive Training Plan for 2021-25.
- 2.2 The Staff Training Plan extract for 2024/25 is at Appendix 1.
- 2.3 The Board Training Plan at Appendix 2 has been prepared following the Board Skills Analysis undertaken in December 2023 and also takes into account policy requirements
- 2.4 Both training plans take into account any legislative or regulatory requirements.

Competence

- 3.1 The financial, legal or other constraints arising from the recommendations to this report being implemented are detailed at 5.1 – 8.3.

Recommendations

- 4.1 **It is recommended that the Board approve the:**
- a) Staff Training Plan 2024/25 as at Appendix 1; and**
 - b) Board Training Plan 2024/25 as at Appendix 2.**

APPENDIX 1: Staff Training Plan 2024/25
APPENDIX 2: Board Training Plan 2024/25
Background Papers: Training & Development Policy
Writer of Report: Iona France

Tel: 0300 123 0773

Competence

Financial

- 5.1 There will be a financial cost to the implementation of the Staff Training Plan which will be met from existing budgets. The allocation for staff training and conference fees for 2024/25 is £32K, and for Board training and conference fees £5K. These costs exclude travel and accommodation costs related to training.

Legal

- 6.1 The Training Plans recognise where we have a statutory or contractual obligation to carry out training.
- 6.2 Both Training Plans have been prepared in accordance with our Training & Development Policy.

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 In accordance with the Scottish Housing Regulator's Regulatory Standards of Governance and Financial Management, the Board need to "assess annually the skills, knowledge, diversity and objectivity that it needs for its decision-making, what is contributed by continuing governing body members, and what gaps there are that need to be filled."

Risk

- 8.1 Recruitment and retention of Board Members and Loss of Key Staff are both included on our Risk Register with a residual rating of 6 which is considered low.
- 8.1 Lack of training within an organisation carries a number of risks that can impact all areas of its' internal and external operations.
- 8.4 Governance of the Partnership is critical to its long-term viability. Carrying out skills assessments helps to ensure that the Board has the skills, knowledge and diversity it needs to provide capable leadership, control and constructive challenge to achieve the RSL's purpose, and helps to mitigate the risk of not delivering good tenant outcomes or manage the Partnership's affairs.

Report Details

- 9.1 Within both plans, there is a mix of internal and external delivery scheduled. We want to continue to harness the skills, knowledge and experience of existing employees and ensure a sharing of this across the workforce. In some areas however, it will be essential that we use an external specialist to deliver training. This mix will ensure that we receive training of the highest quality, whilst remaining cost effective.
- 9.2 We will continue to facilitate online and digital learning to maximise training opportunities.
- 9.3 Where a training need has not been met in 2023/24 it has been picked up as part of the 2024/25 Training Plan.
- 9.4 Board Members are advised if they became aware of particular training requirements throughout the year, these should be raised with the Company Secretary and will be considered accordingly.

[illegible]

Draft 2024-25 Training & Development Plan & Timeline

[illegible]

ELECTRIC VEHICLE (EV) CHARGING POINTS

Board 13 February 2023

Report by Director of Operations

Purpose of Report

- 1.1 To inform the Board of the new provisions required for electric vehicle (EV) charging infrastructure in our properties, and to approve both the proposed approach to managing tenant requests for equipment installation, and also the policy for staff and public usage of HHP's own EV charging infrastructure.

Summary

- 2.1 The Scottish Government has introduced requirements for EV charging infrastructure for new build properties as part of an update to the Scottish Building Regulations. The guidance came into force in June 2023 so affects any new build warrants from that date.
- 2.2 The new standard requires that "every building must be designed and constructed in such a way that provision for the charging of EV's is made where car parking spaces are located within the building or the curtilage of the building".
- 2.3 Installations must be cost effective. If the installation cost cap is exceeded only the enabling infrastructure need be provided.
- 2.4 Advice for tenants in existing properties, who are looking to install EV charging points is not included in the regulations, but a proposed approach is detailed in this report. The provisions outlined in the report will be incorporated into Development and Estate Management Policies when they are next reviewed and updated.
- 2.5 As part of our wider zero-carbon initiatives, we are now looking to expand the use of any HHP owned charging infrastructure to both staff and the wider public. This is consistent with our ESG policy.

Competence

- 3.1 The legal, financial or other constraints to the recommendations in this report are contained in paragraphs 5, 6 and 7.

Recommendations

- 4.1 **It is recommended that the Board approve the:**
- a) Permission for EV Charge Point Installation; and**
 - b) Staff & Visitor Electric Car Charging Policy at Appendix 1.**

APPENDIX 1: Staff & Visitor Electric Car Charging Policy

Background Papers: None

Writer of Report: John Maciver

Tel: 0300 123 0773

Competence

Financial

- 5.1 Installing an EV charge point in new build properties where ducting is in place is estimated at £1k per dwelling.
- 5.2 Additional electrical supply connection costs are not known at present.
- 5.2 Where the cost cap of £2K (excl. VAT) for the electrical supply connection to each property is exceeded, only enabling infrastructure is required. This relates to providing ducting for future charge point installations and could be delivered at minimal cost within the contract.
- 5.3 The use of HHP's EV Chargepoint by staff and public is expected to be cost neutral and not to add any additional budgetary requirement.

Legal

- 6.1 It is a mandatory requirement to comply with the Building (Scotland) Regulations 2004 and subsequent amendments.

Regulatory Guidance

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

Risk

- 8.1 Failure to comply with Building Regulations would prevent a completion certificate being issued.
- 8.2 Failure would not render a person liable to civil or criminal procedures but proof of compliance with the guidance may be relied on in any proceedings.

Report Details

Electric Vehicle Charging in Homes

- 9.1 The Scottish Government introduced new requirements for Electric Vehicle (EV) charging infrastructure through amendments to the Building Regulations applicable to works requiring a building warrant from 5 June 2023.
- 9.2 It is now a requirement for all new homes, where external car parking is provided, to have access to a charge point socket. Where a property has more than one parking bay, one charge point socket is sufficient.
- 9.3 The installation of a proprietary electric vehicle charging point socket, not a standard electrical outlet, will facilitate safe and efficient recharging of vehicles. The socket will have an output rating of not less than 7 kW.
- 9.4 The installer of electric vehicle charge points needs to notify the electricity Distribution Network Operator of the intent to undertake such an installation when applying for a new electrical supply.
- 9.5 Where car parking is provided within the curtilage of a domestic building comprising more than one dwelling e.g. flats, enabling infrastructure should be provided to each parking space within the curtilage of the development site so that future charging points can be installed.
- 9.6 Exemptions, including costs exemptions and works relating to improving the fire safety of the building envelope, will apply. The cost of the works must be cost effective.
- 9.7 Charge points should enable safe and convenient use and be located outwith any surfaces used as an access route and they should not present an obstruction. They should be positioned in relation to parking spaces to minimise the risk of accidental damage e.g. from vehicles projecting over kerbs.
- 9.8 Where a property is converted, such as Crowlista Care home, EV charging points would be required for each dwelling created.
- 9.9 It is not anticipated that any planned renovations (Investment works) would meet the criteria set out in the guidance.

Installation cost cap

- 10.1 it is deemed cost-effective to install EV charging point sockets where the additional cost of providing the associated electrical supply to the development site does not exceed an average of £2,000 (excluding VAT) per charge point socket. Where this cost cap is exceeded, enabling infrastructure to each parking space should be installed.
- 10.2 Where it is identified that the cost of a full installation would exceed the cost cap, two written quotations are required, including one from the Distribution Network Operator (DNO), for the cost of electrical supply to the development site. Each quotation should confirm:
 - the overall connection costs for electrical supply to the development both without and with electric vehicle charge point sockets, confirming the average cost per charge point socket for a full implementation; and
 - A statement from the provider confirming the maximum number of charge point sockets which can be supported at an additional supply cost not exceeding an average of £2,000 (excluding VAT) per charge point socket. Installation of charge point sockets should be undertaken to the extent confirmed by this statement

- 10.3 Enabling infrastructure refers to the underground ductwork, or other containment routes, provided for installation of electrical cabling to the positions of installed or future charge points from a suitable electrical supply location. For the majority of HHP new builds this will be a short run from the consumer unit, usually in the porch, to a parking bay.

Existing dwellings/Permission to install EV charger

- 11.1 The Scottish Government guidance does not cover tenant requests for installing EV charging points. However, Scotland's Housing Network (SHN) have provided recommended practice and we have prepared guidance for any tenants who wish to install a charging point. This is at Appendix 1 and it is intended that this be incorporated into estate management policies and procedures when these are updated.

HHP's EV Charging infrastructure

- 12.1 We have been evaluating the use of electric vehicles since 2019, primarily through the use of an electric vehicle at the Stornoway Office.
- 12.2 As part of the grant funding that supported the acquisition of that vehicle, there was also funding for charging infrastructure.
- 12.3 A 22Kv unit was installed at the Stornoway office, which allows for two vehicles to be independently charged at the same time.
- 12.4 This unit is managed and maintained for us by Swarco and through the Chargeplace Scotland website/application and card operated service.
- 12.5 The HHP charge-point has not appeared in the advertised charging network for Chargeplace Scotland as it has been locked down to only be available to the current HHP vehicle.
- 12.6 We propose to make the Stornoway charge-point publicly visible, and available to both the public and any HHP staff with their own EV.
- 12.7 Given that this is a limited resource however, we have looked at ways to prevent a single vehicle from being tied to it all day and preventing other vehicles having the opportunity to use it.
- 12.8 This control has initially been delivered through the charging structure, but other systems may be required as we respond to real world events and experience.
- 12.9 The charges have also been set to reflect comparable charging costs here in the islands. These will be reviewed regularly however, as the underlying cost of electricity is the primary cost component of delivering this service.
- 12.10 Electricity prices have fluctuated widely in recent years. Any changes in costs to provide this service will be covered by the charging policy to users.
- 12.11 Other costs will include the servicing and maintenance of the charge-point; the annual EIRC (Electrical Installation Condition Report Certificate) testing; and ChargePlace Scotland administration fees.
- 12.12 Chargeplace Scotland will collect all fees and refund HHP any monies due less their own costs.
- 12.13 We are continuing to investigate electric charge-point and vehicle opportunities for our Uist office, as well as solutions to increase range and HHP service delivery by EV across the island network.

STAFF & VISITOR ELECTRIC CAR CHARGING POLICY

APPROVED BY HHP BOARD:

EFFECTIVE DATE:
February 2024



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INTRODUCTION

- 1.1 This Staff and Visitor Electric Charging Policy sets out how guidance for the use of any Electric Vehicle (EV) Charging equipment located at our offices or on our estates.
- 1.2 This policy has been developed in to support our wider climate change and zero carbon ambitions, whilst at the same time benefiting our tenants, visitors and staff.

AIMS & OBJECTIVES

- 2.1 The sale of all new petrol and diesel cars and vans will be banned in Scotland in 2030, which is now less than 10 years away.
- 2.2 The latest Scottish climate change plan also includes a commitment to cut the total number of kilometres driven by Scots by 20 per cent within the same 10 years period.
- 2.3 These aims and objectives will require significant change in how we and our tenants travel, and how that travel and its required infrastructure is delivered.
- 2.4 This policy sets out the principles that lie behind the initial service we are offering, and by which our cost mechanism has been developed.
- 2.5 Given the limited resource available, and the potential demand, the service is not expected, except in exceptional or emergency situations, to be a full 0-100% charge provider. Instead, it is to be seen as a top up service, to provide users the means to get home or to their next charging point without anxiety.
- 2.6 We intend this to be a not for profit/cost neutral service, by which we mean that our charges will be set to the minimum required in order to cover the charges that we incur in its delivery.

SCOPE

- 3.1 This policy applies to all HHP employees and visitors to the Stornoway office in the first instance.
- 3.2 We will look to expand the policy to all offices, taking in to account the necessary rollout and expansion of the wider recharging network across the islands.

DEFINITIONS & GUIDANCE

- 4.1 HHP will develop a user guide for HHP staff as to how to use the charger.
- 4.2 Once set up with ChargePlace Scotland, their live and interactive online map will indicate the charge point status, and whether it is available.

INFRASTRUCTURE & SETUP

- 5.1 The 22KV charging unit at the Stornoway office allows two vehicles to be charged at the same time. It requires the use of Type 2 charging cables.
- If only one car is charging, it will generally obtain a full charge in 3 -4 hours, but if two cars are charging simultaneously, then charging times will generally double. [Please note however that the capacity of the charging cable will also be a factor in any charge time]
- 5.2 The electricity supply to the charging unit is from a green/renewable sources tariff.
- 5.3 Two parking bays will be reserved for dedicated charging purposes, with one bay set aside for the HHP vehicle, and the other available for staff and visitors on a first come, first served basis.
- 5.4 Signage will be installed to highlight bay usage, as well as highlighting that a charging tariff is in place for use.
- 5.5 We appreciate that this may be insufficient to meet staff and visitor demand, especially as we go forward. We would therefore look to manage this demand by limiting the permitted single visit stay to 3 hours.
- 5.6 A surcharge will be applied to vehicles being left in place for longer than this, to help promote wider sharing and availability of the charging resource.
- 5.7 HHP will use the services of ChargePlace Scotland in order to manage use and fee collection. Chargeplace Scotland already manage most charging points across the islands, and as with these other charge points, users will need to register with ChargePlace Scotland, and to obtain a card for charge point use.
- 5.8 For each private user, there is currently a £20 charge for Chargeplace Scotland registration.
- 5.9 Users will also be expected to provide their own charging cable, and to only use the charger if it is compatible with their vehicle.

COST METHODOLOGY

- 6.1 As well as electricity, there are other overhead costs to be met, including card transaction, merchant and banking fees.
- 6.2 We have also reviewed and assessed the costs being charged elsewhere on the island (by CnES for example).
- 6.3 As previously stated, HHP will look to charge on the basis of only covering its costs, but we need the ability to make a limited resource as widely available as possible, so we will operate on a minimum charge basis, and levy an additional charge should users leave their vehicles in situ for longer than 3 hours.
- 6.4 Initial 2024/25 costs are listed at Appendix 1. These costs will be reviewed annually with any changes being brought to Board each February along with other HHP service charges.

INTERPRETATIONS & ABBREVIATIONS

The following interpretation and abbreviations are used in this policy:

WORD	INTERPRETATION
<i>HHP or Partnership</i>	Hebridean Housing Partnership
<i>Board</i>	Means the Board of the Hebridean Housing Partnership
<i>Board Members</i>	All Members of the Board including co-opted Members
<i>EV</i>	Electric Vehicle
All references to the masculine gender in this policy shall read as equally applicable to the feminine gender	

If there is a conflict between this Policy and any statutory provision or regulation, the latter shall prevail.



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

APPENDIX 1

2024/25 Electric Vehicle Charging Costs

Minimum Fee	£1.00
Per KWh Charge	£0.45
Overstay Fee	£5.00 per hour after 3 hours.

BOARD MEMBER APPOINTMENTS

Board 13 February 2024

Report by Chief Executive

Purpose of Report

- 1.1 The purpose of this report is to consider an appointment to HHP's Board.

Summary

- 2.1 There are currently 3 vacancies in the Tenant Board Member category.
- 2.2 Mrs Fiona Macleod, who served on the Board from 2018 to 2022 as a Community Member, has expressed an interest in returning to the Board.
- 2.3 Mrs MacLeod has worked in both public and voluntary sectors for a number of years, most recently with University of Highlands & Islands North West & Hebrides and has considerable knowledge to draw upon in the fields of Governance, local and community planning and development.
- 2.4 Mrs Macleod has intimated she would be happy to fill one of the vacant Tenant Member posts, as a Community Member in accordance with Rule 40.3.
- 2.5 It is intended that Mrs Macleod would be a substitute member of the Joint Consultative Committee and a member of the Personnel Working Group due to her previous experience.
- 2.6 The appointment would commence on 1 March 2024 until our next AGM.
- 2.7 We have been contacted by one tenant in South Uist and one in Barra about the possibility of becoming Board Members and applications have been sent to them to enable us to consider their appointments.

Competence

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

Recommendations

- 4.1 **It is recommended that the Board approve Mrs Fiona Macleod be appointed to fill one of the vacant Tenant Member posts as a Community Member until the AGM.**

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

Writer of Report: Iona France

Tel: 0300 123 0773

Competence

Financial

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

Legal

- 6.1 In respect of appointing Board Members Rule 40.3 states:

If there are fewer nominations received from Tenant Members than the number of vacant Tenant Board Member places to be filled, then the vacant Tenant Board Member places which cannot be filled by Tenant Members may instead be filled by (First) one Community Member (who shall then be a Community Board Member) and (Second) (if there are further vacancies) up to two Appointed Board Members (who shall then be Appointed Board Members).

Regulatory Guidance

- 7.1 The Regulatory Standards checklist has been completed and there is nothing in the report which would result in a breach of the standards.
- 7.2 This report provides ongoing evidence/assurance of evidence EH1 and RS6 in relation to our Annual Assurance Statement.

Risk

- 8.1 Governance of the Partnership is critical to its long-term viability. Carrying out skills assessments helps to ensure that the Board has the skills, knowledge and diversity it needs to provide capable leadership, control and constructive challenge to achieve the RSL's purpose, and helps to mitigate the risk of not delivering good tenant outcomes or manage the Partnership's affairs.
- 8.2 Recruitment of Governing Body Members is highlighted on our Risk Register with an inherent risk rating of 12 which is classed as a medium risk.

COMMUNITY GRANTS POLICY

Board 13 February 2024

Report by Director of Operations

Purpose of Report

- 1.1 To present a revised Community Grants Policy to the Board for consideration and approval.

