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BOARD AGENDA – 16 MARCH 2024

ITEM	AGENDA ITEM	ACTION	PRESENTED BY	PAGE NO	TIME
1	**Attendance & Apologies**	Noting	Chair	3	5:30pm - 5.45pm
2	**Declaration of Interest**	Noting	Chair	-	
3	**Minutes**			-	
3.1	Minute of Meeting	Approval	Chair	5	
3.2	Action Sheet	Noting	Company Secretary	10	
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**				5:45pm - 6:30pm
6.1	Business Plan	Approval	Chief Executive	12	
6.2	Budgets 2024/25	Approval	Director of F&CS	135	
6.3	Annual Financing Strategy	Approval	Director of F&CS	148	
6.4	Management Report to 29 February 2024	Approval	Finance Manager	166	
6.5	Investment Programme	Approval	Assets & Contracts Manager	178	
6.6	Development Report	Approval	Development Manager	184	
6.7	Tenant Engagement & Satisfaction Survey	Approval	Service Development Manager	195	

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ITEM	AGENDA ITEM	ACTION	PRESENTED BY	PAGE NO	TIME
7	**Policies & Strategies**				6:30pm - 6:55pm
7.1	Expenses Policies	Approval	Director of F&CS	217	
7.2	Equality & Diversity Policy & Action Plan	Approval	Governance Officer	249	
7.3	Repairs & Maintenance Policy	Approval	Assets & Contracts Manager	261	
7.4	Procurement Strategy Annual Update	Noting	Corporate Resources Manager	279	

ITEM	AGENDA ITEM	ACTION	PRESENTED BY	PAGE NO	TIME
8	**Noting Reports**				6:55pm - 7:05pm
8.1	Planned Maintenance 2024/25	Noting	Assets	288	

MEETING GOES INTO PRIVATE SESSION

Board Meetings 2023/24

Board Members	Notes	24-Aug-23	28-Nov-23	13-Feb-24					
Gordon Macleod									
Calum Mackay	5			Leave					
Alison MacCorquodale									
Helen Mackenzie									
Roddy Nicolson	1								
Norman A Macdonald									
Thomas Howe	2								
Iain Macleod									
Donald Macsween	3								
Finlay Stewart									
Norman Macdonald	4								

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
4 - Appointed as Council Member on 4 January 2024
5 - Special Leave gratned on 13 February 2024

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	Risk Appetite Session	
		14-Sep-23	07-Nov-23	09-Nov-23	22-Nov-23	10-Jan-24	
Gordon Macleod							
Calum Mackay	5						
Alison MacCorquodale							
Helen Mackenzie							
Roddy Nicolson	1						
Norman A Macdonald							
Thomas Howe	2						
Iain Macleod							
Donald Macsween	3						
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Unable to attend remote training due to techncial difficulties

Member not required to be present at training

Leave Special Leave Granted

ITEM NO 3.1

HEBRIDEAN HOUSING PARTNERSHIP

Board

Minutes of Meeting held via MS Teams on Tuesday 13 February 2024 at 5.30pm

PRELIMINARY ITEM	
ATTENDANCE & APOLOGIES	
1	**Attendance & Apologies** Attendees: Gordon Macleod (Chair); Roddy Nicolson; Alison MacCorquodale; Norman A Macdonald; Tom Howe; Iain M Macleod; Norman Macdonald; Finlay Stewart Apologies Received: Calum Mackay (Vice-Chair); Helen Mackenzie Staff & Consultants In Attendance: 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); Michael Libby (Corporate Services Officer); Monika Fortagh (Debt Management Officer); Sawan Morrison (Development Manager) Present for Agenda Items 1-8.5 only: James Morrison (Finance Manager); Angus Smith (Corporate Resources Manager); Angus E MacNeil (Assets Contracts Manager); Peter O'Donnell (Investment Manager)
	Special Leave Request A Special Leave request had been received from Mr Calum Mackay for the February and March 2024 due to ill health. The Chair, on behalf of the Board, wished Calum all the best in his recovery. **The Board approved Mr Calum Mackay's request for Special Leave.**
	The Chair informed the Board of two members of staff moving onto employment elsewhere. Jonathan Fairgrieve, Corporate Services Officer, was moving on to be Governance & Assurance Manager at Bield Housing. The Chair wished him well in his new post and thanked him for his support to the Board during his time at HHP. Nataliya Nedkova, Customer Services Supervisor, was moving on to take up a post at the Assessor's Office. The Chair wished her well in her new post and thanked her for her work during her time at HHP.
PRELIMINARY PROCEDURAL MATTERS	
2	**Declaration of Interest** **Gordon Macleod declared an interest at item 9.3.**
3.1.1	**Minute of Board Meeting 28 November 2023** **The minute of the Board meeting of 28 November 2023 was submitted and approved as a true and accurate record.**
3.2	**Action Sheet** The Director of Operations advised that following public consultation on the option of a second phase at the Scott Road development, the outcome was positive. Out of the 69 responses received, 59 were in favour of the second phase. North Harris Trust have been provided with the results and feedback on the availability of the land was expected within the next two weeks. It was agreed an update would be provided at the Board Meeting in March 2024. **The Action Sheet was noted.**

4	**<u>Date of Next Meeting</u>** **The date of the next meeting will be Tuesday 26 March 2024.**
5	**<u>Health & Safety</u>** The Director of Operations provided an update on the incident at the Blackwater Development site where an employee of the contractor was injured. Members were advised the Notifiable Event with the Scottish Housing Regulator had been closed and continual monitoring of the site was being carried out by our Clerk of Works. The Director of Operations advised the employee was continuing to recover well. **The update on Health & Safety was noted.**
ITEMS FOR DECISION	
6.1	**<u>Business Plan</u>** The Chief Executive presented the draft Five Year Business Plan (2024/25 to 2028/29). The Plan had been prepared following three key events held which included partners, staff and Board Members. A presentation on the main themes of the plan was given, which were: • Populations demographics and how we contribute to increasing population or at least stemming the decline; • Climate Changes and the impact on all our communities, in particular our tenants and the neighbourhoods they live in; • Opportunities with the planned renewable works to provide housing for workers; • Development that supports rural communities to help them thrive; and • Technology, both the benefits it brings to our business and tenants and recognising the costs of keeping technology up to date. Members were advised a new Risk Appetite Statement had been prepared following the Risk Appetite Session held with Board Members on 10 January 2024. The Chief Executive highlighted the appetite for New Build was Low and advised this would require review if the Board wished to be involved in housing for renewables workers over the lifecycle of the Business Plan. **The Board approved the:** **a) Draft Business Plan 2024/25 to 2028/29 as the basis for the consultation document, with a final Plan brought to the Board in March 2024; and** **b) Risk Appetite Statement, included in the Business Plan.**
6.2	**<u>Budgets 2024/25</u>** The Director of Finance & Corporate Services outlined the proposed 2024/25 budgets including charges for rents, garages and services. Consultation on the proposed rent increase was carried out from 6 December 2023 – 14 January 2024. Two options were given to tenants: • RPI plus 0.5% increase (6.6%); and • RPI minus 1.0% increase (5.1%). The survey was published on our website and across our social media platforms with 16 completed responses received. The Director of Finance & Corporate Services proposed that rents be increased by 5.1% and garage rents, garage site rents and all other services and charges for 2024/25 be increase in like with October RPI, an increase of 6.1%. Detailed budgets would be presented to the Development & Finance Committee and Board in March 2024. **The Board:** **a) Approved 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) Approved garage rents and garage site rents for 2024/25 be increase by 6.1% (October RPI);** **c) Approved all other services and charges for 2024/25 be increased by 6.1% (October RPI); and** **d) Noted the detailed budgets be submitted to the Board for approval on 26 March 2024.**
6.3	**<u>Investment Programme</u>** An update on the 2023/24 and 2024/25 Investment Programme was presented by the Assets & Contracts Manager. The 2023/24 programme was progressing well, with no issues identified with substantive elements of the programme. Members were advised roughcast works were not proceeding due to tender prices significantly exceeding budget. **The Board** **a) Noted the progress on the Investment Programme; and** **b) Approved the Investment Programme 2024/25.**

6.4	<u>**Training Plan 2024/25**</u> The Governance Officer presented the 2024/25 Staff and Board Training Plans for consideration and approval. The plans were based on a variety of sources and requirements identified during the year, focussing on Health & Safety, Equality & Diversity and Information Security. Members were encouraged to contact the Governance Officer with any training requirements. **The Board approved the:** **a) Staff Training Plan 2024/25; and** **b) Board Training Plan 2024/25.**
6.5	<u>**Electric Vehicle Charging Point**</u> The report covered two aspects of EV Charging Points: provision for tenanted properties; and use of the EV Charging Point at the Stornoway office. Updated Scottish Building regulations, which came into force in June 2023, require that every new build property 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. The Investment Manager advised the installation of charging points applied to new build properties and regenerated property, such as care unit conversions, where a building warrant was granted after June 2023. Iain Macleod questioned whether it was a 1:1 house to charger ratio. The Investment Manager advised this would be the case, with exception to flatted properties (e.g. HWEC, where the number of chargers would depend on the number car parking spaces. In line with our ESG Strategy and wider zero-carbon initiatives, a policy to extend the current charging infrastructure at the Stornoway Office to Staff and visitors through the ChargePlace Scotland network had been drafted. Gordon Macleod queried whether management of this scheme would affect staff workload. The Corporate Resources Manager advised ChargePlace Scotland would manage this for us. **The Board approved the:** **a) Procedure for granting permission for EV Charge Point Installation; and** **b) Staff & Visitor Electric Car Charging Policy.**
6.6	<u>**Board Member Appointment**</u> The Governance Officer presented a proposed appointment to the Board. Mrs Fiona Macleod, who served on the Board from 2018 to 2022 as a Community Member, had expressed an interest in returning to the Board. The appointment would be to fill one of the vacant Tenant Member posts, as a Community Member in accordance with Rule 40.3 It was proposed the appointment would commence on 1 March 2023 until our next AGM. **The Board approved Mrs Fiona Macleod be appointed to fill one of the vacant Tenant Member posts as a Community Member until the AGM.**
	POLICIES & STRATEGIES
7.1	<u>**Community Grants Policy**</u> The Director of Operations presented the revised Community Grants Policy for consideration and approval. The Policy had been reviewed and amended to delegate decisions on whether projects are supported to the Operations Working Group. **The Board approved the Community Grants Policy**
7.2	<u>**Domestic Abuse Policy**</u> The reviewed Domestic Abuse Policy was reviewed and there were no significant changes made. The Violence Against Women Partnership had been consulted as part of the review. Members were advised Staff would be briefed and refreshed on the provisions of the Policy. **The Board:** **a) noted the review of the Domestic Abuse Policy and that no content changes were required; and** **b) agreed to review the Policy in 2027.**
7.3	<u>**Employee Health & Safety at Work Policies**</u> The Corporate Resources Manager presented the Smoking at Work and Young Workers Policies. Following the review of the policies, no changes had been identified. **The Board approved:** **a) noted the following policies had been reviewed and that no content changes were required** • **Smoking at Work** • **Young Workers; and** **b) agreed to review the Policy in 2027.**

7.4	**<u>Stress Management Policy</u>** The Corporate Resources Manager presented the Stress Management Policy for consultation with staff and Unison. The Policy had been reviewed by the Health & Safety Committee with minor changes proposed. **The Board approved:** **a) the revised Stress Management 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>Fraud Policy & Fraud Checklist</u>** The Director of Finance & Corporate Services presented the reviewed Fraud Policy. The Policy requires a Fraud Checklist be prepared annually and presented to the Audit & Risk Committee and Board. The Fraud Checklist was approved by the Audit & Risk Committee at the meeting held earlier in the day. **The Board:** **a) approved the Fraud Policy; and** **b) noted the Fraud Checklist.**
7.6	**<u>Whistleblowing Policy</u>** The Governance Officer presented the Whistleblowing Policy for consideration and approval. Following the review of the policy there have been updates to the contacts appended and formatting changes. The appeals process was removed from the policy and added to our procedure manual. **The Board approved the Whistleblowing Policy.**
7.7	**<u>Health & Safety Policy Annual Review</u>** The report advised on the annual review of the Health & Safety Policy. The review was carried out to capture any changes in relation to any new Health & Safety legislation, best practice and our business requirements. No changes were required. **The Board noted the 2024 review of the Health & Safety Policy and that no changes are required to the Policy.**
7.8	**<u>Policy Consultation Response</u>** The report provided an update on the recent policy consultations with Staff and Unison, following which minor changes to the Recruitment Policy and Disciplinary Procedures were made. **The Board approved the minor changes to the Recruitment Policy and Disciplinary Procedures following the consultation process.**
MONITORING REPORTS	
8.1	**<u>Management Report to 31 December 2023</u>** The Finance Manager presented the Management Report for the month ended 31 December 2023. The report showed our financial covenants would be met for the year ended 31 March 2024 with £600K available headroom. Overspend on General Repairs had reduced from £128K in September 2023 to £94K at the end of December 2023. Delays on development allowed for additional monies to be placed on deposit. Savings of £30K had been identified on interest paid, due to interest rates not reaching the levels anticipated. **The Board noted the Management Report at 31 December 2023 and revised forecast out turn at 31 March 2024.**
8.2	**<u>Quarterly Treasury Report to 31 December 2023</u>** The Director of Finance & Corporate Services presented the Treasury Management activities for the third quarter of 2023/24 and confirmed our cash balances were £10.328M, an increase of £0.080M compared to the previous quarter. All covenants were forecast to be complied with for 2023/24. Iain Macleod asked how much of the cash balances were committed. The Director of Finance & Corporate Services advised that he would provide further details to Iain Macleod but cash balances were approximately £3M by the end of the financial year as shown in the cashflow statement included in the Management Report at item 8.1. A 30 year cashflow statement was included within the Business Plan at item 6.1 showing how cash balances would be utilised over that period. **The Board noted the:** **a) quarterly report on the Analysis of Investment and Borrowing;** **b) outstanding loans at 31 December 2023 of £17M;** **c) cash balance at 31 December 2023 of £10.328M.**

8.3	**<u>Business Plan Monitoring Report</u>** The Chief Executive presented progress to 31 December 2023 on the Delivery Plan for the Business Plan 2019/20 – 2023/24. The report showed that overall, we are below target. The Chief Executive explained there were a number of indicators performing below target which related to the Tenant Satisfaction Survey, which was last carried out in July 2021 therefore did not reflect current performance. Members were advised proposed performance indicators and targets for the next 5 year Business Plan were included in the Business Plan at item 6.1 on the agenda. **The Board noted the Business Plan Monitoring Report to 31 December 2023.**
8.4	**<u>Stock Condition Survey</u>** The Assets & Contracts Manager provided an update on the 2023 Stock Condition Survey. The findings from the survey showed 93% compliance with the Scottish Housing Quality Standards (SHQS). Members were advised the 5 Year Investment Programme, based on the findings of the survey, would be presented to the Board in March 2024. Gordon Macleod stated it was encouraging to see the increased compliance with SHQS. **The Board noted the report.**

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ITEM NO 3.2

BOARD ACTION SHEET

ACTION POINT	MINUTE NUMBER	ACTION TO BE TAKEN	DEADLINE/ TIMESCALE	ACTION BY	PROGRESS
1	13 Feb 24 (6.1)	Business Plan to be issued for consultation with tenants and partners.	5 March 2024	Governance Officer	Consultation complete. Final Plan on the Agenda for approval
2	13 Feb 24 (6.2)	Ms Fiona Macleod to be notified of appointment to Board.	1 March 2024	Company Secretary	Complete.
3	28 Nov 2023 (8.4)	Final Stock Condition Survey to be reported to the Board.	26 March 2024	Assets & Contracts Manager	Final report is on the Agenda
4	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.
5	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	Completed
6	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	Following further discussion with SG and CNES 12 social rented houses to be progressed. CNES instructing 2 houses to be moved from another project. Negotiations over land acquisition concluded and legal agreements being progressed. Contract details being finalised with AMC as preferred contractor. Further update will be provided at the Board meeting.
7	28 Jun 23 (6.7)	Development at Low Flyer to be reviewed on 6 monthly basis	31 December 2023	Director of Operations	Development now programmed- for 2025/26.

ACTION POINT	MINUTE NUMBER	ACTION TO BE TAKEN	DEADLINE/ TIMESCALE	ACTION BY	PROGRESS
		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. Feedback awaited from landowners.
8	9 Feb 2022 (7.2)	Review garage rents.	1 April 2025	Director of Finance & Corporate Services	Amended Rent Structure presented to Development & Finance Committee in November 2023.

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ITEM NO 6.1

BUSINESS PLAN 2024/25 TO 2028/29

Board 26 March 2024

Report by Chief Executive

Purpose of Report

1.1 To review and approve the Five Year Business Plan (2024/25 to 2028/29) at Appendix 1.

Summary

2.1 We consulted on our draft Five Year Business Plan with our tenants and partners and a summary of the responses received is at Appendix 2. The majority of responses supported our plan and Section 4 paras 41 to 46 has been updated to reflect that. There was also a suggestion that Energy Advice should feature in the plan so a new paragraph has been included at Section 5 para 16 stating we will work with our partners to ensure tenants have access to Energy Advice.

2.2 The Risk Appetite has been updated to enable us to explore options for the provision of accommodation for workers in the renewables sector

2.3 A summary of the key elements of the plan will be available at the Board meeting.

Competence

3.1 The competence issues relating to this report are at section 5.1 of the report.

Recommendations

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

a) the Business Plan 2024/25 to 2028/29 at Appendix 1; and

b) the Risk Appetite at Appendix 8 of the Business Plan

APPENDIX 1	Business Plan (2024/25 to 2028/29)	
APPENDIX 2	Consultation Responses	
Background Papers	None	
Writer of Report	Dena Macleod	Tel: 0300 123 0773

5.1 Competence Section

COMPLIANCE CHECKLIST	
Financial	1. The 5 year Business Plan is supported by 30 year financial projections, 5 year projections and the annual budget for 2024/25. 2. The annual budget for 2024/25 will be agreed at this meeting 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 as 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 4. Our current funding facility £25m. We can borrow up to 91% of the value of our stock which based on the 2021 Valuation is £43.4m. The Board have set an internal cap of borrowing of 70% of the value of our stock which is £33.4m. To deliver the full requirements of the Comhairle's SHIP we would need to increase our borrowing by £6m to £31m which represents 65% of our stock.
Legal	There are no specific legal issues relating to the approval of the Business Plan.
Regulatory	The Scottish Housing Regulator's guidance on Business Planning has been followed.
Risk	The Risk Register reflects the revised 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.
ESG	The Business Plan has identified addressing Climate Change as a key priority
Equalities	There is nothing in the Business Plan which will affect our commitment to promoting equality, diversity and inclusion
Communication	Following approval of this report a summary of the Plan will be available on our website. A copy of the full plan submitted to SHR, our Funder and all our staff.