Summary

- 2.1 The policy is being reviewed in accordance with the Policy Review Schedule.
- 2.2 Eight applications have been received since we introduced the Policy in November 2017 and we have awarded grants totaling £8,652.15.
- 2.3 The policy has been reviewed and amended to delegate decisions on whether projects are supported to the Operations Working Group.

Competence

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

Recommendations

- 4.1 **It is recommended that the Board approve the Community Grants Policy at Appendix 1.**

APPENDIX 1: Community Grants Policy

Background Papers: None

Writer of Report: Jonathan Fairgrieve

Tel: 0300 123 0773

Competence

Financial

- 5.1 Budgetary provision for this scheme is considered as part of the budget setting process, The budget for 2023/24 was £10,000.

Legal

- 6.1 Funding provided to external groups must be consistent with our charitable aims.

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 specific risks associated with this report.

COMMUNITY GRANTS POLICY

APPROVED BY HHP BOARD:

EFFECTIVE DATE:
February 2024



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INTRODUCTION

- 1.1 The HHP Community Grant Fund is available to support small scale community projects that will improve the quality of life for residents and make a real difference to the neighbourhoods which we serve. The level of award for any suitable project shall be determined by the Board.

AIMS

- 2.1 This policy seeks to support activity by local groups to improve the lives and environment in their area.

ELIGIBLE GROUPS

- 3.1 The fund is open to charities, tenant and residents' groups and voluntary organisations. There must be a benefit to our tenants from the project being proposed.
- 3.2 Groups must be based in an area which serves one or more of our estates or streets. Normally groups should have a registered bank account with two signatories who are not related and who do not live at the same address.
- 3.3 It may however be possible to fund projects where the group do not have a bank account and where the costs can be paid directly by us. Funds may also be managed via the Forum.

PRIORITIES

- 4.1 Successful applicants will be able to demonstrate that their project supports one or more of the following priorities:

Healthy Living and Well Being

- 4.2 We aim to support residents to live happy, healthy and fulfilled lives, with access to the care and support services they need. We are particularly interested in projects which aim to reduce isolation, build connections and friendships.

Environmental Improvements and Sustainability

- 4.3 We aim to make our neighbourhoods greener and cleaner places to live and to assist our residents to live more sustainable lifestyles. We are particularly interested in projects which actively engage people in improving spaces or places as well as projects which support greener lifestyle choices.

Young People, Children and Older People

- 4.4 We want to support the most vulnerable in our communities. We want to provide opportunities for our young people and to ensure our elderly are supported.

Employment Training and Skills

- 4.5 We aim to support residents in developing skills and accessing training opportunities in order to enter into, and sustain, employment. We are particularly interested in projects which aim to increase employability, gain qualifications and help people progress into work. We also aim to ensure that everyone is able to access the basic financial services products that are needed to participate in a modern society. We are interested in projects which increase the confidence of people to manage their money.

Community Support and Safety

- 4.6 We aim to ensure that our communities are safe places to live and are equipped with the infrastructure they need to shape their aims and aspirations. We are particularly interested in projects which aim to bring the community together and to make our communities feel safer and increase a sense of belonging and pride.

DECISION MAKING

- 5.1 Decisions on whether projects will be supported are made by the Operations Working Group.

APPLICATION PROCESS

- 6.1 Applicants to the fund will be required to submit an application form providing details of their project and group.
- 6.2 All applications will be assessed, and a report will be presented to the next meeting of the Board following completion of this assessment.
- 6.3 Applicants will be notified of the decision as quickly as possible thereafter.

CONDITION OF GRANT

- 7.1 It will be a condition of any grant offer that the applicant will work with officers to record expenditure, to monitor progress and to share stories. Officers will work to support successful applicants to make sure that the project is a success.

- 7.2 The grant offer will set out the payment arrangements for the grant and the timescale for the grant.

INELIGIBLE PROJECTS

- 8.1 The following activities are not eligible for funding and will not be supported.
- Routine repairs or maintenance. (Upgrading equipment may be supported)
 - Political or religious activities.
 - Ongoing running costs e.g. insurance, utility costs, rent, and salaries
 - Funding individuals or projects which only benefit one person
 - Fixtures and fittings e.g. chairs, tables etc. unless the project cannot run without the specialised equipment
 - Sponsorship or projects, which are motivated mainly by marketing or branding
 - Purchase and distribution of alcohol for any event

EQUAL OPPORTUNITIES

- 9.1 We are committed to providing fair and equal treatment to all its customers and service users and will not discriminate against any individual, household or group on the grounds of:
- sex or marital status;
 - race or colour;
 - disability;
 - age;
 - sexual orientation;
 - language or social origin;
 - employment status or;
 - other personal attributes, including beliefs or opinions such as religious beliefs or political opinions.

MONITORING AND REVIEW OF POLICY

- 10.1 This policy will be reviewed every 3 years in line with the Policy Review Schedule.

INTERPRETATIONS & ABBREVIATIONS

The following interpretation and abbreviations are used in this policy:

WORD	INTERPRETATION
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<i>Board</i>	Means the Board of the Hebridean Housing Partnership
<i>Board Members</i>	All Members of the Board including co-opted Members
<i>The Forum</i>	Western Isles Housing Association Community Forum
All references to the masculine gender in this policy shall read as equally applicable to the feminine gender	

If there is a conflict between this Policy and any statutory provision or regulation, the latter shall prevail.



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Web: www.hebrideanhousing.co.uk

DOMESTIC ABUSE POLICY

Board 13 February 2024

Report by Director of Operations

Purpose of Report

- 1.1 The purpose of this report is to review the Domestic Abuse Policy.

Summary

- 2.1 The Domestic Abuse Policy was approved by the Board on 27 January 2021.
- 2.2 The policy has been reviewed and has also been shared with the Violence against Women Partnership. No significant changes have been identified to the policy.
- 2.3 Once the policy has been approved staff will be briefed on it and refreshed on the provisions so that they are aware of the issues.

Competence

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

Recommendations

- 4.1 **It is recommended that the Board:**
- a) note the review of the Domestic Abuse Policy at Appendix 1 and that no content changes were required; and**
 - b) agree to review the Policy in 2027.**

APPENDIX 1 Domestic Abuse Policy

Background Papers None

Writer of Report John Maciver

Tel: 0300 123 0773

Competence

Financial

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

Legal

- 6.1 The policy meets our legal and regulatory duties with regard to domestic abuse.

Regulatory Guidance

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

Risk

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

DOMESTIC ABUSE POLICY

APPROVED BY HHP BOARD:

EFFECTIVE DATE:



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INTRODUCTION

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

DEFINITION

- 2.1 For the purposes of this policy, we will use the Scottish Government definition of Domestic Abuse which is:

'domestic abuse (as gender based abuse) can be perpetrated by partners or ex partners and can include physical abuse (assault and physical attack involving a range of behaviour), sexual abuse (acts which degrade and humiliate women and are perpetrated against their will, including rape) and mental and emotional abuse (such

as threats, verbal abuse, racial abuse, withholding money and other types of controlling behaviour such as isolation from family or friends. It can be characterised by a pattern of coercive control often escalating in frequency and severity over time).

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

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

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

AIMS

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

- create a consistent approach for recording and monitoring incidents of domestic abuse.

RESPONSIBILITIES

4.1 Management

The Director of Operations has responsibility to ensure all staff are aware of the policy.

4.2 Employees

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

OUR APPROACH

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

PREVENTION

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

CONFIDENTIALITY

7.1 Victims will be encouraged to allow us to share information with other agencies, including the Police, and Local Authority departments, to ensure that the full range of civil and criminal action can be pursued, and appropriate assistance provided. However, all information provided by the victim will be treated with the utmost confidence and only passed to external agencies with their proper, informed consent.

7.2 The exceptions will be:

- Where we consider a child is at risk in any situation; or
- If there is a high risk of serious harm to anyone involved; or
- If we are obliged by law to disclose information.

Area Managers or, in their absence, a member of the Executive Team, must approve any disclosure that does not have the victim's consent.

7.3 Information will be shared with work colleagues on a strictly "need to know" basis. We will adhere to all GDPR requirements.

OPTIONS FOR ACTION

8.1 We recognise that every reported case of domestic abuse will be different. Our response will, therefore, be tailored to the individual circumstances and needs of the victim. When a tenant or household member reports domestic abuse, all available options will be discussed and considered with them, including:

- making arrangements for their immediate personal safety;
- reviewing and where possible improving safety and security of their existing accommodation, to enable them to remain there safely, taking into account the Safe at Home procedure by Police Scotland;
- tenancy and housing options advice including, where appropriate legal action against the perpetrator by HHP;
- helping them to access support from local services such as Western Isles Women's Aid, Advocacy Services, Rape Crisis etc.;
- Referral to CNES Homelessness Service;
- reporting incidents to Police Scotland which may result in criminal action against the perpetrator; and

- where appropriate, legal action against the perpetrator.

8.2 The safety of the victim and their dependents will be our priority. An Action Plan setting out further actions will be agreed with the victim, and we will regularly contact the victim to keep them updated with progress.

Remaining in the Property

8.3 We will signpost victims who wish to remain in their own homes to other agencies and carry out a Safe at Home check at their existing accommodation.

8.4 We will offer assistance to those experiencing domestic abuse by not recharging them for lock changes and damage to property due to the domestic abuse.

Emergency Rehousing

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

Permanent Rehousing

8.6 Where a resident reporting domestic abuse requests permanent rehousing, we will prioritise their application in terms of our Allocations Policy. We will review and determine the action to be taken on each individual case basis in discussion with other partner agencies.

8.7 Where rehousing requires to be out of the area, we will signpost victims to other support and advice agencies and other social landlords to access alternative accommodation.

Multi-agency Approach

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

Action against Perpetrators

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

STAFF TRAINING AND AWARENESS

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

MONITORING/IMPLEMENTATION AND POLICY REVIEW

- 10.1 This policy will be reviewed every 3 years unless legislation, business or sector developments require otherwise to ensure it meets the stated objectives and takes account of best practice developments.

COMPLAINTS

- 11.1 Any complaints in respect of this policy will be dealt with under our Comments, Compliments & Complaints Handling Policy.

EQUALITY & DIVERSITY

- 12.1 This Policy complies fully with our Equality & Diversity Policy. We recognise our pro-active role in valuing and promoting diversity, fairness, social justice and equality opportunity by adopting and promoting fair policies and procedures.
- 12.2 We are committed to providing fair and equal treatment for all our stakeholders including tenants and will not discriminate against anyone on the grounds of race, colour, ethnic or natural origin, language, religious belief, age, sex, sexual orientation, gender re-alignment, disability, marital status, pregnancy or maternity. Indeed, we will positively endeavour to achieve fair outcomes for all.

GDPR

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

LEGAL AND REGULATORY FRAMEWORK

- 14.1 The Domestic Abuse policy considers the following legislation, and employees are encouraged to refer to this where cases require:
- Domestic Abuse (Scotland) Act 2018;
 - The new Coercive Control Law Domestic Abuse (Scotland) Act 2018
 - Domestic Abuse (Scotland) Act 2011;
 - Anti-Social Behaviour (Scotland) Act 2004;
 - Humans Rights Act 1998;
 - The Equality Act 2010;
 - The Housing (Scotland) Act 2010;
 - Data Protection 1998 (GDPR 2018 policy); and
 - Crime and Policing (Scotland) Act 2014
 - Children's Scotland Act 1995/2014
- 14.2 Related documents:
- Allocations Policy;
 - Data Protection Policy;
 - Anti-Social behaviour Policy;
 - CIH Make a Stand in partnership with Women's Aid Scotland;
 - Equally Safe Scotland's strategy to eradicate violence;
 - The Scottish Housing Charter
 - Equal Opportunities Policy
 - Repairs and Maintenance Policy

INTERPRETATIONS & ABBREVIATIONS

The following interpretation and abbreviations are used in this policy:

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<i>Board</i>	Means the Board of the Hebridean Housing Partnership
<i>Board Members</i>	All Members of the Board including co-opted Members
All references to the masculine gender in this policy shall read as equally applicable to the feminine gender	



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EMPLOYEE HEALTH & SAFETY POLICIES

Board 13 February 2024

Report by Chief Executive

Purpose of Report

- 1.1 The report seeks approval for the Smoking at Work and Young Workers policies following a review.

Summary

- 2.1 The Partnership's Smoking at Work and Young Workers policies are scheduled for review. They were both last reviewed in 2021.
- 2.2 Following the review, no changes have been identified. The Smoking at Work policy is at Appendix 1 and Young Workers Policy at Appendix 2.

Competence

- 3.1 There are no legal, financial or other constraints to any recommendations in this report being implemented.

Recommendations

- 4.1 **It is recommended that the Board:**
- a) **note that the following policies have been reviewed and no changes are required**
 - **Smoking at Work**
 - **Young Workers; and**
 - b) **agree to review the policies in 2027.**

APPENDIX 1 Smoking at Work Policy

APPENDIX 2 Young Workers Policy

Background Papers None

Writer of Report Dena Macleod

Tel: 0300 123 0773

SMOKING AT WORK POLICY

APPROVED BY HHP BOARD:

EFFECTIVE DATE:
February 2024



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INTRODUCTION

- 1.1 The Smoking, Health and Social Care (Scotland) Act 2005 and The Prohibition of Smoking in Certain Premises (Scotland) Regulations 2006 prohibited smoking in certain public places which are 'wholly or substantially enclosed', including the majority of workplaces. It is an offence to smoke in No Smoking premises or to knowingly permit smoking in No Smoking premises.
- 1.2 The purpose of this policy is to ensure HHP comply with the above Act and Regulations and to protect any person (e.g. employees, customers, contractors, or visitors) in the workplace or in a company vehicle from exposure to second-hand smoke.

POLICY OBJECTIVES

- 2.1 Smoking for the purposes of this policy relates to tobacco and other substances as well as the use of e-cigarettes/vaping.
- 2.2 It is the policy of HHP that all of our workplaces and company vehicles are smoke free. This policy was developed in consultation with employees and their representatives.
- 2.3 Smoking is prohibited in any part of the workplace including toilets, showers, stairways, lifts, interview rooms, stores, corridors, kitchen, reception area, entrances or any other communal area.
- 2.4 Smoking is also prohibited in any part of company vehicles at any time. Staff should avoid smoking in their own vehicles when on HHP business especially if they have passengers, or when they are passengers in another vehicle.
- 2.5 Smoking will only be permitted outdoors in designated areas.
- 2.6 All employees who smoke outdoors in a designated area must dispose of any ash or cigarette ends in the bins provided.
- 2.7 All employees must ensure that the length or frequency of their smoking breaks does not have an adverse effect on their performance or the business. An employee must make up the time he takes for smoking breaks if doing so would prevent that time from having an adverse effect on his performance or the business.

IMPLEMENTING THE POLICY

- 3.1 The Chief Executive has overall responsibility for the implementation of this policy.
- 3.2 Procedures relating to the implementation, monitoring and enforcement of this policy have been developed and are maintained by the Health & Safety Committee and updated as required.
- 3.3 Day-to-day responsibility for the implementation of this policy lies with line managers but all employees are obliged to adhere to and facilitate the implementation of the policy in the workplace.

COMMUNICATING THE POLICY

- 4.1 We will inform its employees and visitors about the Smoking at Work Policy in the following ways:
 - a) No Smoking signs will be clearly displayed at the entrances to and within the workplace, and in company vehicles;
 - b) all new employees will be given access to the Smoking at Work Policy (e.g. at induction); and
 - c) a copy of the policy will be posted on HHP's intranet.

MONITORING AND REVIEW OF POLICY

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

APPENDIX A

HHP PROCEDURES RELATING TO THE SMOKING AT WORK POLICY

EMPLOYEE NON-COMPLIANCE

- 1.1 In accordance with the employer's disciplinary procedure, disciplinary action will be taken against an employee who smokes in the workplace or in any part of a company vehicle at any time.

VISITOR NON-COMPLIANCE

- 2.1 All employees are expected to inform visitors about the No-Smoking at Work Policy in any part of the workplace. However, an employee is not expected to enter into any confrontation that may put his personal safety at risk.
- 2.2. Employees should take the following steps if their visitor smokes in any part of the workplace in their presence.
- a) Politely ask them to stop smoking and inform them that smoking is only permitted outdoors in designated areas;
 - b) If the visitor does not stop smoking, politely inform the visitor that it is illegal to smoke and ask him to leave the premises; or
 - c) If the visitor does not stop smoking or refuses to leave the premises, immediately inform Corporate Resources Manager.

PASSENGER NON-COMPLIANCE

- 3.1 All employees are expected to inform passengers about the Smoking at Work Policy in any part of a company vehicle. However, an employee is not expected to enter into any confrontation that may put his personal safety at risk.
- 3.2 The driver of a company vehicle has a legal obligation to stop any passenger from smoking in that vehicle.
- 3.3 Such a driver should take the following steps if their passenger smokes in the vehicle in their presence.

- a) Politely inform the passenger that it is illegal to smoke and ask him to stop smoking;
- b) If the passenger does not stop smoking — politely inform the passenger that it is illegal to smoke and ask him to leave the vehicle (if it is possible for you to park the vehicle legally and safely); or
- c) If the passenger does not stop smoking, refuses to leave the vehicle or it is not possible for you to park the vehicle legally and safely, please continue your journey and report the incident to your Line Manager. Any report about such an incident will only be used for the purpose of monitoring the effectiveness of the Smoking at Work Policy in company vehicles.

FINES FOR FAILING TO STOP A PASSENGER FROM SMOKING

- 4.1 Employees who fail to stop passengers from smoking in a company vehicle may be liable to pay a court fine of up to £2,500 unless they can show that they took reasonable steps to stop the passengers from smoking (e.g. by asking the passenger to stop).

HELP TO STOP SMOKING

- 5.1 Smokers who want to stop smoking may call the NHS smoking helpline on 0300 123 1044 or www.smokefree.nhs.uk

INTERPRETATIONS & ABBREVIATIONS

The following interpretation and abbreviations are used in this policy:

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<i>HHP or Partnership</i>	Hebridean Housing Partnership
<i>Board</i>	Means the Board of the Hebridean Housing Partnership
<i>Board Members</i>	All Members of the Board including co-opted Members
<i>The Forum</i>	Western Isles Housing Association Community Forum
All references to the masculine gender in this policy shall read as equally applicable to the feminine gender	

If there is a conflict between this Policy and any statutory provision or regulation, the latter shall prevail.



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YOUNG WORKERS POLICY

APPROVED BY HHP BOARD:

EFFECTIVE DATE:
February 2024



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INTRODUCTION

- 1.1 HHP has a duty under the Health & Safety at Work Act (1974), and other subordinate legislation, to ensure, so far as is reasonably practicable, the health, safety and welfare of employees, and those persons who are not employees who might be affected by its activities.
- 1.2 It is HHP's policy to provide safe and healthy working conditions for its employees. In addition, every effort will be made to ensure the safety and welfare of members of the public.
- 1.3 The Management of Health & Safety at Work Regulations (1999) require employers to carry out a suitable and sufficient assessment of the risks to the health and safety of their employees, in order to identify the measures which need to be taken to comply with statutory requirements and prohibitions.
- 1.4 Employees also have a duty under Health & Safety Legislation to take reasonable care of their own health and safety at work, and of others whom their acts or omissions may affect. Employees are also required to co-operate with such persons with obligations under Health & Safety Legislation in order that those persons may carry out their statutory duties.
- 1.5 Young people include employees and students under 18 years of age, and children (those under the Minimum School Leaving Age, MSLA, usually 16). We prohibit the employment of young people under the MSLA except on work experience schemes approved by a local authority or the governing body of an independent school. While on work experience placements (which generally take place in fourth year) children have the temporary legal status and rights of employees.
- 1.6 We will not employ young workers (those under 18 years) for work which:
 - a) is beyond their physical or psychological capability;
 - b) presents a risk to health from physical agents; and
 - c) introduces a risk of accidents which it may be reasonably assumed the young person cannot recognise due to inexperience or lack of training.

POLICY OBJECTIVES

- 2.1 Young workers are often exposed to risks to their health and safety when at work as a consequence of their immaturity, lack of experience or absence of awareness of existing or potential risks.
- 2.2 There may be differences in the psychological make-up of individual young workers, which are generally a reflection of their background, experience, personality and training.
- 2.3 Assumptions must not be made about a young worker's abilities to cope with different work situations, some of which may be stressful for a new and inexperienced worker. Lack of experience or training may make them less able to identify potentially risky situations or equip them with the means of dealing with them appropriately. Young workers must be supervised closely until their ability to cope and make sound decisions has been proven.
- 2.4 The Management of Health & Safety at Work Regulations 1999 (S.I. 1999, No. 3242) (MHSWR) particularly controls the special risks to children and young people in an occupational context, i.e. at work.
- 2.5 The control of these risks in MHSWR is ensured by the risk assessment carried out before they begin work. In particular, this extra assessment needs to take into account the general fact that they are at greater risk because of their possible lack of awareness of existing or potential risks, immaturity and inexperience and also the specific risks referred to in the MHSWR.
- 2.6 There are specific general prohibitions to children and young people undertaking certain general work activities. In addition, certain specific work activities that carry a higher risk than most contain prohibitions in their particular legislation.
- 2.7 The nature, degree and duration of exposure to physical, biological and chemical agents should also be considered:
 - a) young workers are generally at no greater risk from physical agents than adults, and compliance with relevant HHP Health & Safety policies will satisfy the legislative requirements for young people;
 - b) young workers are no more likely to contract infections from biological agents than adult workers, although, like adults, they may be at greater risk if they

suffer from any other diseases, if they are immuno-compromised, or are taking medication, for example; and

- c) there is no enhanced risk to young workers from exposure to hazardous substances, although they may lack awareness of the hazards and risks they may encounter in their work, and exhibit less care or attention in handling or disposing of such materials.

2.8 Our risk assessment should cover:

- a) fit-out and layout of the workplace and workstations;
- b) type, range and use of work equipment and the way in which it is handled; and
- c) organisation of the work, processes or activities that the young person will undertake.

2.9 This risk assessment must be carried out before a young worker begins their employment. Appropriate insurance cover must also be implemented by this time.

2.10 The other principle general Health & Safety Legislation that places special requirements for children and young people is the Working Time Regulations 1998 (S.I. 1998, No. 1833), as amended 2002.

2.11 The Working Time Regulations define "the restricted period", in relation to a young worker, as the period between 10 p.m. and 6 a.m. or, where the worker's contract provides for them to work after 10 p.m., or the period between 11 p.m. and 7 a.m."

2.12 A young worker's working time shall not exceed:

- eight hours a day; or
- 40 hours a week.

2.13 If, on any day, or, as the case may be, during any week, a young worker is employed by more than one employer, his total aggregated working time shall not exceed 40 hours a week.

2.14 We will ensure that no young worker employed works during the restricted period.

IMPLEMENTING THE POLICY

3.1 The Chief Executive has overall responsibility for the implementation of this policy.

3.2 Procedures relating to the implementation, monitoring and enforcement of this policy will be developed and maintained by the Health & Safety Committee and updated as required.

- 3.3 Day-to-day responsibility for the implementation of this policy lies with line managers but all employees are obliged to adhere to and facilitate the implementation of the policy in the workplace.
- 3.4 Proper instruction is essential, and the performance of the work must be monitored carefully to ensure that the young workers have fully understood any instructions that are given, as well as to alert their line manager of emerging problems. The scope of training will vary with the individual and according to the work needing done. It is dependent on their comprehension and aptitude, and must be tailored and paced according to their needs.
- 3.5 Young workers are very likely to need more supervision than adults. Effective supervision will help to monitor the effectiveness of the training they have received, and help to assess whether the young person is capable and competent to do the work to a level where they can work safely without putting themselves, or others, at risk.
- 3.6 Line managers should not allow young workers under their supervision to undertake work unless the work is necessary for their training, the risk has been assessed and reduced to the lowest level reasonably practicable, and they are supervised by a competent person on an ongoing basis.
- 3.7 Managers must satisfy themselves that appropriate training is being delivered and that the supervisory arrangements are adequate and commensurate with the young person's abilities and needs.

COMMUNICATING THE POLICY

- 4.1 We will inform our employees about the Young Workers Policy. All staff will be trained in the operation of the policy.
- 4.2 All Young Workers employed by us will be given access to a copy of the Young Workers Policy (e.g. at induction).
- 4.3 Training should also include ensuring that those people responsible for carrying out risk assessments are competent to do so.
- 4.4 A copy of the policy will be posted on HHP's intranet.

MONITORING AND REVIEW OF POLICY

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

INTERPRETATIONS & ABBREVIATIONS

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<i>Board Members</i>	All Member of the Board including co-opted Members
<i>Health & Safety Committee</i>	Means all Members of the Committee
<i>Young Person</i>	A young person is anyone under 18.
<i>Child</i>	Anyone who is not over compulsory school age. Who has not yet reached the official age at which they may leave school. (NB the oldest pupils of compulsory school age, those born in September for example, may be as old as 16 years and 10 months in fourth year before they leave school on the last Friday in June.)
<i>MSLA</i>	Minimum School Leaving Age
<i>Young Worker</i>	The law on working time defines a young worker as being below 18 years of age and above the MSLA
<i>MHSWR</i>	The Management of Health & Safety at Work Regulations
All references to the masculine gender in this policy shall read as equally applicable to the feminine gender	

If there is a conflict between this Policy and any statutory provision or regulation, the latter shall prevail.



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STRESS MANAGEMENT POLICY

Board 13 February 2024

Report by Chief Executive

Purpose of Report

- 1.1 The report seeks approval for the Stress Management Policy following a review.

Summary

- 2.1 The Partnership's Stress Management Policy is scheduled for review. The Policy was last reviewed in 2020.
- 2.2 The Policy, at Appendix 1, has been reviewed by the Health & Safety Committee, with minor changes made.

Competence

- 3.1 There are no legal, financial or other constraints to any recommendations in this report being implemented.

Recommendations

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

APPENDIX 1	Stress Management Policy
APPENDIX 2	Employee Stress Questionnaire
Background Papers	None
Writer of Report	Dena Macleod

Tel: 0300 123 0773

STRESS MANAGEMENT POLICY

APPROVED BY HHP BOARD:

EFFECTIVE DATE:
February 2024



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INTRODUCTION

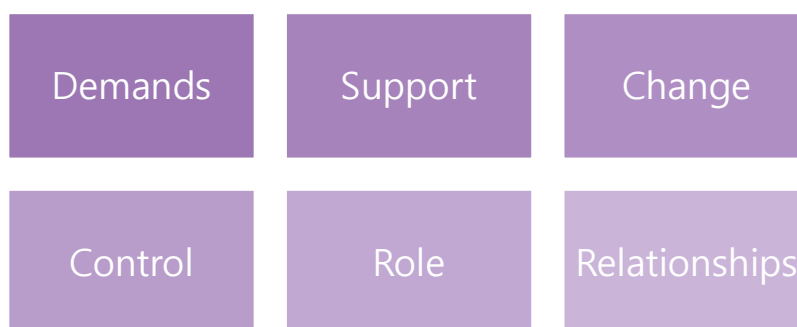
- 1.1 HHP is committed to protecting the health, safety and welfare of its employees. We recognise that work-related stress can damage the mental and physical health of our employees and we are committed to reducing and where possible eliminating stress for our employees.
- 1.2 Stress can result in poor mental health of employees even if the effects are not severe enough to result in a medical diagnosis. We recognise the need to promote a culture of good mental and physical health in our duty of care under the requirements of the Health and Safety at Work Act 1974.

The Health and Safety Executive defines stress as "the adverse reaction people have to excessive pressure or other types of demand placed on them". This makes an important distinction between pressure, which can be a positive state if managed correctly, and stress which can be detrimental to health

- 1.3 This Policy will apply to everyone in the organisation including temporary employees, but we recognise the particular difficulties of identifying stress in small offices, or with employees who predominantly work out with our office environment.
- 1.4 Stress can affect anyone and is not a sign of weakness.

BACKGROUND

- 2.1 Stress in the workplace is not new, the Health and Safety Executive (HSE) introduced Stress Management Standards several years ago and implemented tools to accompany them which have been developed over the years.
- 2.2 The Management Standards cover six key areas:



- 2.3 Full descriptions of the Standards and typical behaviours which can be a sign of stress are available from the HSE website (www.hse.gov.uk).
- 2.4 It is important to distinguish the difference between stress and pressure. In most work situations some pressure is healthy, but stress is when a person experiences too much pressure and the effect of the pressure becomes negative.

POLICY CLAIMS

- 3.1 This Policy aims to:
- Promote a culture of mental and physical wellbeing;
 - Increase awareness of stress;
 - Provide Managers with a clear process to use should an employee report that they are experiencing symptoms of stress;
 - Provide details of the proactive measures we will implement to help and reduce and, where possible eliminate stress and its causes; and
 - Provide adequate resources to enable Managers to implement our agreed Stress Management Strategy

IMPLEMENTING THE POLICY

- 4.1 The Chief Executive has overall responsibility for the implementation of this Policy.
- 4.2 Procedures relating to the implementation, monitoring and enforcement of this Policy will be developed and maintained by the Health & Safety Committee and updated as required.
- 4.3 We will:
- Train and support Managers in the risk assessment process
 - Keep a central record of stress risk assessments and check whether these are suitable and sufficient
 - Ensure that appropriate stress management training is provided to Managers by competent training providers
 - Monitor and review the effectiveness of measures to reduce stress by collating sickness absence statistics and any other relevant data

- Provide training for Managers and staff on all areas relating to stress management
- Provide continuing support to Managers and employees and encourage referral to specialist counsellors where appropriate
- Support employees who have been off work due to stress and advise them and their Line Managers on a planned return to work

4.4 The day-to-day responsibility for the implementation of this Policy lies with Line Managers but all employees are obliged to adhere to, and facilitate the implementation of the Policy in the workplace.

CONFIDENTIALITY

4.5 We will ensure that employees experiencing stress are dealt with in the strictest of confidence.

4.6 We will treat your personal data in line with our obligations under the current Data Protection Regulations and our own Data Protection Policy. Information regarding how your data will be used and the basis for processing your data is provided in HHP's employee privacy notice.

LINE MANAGER RESPONSIBILITY

4.7 Line Managers play a key role in managing stress in the workplace. It is vital to the success of a Stress Management Policy that Managers have a thorough understanding of what stress is and what the causes and early signs are.

THE LINE MANAGER RESPONSIBILITIES INCLUDE:

- Attending stress awareness training;
- To be aware of the signs of stress and intervene where necessary;
- Promote our culture of a physically and mentally healthy organisation;
- To manage staff effectively to minimise them experiencing stress by ensuring:
 - good two-way communication between themselves and staff;
 - that employees are consulted and provided with constructive feedback in the course of their work particularly when changes are being proposed or implemented;
 - ensuring that bullying and harassment is not tolerated;

- appropriate risk assessments are carried out;
- recommendations of risk assessments are implemented as required;
- working hours and overtime of employees is monitored to avoid overworking or overload;
- employees take their full holiday entitlement;
- employees have adequate opportunities for rest, meals and refreshments;
- employees are fully trained to carry out their duties;
- employees are provided with meaningful developmental opportunities;
- that employees experiencing stress have access to appropriate sources of advice and support;
- lone workers are provided with effective supervision and support;
- additional support is offered to employees who are experiencing stress outside the workplace, should it be appropriate; and
- encouraging a culture where stress is not regarded as a weakness.

EMPLOYEES RESPONSIBILITY

- 4.8 Individuals need to be aware of their own range of feelings and reactions to stressful situations and their personal methods of coping.
- 4.9 Excessive pressure and personal stress is not always evident in individuals, and Line Managers may not be aware of the stressors or triggers that affect their staff. Employees have a level of responsibility to take in maintaining their own health and well-being and have a duty to inform their Line Managers when work pressure is excessive to that reasonable steps can be taken to reduce this wherever possible.

Employees responsibilities include:

- raising any concerns they may have regarding stress at the earliest opportunity;
- to participate in our measures to assist in reducing or eliminating stress including attending counseling when recommended;
- being aware of the HSE Risk Management Standards and the signs of stress;

- raising any concerns, they may have for their colleagues in regard to stress with a Line Manager

HEALTH & SAFETY COMMITTEE

- 4.10 The Health & Safety Committee will perform a pivotal role in ensuring that this Policy is implemented, and will oversee monitoring of the efficacy of the Policy and other measures to reduce work-related stress and promote workplace H&S.

MANAGING STRESS

- 5.1 To support our commitment to reduce the risk of stress occurring, we will ensure the following initiatives are implemented and adopted.

PROACTIVE MEASURES	
Managers Training	All Line Managers will attend stress awareness training and subsequent refreshers at appropriate intervals
Stress Risk Assessments	We commit to conducting a stress risk assessment among staff on a periodic basis to help inform the team/department risk assessment. This will assist in identifying any 'at risk' areas within the organisation
Analysing Information	Commitment will be given that we will review appropriate data e.g. absence, employee concerns, employee questionnaires to identify areas where stress is or could be a risk
Promoting the Well Being of Employees	We are committed to developing a Well-Being Strategy, facilitating a culture of promoting physical and mental health in the following ways: • Provide stress awareness sessions for staff. • Ensure that staff take any allocated breaks. • Manage staff holiday entitlement in order that leave is taken throughout the year at reasonable intervals. • Promote the benefits of physical activity for both physical and mental health. • Ensure that staff are not working excessive hours on a regular and prolonged basis. Provide opportunities for employees to be active throughout their working day where possible and appropriate.

REACTIVE MEASURES

- 5.2 Stress is a very individualised condition and, as a result, it is unfortunate that even with the above measures being put in place some employees may nonetheless find themselves experiencing a stressful period in their lives. This may be caused by work or personal circumstances, or a combination of both.
- 5.3 We will use a number of processes and procedures to help identify and then deal with a situation where an employee raises concerns of stress. Different procedures may be required depending on the circumstances involved. If the employee's Line Manager is a contributing factor to the employee's stress there will be separate procedures for this instance.
- 5.4 If it is identified that the stress is being caused by another employee then appropriate investigations may be required in line with our Grievance Policy.
- 5.5 If through discussions with an employee a Line Manager becomes aware of a stress risk they will raise this in the appropriate way to ensure it is addressed at an organisational level. This will be done while maintaining the employee's confidentiality.

OCCUPATIONAL HEALTH & COUNSELLING SERVICE

- 6.1 If deemed appropriate an employee may be referred to an occupational health specialist to help identify any actions that could be taken to assist the employee.
- 6.2 The details of the service available to employees are displayed on the staff notice boards, intranet or can be sought from the employee's Line Manager.

COMMUNICATING THE POLICY

- 7.1 HHP will inform its employees about the Stress Management Policy.
- 7.2 All new employees will be given access to a copy of Stress Management Policy and training on its procedures as part of their induction process.
- 7.3 The Staff Handbook will include the Policy.

MONITORING AND REVIEWING THE POLICY

- 8.1 We will review this Policy every 3 years. More frequent reviews will be considered if, for example, there is a need to respond to new legislation/policy guidance.