APPENDIX 1

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:SCO35767, registered as Registered Social Landlord with the Scottish Housing Regulator, Registration Number:359 and registered as a Property Factor, Registration Number PF000183

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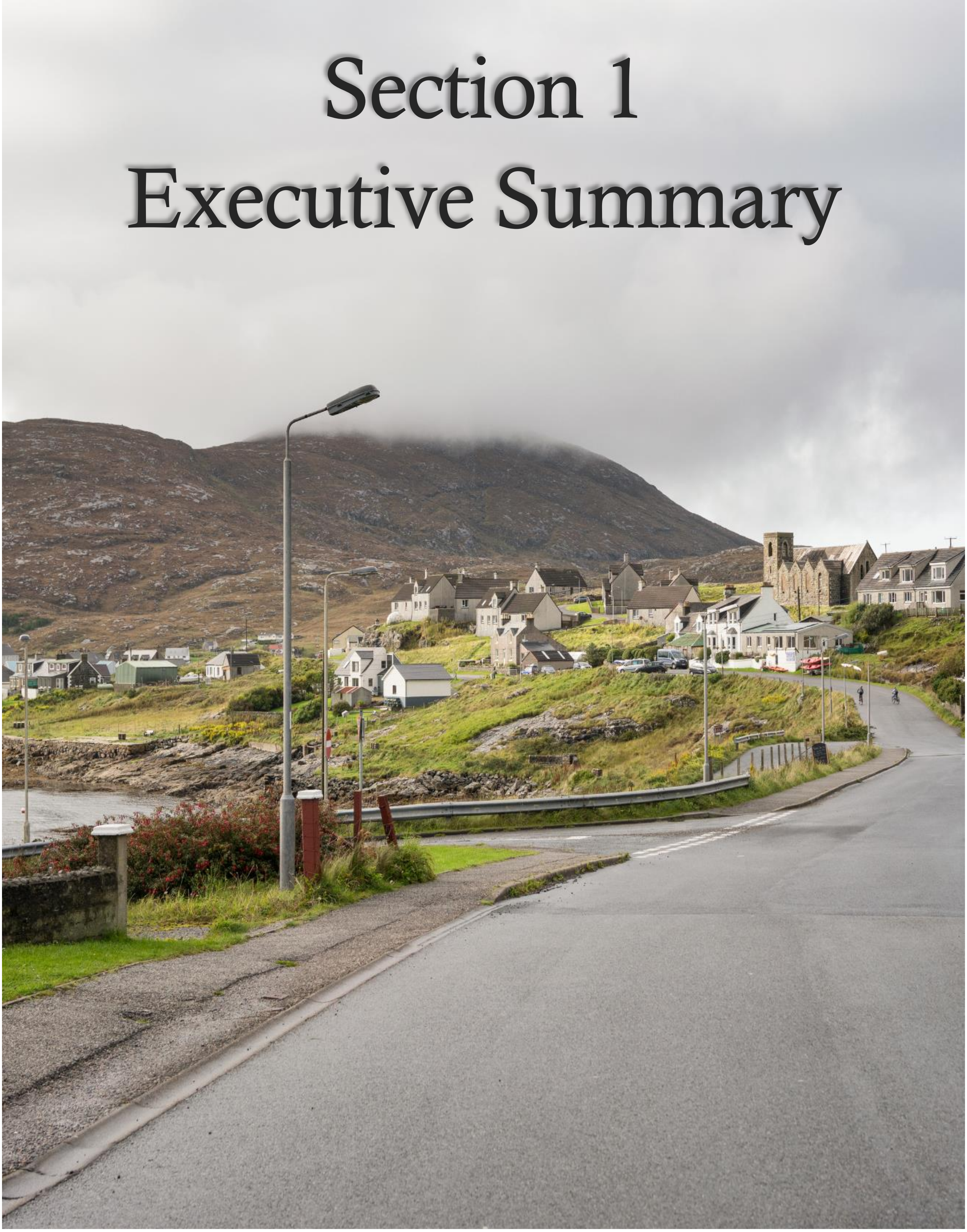
Section 1
Executive Summary



Land not
part of site

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.

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 an excellent employer that attracts and retains high quality staff

4. Communities-Working with partners to help our communities thrive

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.

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 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 miminise 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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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

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.

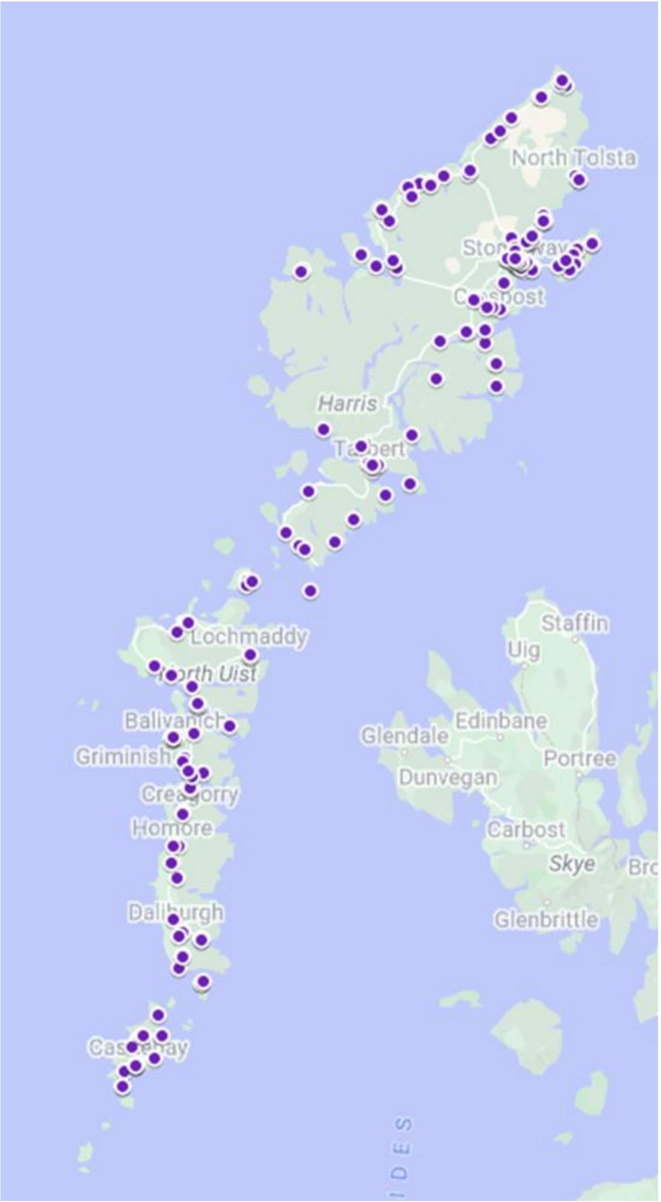
Our Service Area

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.

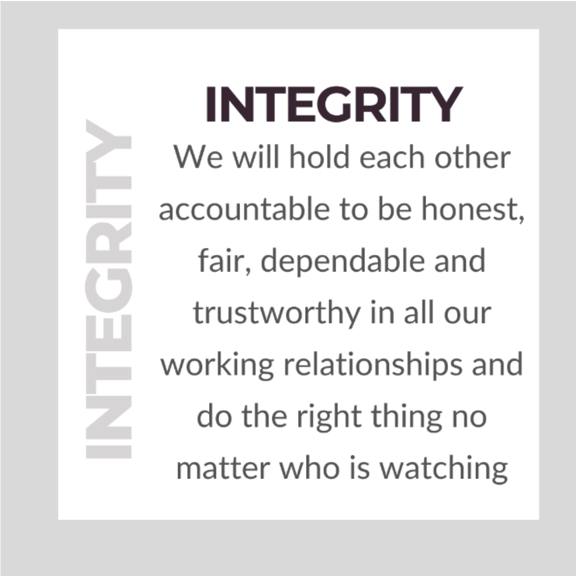
15. We are a key employer and economic contributor in the islands with an annual turnover for 2023/24 at over £12 million.

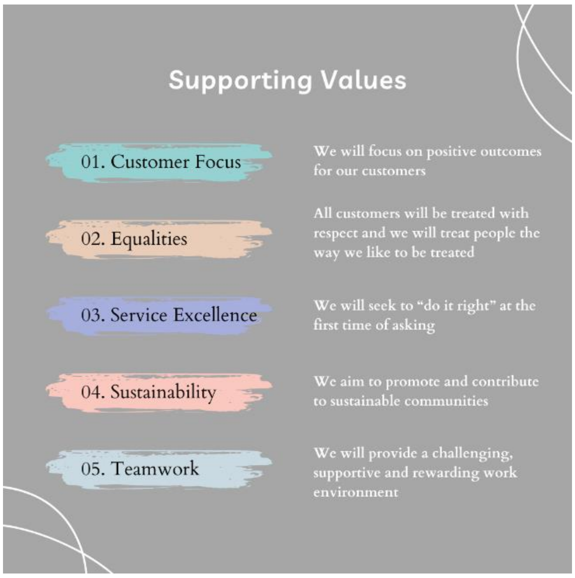
16. The map below shows where our houses are:



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 Cearns 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 provided 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

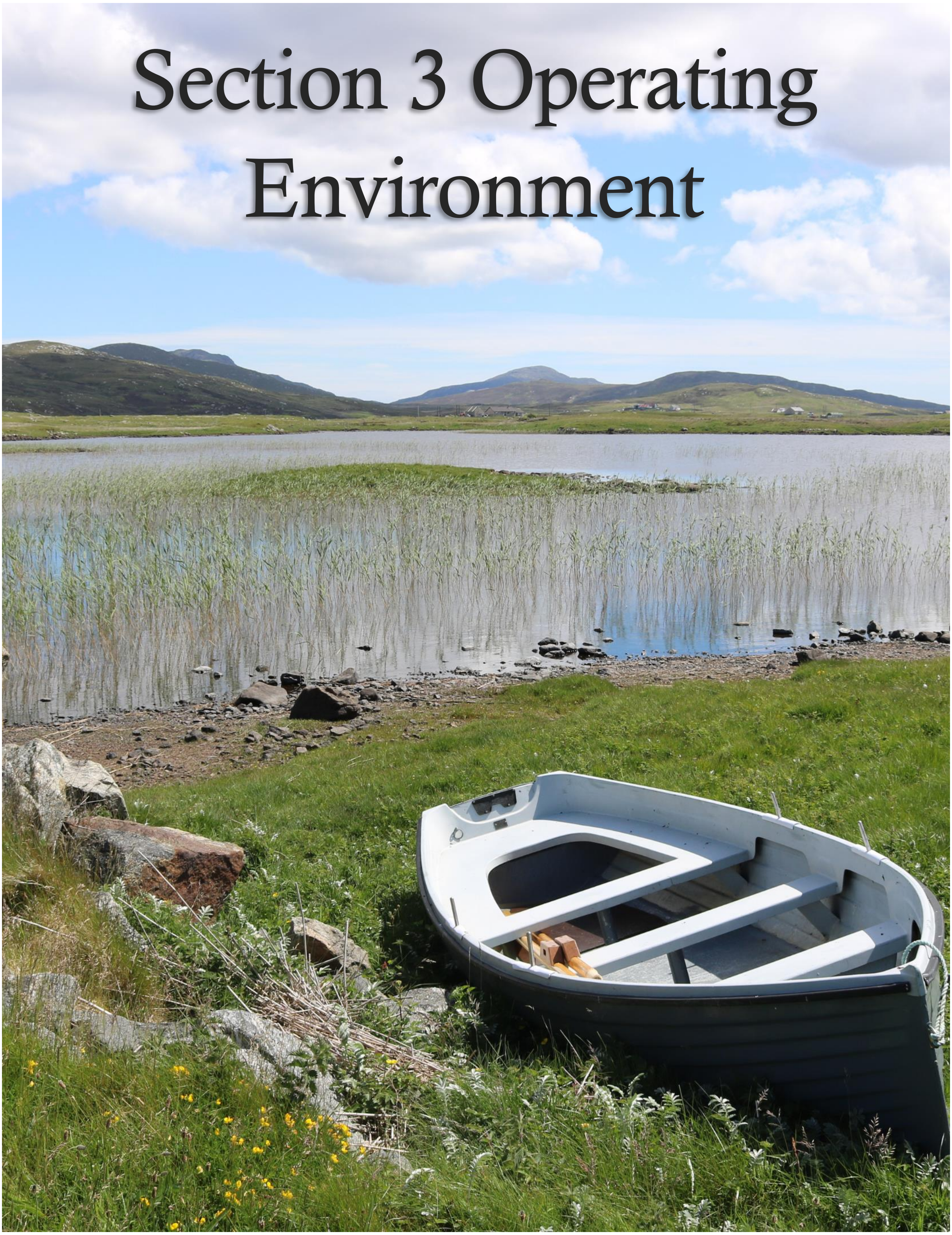
PROPERTY SERVICES

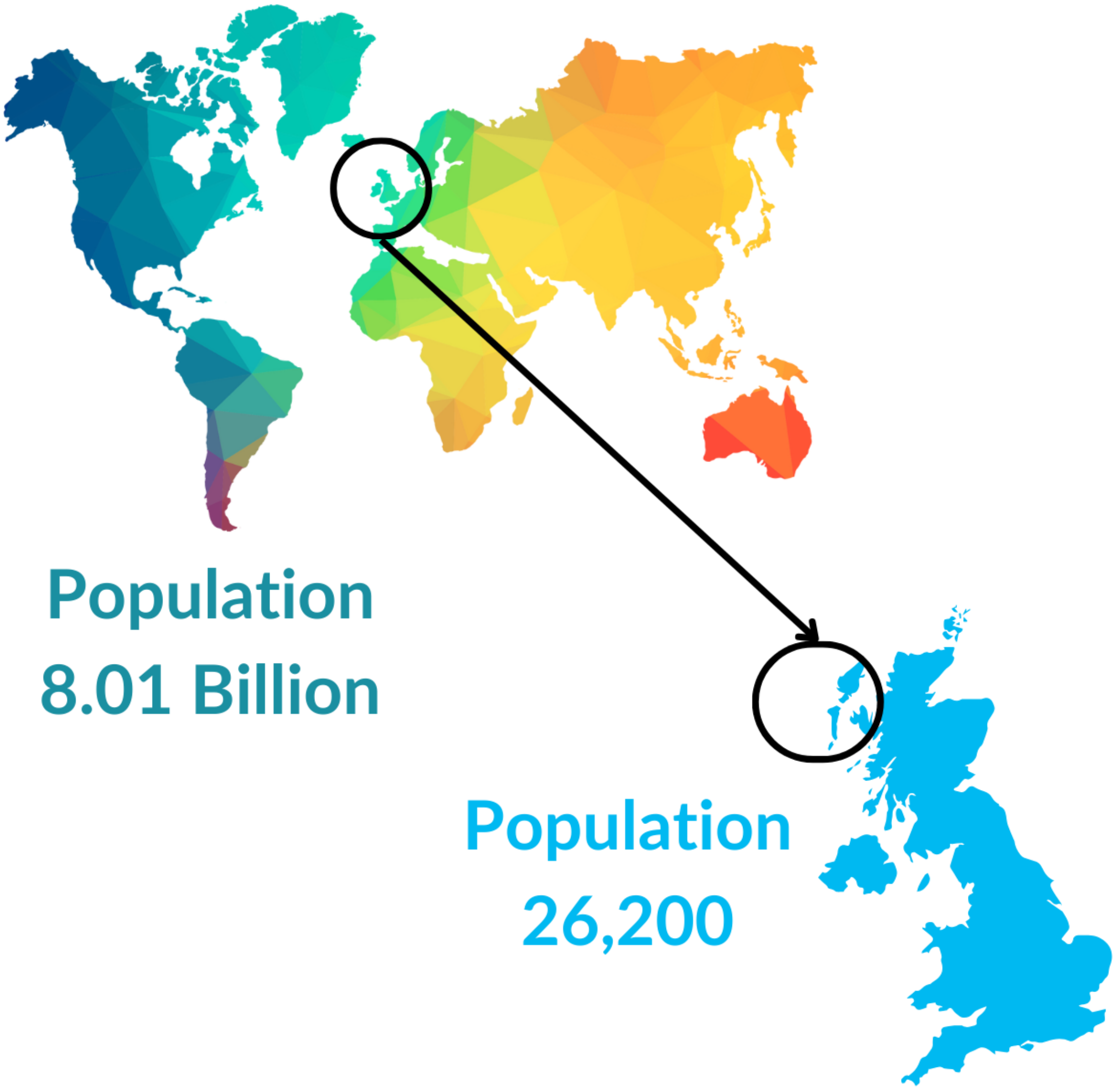
- Delivery of Investment Plan
- Repairs, voids and planned maintenance
- Compliance

DEVELOPMENT

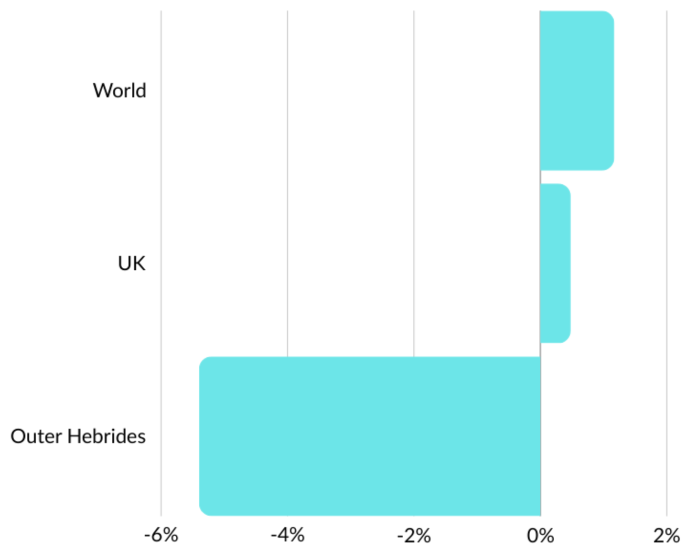
- Manage delivery of new build programme including grant claims
- Liaise with Scottish Government

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.

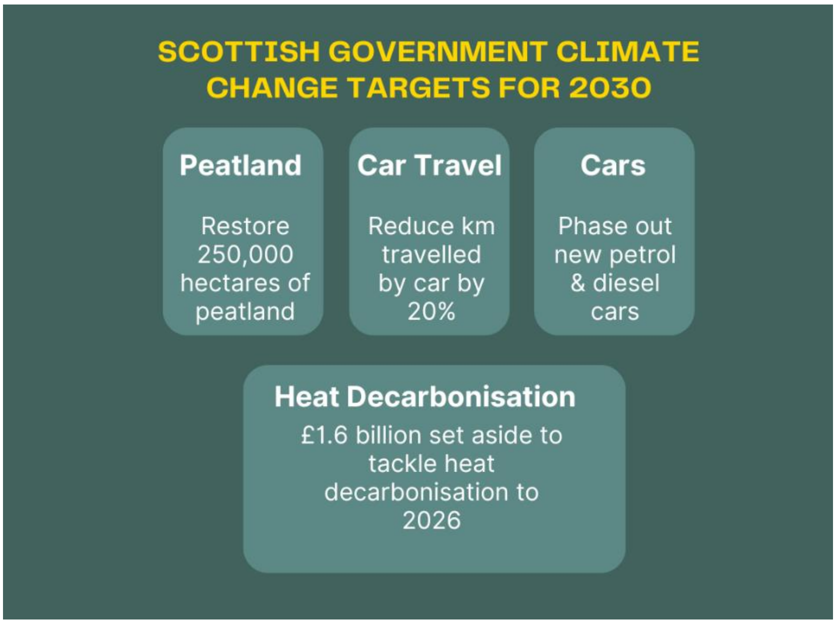
23. Increased borrowing costs and rent controls could see the private rental sector shrink or rents rise as owners are unable to afford the substantial increase in mortgage costs.

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)

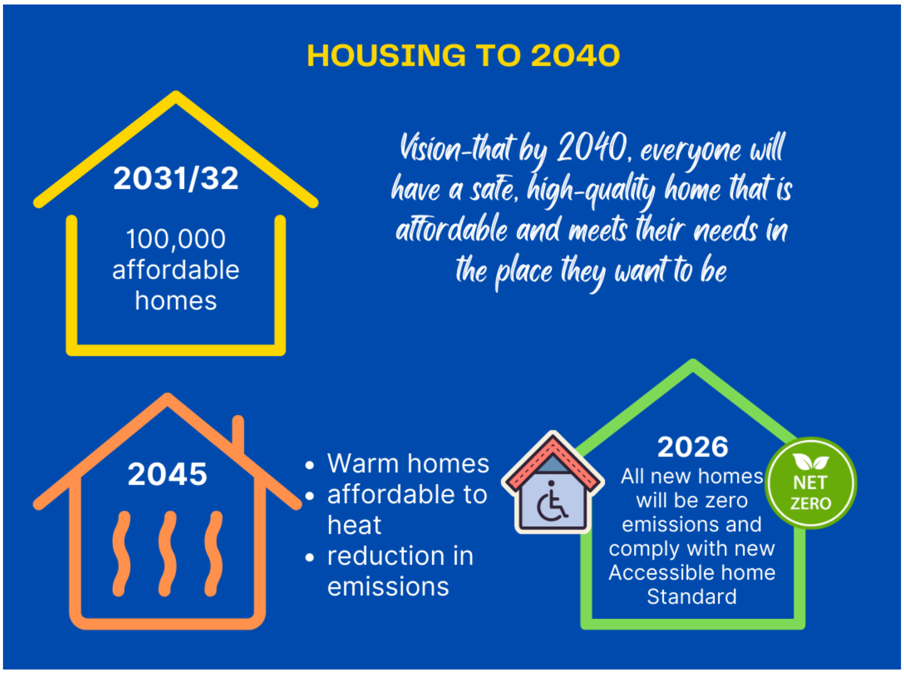


26. The Scottish Government are currently consulting on their "Climate Change - National Adaptation Plan 2024 to 2029" with five outcomes

    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.
>
> JRF

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

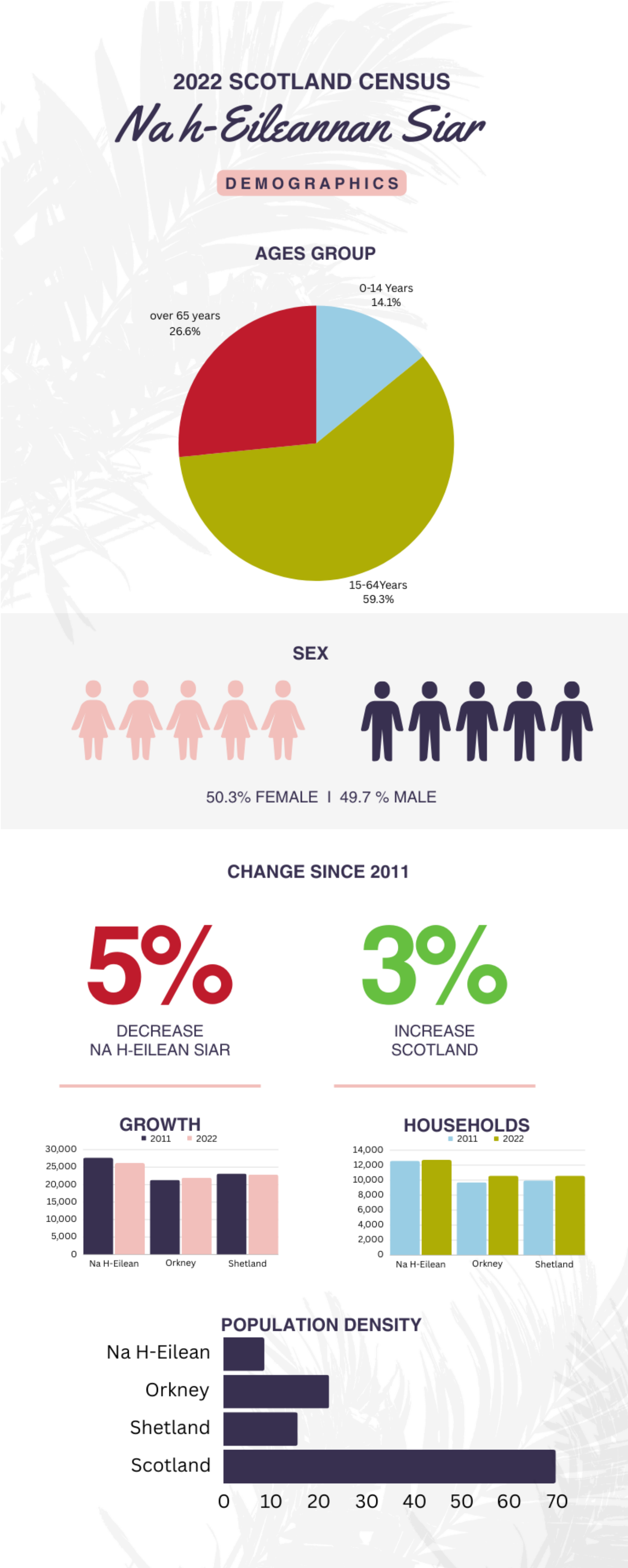
39. Visit Scotland describes the Outer Hebrides as
“*The Outer Hebrides is a group of islands that sit off the west coast of Scotland, each with its own unique way of life. The Hebridean islands offer powder-white beaches, wild Atlantic waves, diverse wildlife and vibrant Gaelic culture*”
A great place 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 Sub-national indicators explorer	Aged 16 to 64 years employment rate (Great Britain)
	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.



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.

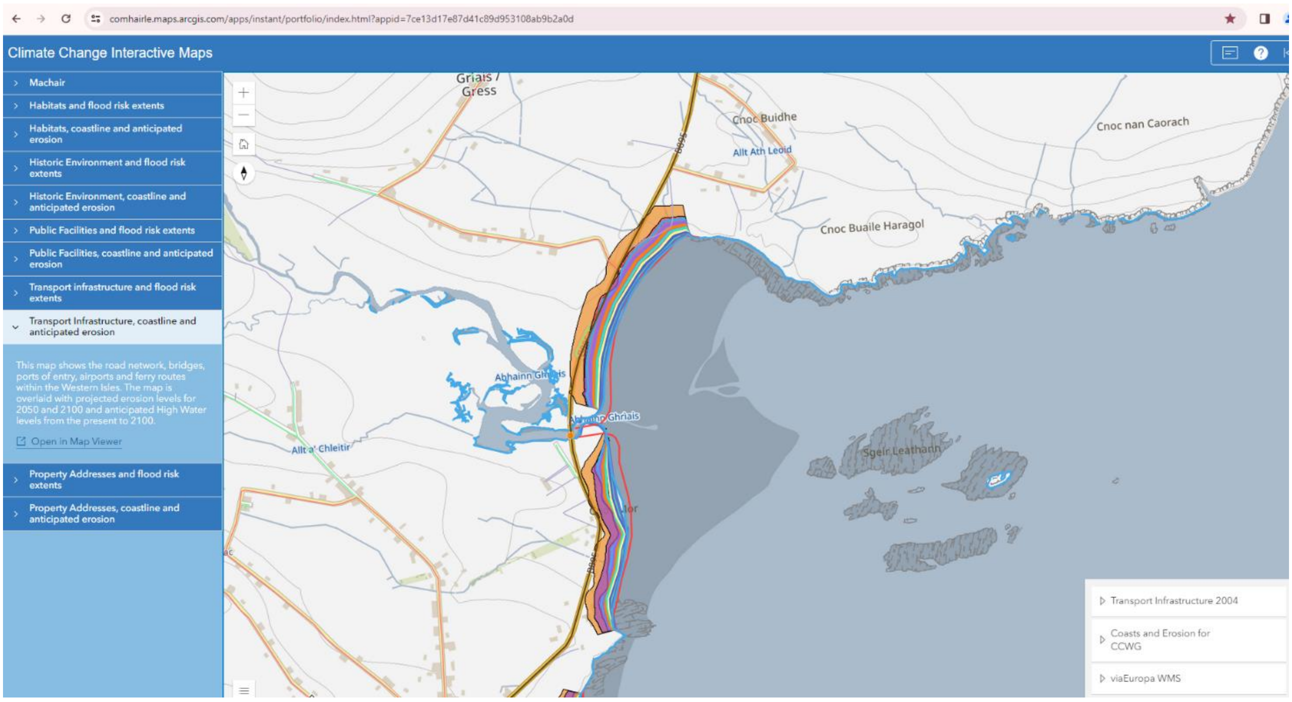
Climate Change

50. The impact of the change in climate in 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 2021on 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.

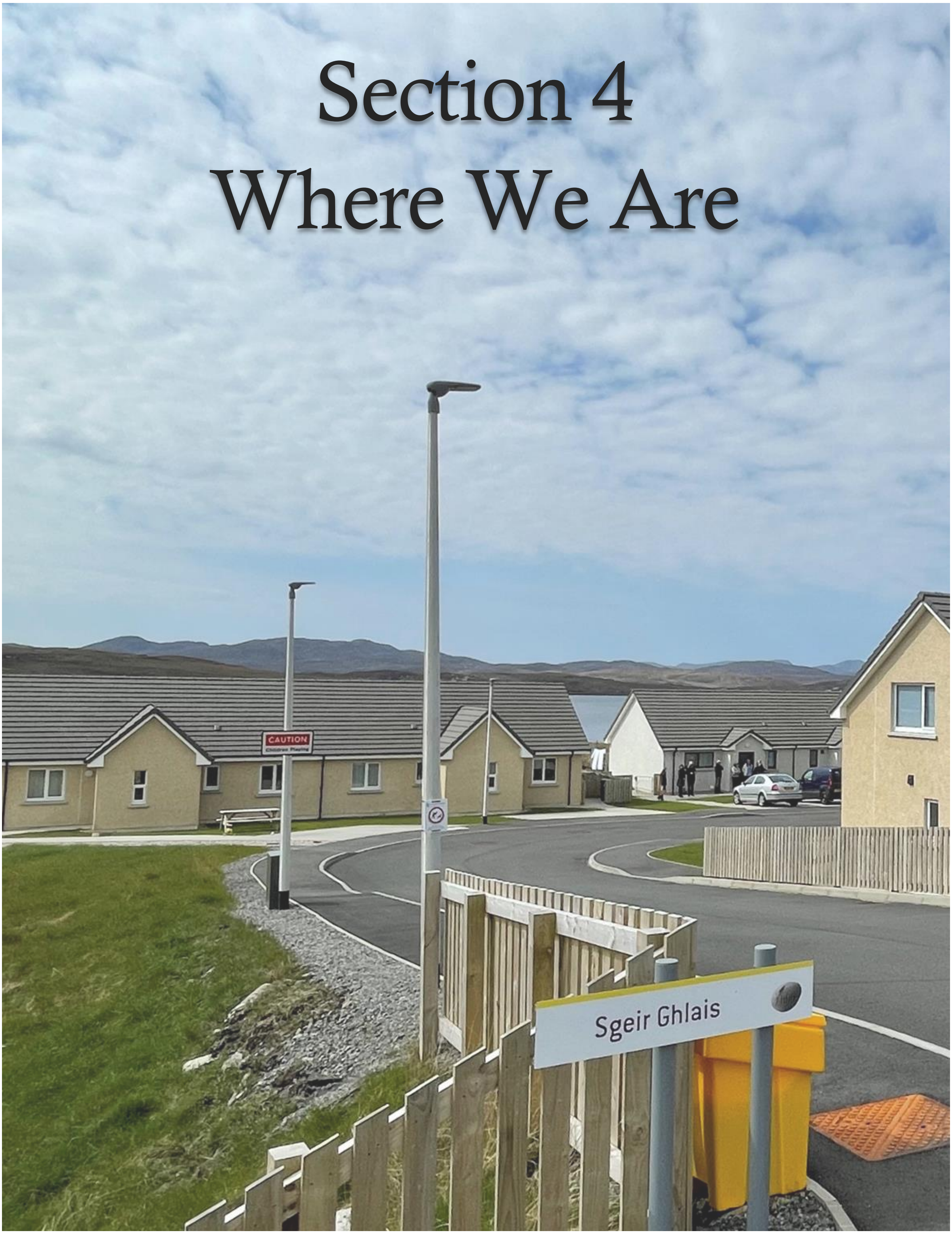
85. Our contractors are a key point of contact with our tenants both in reactive repairs and in our investment and maintenance works. We work closely with them to ensure that the customer experience is first class. Our tenants are also involved in this process and scrutiny work has been carried out by 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

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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 thing 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 Stornoway	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	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.

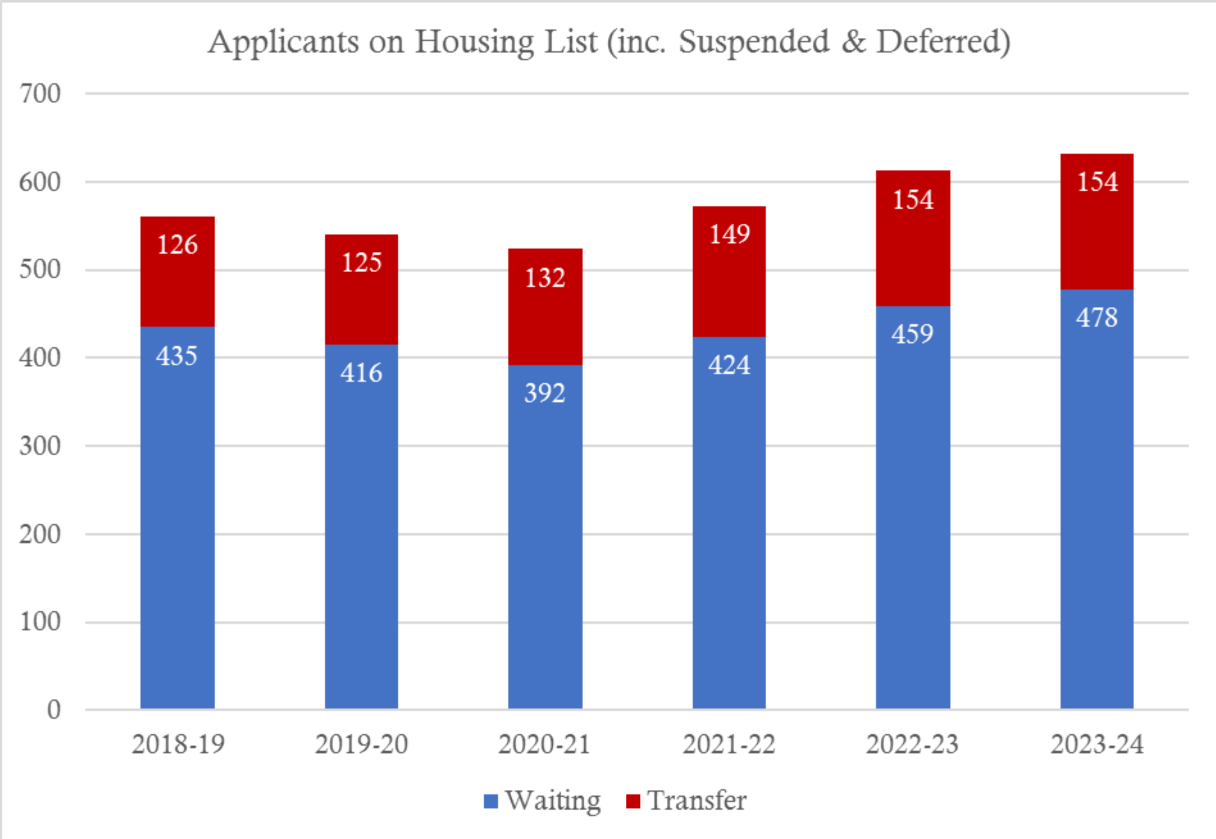
18. The Outer Hebrides is a great place to live with stunning nature on our doorstep and committed communities working to improve their area but there are challenges that threaten this.

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

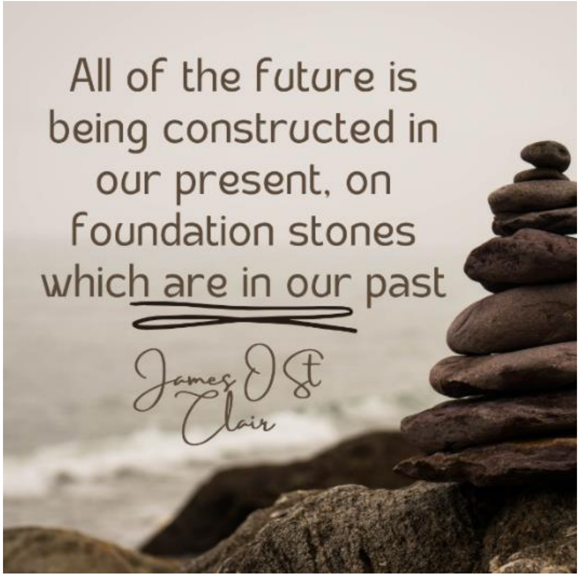
24. The recruitment market is becoming more challenging with the likelihood of being successful in the first recruitment attempt reducing.

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.

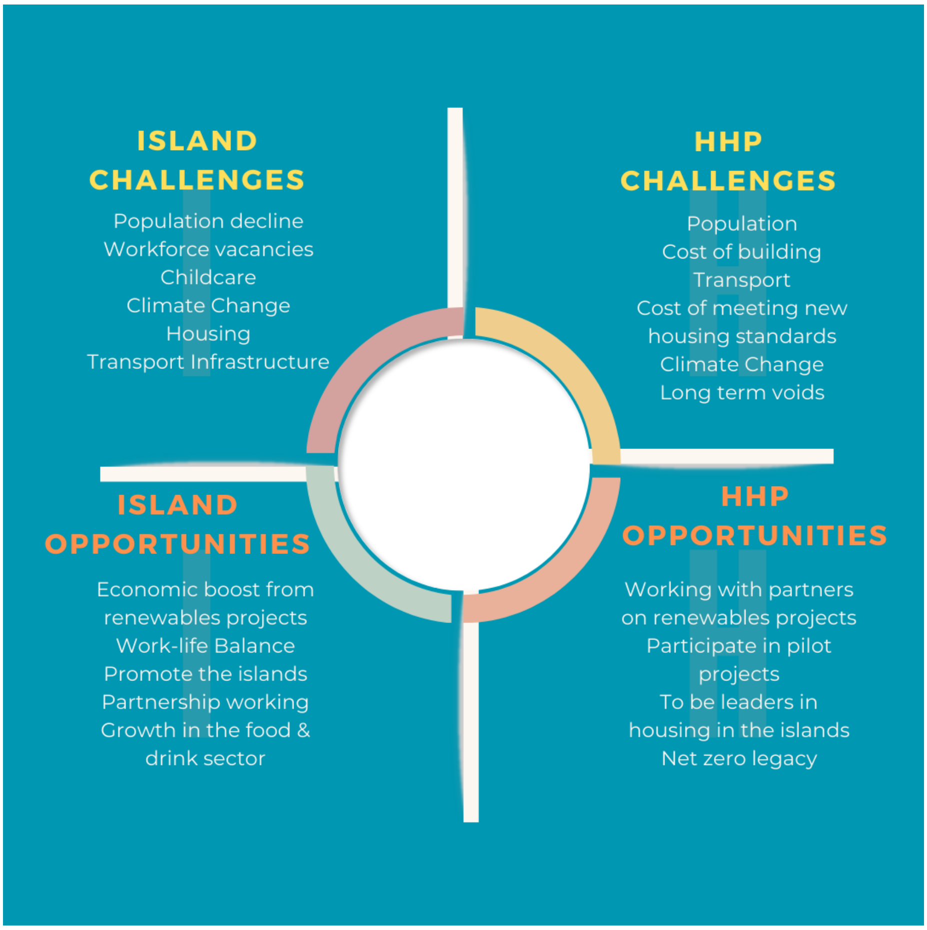


Partner Considerations

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.