RELATED POLICIES AND PROCEDURES

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

- Data Protection Policy; and
- Grievance Policy.

INTERPRETATIONS & ABBREVIATIONS

The following interpretation and abbreviations are used in this policy:

WORD	INTERPRETATION
<i>HHP or Partnership</i>	Hebridean Housing Partnership
<i>Board</i>	Means the Board of the Hebridean Housing Partnership
<i>Board Members</i>	All Members of the Board including co-opted Members
<i>H&S</i>	Health & Safety
<i>Stress</i>	The adverse reaction people have to excessive pressure or other types of demand placed on them
<i>Proactive measures</i>	Aims to prevent the harm caused by stress by taking action before it occurs
<i>Reactive measures</i>	Actions which will respond to any stress related situation to minimise harm once it has occurred and assist in preventing it occurring again
All references to the masculine gender in this policy shall read as equally applicable to the feminine gender	



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Email: info@hebrideanhousing.co.uk

Web: www.hebrideanhousing.co.uk



Individual Employee Stress Questionnaire

You have been given this questionnaire to complete following on from your initial meeting with your manager regarding any stress you are experiencing.

The purpose of this questionnaire is for you to identify what factors may be contributing to you feeling stressed, and for you to think about, and detail what you feel would help you manage your current situation.

Once you have completed the form, please return it to your line manager who will then arrange a further meeting with you to discuss your stressors and what support may be available.

If, due to the circumstances it would be better to discuss your current situation with an alternative manager this can be arranged.

Stressors

Please list the factors that you feel are contributing to you feeling stressed, once you have done this, please rank them from 1-10 with 10 having the biggest impact on you and 1 the least. The factors detailed may be within or out with the workplace.

Stressor	Stress Factor Rating (1-10)
Workplace factors – e.g. Workload/working relationships/work/life balance	
External factors – e.g. Home life/family/financial	

Moving Forward

Taking each stressor in turn please complete the below section prior to the meeting. Section 3 & 4 will be completed at the meeting with your line manager.

Stressor 1 – Outline the background
How do you see this situation being resolved?

Stressor 2 – Outline the background
How do you see this situation being resolved?

Stressor 3 – Outline the background

[illegible]

How do you see this situation being resolved?

This section below will be completed with your line manager at the meeting

Section 3 – Agreed Actions

--

Section 4 – Review Date

--

Employee signature

Date

Line managers signature

Date

FRAUD POLICY & CHECKLIST

Board 13 February 2024

Report by Director of Finance & Corporate Services

Purpose of Report

- 1.1 To present for consideration and approval the updated Fraud Policy and the Fraud Checklist for noting.

Summary

- 2.1 The Fraud Policy was approved in February 2020 and is due for review every 4 years.
2.2 Following the review, no changes have been made to the Fraud Policy.
2.3 The Fraud Policy requires a Fraud Checklist to be prepared and presented to the Audit & Risk Committee and Board, annually.

Competence

- 3.1 The legal and financial and other implications are detailed in paragraph 5.1 - 8.2.

Recommendations

- 4.1 **It is recommended that the Board:**
a) **approve the Fraud Policy at Appendix 1; and**
b) **note the Fraud Checklist at Appendix 2.**

APPENDIX 1: Fraud Policy

APPENDIX 2: Fraud Checklist

Background Papers None

Writer of Report Donald Macleod

Tel: 0300 123 0773

Competence

Financial

- 5.1 The implementation and operation of a robust internal control system is critical to the prevention and detection of fraud. We have employed Internal Auditors to ensure regular checks are carried out on the Internal Control system in place. Internal Auditors report to the Audit and Risk Committee areas of weakness and recommend action to address those weaknesses.
- 5.2 Any loss arising from fraud will be reported to the Audit and Risk Committee and the Board and reported where appropriate in the financial statements.

Legal

- 6.1 We have Financial Regulations in place. All members of staff are issued with a copy that they sign to indicate they understand their role in complying with the Regulations. Breaches of the Financial Regulations are taken seriously and are reported to the Audit and Risk Committee.
- 6.2 The Board has ultimate responsibility for the Partnership's finances and has delegated the responsibility of reporting any actual or potential breaches of the law or maladministration to the Director of Finance & Corporate Services.
- 6.3 As a registered charity, the Board has a legal duty to protect the funds and other property of the Partnership ensuring the funds are applied for its intended beneficiaries.
- 6.4 In February 2016, the Scottish Housing Regulator issued an Advice Note on Incidents of Fraud in RSL's. The Partnership's Fraud Policy ensures compliance with the Advice Note.

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 Fraud flourishes where the observance of an internal control environment is weak and not managed. The observance of the Financial Regulations, the Fraud Checklist at Appendix 1, and our policies and procedures at all levels within the organisation should mitigate the risk of fraud.
- 8.2 Fraud prevention is highlighted on our Risk Register with a residual risk rating of 9 which is considered medium risk.

FRAUD POLICY

APPROVED BY HHP BOARD:

EFFECTIVE DATE:
February 2024

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INTRODUCTION

- 1.1 The purpose of this policy is to ensure that staff and Board members are aware of the actions that need to be taken in the event of detected or attempted frauds. It should be noted that the policy covers Hebridean Housing Partnership Limited and its subsidiaries.
- 1.2 By setting out these steps in writing, regulatory authorities will have the comfort of knowing that we have a clear set of guidelines, which employees must follow.
- 1.3 All employees are expected to follow the laid down procedures for internal control which will help to minimise the opportunities for fraud.
- 1.4 Throughout this paper the word "fraud" is used to include theft and corrupt acts.
- 1.5 Fraud can occur within the Partnership (internal) and out with the Partnership (external). It is therefore essential that controls and procedures are in place to minimise such risks.

RESPONSIBILITIES OF ALL EMPLOYEES

- 2.1 It is the responsibility of all employees to report immediately any act of attempted or detected fraud.
- 2.2 The employee must report the matter to their departmental Director, or if inappropriate, to the Director of Finance and Corporate Services. (If the latter is inappropriate, the matter should be referred to the Chief Executive, and if this is inappropriate, the Chair of the Audit & Risk Committee, or, failing that, the Chair of the Board). All notification must initially be either in person or in writing. The Director of Finance and Corporate Services will then determine whether written notification is required.
- 2.3 The Director of Finance and Corporate Services will inform the Scottish Housing Regulator under the Notifiable events of any reported frauds.

ACTIONS TO BE TAKEN

- 3.1 The departmental Director must always report the matter to the Director of Finance and Corporate Services.
- 3.2 The Director of Finance and Corporate Services in consultation with the relevant departmental Director and other officers and professional advisers as appropriate, will determine how the matter is to be investigated.
- 3.3 The incident will be recorded by the Director of Finance and Corporate Services in the Fraud Register. This register shall be open to inspection by the Scottish Housing Regulator at any time and shall be reviewed at each meeting of the Partnership's Audit & Risk Committee. The register will contain records of both attempted and detected frauds and the actions take. The records will also indicate the systems involved, in order to assist in the prevention of any recurrences.
- 3.4 The Director of Finance and Corporate Services will advise the Chair of the Audit & Risk Committee and the Chief Executive of all frauds, which result in a loss to the organisation in excess of £1,000 or equivalent in value, immediately upon discovery. Any fraud or corrupt act perpetrated or attempted by a senior official of the Partnership, no matter how low its value, must be reported by the Director of Finance and Corporate Services, to the Chair of the Audit & Risk Committee immediately.
- 3.5 The Director of Finance and Corporate Services is responsible for informing the Partnership's internal and external auditors, insurers and the Police as appropriate. The police and external auditors will be informed once there is clear evidence of fraud.
- 3.6 The Chief Executive will be responsible for co-ordinating press releases in relation to fraud and for informing staff.
- 3.7 We will take appropriate action against staff or Board Members who perpetrate fraud and any person whose conduct allows fraud to be committed. We will also take action to recover any money that has been lost. The actions taken will be reported to and reviewed by the Audit & Risk Committee.

WHISTLEBLOWING POLICY

- 4.1 We wish to maintain the highest standards of service to its tenants, staff and the community and recognises the need to have in place a policy enabling public interest disclosures also known as 'Whistle blowing' to be made. This procedure will enable concerns to be raised confidentially inside, and if necessary, outside the Partnership. It is intended to encourage staff to inform management if they are concerned about serious malpractice, fraud or corruption so that management can investigate this.
- 4.2 Concerns must be made in the public interest as per the Enterprise and Regulatory Act 2013.

MONITORING AND REVIEW OF POLICY

- 5.1 The Fraud Policy will be reviewed no less than every four years.

INTERPRETATIONS & ABBREVIATIONS

The following interpretation and abbreviations are used in this policy:

WORD	INTERPRETATION
<i>Board</i>	Means the Board of the Hebridean Housing Partnership
<i>Board Members</i>	All Members of the Board including co-opted Members
<i>Personnel Team</i>	Chief Executive, Personal Assistant and People Development Officer
<i>We/our/us</i>	Hebridean Housing Partnership/HHP
<i>Fraud</i>	Theft and Corrupt Acts
<i>Department Director</i>	Director of Operations and Head of Executive Office
<i>Senior Official</i>	Chief Executive
All references to the masculine gender in this policy shall read as equally applicable to the feminine gender	



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Email: info@hebrideanhousing.co.uk

Web: www.hebrideanhousing.co.uk

FRAUD CHECKLIST

APPROVED BY HHP BOARD:

EFFECTIVE DATE:



hebridean housing
partnership

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

Ref		Check	Initial
	Risk Assessment & Control		
14	The Board assesses the likelihood of fraud arising in each area of the business and puts controls in place where gaps are identified • Cash handling • Payments • Tendering • Contractors and suppliers • Reporting information		
15	The Board demonstrates the importance they place on observing internal controls by dealing swiftly and appropriately with breaches of those controls and communicating this to employees		
16	Procedures will ensure that as far as practicable, the following aspects of each business transaction are segregated: • Initiation; • Authorization; • Execution; • Custody of related assets; and • Recording in the accounting records		
17	Procedures are reviewed and updated to take account of technological developments and the potential impact on the business of cybercrime and related fraud issues		
18	Employees are aware that amendments to procedures must be approved before they are implemented		
19	Staff and managers are aware of the issues relating to Money Laundering and the risk of the Partnership becoming inadvertently involved		

Ref		Check	Initial
	Monitoring		
20	Appropriate performance indicators have been identified for each aspect of the business and are reported regularly to the Board		
21	All material variations and unusual trends are thoroughly investigated and explanations corroborated		
22	Regular control visits are made to all business locations Balivanich office & Handyman's stores in Tarbert & Balivanich.		
23	All unusual transactions are investigated		
	Action & Reporting		
24	Executive Team collate information on actual and suspected fraud and report to the Audit & Risk Committee		
25	The Partnership will take action to seek recovery of any monies lost through fraud. Recovery of funds from fraud will be incorporated into the Debt Management Policy.		
26	Procedures will be put in place to deal with any related publicity issues		

INTERPRETATIONS & ABBREVIATIONS

The following interpretation and abbreviations are used in this checklist:

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WHISTLEBLOWING POLICY

Board 13 February 2024

Report by Chief Executive

Purpose of Report

- 1.1 To present a revised Whistleblowing Policy to the Board for consideration and approval.

Summary

- 2.1 The policy is being reviewed in accordance with our Policy Review Schedule.
- 2.2 Following the review of the policy there have been updates to the contacts at Appendix 1 and formatting changes.
- 2.3 The appeals process has been removed from the policy and added to our procedure manual.
- 2.4 There have been no concerns raised in respect of Whistleblowing to date.
- 2.5 The Policy should be read in conjunction with our Fraud Policy.

Competence

- 3.1 The financial, legal or other constraints to the recommendations in this report are contained in paragraph 5.1 - 8.3.

Recommendations

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

APPENDIX 1: Whistleblowing Policy

Background Papers: Fraud Policy

SHR Factsheet: Whistleblowing about a Regulated Body

Writer of Report: Iona France

Tel: 0300 123 0773

Competence

Financial

- 5.1 There are no financial implications arising from the recommendation in this report being implemented.

Legal

- 6.1 There are no legal implications arising from the recommendation in this report being implemented.

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 we face in not having a Whistleblowing Policy in place is that we would be in breach of:
- The Scottish Housing Regulator's '*Regulation of Social Housing in Scotland: Our Framework (February 2019)*'; and
 - our own Rules and Standing Orders and various policies and governance and financial management.
- 8.2 The result of this is likely to be a higher level of engagement with the Regulator and financial penalties from regulatory bodies.
- 8.3 Fraud is highlighted at No. 12 on our Risk Register. In having a Whistleblowing Policy we are able to mitigate this risk highlighted in our Risk Register.

WHISTLEBLOWING POLICY

APPROVED BY HHP BOARD:

EFFECTIVE DATE:
February 2024



hebridean housing
partnership

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INTRODUCTION

- 1.1 The Partnership wishes to maintain the highest standards of service to its tenants, staff and the community and recognises the need to have in place a policy enabling public interest disclosures also known as 'Whistle blowing' to be made. This policy will enable concerns to be raised confidentially inside, and if necessary, outside the Partnership. It is intended to encourage staff to inform management if they are concerned about serious malpractice, fraud or corruption so that management can investigate this.
- 1.2 Concerns must be made in the public interest as per the Enterprise and Regulatory Act 2013.
- 1.3 A "qualifying disclosure" means any disclosure of information which, in the reasonable belief of the individual making the disclosure, tends to show one or more of the following aspects covered by the Public Interest Disclosure Act 1998 (PIDA).
 - a) Criminal Activity;
 - b) Miscarriages of justice;
 - c) Danger to health and safety;
 - d) Damage to the environment;
 - e) Failure to comply with any legal [or professional] obligation or regulatory requirements;
 - f) Bribery;
 - g) Financial fraud or mismanagement;
 - h) Negligence;
 - i) Abuse of power;
 - j) Professional malpractice;
 - k) Breach of our internal policies and procedures [including the Code of Conduct];
 - l) Conduct likely to damage the reputation of the Partnership;
 - m) Unauthorised disclosure of confidential information;
 - n) The deliberate concealment of any of the above matters.

- 1.4 Governing Body members are not covered by PIDA but the Scottish Housing Regulator advise in their factsheet Whistleblowing about a regulated body that concerns reported by Governing Body members made to them will be treated in the same way as qualifying disclosures by staff.
- 1.5 The policy is intended to provide a confidential channel and process for individual employees to raise genuine and legitimate concerns in confidence without affecting job or promotion prospects and without fear of victimisation; to deter serious malpractice; avoid crisis management and public criticism; and promote accountability throughout the Partnership. It gives everyone the opportunity to act professionally and with propriety.
- 1.6 The policy is separate from our grievance procedure and should not be used by employees to raise grievances about their personal employment situation.
- 1.7 Similarly, the policy is separate from our complaints procedure and should not be used to make complaints about particular problems.

RAISING CONCERNS

- 2.1 In most cases, an individual should make the disclosure to a relevant manager, his line manager, or to a Head of Service. Alternatively, concerns can be raised with the Chief Executive, Chair of Audit & Risk Committee or the Chair of the Board.
- 2.2 Where a disclosure relates to the Chief Executive the matter should be disclosed to the Chair of the Audit & Risk Committee or the Chair of the Board.
- 2.3 Any member of the Board who has a concern should disclose to the Chair of the Audit & Risk Committee or the Chair of the Board as appropriate.
- 2.4 The matter will be treated confidentially, and the employee's name will not be disclosed to the alleged perpetrator of malpractice without their prior approval. In order to allow a legitimate concern to be raised without trace, employees may choose to report the matter orally rather than in writing. A full note (which should not identify the complainant) will be made by the person hearing the concern.

- 2.5 Unless the suspected misconduct involves the Chief Executive, the concern should be referred to them, if not directly, then by the Individual to which the disclosure was first made.
- 2.6 Concerns must be made in the public interest as per the Enterprise and Regulatory Act 2013.
- 2.7 All issues raised under this policy will be treated seriously, in confidence and with total discretion.

INVESTIGATING THE ALLEGATION

- 3.1 We will respond to an individual's concerns. The matters raised may:
- a) be investigated by management, or through the disciplinary process;
 - b) be referred to the police;
 - c) be referred to our auditors; or
 - d) form the subject of an independent inquiry.
- 3.2 In order to protect individuals and those accused of misdeeds or possible malpractice, initial enquiries will be made to decide whether an investigation is appropriate and, if so, what form it should take. The overriding principle will be to consider what is in the public interest.
- 3.3 Some concerns may be resolved by agreed action without the need for an investigation. If the concern is of an urgent nature then this will be taken into account before any investigation is conducted.
- 3.4 Within 5 working days of a concern being raised, the responsible manager will write, in confidence to the individual making the disclosure acknowledging that the concern has been received.

Thereafter within 10 working days an outline action plan with timescales to address the concern will be provided in confidence. The amount of contact between the staff considering the issues and the individual making the disclosure will depend on the

nature of the matters raised, the potential difficulties involved and the clarity of the information provided.