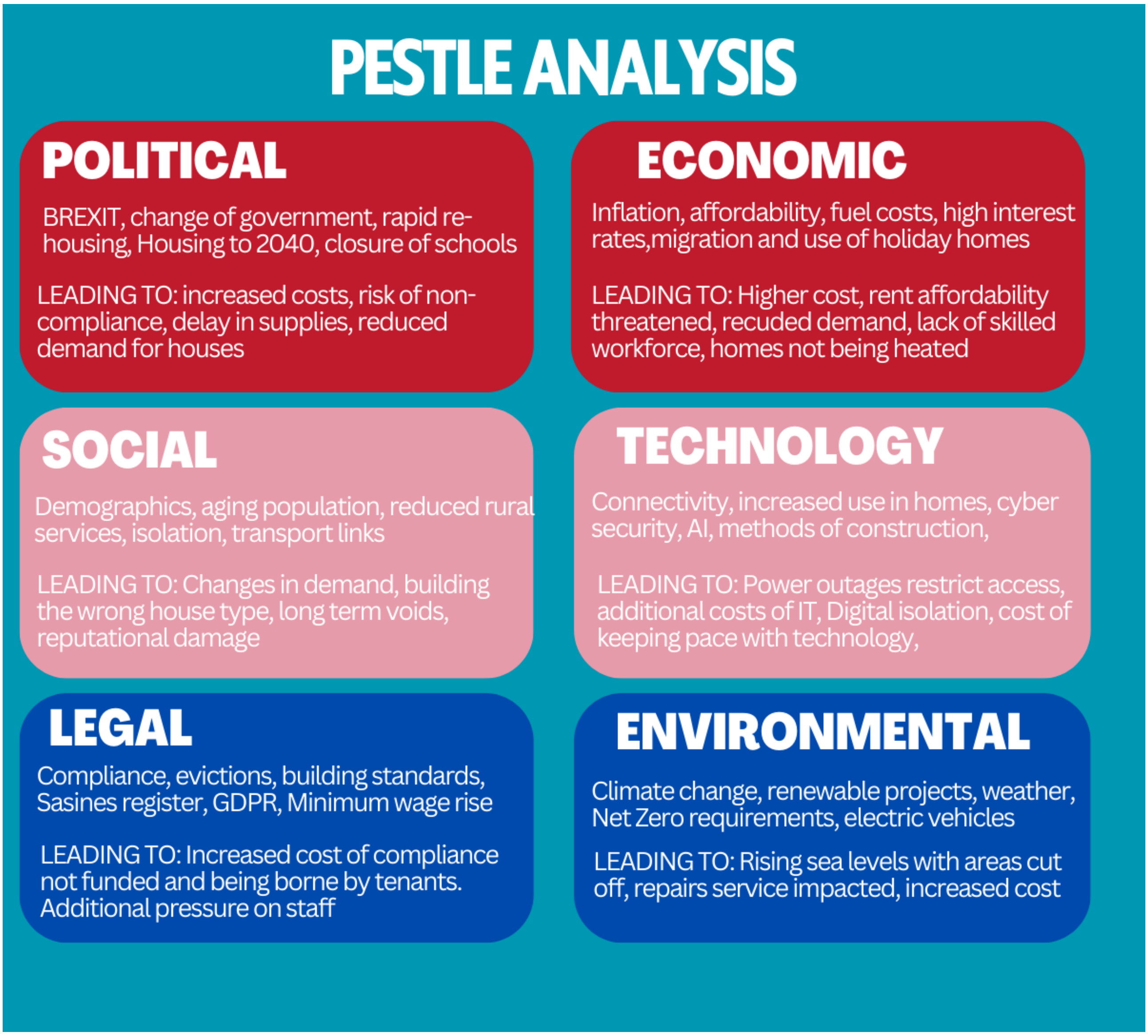
34. The aging population and decrease in population were the main threats. Other threats included the Single Islands Authority, cost of living crisis, cyber security, climate change,

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

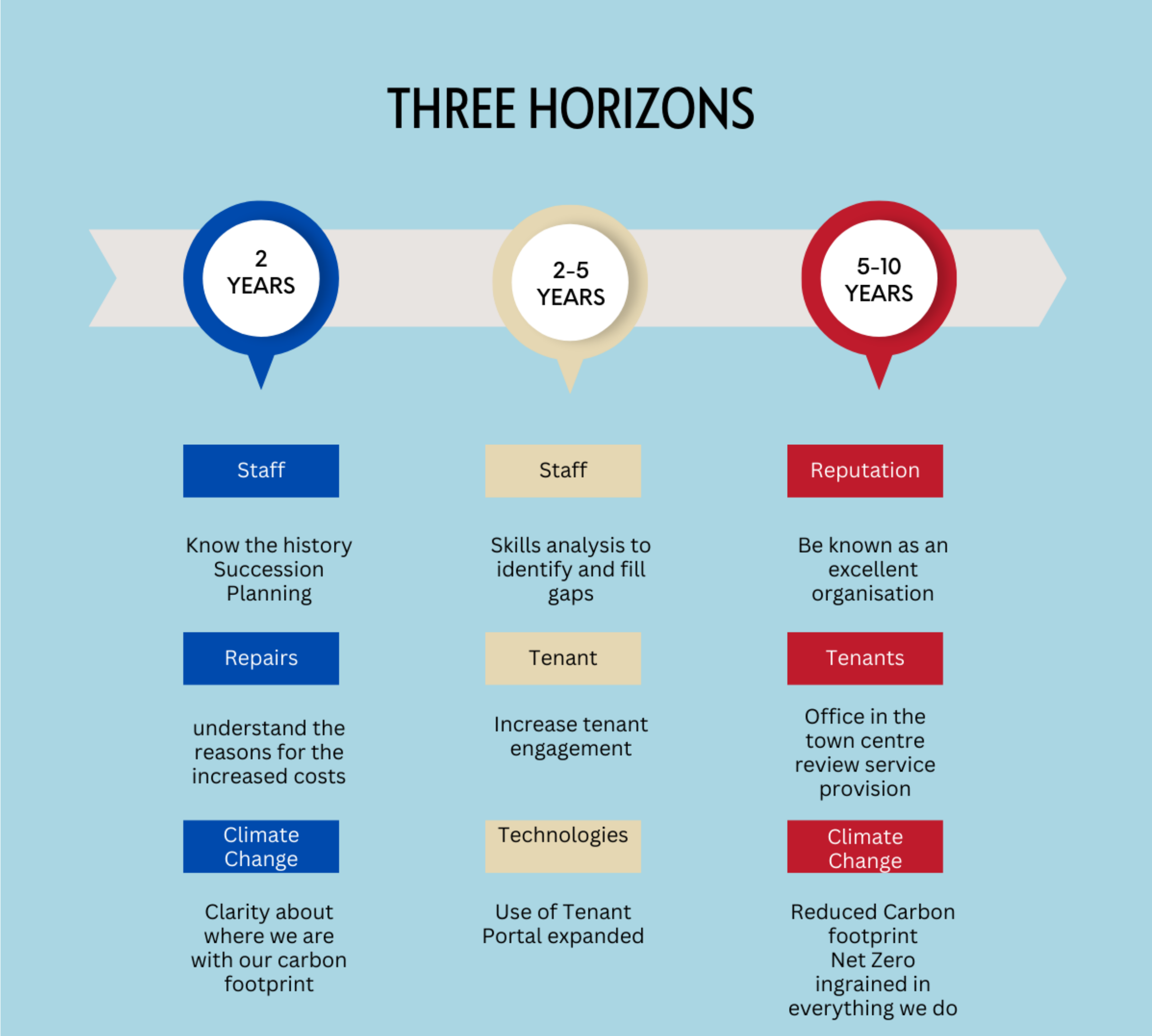
PESTLE Analysis

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.

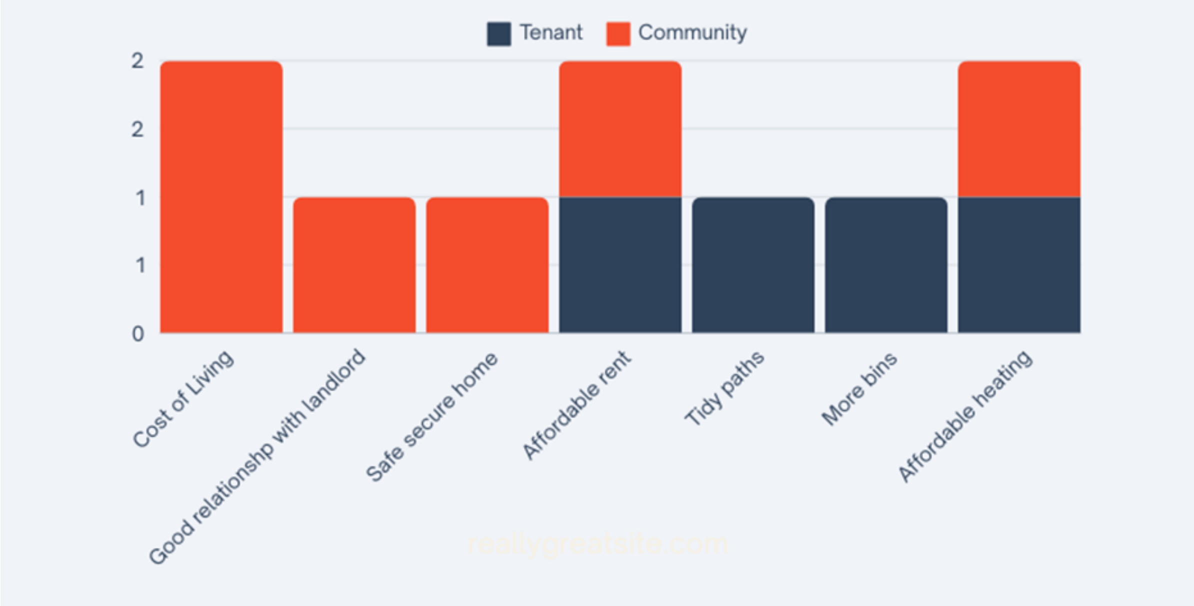
Culture

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.

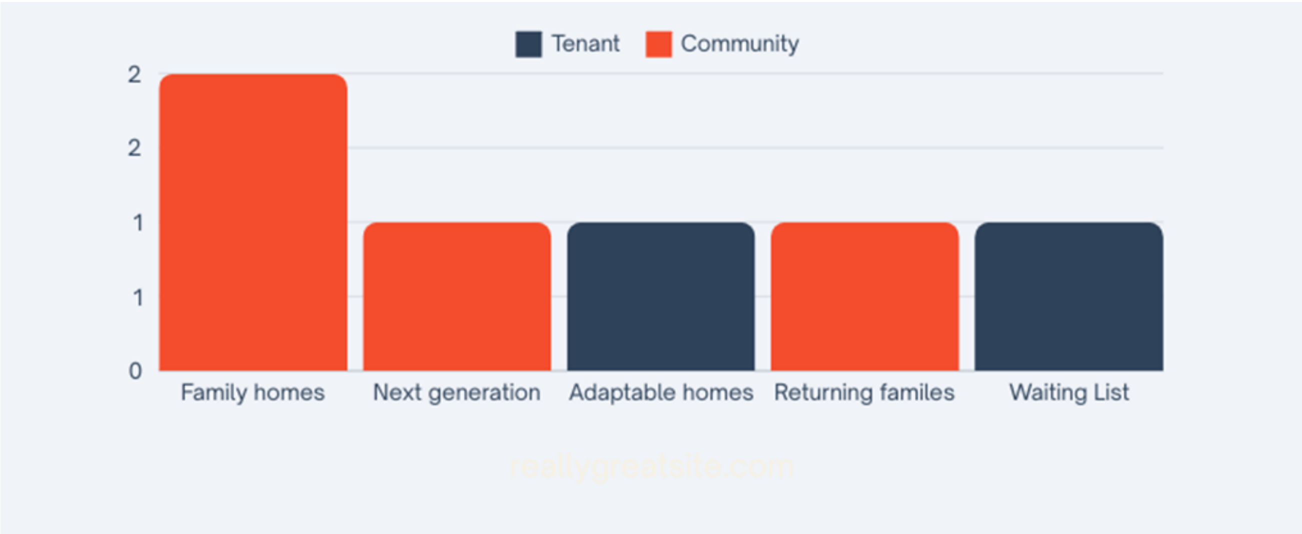
Consultation

41. The Board approved a draft plan for consultation on 13th February 2024 by sending a consultation document to all our partners and making it available on our website.

42. We only received seven responses with the majority in favour of what we are proposing to do over the next five years.
43. We asked about the most important issues for tenants which are detailed below and have been our goals should ensure we deliver on those issues.



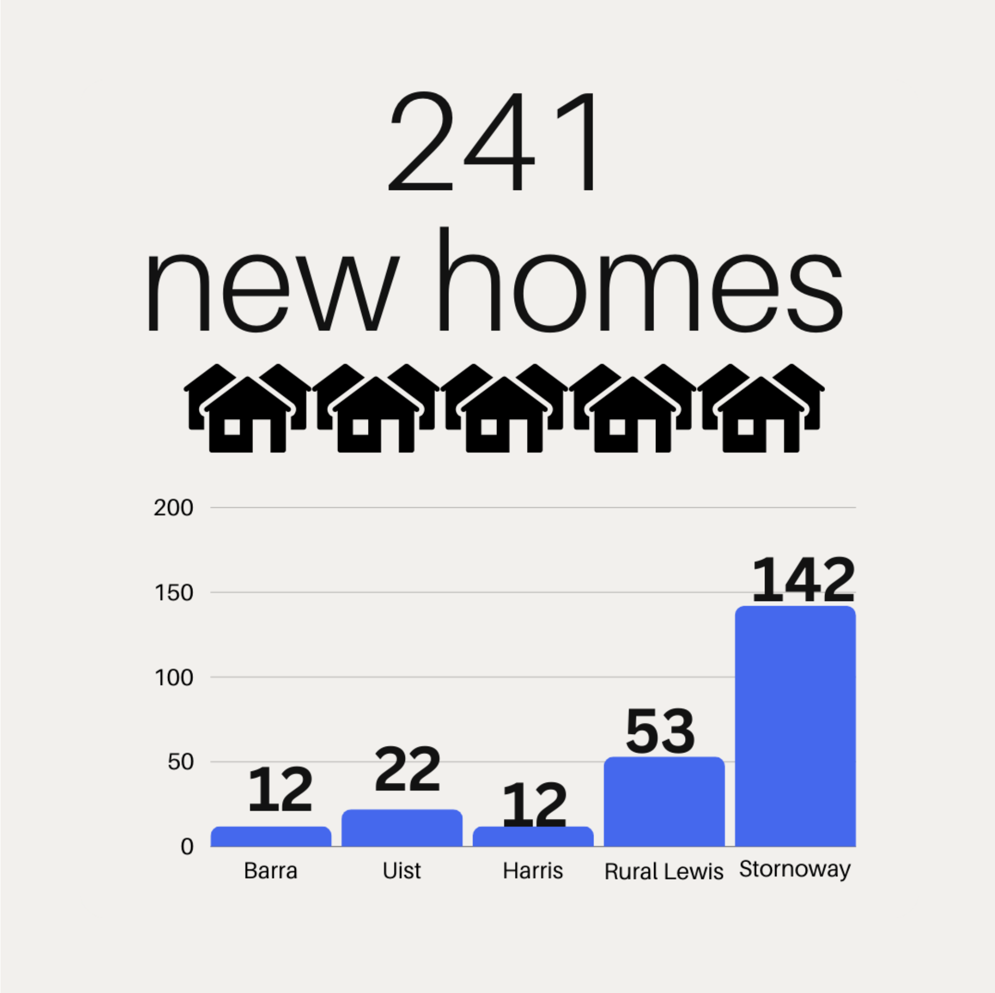
44. One of our partners suggested that we should be featuring Energy Advice in our plan as it gives a direct financial benefit to our tenants. Energy Advice is now reflected in Plan at Section 5 para 16.
45. We asked who we should be building for given our population is getting older and household sizes are getting smaller and the results are below:



46. These views will be taken into account in our Development Plan.

Operational

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



48. Our aim of providing 50 extra care units in Stornoway was also achieved.
49. 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

50. 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

51. 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.

52. 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

53. 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

54. 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

55. 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

56. 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

57. 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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Section 5 What We Want To Deliver

Introduction

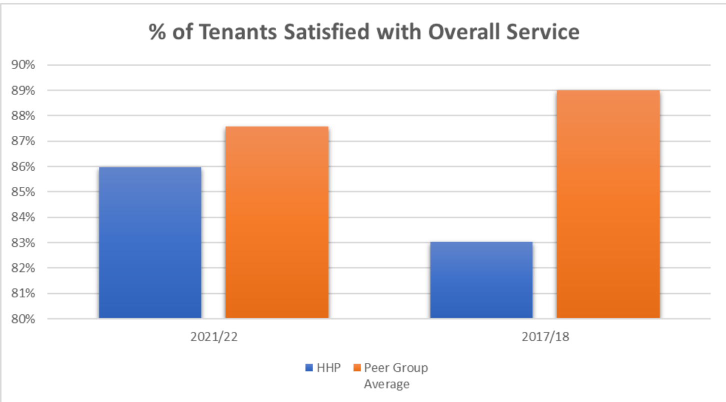
1. Our Vision will be delivered through four Strategic Goals.
2. We want to continue delivering a high standard of affordable housing throughout the islands, we want to get better at the areas where tenants feel we haven't done so well and we need to deliver it all within a very challenging economic 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.

16. We will work with our partner Tighean Innse Gall to ensure our tenants are supported with clear, helpful and beneficial energy advice.

Equalities

17. 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

18. 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.

19. 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

20. 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

21. Other issues that have been highlighted are the standard of decoration, heating systems and other components.

22. 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

23. 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.

24. 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.

25. 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.

26. We will review effectiveness and benefit of solar panels to inform future investment programmes.

27. 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

28. 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

29. 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.

30. 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

31. 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.
32. 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

33. 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.

34. 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.

35. 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.

36. 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.
37. We will keep our Flexible Working Policy under regular review to ensure it remains suitable for business continuity and staff.
38. We will conduct benchmarking on our salaries and structure on a 3 to 4 year cycle.

Training Plan

39. Our Training Plan is prepared on an annual basis taking into account training needs identified through the Appraisal process.

40. 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

41. 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.
42. 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.
43. 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.
44. We will support Partnership organisations by encouraging our staff to attend meetings and with the use of Key Worker accommodation.
45. 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.
46. We will support Community Groups through our grant scheme which will be promoted by our Tenant Engagement Officer.
47. We will develop and produce an annual social value impact report.
48. We will continue to improve our factoring services and will review our communication with owners and our supporting processes

Renewables

49. 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

50. 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.
51. Detail what was picked up by manager actions and make sure they are included in the delivery plan.

ESG Strategy

52. We will review the best way to gather data on our carbon footprint with a view to reporting on it annually.
53. 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.

54. An annual report on the progress of our ESG will be presented to the Board in June.

Finance

55. The Finance Team will ensure that payments to our tenants and our suppliers are made within 7 working days of receiving valid invoices.

56. We will research and reach out to debt collection agencies to support us make cost effective recoveries and take legal action where necessary.

57. We will process Grant Claims in an accurate and timely manner.

Governance

58. 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.

59. We will carry out a Self Assessment evaluation using SHN's assessment tool on an annual basis.

Accreditations

60. 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

61. 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

62. We will undertake the 'Continuous Improvement Program for Procurement' program as delivered by ScotlandExcel by December 2024.

63. We will ensure that appropriate investment is made in our offices.

Communications

64. 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.