- 3.5 Where any meeting is arranged, off-site if required, the individual making the disclosure can be accompanied by a union representative or work place colleague.
- 3.6 We will take steps to minimise any difficulties which an employee may experience as a result of raising a concern. For instance, if the individual making the disclosure is required to give evidence in criminal or disciplinary proceedings we will arrange for the individual to receive advice about the procedure.
- 3.7 All responses to the employee will be in writing sent to his home address. Regular confidential progress reports (at least monthly, especially if the investigation is prolonged) will be provided to the individual making the disclosure prior to the production of a final response to the original concern.
- 3.8 If an employee is not satisfied that their concern is being properly dealt with they will have the right to raise it in confidence with the Audit & Risk Committee through the Chair of that Committee and they may wish to seek advice from the charity Public Concern at Work. (Appendix A contains contact details for nominated persons)
- 3.9 Following any interviews and / or investigation, recommendations will be made to the Chief Executive in confidence (the Chair of the Audit & Risk Committee or Chair of the Board as appropriate). The Chief Executive (Chair of the Audit & Risk Committee or Chair of the Board) will decide what further action should be taken, if any, and the appropriate mechanism to achieve resolution (including an action plan) and means of informing the complainant.

PROTECTING WHISTLEBLOWERS WHO FEAR REPRISAL OR VICTIMISATION

- 4.1 There is no specific common law duty on employees to report fraud to a nominated person within the Partnership or an external source (see Fraud Policy). The only exception is that line managers will generally have a duty to report the fraud of their subordinate employees. It is usually appropriate that the matter is raised internally where possible, but disclosure outside the employment relationship will, in some cases be justified and necessary.

Disclosure Outside the Employer Body

- 4.2 Employees are subject to an implied contractual term of confidence and trust, which seeks to prevent them from disclosing their employer's confidential information. There is a clause within the contract of employment a specific confidentiality clause. The breach of this condition is often classed as gross misconduct which justifies summary dismissal.
- 4.3 If an employee makes an unauthorised disclosure of fraud or serious malpractice to a regulatory authority and its disclosure is in the public interest, case law shows that this is, in many circumstances, a lawful action, notwithstanding that it may contravene an implied contractual duty or a specific confidentiality clause.

What is Considered to be 'In the Public Interest'?

- 4.4 The difficulty lies in determining what constitutes 'in the public interest'. Such matters are generally confined to fraud, criminal activities and threats to national security. They are matters which warrant disclosure in the interests of protecting the public (or the Partnership, staff or tenants) and in these cases the courts will generally uphold the public interest defence.

Health and Safety Concerns

- 4.5 With regard to the voicing of concerns over health and safety in the workplace, employees are now statutorily protected against victimisation or dismissal for taking certain specified types of action on health and safety grounds. These protected actions

include the bringing to the Partnership's attention, by reasonable means to the Chair of the Health and Safety Committee, the Director of Finance & Corporate Services or the Chief Executive to enable an Executive Team meeting to be held to discuss any concerns about circumstances at the Partnership which the employee reasonably believes to be harmful to health and safety.

Protection for the Employee

- 4.6 The employee will be protected against victimisation or dismissal for raising legitimate concerns through the proper channels.

PROTECTION FOR THE INSTITUTION

- 5.1 If an employee uses this policy to raise concerns maliciously or with dubious motives there may be cause for disciplinary action.
- 5.2 Employees are encouraged to raise concerns internally even if sometimes they may prove to be unfounded as management would appreciate the opportunity of investigating and taking appropriate action before the concern is raised externally.

APPEAL PROCESS

- 6.1 An appeal may be made by the individual making the public interest disclosure against the outcome if it is considered that the report fails to answer the concerns raised.

RELATED POLICIES

- 7.1 The following policy is referenced as part of this Policy.
- Fraud Policy

MONITORING AND REVIEW OF POLICY

- 8.1 The Whistleblowing Policy will be reviewed no less than every three years. More frequent reviews will be considered if, for example, there is a need to respond to new legislation/policy guidance.

APPENDIX A

CONTACT POINTS FOR NOMINATED PERSONS

POSTION	CURRENT POST-HOLDER	CONTACT POINT
Chair of Audit & Risk Committee	Roddy Nicolson	0300 123 0773
Chair of the Board	Gordon Macleod	0300 123 0773
Company Secretary	Dena Macleod	0300 123 0773
Chief Executive	Dena Macleod	0300 123 0773
Director of Finance & Corporate Services	Donald Macleod	0300 123 0773
Director of Operations	John Maciver	0300 123 0773
Chair of Health and Safety Committee	John Maciver	0300 123 0773
External Auditors	CIB Services	01851 702030
Internal Auditors	Wylie + Bisset	0141 566 7000
Public Concern at Work		020 7404 6609
Environmental Health Department, CNES		0845 600 2772
Health & Safety Executive		0345 300 9923

INTERPRETATIONS AND ABBREVIATIONS

The following interpretation and abbreviations are used in this policy:

WORD	INTERPRETATION
<i>HHP or Partnership</i>	Hebridean Housing Partnership
<i>Board</i>	Means the Board of the Hebridean Housing Partnership
<i>Board Members</i>	All Members of the Board including co-opted Members
<i>Heads of Service</i>	Chief Executive, Director of Finance & Corporate Services, Director of Operations and Head of Executive Office
<i>PIDA</i>	Public Interest Disclosure Act 1998
<i>PCAW</i>	Public Concern at Work
All references to the masculine gender in this policy shall read as equally applicable to the feminine gender	



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

Email: info@hebrideanhousing.co.uk

Web: www.hebrideanhousing.co.uk

HEALTH & SAFETY POLICY

Board 13 February 2024

Report by Chief Executive

Purpose of Report

- 1.1 To advise on the annual review of the Health & Safety Policy.

Summary

- 2.1 The Health & Safety Policy 2024 review has been carried out to capture any changes in relation to any new Health & Safety legislation, best practice and our business requirements. No changes are currently required.
- 2.2 None of the Health and Safety issues that arose in the past year were identified as being the result of breaches of policy and procedures, or of any associated failings of policy. Therefore, the Policy is deemed to be working effectively.

	Employer	Landlord	Developer	Total
Minor	5	1	1	7
Reportable	0	0	1	1
Breach of Policy	0	0	0	0
Requiring Changes to Policy & Procedure	0	0	0	0

Competence

- 3.1 There are no legal, financial or other constraints to any recommendations in this report being implemented.

Recommendations

- 4.1 **It is recommended that the Board note the 2024 review of the Health & Safety Policy and that no changes are required to the Policy.**

Background Papers: None

Writer of Report: Dena Macleod

Tel: 0300 123 0773

POLICY CONSULTATION RESPONSE

Board 13 February 2024

Report by Chief Executive

Purpose of Report

- 1.1 To provide an update on the recent policy consultations.

Summary

- 2.1 The following policies were approved for consultation with Staff and Unison at the 28 November 2023 Board meeting:
- Parental Leave Policy;
 - New & Expectant Mothers Policy;
 - Recruitment Policy;
 - Training & Development Policy; and
 - Disciplinary Procedures.
- 2.2 The responses to the consultations, and any amendments required to the policy, are at Appendix 1.
- 2.3 Feedback has been provided to all staff who responded to the consultations.

Competence

- 3.1 Financial, legal and other constraints from the recommendations to this report are at paragraph 5.1 – 8.1.

Recommendations

- 4.1 **It is recommended that the Board approve the minor changes to the Recruitment Policy and Disciplinary Procedures following the consultation process.**

APPENDIX 1: Consultation Responses

Background Papers: None

Writer of Report: Iona France

Tel: 0300 123 0773

Competence

Financial

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

Legal

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

Regulatory Guidance

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

Risk

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

MANAGEMENT REPORT TO 31 DECEMBER 2023

Board 13 February 2024

Report by Director of Finance & Corporate Services

Purpose of Report

- 1.1 To present the Management Report for the month ended 31 December 2023 to the Board for review and noting.

Summary

- 2.1 The Management Report, at Appendix 1, shows that financial covenants will be met for the year ended 31 March 2024 with a headroom forecast of £600K.
- 2.2 General Repairs overspend has reduced from £128K in September 2023 to £94K at the end of December 2023. However, based on current spending patterns a virement may be required which will be requested at Board Meeting in March 2024.
- 2.3 Delays on development throughout the year have allowed for monies to be put on deposit. With interest rates still higher than they have been historically, the forecast out turn on interest received has been increased by £61K as we receive interest from those monies being on deposit. Interest paid forecast out turn has also been decreased by £30K due to the initial budget forecasting interest rates to have increased further by this point in the year, which they have not.

Competence

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

Recommendations

- 4.1 **It is recommended that the Board note the Management Report at 31 December 2023 and revised forecast out turn at 31 March 2024 as at Appendix 1.**

APPENDIX 1: Management Report to 31 December 2023

Background Papers: None

Writer of Report: James Morrison

Tel: 0300 123 0773

Competence

Financial

- 5.1 The Board approved budgets for 2023/24 in March 2023, which projected a surplus for the year of £1.26M. The current forecasted out-turn surplus is £1.95M.

Legal

- 6.1 The following Partnership rules are applicable:
- a) *Rule 69 - The Partnership must keep proper books of accounts to cover its income, expenditure transactions and its assets, liabilities and reserves in line with Part 7 of the Co-operative and Community Benefit Societies Act 2014. It must also set up and maintain a suitable system for controlling its books of accounts, its cash and its receipts and invoices.*

Regulatory Guidance

- 7.1 The Regulatory Standards checklist has been completed and there is nothing in the report which would result in a breach of the standards.
- 7.2 This report provides ongoing assurance of evidence point 3, 4, 5 and 6 in relation to our Annual Assurance Statement.

Risk

- 8.1 The key risk is that we do not meet our Financial Covenants. This risk is mitigated by ensuring that our two financial covenants, interest cover and gearing are tracked monthly to ensure compliance. Current forecast is for covenant compliance for the year.

Management Report

2023/24

To 31 December 2023



hebridean housing
partnership

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INTRODUCTION

The Management Report to 31 December 2023 is 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 Report is made up of three sections:

Section 1: High Level Summary

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

Section 2: Management Accounts

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

Section 3: Key Performance Measures

Prepared by the Finance Manager including a review of Financial Covenants to provide the Board with assurance that the Covenant for 2023/24 will not be breached.

SECTION 1: HIGH LEVEL SUMMARY

	INDICATOR	STATUS	COMMENT
	FINANCIAL COVENANTS		Covenants are forecasted to be met for the full year.
	FORECASTED SURPLUS		
I N C O M E	RENTAL INCOME		
	GRANT INCOME		
	DEVELOPMENT GRANTS		
	OTHER INCOME		
E X P E N D I T U R E	DEVELOPMENT COSTS		
	INVESTMENT		Investment works forecast to complete in line with budget.
	REPAIRS & MAINTENANCE		Anticipated high void repair costs require close monitoring.
	MANAGEMENT COSTS		
	INTEREST		

	No Issues - On Track
	Requires Monitoring
	Issues

SECTION 2: MANAGEMENT ACCOUNTS

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Development	15

STATEMENT OF COMPREHENSIVE INCOME

Line	Heading	CURRENT YEAR BUDGET		BUDGET to 31-Dec-23 £	ACTUAL to 31-Dec-23 £	BUDGET VARIANCE		BUDGET REMAINING		FORECAST OUT-TURN	
		Initial Budget £	Revised Budget £			Budget to date £	Budget to date %	Revised Budget £	Revised Budget %	Over/ (under) £	at 31-Mar-24 £
1	Dwelling rents (net)	11,023,855	11,102,965	8,563,739	8,565,154	1,415	0%	2,537,812	23%	-	11,102,965
2	Non Dwelling rents (net)	17,120	17,120	14,363	14,540	177	1%	2,580	15%	-	17,120
3	Profit/(Loss) on Disposal of Assets	(45,000)	(45,000)	(45,000)	(10,933)	34,067	-76%	(34,067)	76%	-	(45,000)
4	Grant Funding	550,000	815,000	591,830	630,768	38,938	7%	184,232	23%	-	815,000
5	Other Income	186,130	153,630	107,075	107,778	703	1%	45,852	30%	-	153,630
6	TOTAL INCOME	11,732,105	12,043,715	9,232,007	9,307,307	75,300	1%	2,736,408	23%	-	12,043,715
7	Supervision & Management	2,941,015	2,963,901	2,204,904	2,116,182	88,722	4%	847,719	29%	2,000	2,965,901
8	Response Repairs	1,952,905	2,054,905	1,509,285	1,574,892	(65,607)	-4%	480,013	23%	110,000	2,164,905
9	Estate Works	136,700	134,243	100,188	95,477	4,710	5%	38,765	29%	-	134,243
10	Planned/Cyclical Maintenance	1,194,925	1,189,925	872,620	819,791	52,829	6%	370,135	31%	-	1,189,925
11	Total Operating Expenditure	6,225,545	6,342,974	4,686,997	4,606,342	80,654	2%	1,736,632	27%	112,000	6,454,974
12	Operating Surplus/(Deficit)	5,506,560	5,700,741	4,545,010	4,700,965	155,955	3%	999,776	18%	(112,000)	5,588,741
13	Interest received	18,500	90,750	45,875	46,458	583	1%	44,292	49%	60,871	151,621
14	Interest paid	1,189,400	786,915	585,955	553,288	32,667	6%	233,627	30%	(30,000)	756,915
15	Surplus/(Deficit)	4,335,660	5,004,576	4,004,930	4,194,134	189,204	5%	810,441	16%	(21,129)	4,983,447
16	Depreciation	4,617,600	4,617,600	3,363,200	3,334,393	28,807	1%	1,283,207	28%	-	4,617,600
17	Grant Amortisation	(1,538,600)	(1,588,600)	(1,383,935)	(1,377,606)	6,329	0%	(210,994)	13%	-	(1,588,600)
18	Surplus/(Deficit)	1,256,660	1,975,576	2,025,665	2,237,348	211,683	10%	(261,772)	-13%	(21,129)	1,954,447
19	CAPITAL INVESTMENT										
19	Housing Investment Programme	4,039,595	4,322,885	1,841,356	1,737,968	103,388	6%	2,584,917	60%	-	4,322,885
20	Non Housing Investment	6,920	8,958	5,487	5,487	-	0%	3,471	39%	-	8,958
21	Development Programme	1,647,190	779,171	203,368	364,745	(161,377)	-79%	414,426	53%	(66,695)	712,476
22		5,693,705	5,111,014	2,050,212	2,108,201	(57,989)	-3%	3,002,814	59%	(66,695)	5,044,319

Commentary on Performance**Income**

The number of one-off heating replacements this year is lower than anticipated resulting in an improvement in the loss on disposal costs. Grant funding is ahead of budget by £39K due to Aids & Adaptations work being completed ahead of budget phasing.

Expenditure

Spend on Response Repairs continues to be overbudget year to date although there has been some improvement in both Reactive Repair and void repair position since November with a £15K reduction in year to date budget overspend.

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

STATEMENT OF FINANCIAL POSITION

Line	Heading	Notes	31-Dec-23 £	30-Nov-23 £	31-Mar-23 £
	Fixed Assets				
1	Tangible assets-social housing	1	124,519,391	124,457,638	127,121,408
2	Development & Investment Programme	2	667,190	710,314	-
3	Tangible assets - property, plant and equipment	1	1,059,348	1,063,225	1,090,682
4	Landbank	3	869,637	869,637	979,637
5	Investments		2	2	2
6	Total Fixed Assets		127,115,567	127,100,816	129,191,728
	Current Assets				
7	Stock		24,693	24,693	24,693
8	Trade and other debtors due within one year	6	727,930	1,108,251	1,669,510
9	Debtors due after more than one year		180,616	183,033	202,372
10	Short-term deposits	4	5,561,110	5,560,376	4,353,272
11	Cash at bank and in hand	5	4,391,387	4,850,001	3,668,308
12	Loan to subsidiary		18,350	18,350	18,350
13	Total Current Assets		10,904,086	11,744,704	9,936,505
14	Creditors: amounts falling due within one year	7	(391,147)	(1,446,975)	(2,652,809)
15	Net current assets		10,512,939	10,297,729	7,283,696
16	Total assets less current liabilities		137,628,507	137,398,546	136,475,425
17	Creditors: amounts falling due after more than one year		(22,583,000)	(22,583,000)	(22,583,000)
18	Deferred capital grants		(70,133,756)	(70,284,277)	(71,217,880)
19	Pension Liability		-	-	-
20	Net Assets		44,911,751	44,531,269	42,674,545
	Capital and Reserves				
21	Share Capital		81	80	224
22	Revenue Reserve		44,911,670	44,531,189	42,674,321
23	Total Capital and Reserves		44,911,751	44,531,269	42,674,545

Commentary on Performance

Note 1 (Tangible Assets) A £2.6M reduction from March 2023 is due to greater depreciation on our assets than works capitalised to date.

Note 2 (Development & Investment Programme) £667K of Development & Investment works due to our new build programme in progress (£370K) and investment programs in progress (£297K).

Note 3 (Landbank) The land transaction at Goathill has now concluded with the Comhairle.

Note 4 (Short Term Deposits) £4.7M on deposit with RBS with maturity due in January 2024.

Note 5 (Cash at Bank and in Hand) Monthly decrease of £459K due to an increased level of spend on investment and development works in December.

Note 6 (Trade and other debtors due within one year) Monthly reduction of £380K is mainly a result of a grant accrual that was due to be paid in November being released.

Note 7 (Creditors: amounts falling due within one year): Monthly reduction of £1.055M due to a £500k reduction in trade creditors in December, accrued grant income of £300K was received in December and a reduction in accruals of £255K.

Covenants are forecast to be met for the full year with Interest cover forecast at 209% and gearing of 11%.

RENTAL INCOME

Line		CURRENT YEAR BUDGET		BUDGET to 31-Dec-23 £	ACTUAL to 31-Dec-23 £	BUDGET VARIANCE		BUDGET REMAINING		FORECAST OUT-TURN	
		Initial Budget £	Revised Budget £			Budget to date £	Budget to date %	Revised Budget £	Revised Budget %	Over / (under) £	at 31-Mar-24 £
1	Dwelling Rent Gross	11,486,205	11,506,615	8,679,189	8,680,405	1,216	0%	2,826,211	24.56%		11,506,615
2	Non Dwelling Rent Gross	17,465	17,465	14,588	14,540	(48)	0%	2,925	16.75%		17,465
3	Voids - Dwelling	(232,155)	(173,455)	(115,450)	(115,251)	199	0%	(58,204)	33.56%		(173,455)
4	Voids - Other	(345)	(345)	(225)	-	225	-100%	(345)	100.00%		(345)
5	Bad Debts	(230,195)	(230,195)	-	-	-		(230,195)	100.00%		(230,195)
6	TOTAL	11,040,975	11,120,085	8,578,102	8,579,694	1,592	0%	2,540,391	23%	-	11,120,085

Commentary on Performance

Voids – Dwelling Voids are currently 1.3% which is approximately 0.7% higher than prior year as property relet times were impacted by post go live issues on our new Housing System in addition to 2 week void loss on all 50 units at Bremner Court as agreed with CNES.

SUPERVISION & MANAGEMENT

Line	Heading	CURRENT YEAR BUDGET		BUDGET to 31-Dec-23	ACTUAL to 31-Dec-23	BUDGET VARIANCE		BUDGET REMAINING		forecast out-turn	
		Initial Budget £	Revised Budget £			Budget to date £	Budget to date %	Revised Budget £	Revised Budget %	Over/ (under) £	at 31-Mar-24 £
1	Salaries & Wages	1,841,490	1,855,545	1,388,635	1,342,215	46,420	3%	513,330	28%		1,855,545
2	National Insurance	185,745	186,650	139,610	134,345	5,265	4%	52,305	28%		186,650
3	Pension Costs	397,910	400,430	249,750	243,011	6,739	3%	157,419	39%		400,430
4	Other Employee Costs	39,875	40,355	31,600	18,952	12,648	40%	21,403	53%		40,355
5	Travel & Subsistence	16,650	16,714	12,289	3,710	8,580	70%	13,005	78%		16,714
6	EMPLOYEE COSTS	2,481,670	2,499,694	1,821,884	1,742,232	79,652	4%	757,462	30%	-	2,499,694
7	Premises Costs	70,100	70,100	44,322	42,975	1,347	3%	27,125	39%		70,100
8	IT & Telecoms	214,600	219,852	143,251	141,723	1,528	1%	78,128	36%		219,852
9	Area Offices	28,250	35,212	33,195	32,862	333	1%	2,350	7%	2,000	37,212
10	Payroll & Cashdesk	7,500	7,500	5,625	4,773	852	15%	2,727	36%		7,500
11	Property Management Fees	5,000	5,000	3,008	3,008	-	0%	1,993	40%		5,000
12	SUPPLIES & SERVICES	325,450	337,664	229,401	225,341	4,060	2%	112,323	33%	2,000	339,664
13	Postage, Printing & Stationery	37,850	34,850	19,291	18,406	885	5%	16,444	47%		34,850
14	Admin Furniture & Equipment	2,000	2,000	1,000	657	343	34%	1,343	67%		2,000
15	Training Courses	33,125	34,575	31,384	12,124	19,260	61%	22,451	65%		34,575
16	Community Support	53,750	32,570	14,000	11,865	2,135	15%	20,705	64%		32,570
17	Health & Safety	9,380	9,380	4,866	2,071	2,795	57%	7,309	78%		9,380
18	Recruitment Costs	2,000	2,000	1,500	428	1,072	71%	1,572	79%		2,000
19	ADMINISTRATION COSTS	138,105	115,375	72,041	45,551	26,490	37%	69,824	61%	-	115,375
20	Professional Fees	151,550	175,532	114,059	111,952	2,106	2%	63,580	36%		175,532
21	Insurance	282,420	289,720	209,120	206,471	2,649	1%	83,249	29%		289,720
22	Affiliation Fees	32,795	34,575	29,731	29,529	202	1%	5,046	15%		34,575
23	Charitable Donations	5,000	5,000	5,000	4,000	1,000	20%	1,000	20%		5,000
24	Governance	12,400	10,006	4,308	3,336	972	23%	6,670	67%		10,006
25	Bank Charges	6,690	7,690	6,540	6,538	2	0%	1,152	15%		7,690
26	Public Relations / Marketing	9,430	10,230	2,250	1,010	1,240	55%	9,220	90%		10,230
27	CORPORATE EXPENSES	500,285	532,753	371,007	362,836	8,171	2%	169,917	32%	-	532,753
28	Fees Charged to Capital	(497,495)	(511,585)	(281,179)	(252,362)	(28,817)	10%	(259,223)	51%		(511,585)
29	VAT Received - Partial Exemption	(7,000)	(10,000)	(8,250)	(7,416)	(834)	10%	(2,584)	26%		(10,000)
30	MANAGEMENT INCOME	(504,495)	(521,585)	(289,429)	(259,778)	(29,651)	10%	(261,807)	50%	-	(521,585)
31	MANAGEMENT COST	2,941,015	2,963,901	2,204,904	2,116,182	88,722	4%	847,719	8	2,000	2,965,901

Commentary on Performance

Employee Costs

The underspend of £79K can be attributed to training posts within the staff structure to be filled in addition to regular staff turnover.

Supplies & Services

There is a current underspend on office electric costs (£1K) although it anticipated this will be used to cover additional costs through the winter months.

Administration Costs

An underspend of £19K is a result of scheduled training moved to later in the year.

Corporate Expenses

An underspend on insurance (£3K) is due to delays in the completion of new build properties this Financial Year.

Management Income

Fees Charged to Capital are behind budget due to the phasing of investment works. It is anticipated that internal fees will be in line with budget for the full year as the investment programme progresses.

REPAIRS & MAINTENANCE

Line	Heading	CURRENT YEAR		BUDGET to 31-Dec-23	ACTUAL to 31-Dec-23	BUDGET VARIANCE		BUDGET REMAINING		FORECAST OUT-TURN	
		Initial Budget £	Revised Budget £			Budget to date £	Budget to date %	Revised Budget £	Revised Budget %	Over/ (under) £	at 31-Mar-24 £
1	Responsive Repairs	1,225,520	1,275,520	924,185	945,338	(21,153)	-2%	330,182	26%	50,000	1,325,520
2	Void Repairs	403,000	435,000	334,265	414,523	(80,258)	-24%	20,477	5%	60,000	495,000
3	Handyperson	106,580	106,580	78,580	70,674	7,906	10%	35,906	34%		106,580
4	GENERAL REPAIRS	1,735,100	1,817,100	1,337,030	1,430,535	(93,505)	-7%	386,565	21%	110,000	1,927,100
5	Decoration Allowance	55,640	55,640	41,715	21,815	19,900	48%	33,825	61%		55,640
6	Council Tax empty properties	10,000	10,000	7,500	1,012	6,488	87%	8,988	90%		10,000
7	Compensation	9,500	9,500	7,110	2,499	4,611	65%	7,001	74%		9,500
8	SPECIFIC ITEMS	75,140	75,140	56,325	25,327	30,999	55%	49,813	66%	-	75,140
9	Rechargeable Repairs	108,000	138,000	106,000	105,357	643	1%	32,643	24%		138,000
10	Rechargeable Repairs Recoverable	(58,500)	(88,500)	(68,875)	(81,140)	12,265	-18%	(7,360)	8%		(88,500)
11	Insurance Repairs	100,000	120,000	95,015	115,530	(20,515)	-22%	4,470	4%		120,000
12	Insurance Claims Recoverable	(62,000)	(62,000)	(56,444)	(58,874)	2,430	-4%	(3,126)	5%		(62,000)
13	RECOVERABLE EXPENDITURE	87,500	107,500	75,696	80,873	(5,177)	-7%	26,627	25%	-	107,500
14	Commercial Properties	1,500	1,500	-	-	-		1,500	100%		1,500
15	Communal Lighting	53,665	53,665	40,234	38,157	2,077	5%	15,508	29%		53,665
16	NON DWELLING REPAIRS	55,165	55,165	40,234	38,157	2,077	5%	17,008	31%	-	55,165
17	Gas Servicing	75,490	75,490	56,610	59,462	(2,852)	-5%	16,028	21%		75,490
18	ASHP Servicing	231,180	231,180	173,430	174,735	(1,305)	-1%	56,445	24%		231,180
19	TOTAL HEATING SERVICES	306,670	306,670	230,040	234,197	(4,157)	-6%	72,473	46%		306,670
20	Estate Management	51,355	51,355	39,276	38,462	814	2%	12,893	25%		51,355
21	Estate Management (Welfare)	23,465	34,821	28,951	31,121	(2,170)	-7%	3,700	11%		34,821
22	Other Servicing	65,425	67,882	29,277	14,117	15,161	52%	53,766	79%		67,882
23	EPC Renewals	43,425	43,425	-	-	-		43,425	100%	(1,518)	41,907
24	EICR Testing	137,315	151,002	151,002	152,520	(1,518)	-1%	(1,518)	-1%	1,518	152,520
25	General Planned Maintenance	341,245	341,245	255,915	230,342	25,573	10%	110,903	32%	(331)	340,914
26	Stair Lifts and Door Entry Systems	12,135	12,135	9,090	4,605	4,485	49%	7,530	62%		12,135
27	Gutter Cleaning	64,605	64,605	64,605	64,936	(331)	-1%	(331)	-1%	331	64,936
28	Sewage Systems	18,085	18,085	13,564	3,443	10,121	75%	14,642	81%		18,085
29	Sewage Pumps	1,200	1,200	900	(89)	989	110%	1,289	107%		1,200
30	HWEC Communal Charges	130,000	97,500	50,000	46,139	3,861	8%	51,361	53%		97,500
31	CYCLICAL MAINTENANCE	888,255	883,255	642,580	585,594	56,985	9%	297,660	34%	-	883,255
32	TOTAL REPAIRS & MAINTENANCE	3,147,830	3,244,830	2,381,905	2,394,683	(12,778)	-1%	850,146	26%	110,000	3,354,830

Commentary on Performance

Responsive Repairs The pressure on response repairs is continuing with measures put in place to keep spend within full year budget. The position will be reviewed monthly and if necessary, a virement will be taken to Board in February 2024.

Void Repairs The overspend has decreased by £12K from November as again, costs were more in line with what is expected due to the average void repair cost reducing with no significant clean and clear costs in the month. However, close monitoring is required for any further large clean and clear costs.

Decoration Allowance – Allowances are paid once investment works are completed. Due to the delay in some investment work being completed, the corresponding allowances have also been delayed. The investment programme is still forecast to be fully completed by March 2024 and therefore the full forecasted spend on allowances is also expected to be utilised.

ESTATE WORK

Line	Heading	CURRENT YEAR BUDGET		BUDGET to 31-Dec-23 £	ACTUAL to 31-Dec-23 £	BUDGET VARIANCE		BUDGET REMAINING		FORECAST OUT-TURN	
		Initial Budget £	Revised Budget £			Budget to date £	Budget to date %	Revised Budget £	Revised Budget %	Over/ (under) £	at 31-Mar-24 £
1	Unadopted Infrastructure	66,690	64,233	47,583	44,327	3,255	7%	19,905	31%		64,233
2	Grounds Maintenance	70,010	70,010	52,605	51,150	1,455	3%	18,860	27%		70,010
3	TOTAL ESTATE WORKS	136,700	134,243	100,188	95,477	4,710	5%	38,765	29%	-	134,243

AID & ADAPTATIONS

Line	Heading	CURRENT YEAR BUDGET		BUDGET to 31-Dec-23 £	ACTUAL to 31-Dec-23 £	BUDGET VARIANCE		BUDGET REMAINING		FORECAST OUT-TURN	
		Initial Budget £	Revised Budget £			Budget to date £	Budget to date %	Revised Budget £	Revised Budget %	Over / (under) £	at 31-Mar-24 £
1	OT Works	120,000	275,000	183,333	222,163	(38,830)	-21%	52,837	19%		275,000
2	Grants										
3	Grants Received	(120,000)	(275,000)	(183,333)	(222,163)	38,830	-21%	(52,837)	19%		(275,000)
4	TOTAL AIDS & ADAPTATIONS	-	-	-	-	-		-		-	-

Commentary on Performance

Works are progressing steadily, and it is expected that the awarded grant from the Scottish Government will be utilised in full.

INVESTMENT EXPENDITURE

Line	Heading	CURRENT YEAR BUDGET		BUDGET to 31-Dec-23 £	ACTUAL to 31-Dec-23 £	BUDGET VARIANCE		BUDGET REMAINING		FORECAST OUT-TURN	
		Initial Budget £	Revised Budget £			Budget to date £	Budget to date %	Revised Budget £	Revised Budget %	Over / (under) £	at 31-Mar-24 £
1	Roofs	-	5,944	5,944	5,944	-	0%	-	0%		5,944
2	Insulation	200,655	200,655	200,655	292,238	(91,583)	-46%	(91,583)	-46%		200,655
3	Total Roofs	200,655	206,599	206,599	298,182	(91,583)	-44%	(91,583)	-44%	-	206,599
4	Kitchen	363,600	500,291	31,486	7,045	24,441	78%	493,246	99%		500,291
5	Bathrooms	171,400	165,460	40,278	3,758	36,520	91%	161,702	98%		165,460
6	OT Aids & Adaptations	120,000	275,000	183,333	222,163	(38,830)	-21%	52,837	19%	-	275,000
7	Showers	316,070	308,289	54,538	11,372	43,166	79%	296,917	96%		308,289
8	Heating	1,107,070	2,076,097	1,453,713	1,101,124	352,589	24%	974,973	47%	150,000	2,226,097
9	Heating Grants	-	(800,000)	(500,000)	(411,312)	(88,688)	18%	(388,688)	49%	(150,000)	(950,000)
10	Rewiring	69,120	38,915	47,993	13,432	34,561	72%	25,483	65%		38,915
11	Total Internals	2,147,260	2,564,052	1,311,341	947,583	363,759	28%	1,616,470	63%	-	2,564,052
12	Windows	1,439,680	1,300,234	323,416	268,702	54,714		1,031,532	79%		1,300,234
13	Roughcast house & wall	252,000	252,000	-	-	-		252,000	100%		252,000
14	Externals	1,691,680	1,552,234	323,416	268,702	54,714	17%	1,283,532	83%	-	1,552,234
	Total Investment excl. Unallocated										
15	Exp/Savings	4,039,595	4,322,885	1,841,356	1,514,467	326,890	18%	2,808,419	65%	-	4,322,885
16	Total Investment	4,039,595	4,322,885	1,841,356	1,514,467	326,890	18%	2,808,419	65%	-	4,322,885

Commentary on Performance

Programmed Insulation works are nearing completion with associated claims being prepared for submission to Scottish Government.

Programmed Kitchen works are due to start in Lewis in January and Uist & Barra in February. It is anticipated that this will complete in March.

Contractors are now on site for window replacement works. There has been a delay in starting on Uist and Barra due to ferry disruption but full spend is planned to be utilised by the end of the year.

Work is now underway on Bathrooms and showers with all planned works due to be completed by the end of the year.

Heating works are on schedule with an additional £150K grant confirmed by Scottish Government. All works are expected to be completed this year.

Roughcast tenders have been returned with permission required from private owner occupiers prior to works beginning which may affect the number of units completed this year.

NON-HOUSING INVESTMENT

Line	Heading	CURRENT YEAR BUDGET		BUDGET to 31-Dec-23 £	ACTUAL to 31-Dec-23 £	BUDGET VARIANCE		BUDGET REMAINING		FORECAST OUT-TURN	
		Initial Budget £	Revised Budget £			Budget to date £	Budget to date %	Revised Budget £	Revised Budget %	Over/ (under) £	at 31-Mar-24 £
1	Office equipment	1,920	1,920	87	87	-	0%	1,833	95%		1,920
2	IT equipment & Systems	5,000	7,038	5,400	5,400	-	0%	1,638	23%		7,038
3	Total	6,920	8,958	5,487	5,487	-	0%	3,471	39%	-	8,958

DEVELOPMENT EXPENDITURE

Line	Heading	CURRENT YEAR BUDGET		BUDGET Budget to 31-Dec-23 £	ACTUAL to 31-Dec-23 £	BUDGET VARIANCE		BUDGET REMAINING		FORECAST OUT-TURN	
		Initial Budget £	Revised Budget £			Budget to date £	Budget to date %	Revised Budget £	Revised Budget %	Over/ (under) £	at 31-Dec-23 £
1	New Build	8,070,835	5,679,323	3,824,139	3,714,629	109,511	3%	1,964,694	35%	(666,695)	5,012,628
2	LIFT	-	-	-	336	(336)		(336)		-	-
3	Total Development Costs	8,070,835	5,679,323	3,824,139	3,714,964	109,175	3%	1,964,358	35%	(666,695)	5,012,628
4	Scottish Government Grant										
5	Grant - New Build	(6,433,745)	(4,910,251)	(3,628,771)	(3,352,860)	(275,912)	8%	(1,557,392)	32%	600,000	(4,310,251)
6	Total Grants	(6,433,745)	(4,910,251)	(3,628,771)	(3,352,860)	(275,912)	8%	(1,557,392)	32%	600,000	(4,310,251)
7	Private Finance required										
8	New Build	1,637,090	769,071	195,368	361,769	(166,401)	-85%	407,302	53%	(66,695)	702,376
9	LIFT	-	-	-	336	(336)		(336)		-	-
10	Expensed Development Cost	-	-	-	-	-	0%	-	0%	-	-
11	Feasibility	10,100	10,100	8,000	2,640	5,360	67%	7,460	74%	-	10,100
12	Private Finance required	1,647,190	779,171	203,368	364,745	(161,377)	-79%	414,427	53%	(66,695)	712,476

Commentary on Performance

Leverburgh tender returns for 12 units is currently being assessed with 4 units from Low Flyer phase 2 being allocated to Leverburgh in the programme. Budgeted spend this year is forecast to decrease by £400K in addition to associated grant.