65. 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

66. 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

Section 6 How Our Plans Are Funded

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 years 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	12,070	12,930	14,010	14,780	15,300	69,090	583,900
Other Income	630	500	400	120	120	1,770	4,900
New Build Grants	8,730	5,810	4,620	1,440	0	20,600	20,600
Borrowing	0	1,000	1,500	0	0	2,500	4,740
Total Income	21,430	20,240	20,530	16,340	15,420	93,960	614,140

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	3,580	3,530	3,660	3,780	3,880	18,430	151,610
Investment	3,650	4,600	4,950	4,300	5,090	22,590	223,190
OT Adapts	120	120	120	120	120	600	3,480
New Build	10,780	11,430	7,950	2,260	0	32,420	39,240
Property Costs	18,130	19,680	16,680	10,460	9,090	74,040	417,520
Management Costs	3,100	3,200	3,340	3,460	3,570	16,670	131,540
Interest	1,100	1,150	1,400	1,450	1,450	6,550	18,570
Repayment of Loans	-	-	-	-	-	0	26,490
Finance Costs	1,100	1,150	1,400	1,450	1,450	6,550	45,060
Total costs	22,330	24,030	21,420	15,370	14,110	97,260	594,120

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 11-23, Rent Freeze Year 24-30
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:

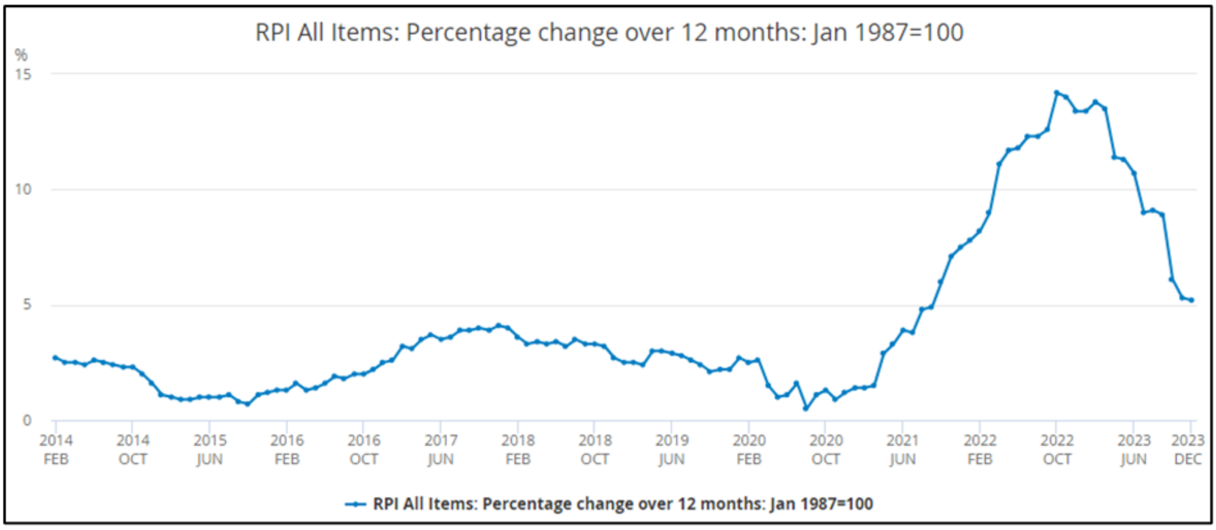
Period: 01 April 2024 - 31 March 2054	2024/25	2025/26	2026/27	2027/28	2028/29	5 Year Total	30 year Total
	Units	Units	Units	Units	Units	Units	Units
Opening Stock	2,389	2,428	2,482	2,507	2,551	2,389	2,389
Sales/RTB	(2)	-	-	-	-	(2)	(2)
New Build	41	54	25	44	14	178	178
Closing Stock	2,428	2,482	2,507	2,551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

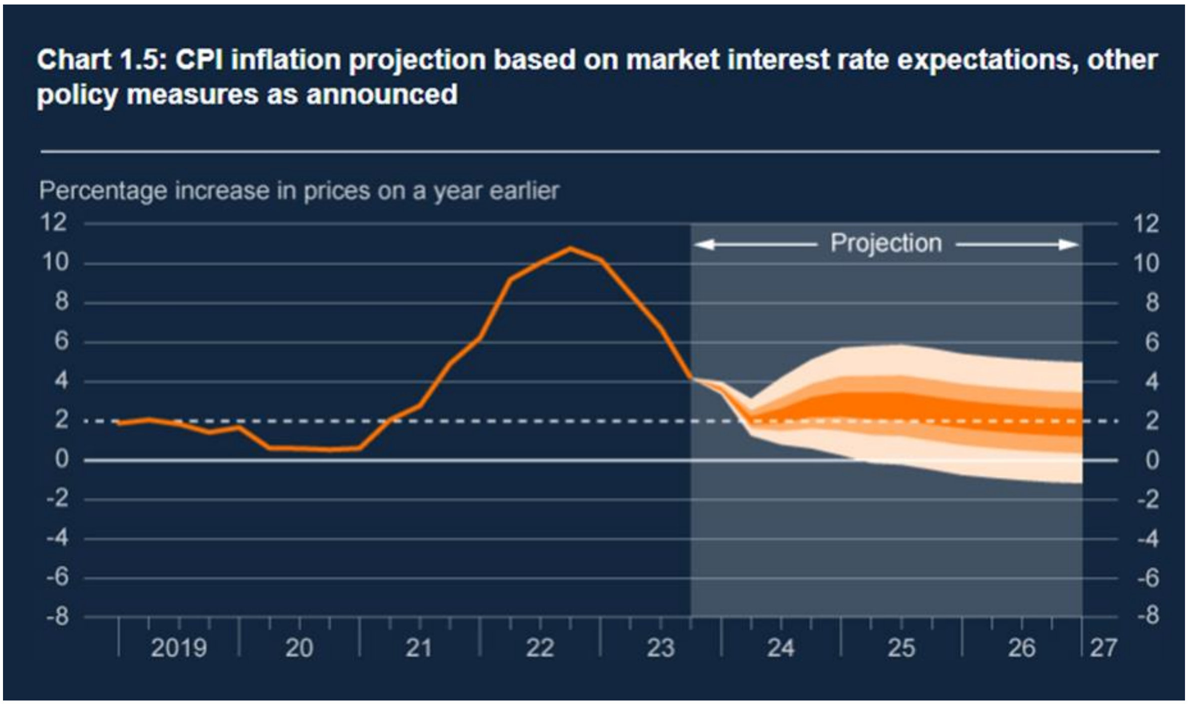
Inflation

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 in 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:

Management Costs 2024/25	£000's
Employee Costs	2,735
Supplies & Services	350
Corporate Expenses	541
Admin Costs	142
Total Costs	**3,768**
Internal Fee Income	**(603)**
Total Costs	**3,165**

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 are 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 £21million is reached in 2030 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
Loans outstanding		17,000
Variable/Fixed analysis-amounts		
	Variable amount	1,500
	Fixed amount	15,500
	Other Hedging	-
		17,000
Variable/Fixed analysis-Percentages		
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	26,583.00	2030/31	2046
1	INTEREST RATES			
	1%	26,583.00	2030/31	2046
	0.50%	26,583.00	2030/31	2046
	-0.50%	26,583.00	2030/31	2046
2	INFLATION			
	1%	26,583.00	2030/31	2046 (£8M RCF Redrawn)
	1.50%	26,583.00	2030/31	2046 (£8M RCF Redrawn)
	2%	26,583.00	2030/31	2046 (£8M RCF Redrawn)
3	RENT INCREASES			
	RPI	36,604.60	2053/54	Doesn't Repay
	RPI+0.5%	26,583.00	2030/31	2049
	RPI – 0.5%	81,006.10	2053/54	Doesn't Repay
	RPI – 1%	135,064.60	2053/54	Doesn't Repay
4	BAD DEBTS			
	5% Year 3 onwards	53,807.10	2053/54	Doesn't Repay
	10% Year 3 onwards	155,879.60	2053/54	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 141% which is well above the minimum 110% requirement with a minimum annual headroom of £328K.

Challenges

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

a) Affordability;
b) Economic uncertainty resulting in an upward pressure on inflation;
c) Climate Change;
d) Changes in Building Standards both on new build and current stock;
e) Weakening demand in some peripheral areas and the general changes in the population demographic;
f) End of HMRC development agreement where VAT will no longer be able to be claimed on investment works;
g) Challenging Insurance Markets;
h) 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.

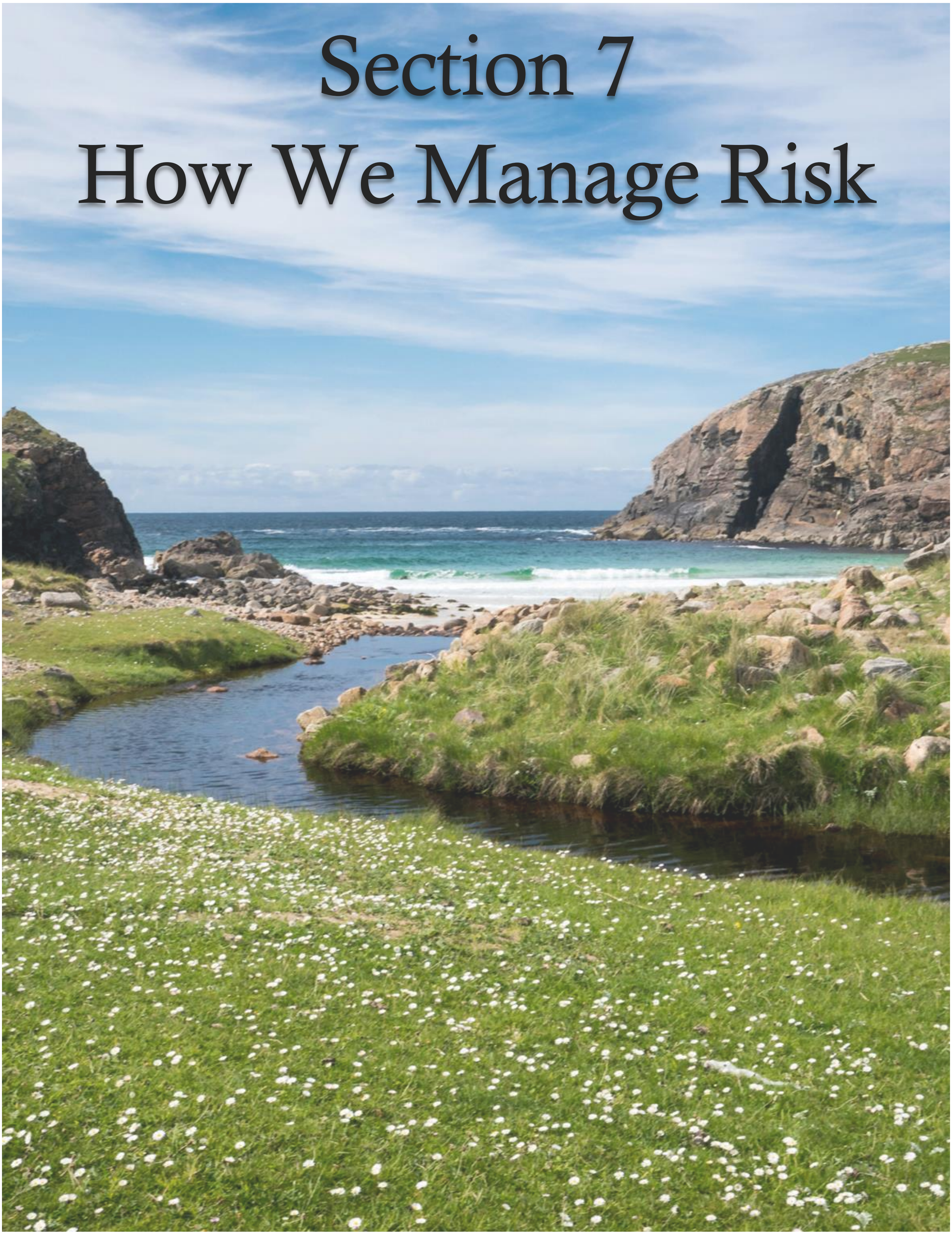
40. We have just completed a Stock Condition Survey which has confirmed that the condition of our houses is good with minimal levels of catch-up repairs required. Provision is made within the 30 year plans to ensure we continue to reinvest in our homes.

41. Over the next 5 years we anticipate to spend £56.61 million on our housing capital programme as shown:

	Cost (£M)	Grant (£M)	Paid for by HHP (£M)
Investment	£ 24.19	£1.60	£ 22.59
Development	£ 32.42	£ 20.60	£ 11.82
TOTAL HOUSING CAPITAL PROGRAMME	**£ 56.61**	**£ 22.20**	**£ 34.41**

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					

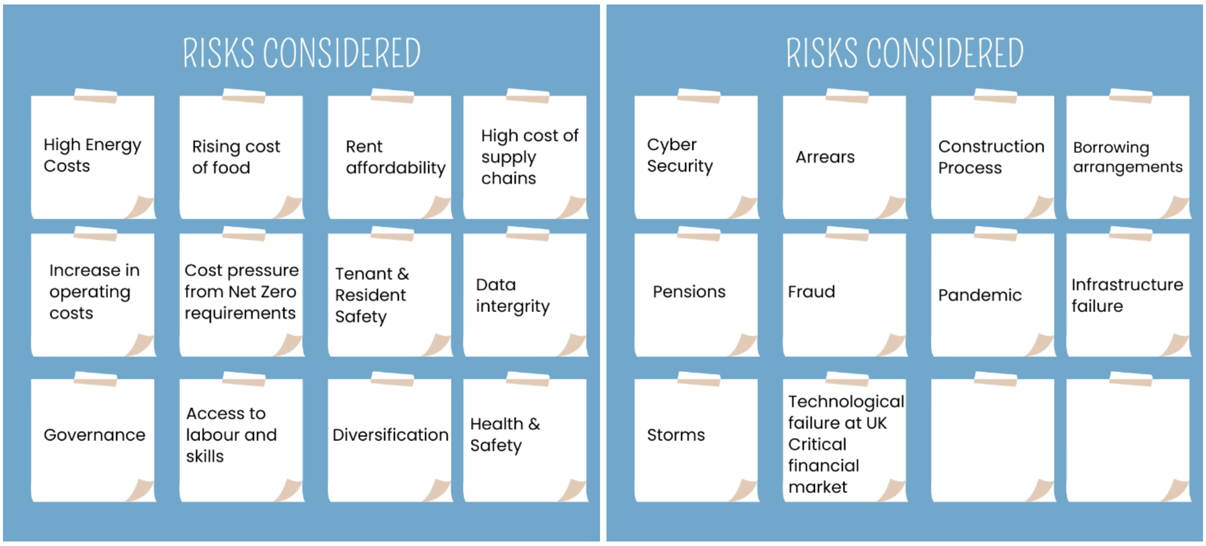
9. In our previous plan we quoted Peter Drucker who said "*Culture eats strategy for breakfast*" and recognising the truth in his statement we will be carrying out a Culture audit in 2024 to provide additional resilience to our risk management. We value having a culture which encourages staff to operate 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. Out 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: Delivery Plan

APPENDIX 3: Key Performance Indicators

APPENDIX 4: Development Plan

APPENDIX 5: Investment Plan

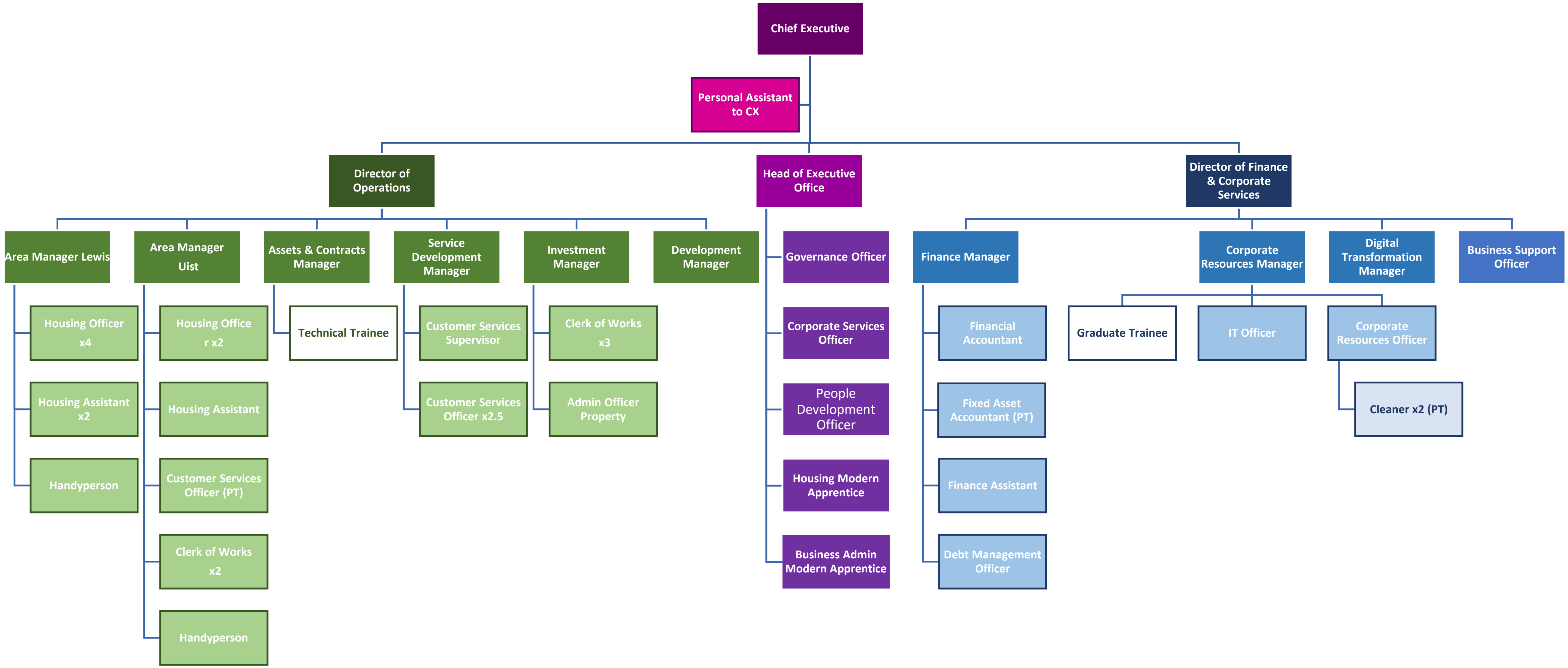
APPENDIX 6: Debt Outstanding & Stress Testing

APPENDIX 7: 30 Year Cashflow

APPENDIX 8: Risk Register

APPENDIX 9: Risk Appetite

Appendix 1



Chief Executive
Personal Assistant to CX
Director of Operations
Head of Executive Office
Director of Finance & Corporate Services
Area Manager Lewis
Area Manager Uist
Assets & Contracts Manager
Service Development Manager
Investment Manager
Development Manager
Governance Officer
Finance Manager
Corporate Resources Manager
Digital Transformation Manager
Business Support Officer
Housing Officer x4
Housing Assistant x2
Handyperson
Housing Office r x2
Housing Assistant
Customer Services Officer (PT)
Clerk of Works x2
Handyperson
Technical Trainee
Customer Services Supervisor
Customer Services Officer x2.5
Clerk of Works x3
Admin Officer Property
Corporate Services Officer
People Development Officer
Housing Modern Apprentice
Business Admin Modern Apprentice
Financial Accountant
Fixed Asset Accountant (PT)
Finance Assistant
Debt Management Officer
Graduate Trainee
IT Officer
Corporate Resources Officer
Cleaner x2 (PT)

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

APPENDIX 2

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

APPENDIX 2

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 20%	42.1%	62.1%	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