Work continues to take forward sites at Bernera, Gravir and Grimsay to the next stage. It is not anticipated that we will have any spend for Bernera and Gravir this year and a £200K reduction in costs and associated grant has been recognised in the forecast out-turn.

Blackwater is progressing well with the first phase expected to be handed over in April 2024.

Lochmaddy is on site with completion expected in April 2024.

Work has commenced in lodging a planning application for the project at Scott Road.

SECTION 3: KEY PERFORMANCE MEASURE

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FINANCIAL COVENANTS

HHP has a credit facility with RBS and as a result an interest cover covenant and a gearing covenant is required. The minimum cover required is 110% with a maximum gearing of 30%.

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

Line	Detail	YTD	Forecast
1	Operating Surplus	£ 2,744,178	£ 2,559,741
2	Add back Depreciation	£ 3,334,393	£ 4,617,600
3	Add back Profit/(Loss) on sale of LIFT properties	£ -	£ -
4	Deduct Capitalised Investment (inc OT)	(£ 1,514,467)	(£ 4,322,885)
5	Deduct Pension Contributions	£ -	£ -
6	Deduct Amortisation	(£ 1,274,538)	(£ 1,588,600)
7	Adjusted Operating Surplus	£ 3,289,566	£ 1,265,856
8	Interest Payable	£ 553,288	£ 756,915
9	Interest Receivable	£ 46,458	£ 151,621
10	Net Interest Payable	£ 506,830	£ 605,294
11	Covenant for 23/24	110%	110%
12	Adjusted Operating Surplus as percentage of Net interest Payable	649%	209%
13	Headroom	£ 2,732,053	£ 600,033
14	Historic Cost of Properties	£ 144,015,383	£ 160,032,413
15	Financial Indebtedness	£ 17,000,000	£ 17,000,000
16	Gearing Covenant for 23/24	30%	30%
17	Gearing	12%	11%

FINANCIAL RATIOS

Key Ratios			
	Current	Forecast	2022/23
Current Ratio	27.42	4.71	2.67
(Current Assets / Current Liabilities)			
Net Debt Per Unit			
Borrowing / stock units	£7,110.00	£7,110.00	£7,283.63
Voids%	1.33%	1.51%	0.62%
Voids as % of Rental Income Due			
Bad Debts %	0.19%	2.00%	0.38%
Bad Debts written off as % of Rental Income Due			
Staff Cost/Turnover %	18.72%	20.76%	19.91%

CASH FLOW FORECAST 2023/24

The below cash flow shows the actual cash position as at 31 December 2023 and a forecast for the remainder of the Financial Year:

Monthly Cash Flow Forecast

Year Ended 31-Mar-24	31-Dec-23 Month 9	31-Jan-24 Month 10	28-Feb-24 Month 11	31-Mar-24 Month 12	Total
Cash on Hand at beginning of month	4,534,464	4,767,530	6,257,917	5,339,465	3,717,992
Cash Receipts					
Rent	892,311	991,906	877,254	716,827	11,199,369
Grant Income	596,436	148,241	329,000	353,500	5,597,745
Bank Interest	864	5,000	60,000	47,314	152,462
Insurance Claims	-	-	-	-	10,849
Other income	30,250	-	-	-	155,649
Transfer from Deposit	-	2,200,000	-	-	5,700,000
Total	1,519,862	3,345,147	1,266,254	1,117,641	22,816,073
Total Cash Available	6,054,326	8,112,677	7,524,172	6,457,105	
Cash Paid Out					
Payroll	201,307	297,000	204,000	204,000	2,394,661
Management Costs	51,101	80,736	95,736	95,736	1,011,851
Repairs	486,275	363,500	363,500	363,500	4,266,376
Investment	339,476	790,318	1,131,271	1,185,967	4,512,683
Development	85,121	322,205	389,200	663,910	5,073,109
Total	1,163,279	1,853,759	2,183,707	2,513,113	17,258,680
Cash Paid Out (Non P & L)					
Loan Interest	121,629	-	-	225,000	760,045
Refunds	1,889	1,000	1,000	1,000	20,255
Transfer to Deposit Account	-	-	-	-	4,701,000
Total	123,517	1,000	1,000	226,000	5,481,300
Total Cash Paid out	1,286,796	1,854,759	2,184,707	2,739,113	
Cash Position at End of Month	4,767,530	6,257,917	5,339,465	3,717,992	-
Deposit Acct At end of Month	5,560,939	3,357,519	3,364,074	3,364,074	
Total Funds Available	10,328,469	9,615,436	8,703,538	7,082,066	

STOCK LEVELS 2023/24

The below shows the current stock level position as at 31 December 2023:

Property Stock				
The number of units of accommodation owned by the Partnership was as follows:				
	Units in Management		Units under Development	
	2024	2023	2024	2023
Unimproved				
New Build	595	538	80	137
Improved	1,771	1,783	-	-
General Needs Housing	<u>2,366</u>	<u>2,321</u>	<u>80</u>	<u>137</u>
Shared Ownership Accommodation	3	3	-	-
Supported Housing Accommodation	20	20	-	-
Total Housing Stock	<u>2,389</u>	<u>2,344</u>	<u>80</u>	<u>137</u>
Other Property				
Garages	42	42	-	-
Commerical	6	6	-	-
Heritable-Partnership's offices	3	3	-	-
Total Other Property	<u>51</u>	<u>51</u>	<u>-</u>	<u>-</u>

Total housing stock number has increased by 45 since 2023 due to 50 new units at Bremner Court, 6 New Units at Rathad Na Ceardaich, 1 new unit at Eireastaidh and the sale of 12 units at Dun Berisay.

QUARTERLY TREASURY REPORT TO 31 DECEMBER 2023

Board 13 February 2023

Report by Director of Finance & Corporate Services

Purpose of Report

- 1.1 To inform the Board of the Treasury Management activities for the third quarter of 2023/24.

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 2023/24.

Competence

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

Recommendations

- 4.1 **It is recommended that the Board note the:**
- a) **quarterly report on the Analysis of Investment and Borrowing as shown at Appendix 1;**
 - b) **outstanding loans at 31 December 2023 of £17M; and**
 - c) **cash balance at 31 December 2023 of £10.328M.**

APPENDIX 1:	Analysis of Investment and Borrowings
APPENDIX 2:	Quarterly Income and Expenditure Profile
Background Papers	None
Writer of Report	James Morrison

Tel: 0300 123 0773

Competence

Financial

- 5.1 This report deals entirely with the cash resources utilised over the third quarter of 2023/24.

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 £4M 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.
- 6.5 The Treasury Management Policy states that we "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".

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 and war in Ukraine has resulted in turmoil in the financial markets. The increase in the bank interest rates mean that there will be an increased cost with respect to any variable loans held. There will also be an increase in interest received on deposit accounts.
- 8.3 Interest rate risk is managed through hedging the proportion of debt between Fixed and Variable. We are in a strong hedging position with only £1.5M of current debt drawn on a variable basis.

Report Details

- 9.1 The third quarter of the year saw £4.389M expenditure of which £1.158M related to new build.
- 9.2 The income for the third quarter was £4.466M and comprised Rental Income (63%), Government Grants including new build (35%) and Other Income (2%).
- 9.3 In this quarter there was no change in total borrowing (£17M drawn).
- 9.4 Appendix 2 summarises the income and expenditure profiles for the third quarter.
- 9.5 The cash balances at 31 December 2023 increased quarter on quarter by £0.08M to £10.328M. This balance is anticipated to reduce over the next quarter as we have now drawn down all grant monies for Lochmaddy and the investment program progresses.
- 9.6 All covenants are forecast to be complied with for 2023/24.
- 9.7 The £5.5M drawdown originally forecast to be drawn in 2023/24 will not be drawn now until 2024/25. This is primarily driven by delays on development.

INVESTMENTS

	Mar-23	Jun-23	Sep-23	Dec-23	Average
DEPOSIT ACCOUNTS	£000's	£000's	£000's	£000's	£000's
Royal Bank	4,250	4,250	5,450	5,450	4,850
CWS	0	0	0	0	0
BOS	15	18	19	21	18
Santander	86	88	89	89	88
Total Deposit	4,351	4,356	5,558	5,561	4,956

CURRENT ACCOUNTS

General Account	1,359	2,934	2,404	2,479	2,294
Standing Order	750	750	750	750	750
Direct Debit	750	750	750	750	750
Office/Cash	750	750	750	750	750
Property Factoring	33	34	36	39	36
Total current	3,642	5,218	4,690	4,767	4,580
Total	7,993	9,574	10,248	10,328	9,536

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 £4.767M. 5 deposit accounts held with the 4 banks shown above total £5.561M.

BORROWINGS

Core Funding Facility	£m
Estimated debt outstanding (per Business Plan)	17.00
Actual amount outstanding	17.00
Difference	-

Interest Rates

The Interest Rate that applies to the Partnership is SONIA plus an agreed margin. SONIA is the Sterling Overnight Index Average and replaces LIBOR (London Inter Bank Offer Rate). SONIA was 5.19% at 31 December 2023.

The Base Rate has not changed since September 2023 and currently sits at 5.25%. The Bank of England (BOE), in its attempt to curb rising inflation, raised the base rate but with inflation in decline it is anticipated the Bank of England may decrease rates towards the end of 2024. At 5.25% the base rate of interest is almost in line with the assumptions in our business plan (5.5%) and as such any ability to cover future increases in our plan are limited.

Borrowings	Mar-23	Sep-23	Dec-23	Average
	£000's	£000's	£000's	£000's
Facilities arranged	25,000	25,000	25,000	25,000
<i>Loans outstanding</i>	17,000	17,000	17,000	17,000
<i>Variable/Fixed analysis-amounts</i>				
Variable amount	1,500	1,500	1,500	1,500
Fixed amount	15,500	15,500	15,500	15,500
Other Hedging	-	-	-	-
	17,000	17,000	17,000	17,000
<i>Variable/Fixed analysis-Percentages</i>				
Variable	8.82%	8.82%	8.82%	8.82%
Fixed	91.18%	91.18%	91.18%	91.18%
Other Hedging Products				
	100%	100%	100%	100%
<i>Lenders amounts</i>				
Core Facility (RBS)	17,000	17,000	17,000	17,000
Other Borrowings	-	-	-	-
	17,000	17,000	17,000	17,000

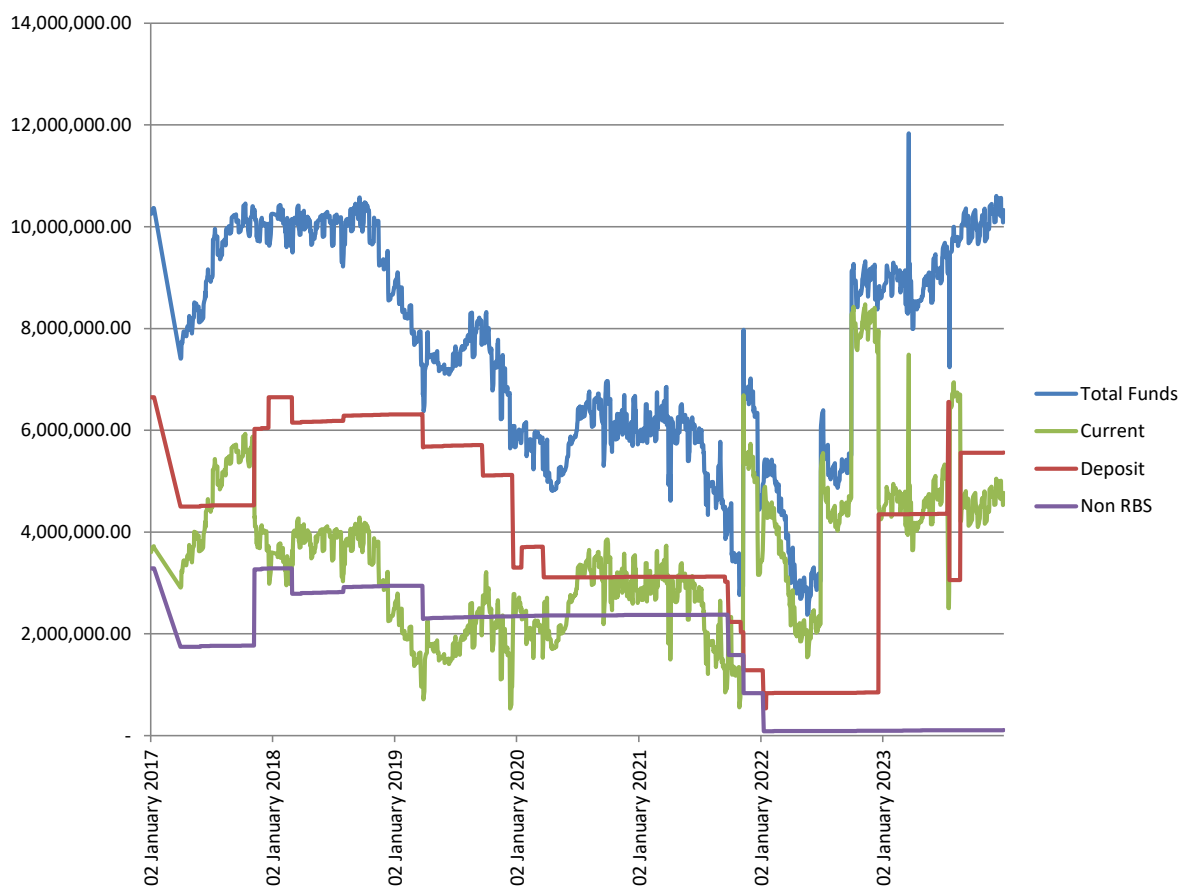
Average cost of borrowing

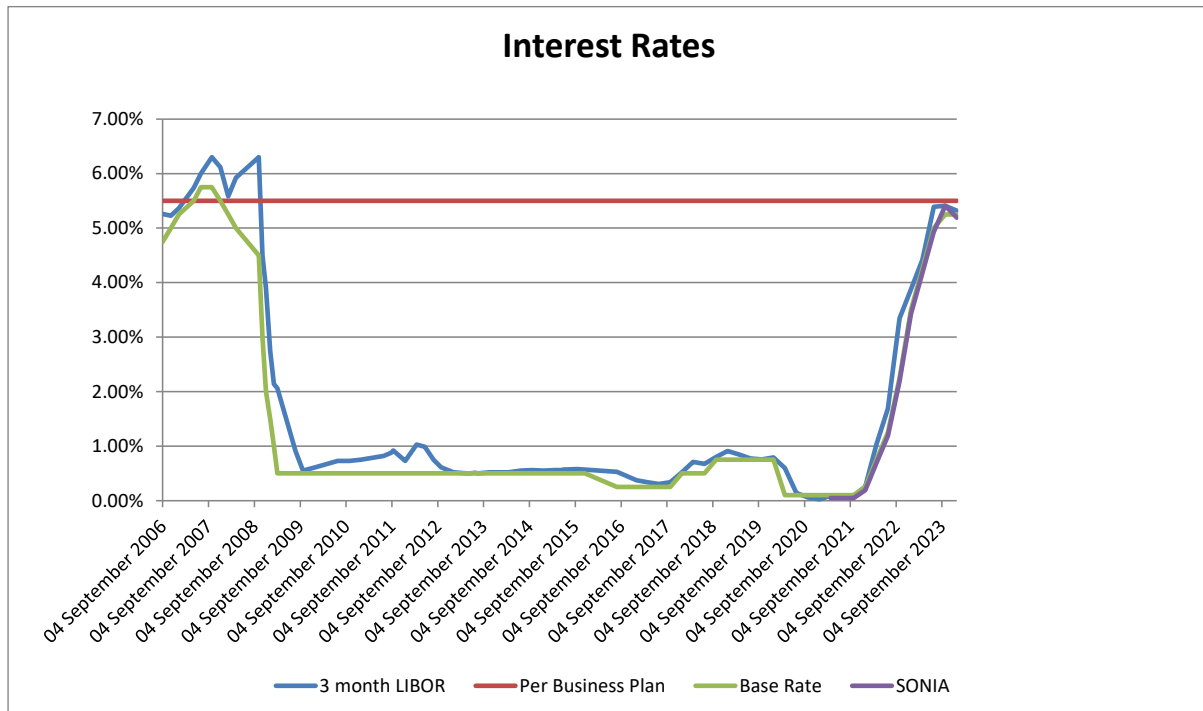
Amount £000's	Interest	Type	Annual Cost
15,500.00	3.69%	Fixed	572,198
1,500.00	9.11%	Variable	136,717
17,000.00			708,915
Average cost of funds			4.17%

Anticipated level of borrowing over next 5 years

Year	2023/24 Est £m	AFS Forecast £m	Variance £m
2023/24	17.000	22.500	(5.500)
2024/25	24.500	24.500	-
2025/26	25.000	25.000	-
2026/27	25.000	25.000	-
2027/28	25.000	25.000	-

Cash Balances

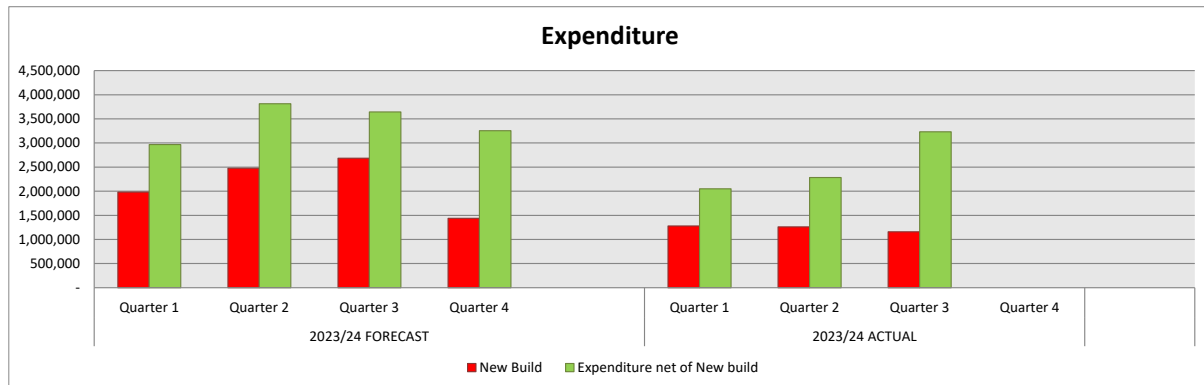




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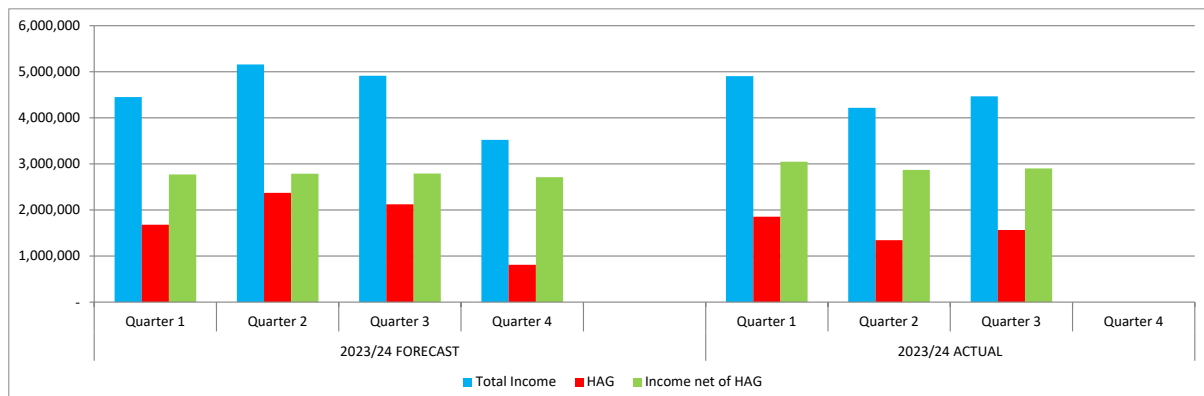
ANALYSIS OF INCOME AND EXPENDITURE PROFILES

EXPENDITURE



Overall, the expenditure for the third quarter (Q3) of 2023/24 is £1.942M lower compared to forecast. This is driven by delays in getting onto site in a number of developments as originally planned with new build spend £1.527M below original forecast. Expenditure net of new build for Q3 is £0.414M below forecast, mainly as a result of delays on the investment programme due to the delay in progressing the heating program (pending the outcome of the Infra-Red Grant application). £0.31M of Insurance premiums, originally forecasted to spend in Q2, were paid in the first week of October in addition to an additional £0.40M spent on Repair costs. Payroll was £0.99M less due to CNES being unable to invoice for employers' contribution for November payroll.

INCOME



Total Income for the third quarter of 2023/24 is £0.446M lower than the original forecast mainly due to delays in the development program resulting in HAG being £0.555M lower than forecast. Income net of HAG is £110K above forecast due to additional RHI monies and interest received in Q3.

BUSINESS PLAN MONITORING REPORT

Board 13 February 2024

Report by Chief Executive

Purpose of Report

- 1.1 To present the progress report to 31 December 2023 on the Delivery Plan for the Business Plan 2019/20 to 2023/24.

Summary

- 2.1 The progress report to 31 December 2023 is at Appendix 1 and shows that overall we are currently below target.
- 2.2 A revised plan for the New Rent Structure was agreed at the Development & Finance Committee on 24 November 2023.
- 2.3 The original target of 214 New Build units included 50 HWEC units which were handed over in May 2023. In total, 241 units have been completed with additional funding from the Scottish Government.
- 2.4 The cost-of-living crisis has impacted arrears performance. There has been a 7% increase in arrears across the social housing sector in Scotland. Arrears are at their highest level since 2012.
- 2.5 Progress on fuel poverty has been negated by huge increases in fuel prices over the last 2 years, however, new systems help mitigate this.
- 2.5 A draft Business Plan is at Item 6.1 on the agenda and proposed performance indicators and targets for the next 5-year Business Plan have been included.

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 note the Business Plan Monitoring Report to 31 December 2023 at Appendix 1.**

APPENDIX 1: Business Plan Monitoring Report as at 31 December 2023

Background Papers: None

Writer of Report: Iona France

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 2023/24.
- 5.2 The detailed annual budget for 2023/24 was approved in March 2023.

Legal

- 6.1 There are no specific legal issues relating to the Delivery Plan progress 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 Reviewing progress on the Delivery Plan on a quarterly basis reduces the risk of the Strategic Goals not being delivered.

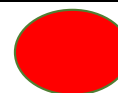
Business Plan 2019/20 to 2023/24

Progress Report to: 31 December 2023

MEASURES OF SUCCESS	Due by 31 December 2023	On Target	Below Target	Exceeding Target
SG 1 Placing Tenants at the centre of everything we do	7	2	5	
SG 2 Investing in an environmentally sustainable way in tenants' homes	5	2	1	2
SG 3 Being a good employer that attracts and retains high quality staff	6	3	-	3
SG 4 Working with partners to contribute to the wellbeing of communities throughout the Outer Hebrides	6	4	2	-

ACTION PLAN	Due by 31 December 2023	On Target	Below Target	Exceeding Target
SG 1 Placing Tenants at the centre of everything we do	13	9	1	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	5	3	-	2
SG 4 Working with partners to contribute to the wellbeing of communities throughout the Outer Hebrides	5	5	-	-

Overall Progress



50

31
62%

9
18%

10
20%

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 31 Dec 2023	Trend	Lead Officer
1 Placing tenants at the centre of everything we do						
1.1 - % of satisfaction with our overall services > 90%	31/10/2021	88%	X	86%		Sevice Development Manager
1.2 - Maintain all our homes to meet or exceed SHQS (exl abeyanc	31/03/2024	100%	✓	86%		Investment Manager
1.3 - Respond to complaints within SPSO targets	31/03/2024	94.23%	✓	93%		Service Development Manager
1.4 - Level of current arrears at 2% of Gross Debit	31/03/2024	1.70%	X	3%		Director of Operations
1.5 - Voids at < 1% of Gross Rent Debit	31/03/2024	0.66%	X	1%		Director of Operations
1.6 - Provide options for a rent guarantee period	31/03/2024	None	X	Postponed -revised plan approved by Board in November 2023		Director of Finance
1.7 - 88% of tenants satisfied with opportunities to participate in d	31/10/2021	84%	X	85%		Service Development Manager
2 Investing in Properties						
2.8 - Deliver 214 new builds	31/03/2022		✓	241		Development Manager
2.9 - Deliver 50 extra care units in Stornoway by Sept 2022	30/09/2022	None	✓	Completed in May 2023		Director of Operations
2.10 - Reduce % of tenants in fuel poverty to under 25% by 2023 (	31/03/2024	41%	X	41%		Investment Manager
2.11 - 100% properties achieving EESSH by 2020	31/03/2020	87%	✓	96%		Investment Manager
2.12 - 100% of stock assessed in terms of long term viability	31/03/2024	98%	✓	98%		Asset & Contract Manager
3 Being a good employer						
3.13 - Flexible working policy in place by 2020	31/03/2020	N/A	✓	Completed in June 2020		Chief Executive
3.14 - Staff survey in 2020 showing positive feedback. Action Plan	31/03/2021	2015 Survey	✓	Survey completed and reported in March 20		Chief Executive
3.15 - 10% of staff pursuing and obtaining qualifications	31/03/2022	4%	✓	14.00%		Training & Development Officer
3.16 - 100% of vacancies filled on first attempt	31/03/2022	100% in 2018/19	✓	100%		Chief Executive
3.17 - Sustain a minimum level of 65% of HHP staff with a service l	31/03/2022	68%	✓	76%		Chief Executive
3.18 - % of staff turnover at less than 10%	31/03/2022	4% for 2018/19	✓	0%		Chief Executive
4 Working with partners						
4.19 - New arrangement in place for the delivery of accommod	01/04/2019	N/A	✓	In place 25 April 2019		Director of Operations
4.20 - Population forecasts decline + demographics	31/03/2022	Population at 2011-27,684	X	2020-26,720 2023 - 26,200		Chief Executive
4.21 - Increased demand for housing in rural areas	31/03/2022	243 at 31 March 2019	✓	Total 660 Rural 352		Director of Operations
4.22 - Community benefit measures delivered across our commu	31/03/2022	100% of contractors	✓	100%		Director of Operations
4.23 - 95% of tenants satisfied with management of the area they	31/03/2022	92%	X	81%		Service Development Manager
4.24 - Complete Housing Demands Study	30/09/2021	N/A	✓	Final report to Board in November 2021		Director of Operations
Competencies Achieved	31/08/2022	92% in 2020	✓	94% achieved		Chief Executive

Action Plan	Target date	Baseline		Progress to December 2023	Lead Officer
1 Placing tenants at the centre of everything we do					
1.1 - Carry out affordability checks	31/03/2024	2018	✓	Rents benchmarked against peers	Director of Operations
1.2 - Value for money Strategy	31/03/2021	2012	✓	Completed	Director of Finance
1.3 - New Rent Structure	31/03/2024	Current Rent Structure	✗	Postponed - revised plan approved by Board in November 2023	Director of Finance
1.4 - Profile our Customers Needs	31/03/2022	20% complete	✓	25%	Service Development Manager
1.5 - Support Western Isles Housing Association Communities Forum	31/03/2024	Grant + Staff time	✓	The Forum are supported by HHP with time and advice. SDM attended AGM in October 2022. HHP financed Forum attendance at TPAS conference. Work continues with the Cearns Association. No current TPAS scrutiny group.	Service Development Manager
1.6 - Develop tenant scrutiny	31/03/2024	2 groups in place	✓		Area Managers
1.7 - Provide dedicated tenant participation support	31/03/2023	Half time post in place	✓	New Tenant Engagement Officer now in post.	Director of Operations
1.8 - Ensure tenants maximise their opportunities to access digital services	31/03/2024	Information from survey	✓	Digital Transformation Manager appointed	Area Managers
1.9 -Develop a digital transformation strategy	31/03/2022	IT Strategy	✓	Approved by Board in November 2020	Business Support Officer
1.9 Implement the digital transformation strategy	31/03/2023	DT Strategy	✓	New Housing System went live in March 2023	Digital Transformation Manager
1.10 - Develop an Anti-Poverty Strategy	31/03/2020	None in place	✓	CPP Strategy launched 9 October 19	Director of Operations
1.11 - Benchmark our services with other Housing Associations	31/03/2024	High Level desk top	✓	High Level Desktop	Executive Office
1.25-Key Risk Indicators and Key Control Indicators developed during 2019	31/12/2020	None in place	✓	Three Health & Safety KCI's reported in Quarterly Performance Report	Executive Office
2 Investing in Properties					
2.12 - Develop an Environmental Strategy	22/07/2022	Board approved	✓	Approved	Investment Manager
2.13 - Update Asset Management Strategy annually	31/03/2024	Current Strategy	✓	Updated June 2023	Assets & Contract Manager
2.14 - Annual Investment Programmes completed by February each year	28/2/2023	90% delivered by March	✓	97%	Investment Manager
3 Being a good employer					
3.15 - Offer shadowing and coaching opportunities to all staff	31/03/2023	Informal arrangements	✓	Informal shadowing and coaching into place.	Executive Office
3.16 - Team building events	31/03/2024	2 held	✓	Event held in June 2023	Chief Executive
3.17 - Round table discussions with managers	31/03/2022	None in place	✓	To be re-instated in 2023/24	Chief Executive
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 Breathe	Executive Office
3.19 - Deliver Annual Training Plan for 2023/24	31/03/2024		✓	18%	Executive Office
2021-4 Working with partners					
4.20 - Working with community groups to improve common areas	31/03/2024	None in place	✓	Working with Cearns Community Association to improve the estate	Area Managers
4.21 - Identify opportunities to generate income	31/03/2024		✓		Finance Manager
4.22 - Support OHCPP to deliver its aims	31/03/2024	Attendance at OHCPP	✓	Applications for grant funding to support tenants + heating grants	Chief Executive
4.23 - Work closely with voluntary sector	31/03/2024	None in place	✓		Chief Executive
4.24 - Work with CNES to deliver LHS	31/03/2024	IDB	✓	Meetings attended regularly new agreement due to be signed.	Chief Executive
				in place	
				New build on Target; Homeless targets presenting challenges. Members of the Housing Market Partnership set up by CNES as part of the LHS review	Chief Executive

STOCK CONDITION SURVEY REPORT

Board 13 February 2024

Report by Director of Operations

Purpose of Report

- 1.1 To provide an update on the 2023 Stock Condition Survey.

Summary

- 2.1 The Scottish Housing Regulator and lenders expect landlords to have a robust approach to assessing stock condition and investment requirements. Carrying out an independent survey provides this robustness and also provides assurance for the Board.
- 2.2 The key outputs of the survey include assessing the remaining useful life of components, assessing compliance with the Scottish Housing Quality Standard (SHQS) and the Energy Efficiency Standard in Social Housing (ESSH), and identifying the investment needs of the stock over the 30-year period of the business plan.
- 2.3 John Martin Partnership (JMP) carried out the survey and have now submitted a draft report. This is being reviewed and discussed with JMP with a view to having a final report to inform the Business Plan.
- 2.4 The investment requirements identified in the report align with the current provision in the Business Plan. Minimal 'catch-up' repairs were identified, indicating that the stock is in good condition and adequately maintained through investment and planned programs.

Competence

- 3.1 The legal, financial, or other constraints to the recommendations in this report are contained in paragraph 5.1 – 8.3.

Recommendations

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

Background Papers None

Writer of Report Angus MacNeil

Tel: 0300 123 0773

Competence

Financial

- 5.1 Data gathered and costed from the survey informs the projected profile of spend across the 30-year business plan. The findings are being analysed and following refinement are expected to broadly align with existing Business Plan projections.
- 5.2 Costs (adjusted for inflation) to address replacements over the 30-year period are estimated at £226M over 30 years.
- 5.3 The survey has identified works to be completed over the next 5 years totalling £22.3M. Some work is required to re-profile the pattern of spend across the 30 year plan to ensure financial covenants are met and annual programs are of a scale that is deliverable.
- 5.4 An Investment Programme for 2024-2028 will be prepared based on the survey results subject to cash planning limits and annual budget setting process.

Legal

- 6.1 There are legislative targets to be maintained and achieved for the Scottish Housing Quality Standard (SHQS) and Energy Efficiency Standard in Social Housing (EESH) respectively.

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 The Stock Condition survey informs risk management by providing up-to-date information on the condition and investment needs of the stock. This helps in mitigating the risk of non-compliance with statutory and regulatory requirements and duties.
- 8.2 The survey is based on a 20% sample of the stock. Data is therefore cloned where appropriate, and the survey is not therefore intended to assess the condition of each individual property.
- 8.3 There are relevant risks highlighted in the Risk Register including the health of the local economy and the capacity of contractors to deliver programmes and lack of skilled workforce. There are also legislative and regulatory changes which place increasing pressure on resources.

Report Details

Headline data

- 9.1 A total of 474 surveys were completed, achieving the target of 20% of the housing stock. The surveyors are satisfied that the numbers achieved provide a representative sample of the stock. Properties surveyed in the previous stock condition surveys were excluded from the sample.
- 9.2 In addition to the condition survey, data was collected on damp and condensation issues, and these are being followed up. There were two cases identified which failed the criteria of Tolerable Standard:
 - a) Structural Stability due to a case of water ingress at a chimney breast; and
 - b) a further case of condensation in a bedroom/ bathroom.

There were zero failures under Rising damp/ Penetrating damp.

Housing Condition - SHQS

- 9.3 The stock has been assessed against the 5 main groupings of the SHQS which comprises 55 quality elements. The stock is assessed to be 93% compliant, which is higher than our reported performance but as noted previously this is based on a sample survey and will therefore have a margin of error. However, it does indicate that the stock is maintained in good condition.

30 Year Life Cycle and Cost Projections

- 9.4 Quality checks are being finalised on the data which will then inform our 30-year Investment Plan showing when components will be replaced. The Investment Plan is a key component of our new Business Plan.
- 9.5 Life cycle replacement projections have been created for each stock component for the 30-year planning period from 2024/25 to 2052/53. These projections consider factors like current age, condition, material composition, industry guidelines, and maintenance regimes, as well as site variation such as location and exposure.
- 9.6 In the first year of a 30-year program, limited financial allowance is needed due to the minor and scattered nature of catch-up repairs. These repairs can be handled through ongoing maintenance programs such as cyclical, responsive, and void maintenance.
- 9.7 The investment requirements of the stock to achieve EESSH2 energy efficiency standards remain a major element of the Investment Programme for 2024-29.
- 9.8 An investment plan for the first 5-year period is being developed and will be presented to the Board in March. The 2024/25 programme will also be presented as part of the Investment report during the meeting.