APPENDIX 2

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

Lifeblood KPI's

APPENDIX 3

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%	2-3%	>3%
			Void Loss	**<1%**	<1%	1-2%	>2%
			Average Relet times	**<29 days**	29	>32	>35
			Level of FTA	**£95K**	<£95K	£95-100K	>£100K
			Level of Rechargeable Repairs	**£280K**	<£280K	£280-300K	>£300K
			level of Sundry Debt	**£180K**	<£180K	£180-200K	>£200K
			Time to raise an invoice	**14 Days**	<14Days	14-30 Days	>30 Days
Service Delivery		Example only	Repairs % within target	**95%**	95% or higher	<95%	<90%
			Emergency Repairs Average time to complete by category	**< 4hours**	< 4hours	> 4 hours> 6hours	
			Repairs Average time to complete by category	**>5 days**	> 5 days	>6days	>7days
			% of investment delivered				
			Development project completions in year within budget and on time				
Satisfaction		Example only	Repairs Satisfaction	**>90%**	>90%	<90	<85
			Allocations	**85%**	>85	<85	
			Complaints	**95%**	>95	<95	<90
			Investment tenant satisfaction	**>90**	>90	<90	<85
Health & Safety		Example only	Gas Servicing completed within 12 months	**100%**	100		<100
			Annual Fire Door checks completed	**95%**	>95	<95	>90
			RIDDOR events	**0**	0	>0	>5
Neighbourhoods		Example only	ASB cases and % resolved within 3 months	**95%**	>95	<90	>80
			Annual Estate surveys carried out	**95%**	>95	<90	<85
Business Continuinity		Example only	Notifiable events				
			Covenants	**>110% Interest Cover / <30% Gearing**	**>110% Interest Cover / <30% Gearing**	**<150% Interest Cover / >20% Gearing**	**<110% Interest Cover / >30% Gearing**
			IT system Breach	**None**	0		<1
			Insurance	**Loss Ratio < 100%**	**Loss Ratio < 100%**	**Loss Ratio 100%-105%**	**Loss Ratio >105%**
			Board Membership				
			IT systems available **(Unplanned System Downtime)**	**<1%**	**<1%**	1-2%	>2%
			Business continuity tested	**1 test per annum**	**1 test per annum**	<1 test per annum	<1 test per annum
			FOI/Data Access dealt within timescales	**100%**			
People		Example only	Turnover rates				
			Sickness rates				
			Complaints				
			Diciplinary action				
			Grievances				
			Qualifications achieved				
BP Actions		Example only	Number agreed for the year	**100%**			

Appendix 4

hebridean housing partnership

5 YEAR DEVELOPMENT PLAN

2024-25 to 2028/29

Introduction

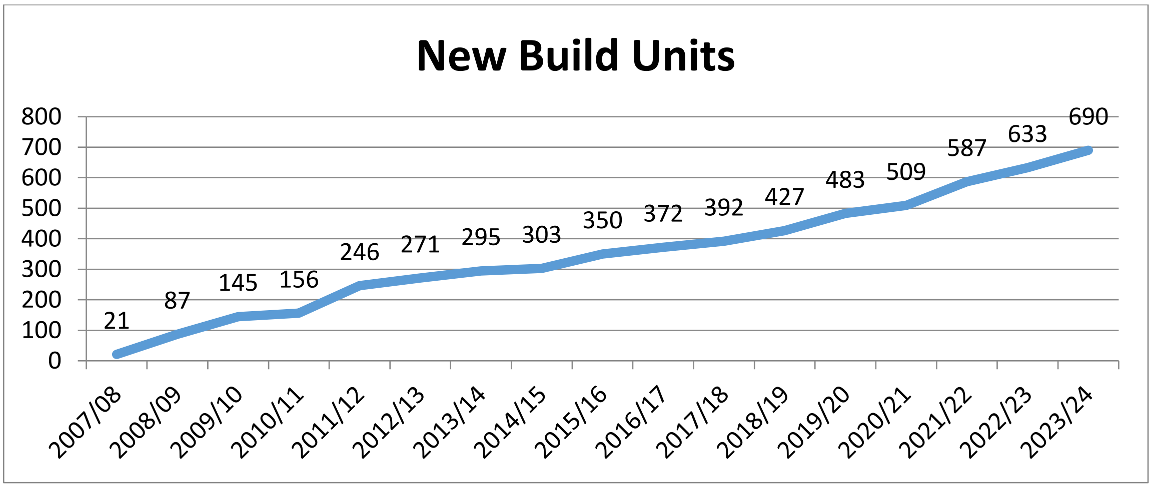
1.1 We are currently in a unique position as the only developing Registered Social Landlord (RSL) in our local authority area. This places a particular responsibility on us to work closely with the Comhairle to meet their aspirations as outlined in the yearly updated Strategic Housing Investment Plan and the Local Housing Strategy.

1.2 As a business, we acknowledge our responsibility to deliver our plan. However, we need to balance the risks associated with any development and our long term financial viability. 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 and aging population is unsustainable. In light of this, a Housing Needs Survey was conducted in 2021, which revealed that our current plans for new builds could result in a balance between supply and demand by the end of the decade, assuming the existing trends continue. The Comhairle's Housing Needs Survey carried out in 2023 had similar findings. However, major developments are planned for the islands, which could offer a chance to improve the current population forecasts.

Looking back

2.1 Since HHP was formed in September 2006 we have increased the number of homes for social rent and shared equity by 699. These homes have been built in most of our communities and across the entire island chain. In recent years, we have endeavoured to fulfil 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. Providing housing is only one element of sustaining rural communities with services and employment being of equal importance.



Where We Build

3.1 Where houses are built is determined through a combination of SHIP priorities and our own waiting list. While we seek 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 will conduct localised surveys to capture any hidden demand.

3.2 The growth of renewable energy generation will have substantial accommodation requirements during and after construction. We are committed to collaborating with Comhairle and developers to explore how we can provide support to meet their requirements. 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 AirBnBs. To address 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** (EESSH) – 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 is 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 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 The Comhairle, as the strategic housing authority are responsible for deciding where new homes for rent should be built and each year they prepare a Strategic Housing Investment Plan (SHIP). To assist them in the development of the SHIP we provide information on our funding capacity, risk assessments and determining potential locations for construction.

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	12	44
Total	**188**	**100**	**90**

7.4 To enable the delivery of all the projects in the SHIP 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 In December 2023 the 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.

7.7 Some of the key risks to the Plan are identified in the section 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 **Financial Viability -** The desire to increase new homes needs to be balanced with our long term financial viability. We cannot commit to ongoing development unless there is an upturn in the population and demand. Otherwise this poses a risk to all of our homes.

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.

APPPENDIX 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	12	-	12	-	-	-
Rural Lewis	Bernera	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	12	-	-	-	-	12
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.

Appendix 5

5 YEAR INVESTMENT PLAN

hebridean housing partnership

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 maintence 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 plans for the next five years are 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 to 2029 - 5 year INVESTMENT PROGRAMME

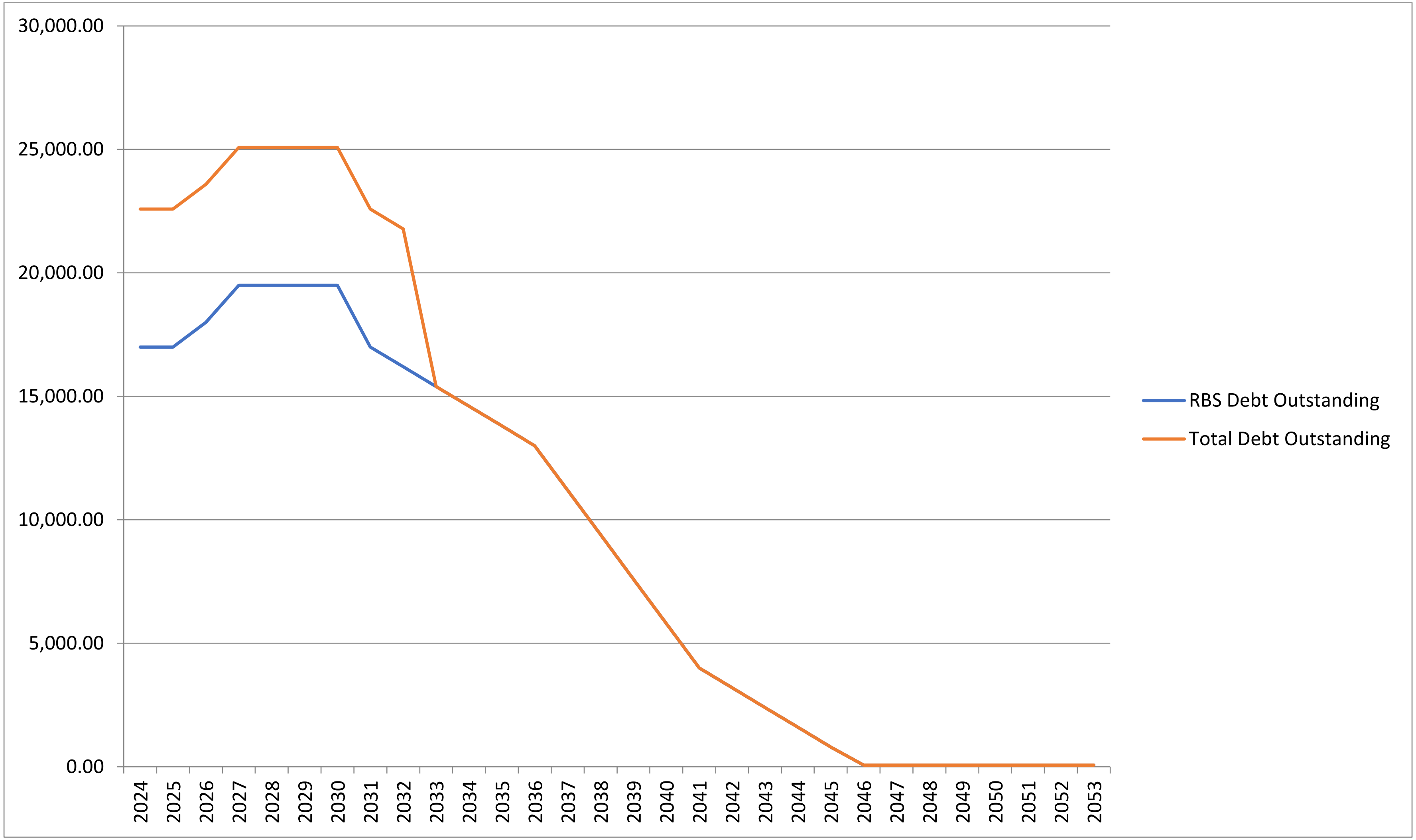
Works Type	2024/25 - £	2025/26 - £	2026/27 - £	2027/28 - £	2028/29 - £
Heating Cost	£ 1,731,000	£ 1,109,434	£ 972,316	£ 1,748,192	£ 1,423,095
Heating Grant	(£1,038,600)				
Bathroom	£ 311,828	£ 305,274	£ 534,041	£ 504,800	£ 300,431
Electrical Works - Remedial	£ 220,000	£ 50,000	£ 50,000	£ 50,000	£ 50,000
External Wall Insulation - Cost	£ 720,000				
External Wall Insulation - Grant	(£360,000)				
Kitchen	£ 579,348	£ 300,651	£ 253,791	£ 258,867	£ 161,360
Roughcast	£ 158,950	£ 497,831	£ 544,753	£ 256,812	£ 386,612
Roofing	£ 396,000	£ 984,555	£ 978,496	£ 709,152	£ 1,778,869
Windows and Doors	£ 574,431	£ 902,396	£ 1,088,900	£ 187,415	£ 462,816
Environmentals	£ 114,384	£ 181,610	£ 165,635	£ 180,887	£ 170,404
Smoke Detectors	£ -	£ 25,000	£ 42,000	£ 91,000	£ 115,000
Shower	£ 122,859	£ 118,450	£ 204,866	£ 194,675	£ 118,413
TOTAL	**£3,530,200**	**£4,475,200**	**£4,834,800**	**£4,181,800**	**£4,967,000**

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



Stress Testing

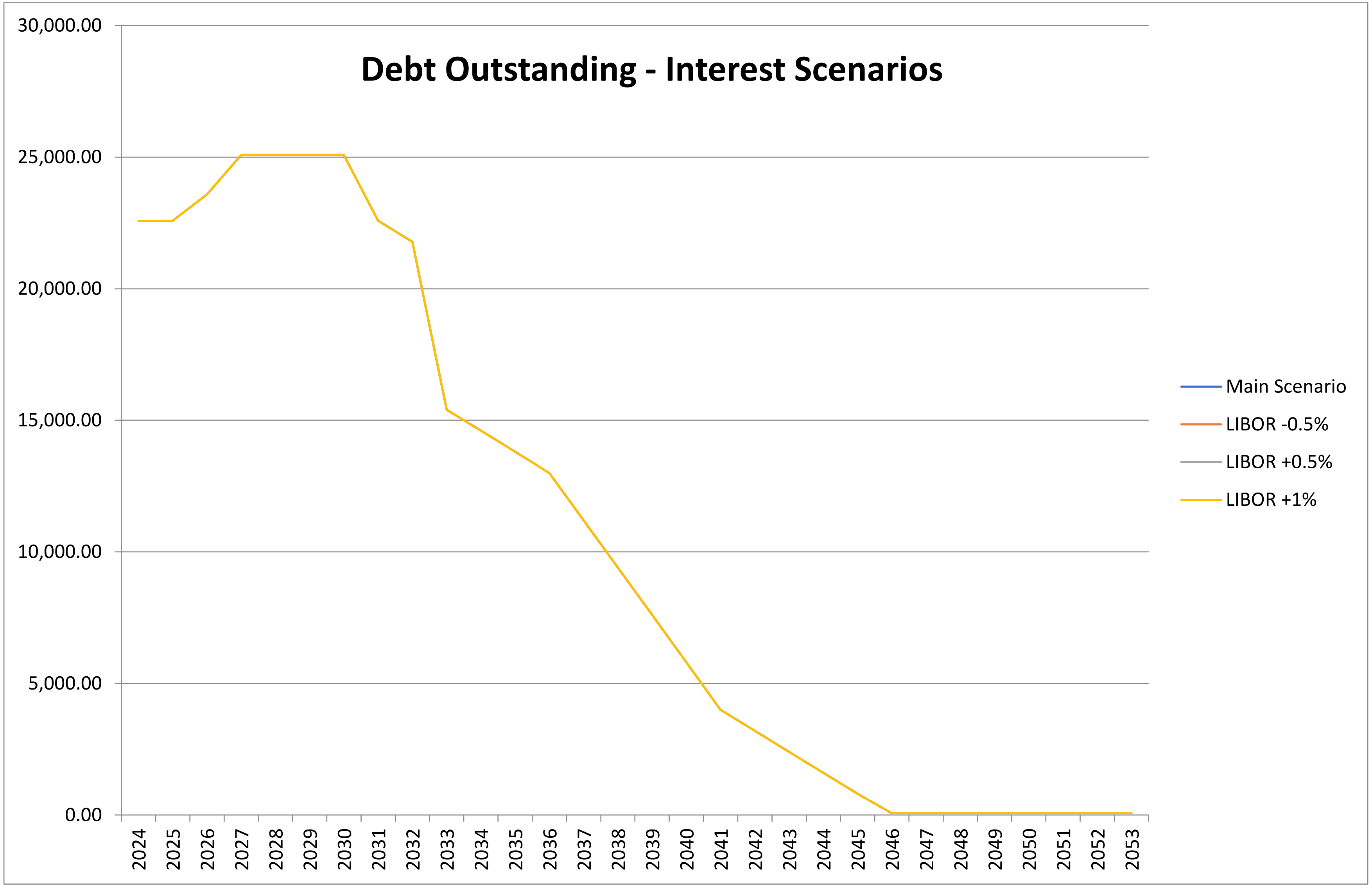
1. Our Business Plan is tested annually for a number of different scenarios. These scenarios are as follows:
    a. Changes in the base rate of interest
    b. Changes in inflation
    c. Changes in rental assumptions
    d. Changes in voids & bad debts
2. Our plan is resilient when it comes to scenarios (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


Debt Outstanding - Interest Scenarios
30,000.00
25,000.00
20,000.00
15,000.00
10,000.00
5,000.00
0.00
2024
2025
2026
2027
2028
2029
2030
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2032
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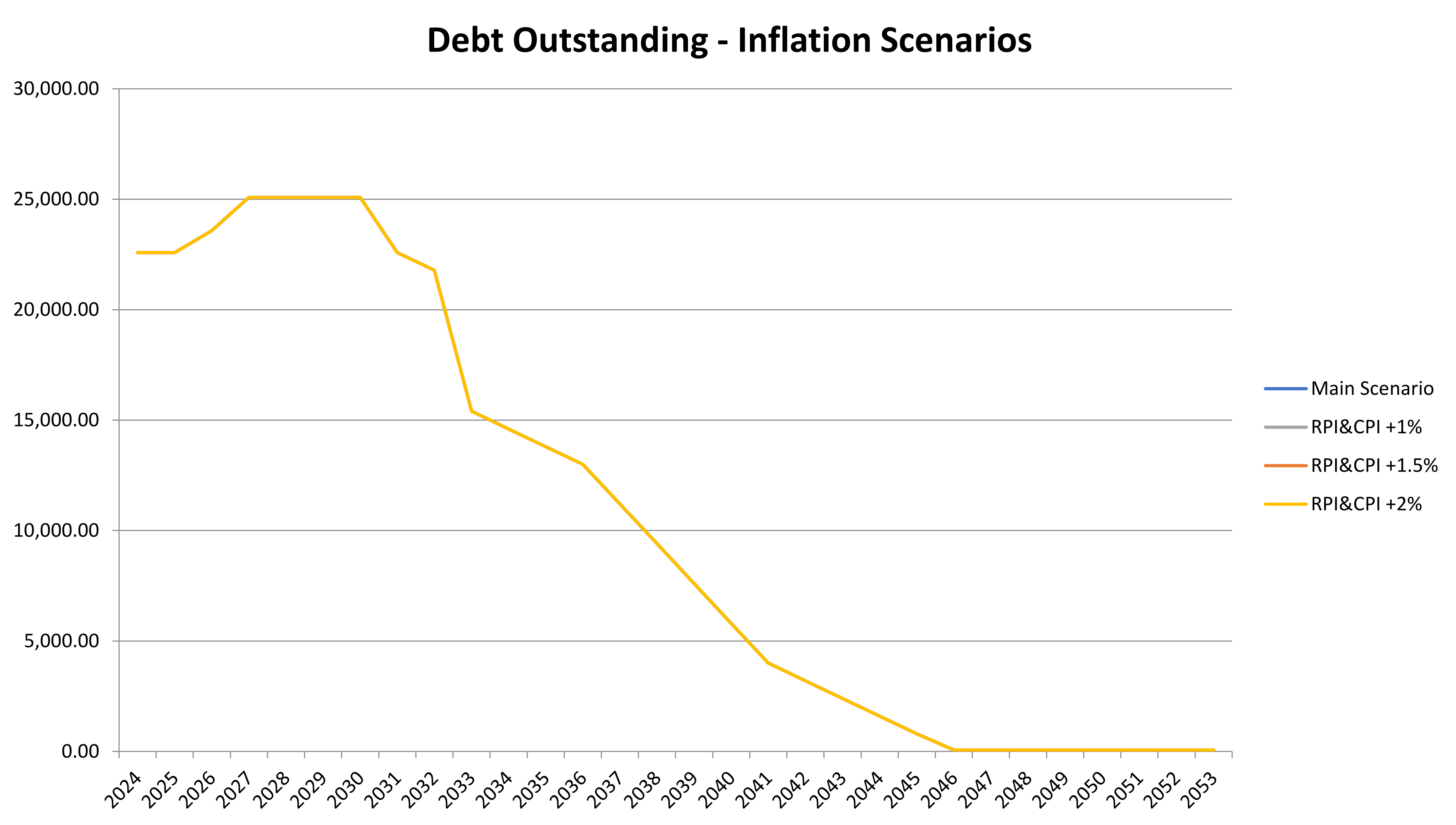
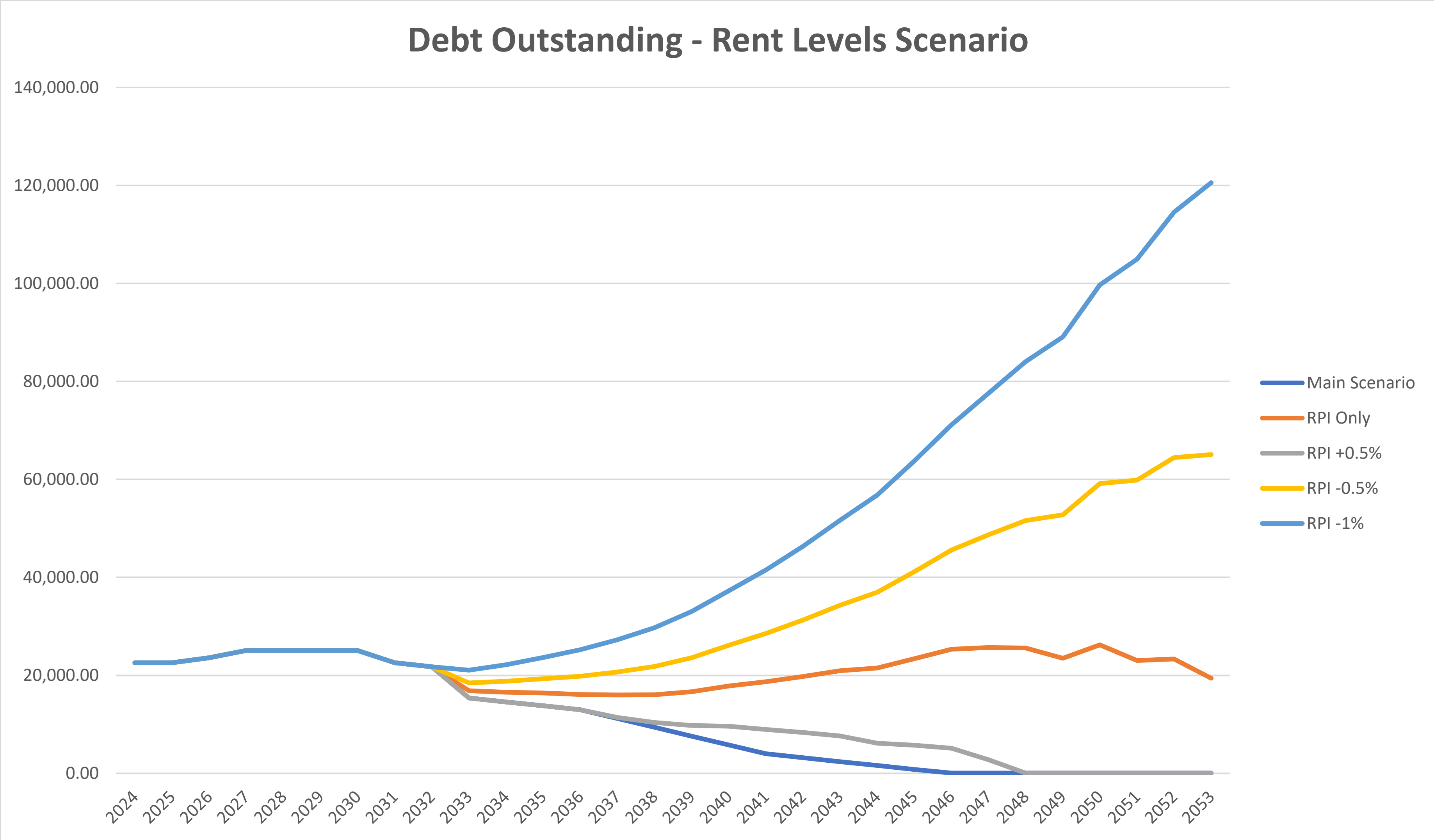
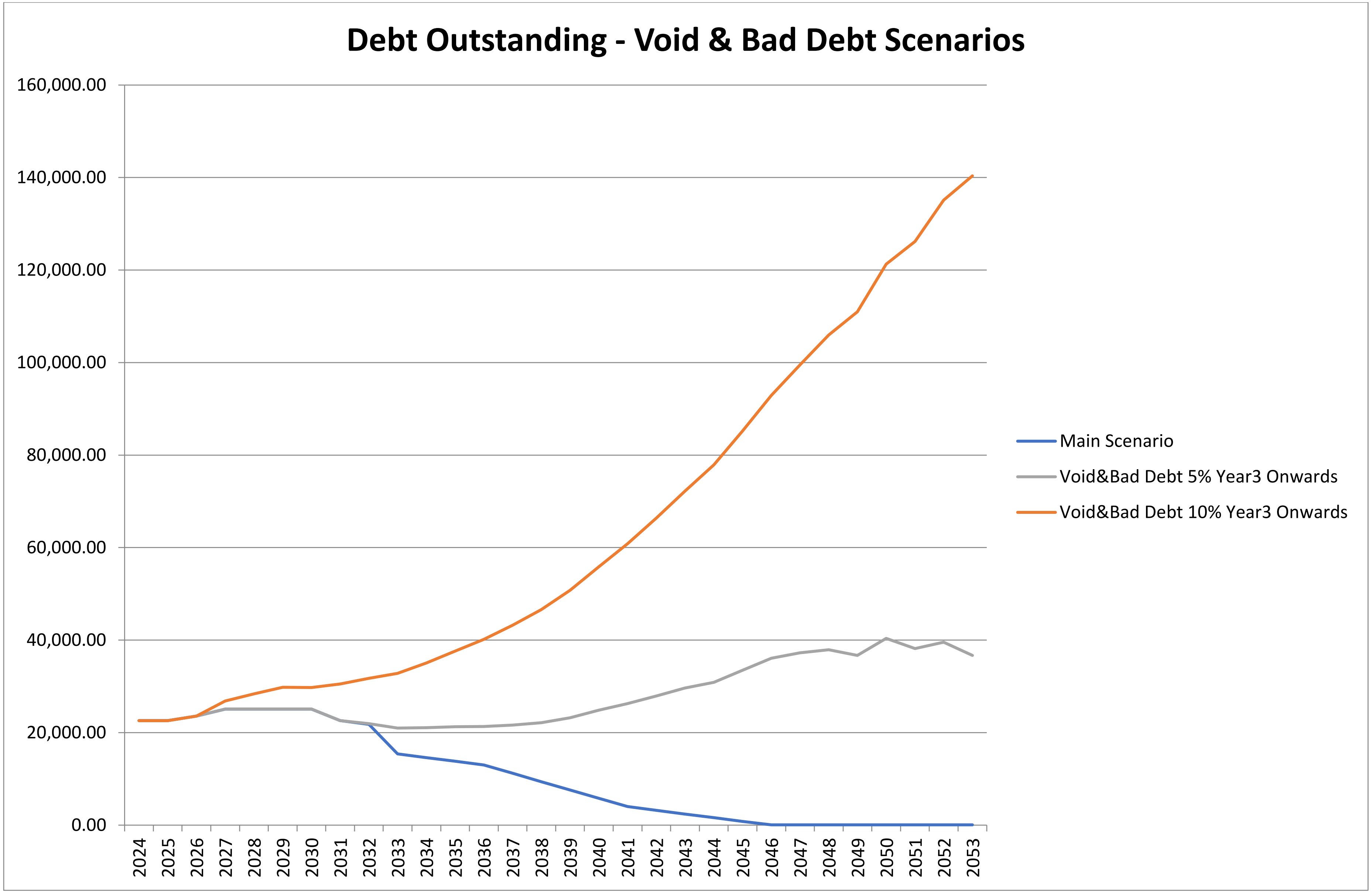
2039
2040
2041
2042
2043
2044
2045
2046
2047
2048
2049
2050
2051
2052
2053
Main Scenario
LIBOR -0.5%
LIBOR +0.5%
LIBOR +1%


Debt Outstanding - Inflation Scenarios
30,000.00
25,000.00
20,000.00
15,000.00
10,000.00
5,000.00
0.00
2024 2025 2026 2027 2028 2029 2030 2031 2032 2033 2034 2035 2036 2037 2038 2039 2040 2041 2042 2043 2044 2045 2046 2047 2048 2049 2050 2051 2052 2053
Main Scenario
RPI&CPI +1%
RPI&CPI +1.5%
RPI&CPI +2%


Debt Outstanding - Rent Levels Scenario
140,000.00
120,000.00
100,000.00
80,000.00
60,000.00
40,000.00
20,000.00
0.00
2024
2025
2026
2027
2028
2029
2030
2031
2032
2033
2034
2035
2036
2037
2038
2039
2040
2041
2042
2043
2044
2045
2046
2047
2048
2049
2050
2051
2052
2053
Main Scenario
RPI Only
RPI +0.5%
RPI -0.5%
RPI -1%


Debt Outstanding - Void & Bad Debt Scenarios
160,000.00
140,000.00
120,000.00
100,000.00
80,000.00
60,000.00
40,000.00
20,000.00
0.00
2024
2025
2026
2027
2028
2029
2030
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2032
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2042
2043
2044
2045
2046
2047
2048
2049
2050
2051
2052
2053
Main Scenario
Void&Bad Debt 5% Year3 Onwards
Void&Bad Debt 10% Year3 Onwards

30 Year Cashflows

APPENDIX 7

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	14,973.00	12,372.60	13,127.50	14,119.80	14,610.00	15,076.00	15,656.90	16,231.70	16,842.80	17,567.90	17,940.50
Total Payments	-8,779.90	-6,943.40	-7,044.20	-7,284.70	-7,527.60	-7,742.00	-7,993.20	-8,175.90	-8,392.70	-8,615.70	-8,724.70
Cash Paid To Employees											
Cash flow from Operating Activities	**6,193.10**	**5,429.20**	**6,083.20**	**6,835.10**	**7,082.50**	**7,333.90**	**7,663.70**	**8,055.90**	**8,450.20**	**8,952.20**	**9,215.80**
Provisions for tax											
Surplus for the year	**6,193.10**	**5,429.20**	**6,083.20**	**6,835.10**	**7,082.50**	**7,333.90**	**7,663.70**	**8,055.90**	**8,450.20**	**8,952.20**	**9,215.80**
Adjustment for investing or financing activities											
Proceeds from sale of tangible assets											
Government grants utilised in the year											
Interest payable (investments)											
Interest received (investments)											
Corporation Tax											
Total Adjustments for invest or financing activities											
Net cash generated from operating activities	6,193.10	5,429.20	6,083.20	6,835.10	7,082.50	7,333.90	7,663.70	8,055.90	8,450.20	8,952.20	9,215.80
Cash flow from investing activities											
Purchase of tangible fixed assets											
Developments	-4,836.00	-10,777.40	-11,428.30	-7,946.40	-2,256.00						
Component Accounting	-3,919.60	-3,530.20	-4,475.20	-4,834.80	-4,181.80	-4,967.00	-3,743.60	-4,821.60	-5,584.90	-5,801.60	-6,734.60
Purchase of tangible fixed assets Total	-8,755.60	-14,307.60	-15,903.60	-12,781.20	-6,437.80	-4,967.00	-3,743.60	-4,821.60	-5,584.90	-5,801.60	-6,734.60
Proceeds from sale of tangible fixed assets	140	28									
Grants received	4,210.30	8,730.20	5,813.10	4,619.70	1,440.00						
Interest Received (cash)	37	40.7	27.9	13.9	11.9	15.8	24.1	29.3	29.4	34.5	11.2
Total Cash flow from investing activities	**-4,368.30**	**-5,508.70**	**-10,062.50**	**-8,147.60**	**-4,985.90**	**-4,951.20**	**-3,719.50**	**-4,792.30**	**-5,555.60**	**-5,767.20**	**-6,723.40**
Cash flow from financing activities											
Interest paid	-966	-1,136.00	-1,176.60	-1,413.70	-1,464.30	-1,464.30	-1,464.30	-1,380.00	-1,252.50	-1,191.30	-1,130.10
Interest element of finance lease rental payment											
New secured loans			1,000.00	1,500.00				1,500.00			
Capital Repayments								-4,000.00	-800	-6,383.00	-800
Loan Working Capital Movements											
Loan Working Capital Drawdowns											
Loan Working Capital Repayments											
Capital element of finance lease rental payments											
Withdrawal from deposits											
Total Cash flow from financing activities	**-966**	**-1,136.00**	**-176.6**	**86.3**	**-1,464.30**	**-1,464.30**	**-1,464.30**	**-3,880.00**	**-2,052.50**	**-7,574.30**	**-1,930.10**
Cash & cash equivalents at the beginning of year	**7,853.40**	**8,712.20**	**7,496.70**	**3,340.80**	**2,114.60**	**2,746.90**	**3,665.40**	**6,145.40**	**5,528.90**	**6,371.00**	**1,981.90**
Net Change in Cash & cash equivalents	**858.8**	**-1,215.50**	**-4,155.90**	**-1,226.20**	**632.3**	**918.5**	**2,480.00**	**-616.5**	**842.2**	**-4,389.20**	**562.3**
Cash & cash equivalents at the end of year	**8,712.20**	**7,496.70**	**3,340.80**	**2,114.60**	**2,746.90**	**3,665.40**	**6,145.40**	**5,528.90**	**6,371.00**	**1,981.90**	**2,544.20**

30 Year Cashflows

APPENDIX 7

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	-8,901.40	-9,234.90	-9,457.40	-9,759.70	-9,958.60	-10,213.60	-10,467.90	-10,791.40	-11,003.60	-11,285.80
Cash Paid To Employees										
Cash flow from Operating Activities	9,489.90	9,721.70	9,831.90	10,067.60	10,329.50	10,653.90	10,814.40	11,094.20	11,377.30	11,769.50
Provisions for tax										
Surplus for the year	9,489.90	9,721.70	9,831.90	10,067.60	10,329.50	10,653.90	10,814.40	11,094.20	11,377.30	11,769.50
Adjustment for investing or financing activities										
Proceeds from sale of tangible assets										
Government grants utilised in the year										
Interest payable (investments)										
Interest received (investments)										
Corporation Tax										
Total Adjustments for invest or financing activities										
Net cash generated from operating activities	9,489.90	9,721.70	9,831.90	10,067.60	10,329.50	10,653.90	10,814.40	11,094.20	11,377.30	11,769.50
Cash flow from investing activities										
Purchase of tangible fixed assets										
Developments	-196.1	-79.2	-18	-30.8	-19	-532.6	-215.2	-49	-83.7	-51.5
Component Accounting	-6,929.50	-7,094.10	-7,539.90	-7,889.50	-8,699.10	-9,022.90	-9,141.50	-9,750.30	-9,969.40	-9,748.80
Purchase of tangible fixed assets Total	-7,125.70	-7,173.40	-7,558.00	-7,920.30	-8,718.00	-9,555.50	-9,356.70	-9,799.30	-10,053.10	-9,800.30
Proceeds from sale of tangible fixed assets										
Grants received										
Interest Received (cash)	13.5	16.7	17.9	15.8	12.8	6.6	2.7	1.6	2.7	5.7
Total Cash flow from investing activities	-7,112.20	-7,156.70	-7,540.10	-7,904.50	-8,705.20	-9,548.90	-9,354.00	-9,797.60	-10,050.50	-9,794.60
Cash flow from financing activities										
Interest paid	-1,068.90	-1,007.70	-913.2	-779.5	-645.8	-512.1	-385.7	-279.4	-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	-1,800.00	-1,800.00	-800	-800	-800
Loan Working Capital Movements										
Loan Working Capital Drawdowns										
Loan Working Capital Repayments										
Capital element of finance lease rental payments										
Withdrawal from deposits										
Total Cash flow from financing activities	-1,868.90	-1,807.70	-2,713.20	-2,579.50	-2,445.80	-2,312.10	-2,185.70	-1,079.40	-1,016.80	-955.6
Cash & cash equivalents at the beginning of year	2,544.20	3,053.00	3,810.30	3,388.90	2,972.50	2,151.00	943.9	218.6	435.9	745.8
Net Change in Cash & cash equivalents	508.9	757.3	-421.4	-416.4	-821.5	-1,207.10	-725.2	217.2	310	1,019.30
Cash & cash equivalents at the end of year	3,053.00	3,810.30	3,388.90	2,972.50	2,151.00	943.9	218.6	435.9	745.8	1,765.20

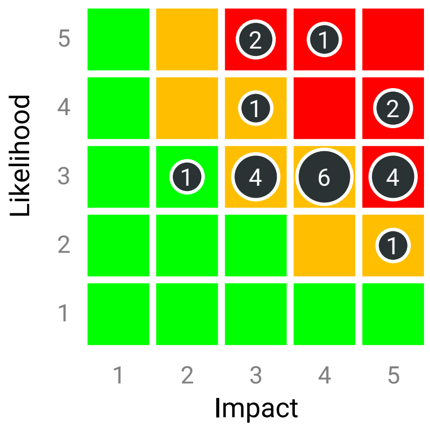
30 Year Cashflows

APPENDIX 7

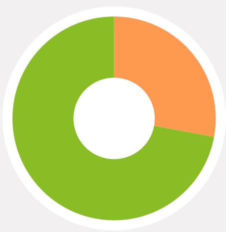
Period: 01 April 2023 - 31 March 2053	2045	2046	2047	2048	2049	2050	2051	2052	2053	Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Total Receipts	23,479.20	24,093.60	24,695.40	25,450.60	25,942.40	26,582.30	27,246.60	28,023.20	28,639.40	608,895.60
Total Payments	-11,567.10	-11,916.10	-12,159.90	-12,481.20	-12,783.30	-13,169.30	-13,472.30	-13,818.60	-14,174.40	-303,840.60
Cash Paid To Employees										
Cash flow from Operating Activities	**11,912.10**	**12,177.50**	**12,535.50**	**12,969.40**	**13,159.10**	**13,413.00**	**13,774.30**	**14,204.70**	**14,465.00**	**305,055.10**
Provisions for tax										
Surplus for the year	**11,912.10**	**12,177.50**	**12,535.50**	**12,969.40**	**13,159.10**	**13,413.00**	**13,774.30**	**14,204.70**	**14,465.00**	**305,055.10**
Adjustment for investing or financing activities										
Proceeds from sale of tangible assets										
Government grants utilised in the year										
Interest payable (investments)										
Interest received (investments)										
Corporation Tax										
Total Adjustments for invest or financing activities										
Net cash generated from operating activities	11,912.10	12,177.50	12,535.50	12,969.40	13,159.10	13,413.00	13,774.30	14,204.70	14,465.00	305,055.10
Cash flow from investing activities										
Purchase of tangible fixed assets										
Developments	-1,054.50	-683.4	-201	-189.5	-142.4	-1,993.40	-795.3	-181.2	-309.5	-44,069.50
Component Accounting	-10,111.80	-10,622.00	-9,880.10	-9,750.10	-8,062.30	-11,222.60	-6,818.30	-11,463.30	-7,352.50	-223,662.90
Purchase of tangible fixed assets Total	-11,166.30	-11,305.30	-10,081.10	-9,939.60	-8,204.70	-13,216.00	-7,613.60	-11,644.40	-7,662.00	-267,732.40
Proceeds from sale of tangible fixed assets										168
Grants received										24,813.30
Interest Received (cash)	6	6.7	14	27.5	47.3	57.3	75	99.3	122.2	826.8
Total Cash flow from investing activities	**-11,160.30**	**-11,298.70**	**-10,067.10**	**-9,912.10**	**-8,157.40**	**-13,158.70**	**-7,538.60**	**-11,545.10**	**-7,539.80**	**-241,924.30**
Cash flow from financing activities										
Interest paid	-94.4	-33.2								-20,130.90
Interest element of finance lease rental payment										
New secured loans										4,000.00
Capital Repayments	-800	-733.3								-26,516.30
Loan Working Capital Movements										
Loan Working Capital Drawdowns										
Loan Working Capital Repayments										
Capital element of finance lease rental payments										
Withdrawal from deposits										
Total Cash flow from financing activities	**-894.4**	**-766.5**								**-42,647.30**
Cash & cash equivalents at the beginning of year	**1,765.20**	**1,622.60**	**1,734.90**	**4,203.30**	**7,260.60**	**12,262.30**	**12,516.50**	**18,752.20**	**21,411.70**	**7,853.40**
Net Change in Cash & cash equivalents	**-142.6**	**112.3**	**2,468.40**	**3,057.20**	**5,001.70**	**254.2**	**6,235.70**	**2,659.50**	**6,925.20**	**20,483.50**
Cash & cash equivalents at the end of year	**1,622.60**	**1,734.90**	**4,203.30**	**7,260.60**	**12,262.30**	**12,516.50**	**18,752.20**	**21,411.70**	**28,337.00**	**28,337.00**

Risk Summary Report

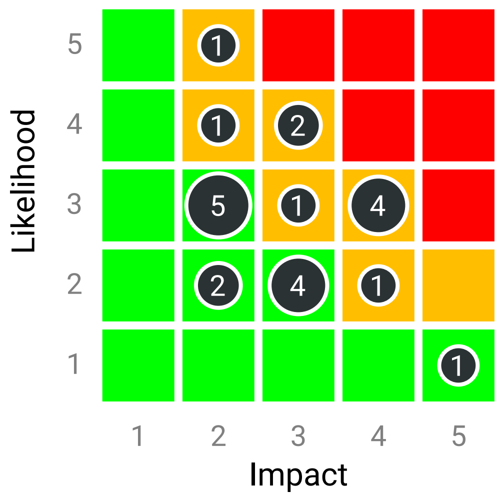
Inherent



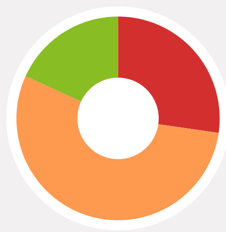
Controls



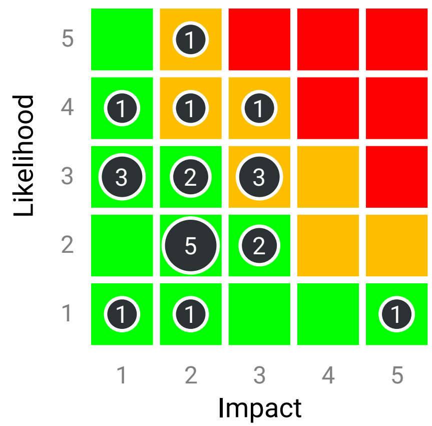
Residual (Current)



Actions



Target



Inherent			Controls			Residual (Current)			Actions			Target		
1	12	9	0	24	62	12	10	0	9	18	6	16	6	0

Ref	Category	Title	Controls on Track	Residual Risk Likelihood x Impact	Movement in score	Actions on Track	Target Risk Likelihood x Impact
3	Financial	Borrowing Arrangements	**3** Amber **8** Green	2 x 3 6	3 x 3 = 9 6th Feb 2024		2 x 2 4
12	Strategic	Business Continuity Plan not sufficiently robust.	**1** Green	3 x 3 9	22nd Jul 2022	**1** Amber	2 x 2 4
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
2	Operational	Construction Process	**7** Green	3 x 4 12	↔ 4 x 3 = 12	**1** Red **1** Amber	3 x 3 9
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
20	Operational	Development - increased programme	**2** Amber **1** Green	2 x 3 6	1 x 3 = 3 3rd Aug 2022	**1** Amber	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
17	Financial	Financial Rating of Funder does not comply with Treasury Management Policy	**1** Green	1 x 5 5	22nd Jul 2022	**1** Green	1 x 5 5
14	Operational	Fraud	**2** Green	2 x 2 4	3 x 3 = 9 7th Feb 2024		2 x 2 4
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

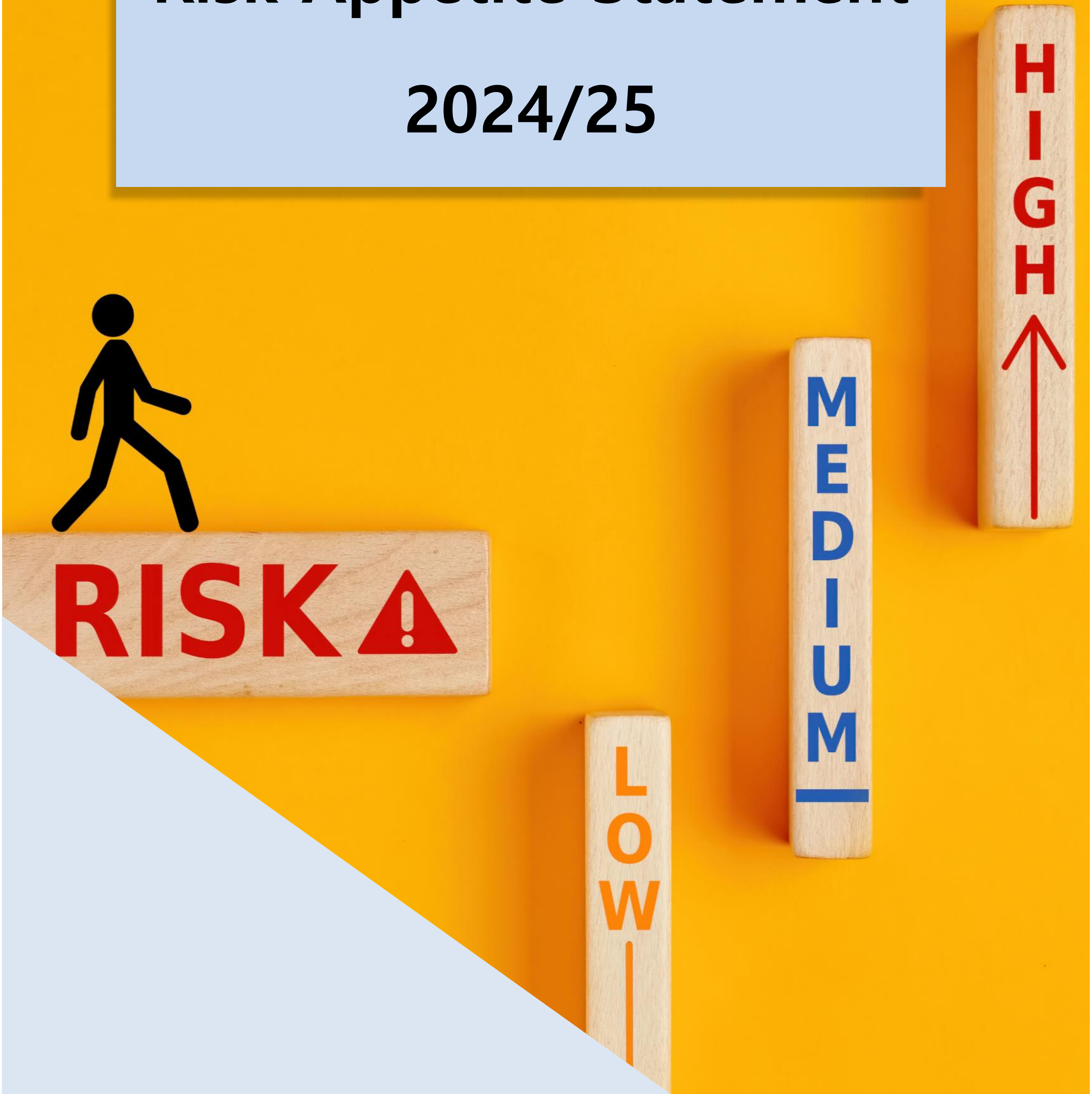
Ref	Category	Title	Controls on Track	Residual Risk Likelihood x Impact	Movement in score	Actions on Track	Target Risk Likelihood x Impact
10	Strategic	Governance	4 Green	3 x 2 6	21st Jul 2022	3 Amber	3 x 1 3
21	Operational	Housing components Technology Failure	4 Amber 1 Green	3 x 4 12	3 x 2 = 6 6th Feb 2024	1 Red	3 x 3 9
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
15	Financial	Increased cost of borrowing or reduction in valuation.	1 Amber	3 x 2 6	22nd Jul 2022		3 x 1 3
9	Operational	Infrastructure failure	2 Amber	4 x 2 8	5 x 2 = 10 6th Feb 2024	1 Amber	4 x 1 4
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
5	Operational	Lack of skilled workforce	1 Amber 4 Green	4 x 3 12	22nd Jul 2022	2 Amber	4 x 2 8
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
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
19	Strategic	Reputational	2 Green	2 x 3 6	2 x 2 = 4 12th Jan 2023	1 Red 1 Green	1 x 2 2

Ref	Category	Title	Controls on Track	Residual Risk Likelihood x Impact	Movement in score	Actions on Track	Target Risk Likelihood x Impact
18	Strategic	Serious breach of Health & Safety	1 Amber 5 Green	2 x 2 4	22nd Jul 2022	1 Amber	1 x 1 1
7	Operational	Supply Chain Challenges	1 Amber 1 Green	3 x 2 6	4 x 3 = 12 8th Mar 2023		3 x 2 6

APPENDIX 9

Risk Appetite Statement

2024/25



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	OPEN	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.

CONSULTATION

GOAL 1

Placing tenants at the heart of everything we do

PENUMBRA

Do you agree we should help tenants who are suffering through poverty and addiction by working with Penumbra on a two year pilot provide support to tenants with additional needs?

EQUAL ADVENTURES

Do you agree we should run a project with Equal Adventure to provide training and 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

POPULATION

Do you agree we should support the work the Community Planning Partnership are doing to stem population decline by providing homes to key workers who move into the area?

TENANT EVENTS

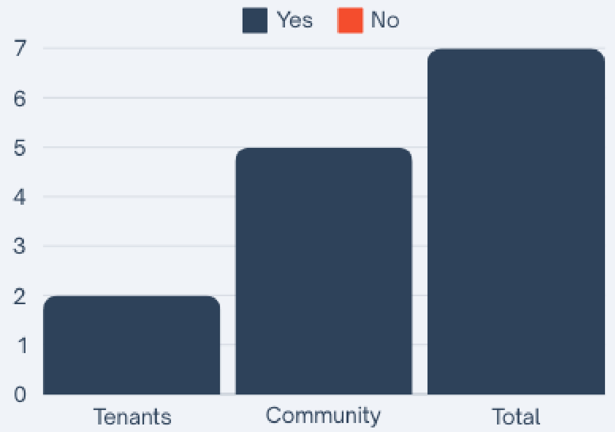
Do you agree we should have annual events for tenants throughout the islands ?

COT POLICY

Do you agree we should review our policy on Change of Tenancy to make more use of recycling items ?

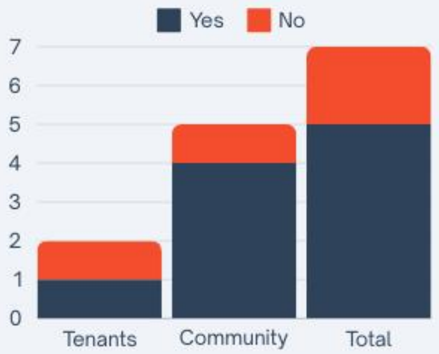
TENANT BOARD

Do you agree we should review the option of having a Tenant Panel or Tenant Board to help inform the Board's decision making?



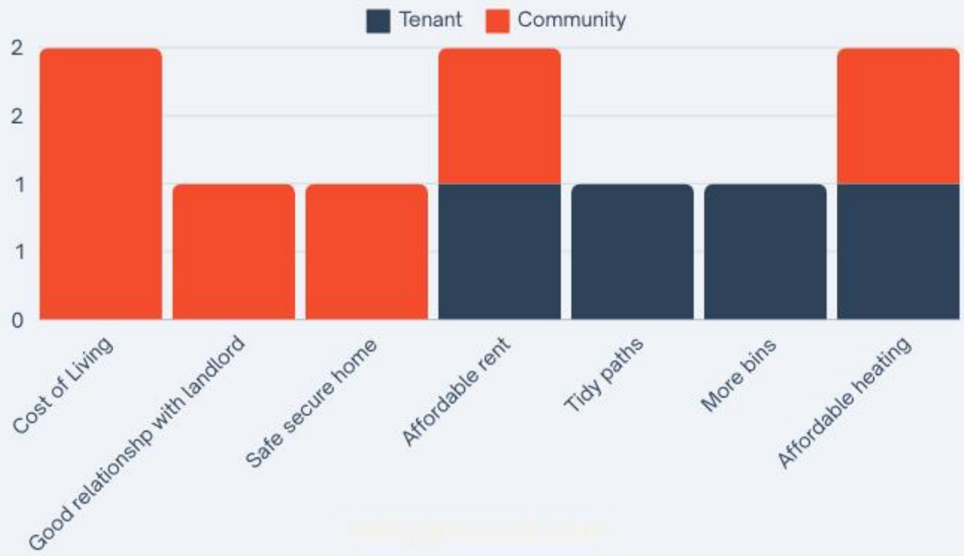
3 CHALLENGES

The Board consider the three biggest challenges that are facing us are population, climate change and the pace of technological changes. Do you agree?



As majority are in agreement no change to the Business Plan

MOST IMPORTANT ISSUES FOR TENANTS



ENGAGEMENT

How do you think we should engage with tenants in the digital age

ADDITIONAL COMMENTS

All the suggestions mentioned are important however Energy Advice should feature in your plan given the direct financial benefit to tenants.

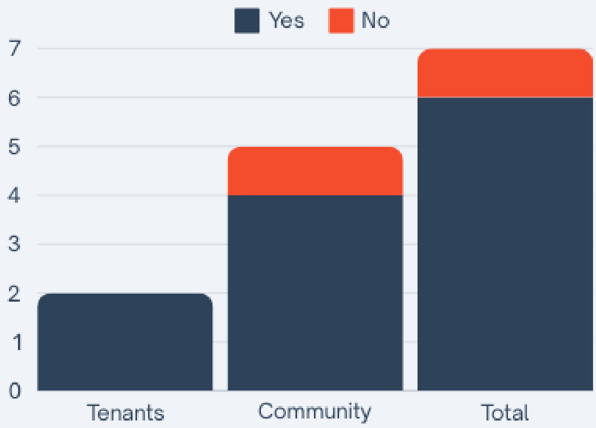
CONSULTATION

GOAL 2

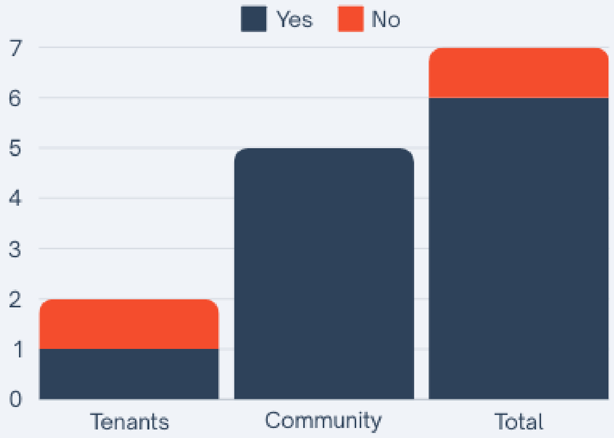
Investing in a sustainable way in tenants' homes

EFFICIENT HEATING

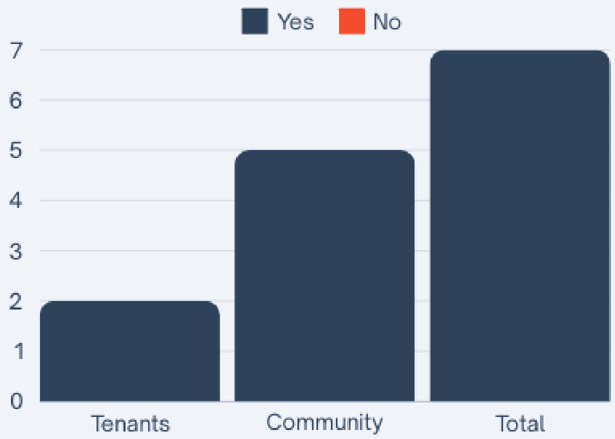
Do you agree we should prioritise investment to make our houses cheaper to heat using the Scottish Government Net-Zero Standard which will mean focusing on heating, windows and insulation and less on kitchens and bathrooms?



NEW BUILD

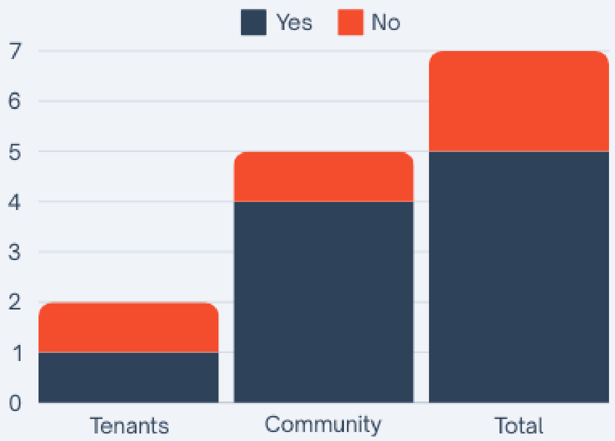


Do you agree we should deliver 180 new homes by 2029 in line with the Comhairle's Local Housing Strategy



Do you think it is important to continue to build new homes although our population is declining

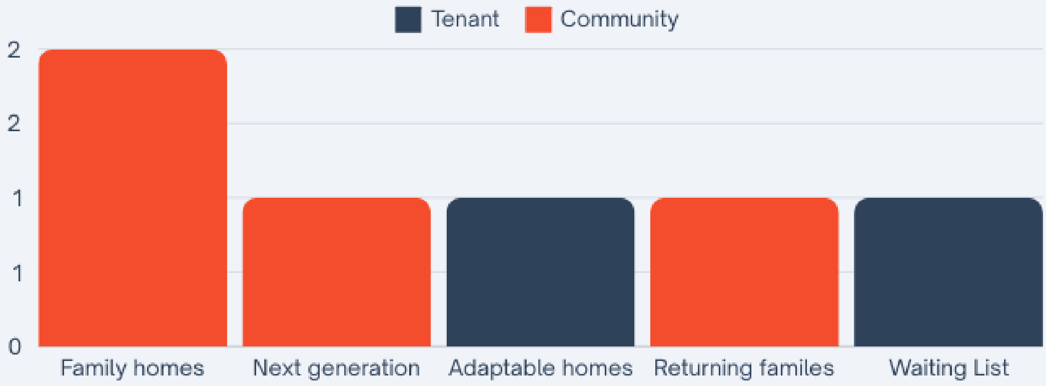
CARBON FOOTPRINT



Do you think we should explore ways to measure, report on and manage our carbon footprint

WAITING LIST

Who do you think we should be building for, given our population is getting older and household sizes are getting smaller



CONSULTATION

GOAL 3

Being an excellent employer that attracts and retains high quality staff

Do you agree we should provide opportunities for our staff to gain professional qualifications

Do you agree we should aim for a staff turnover rate of <10%

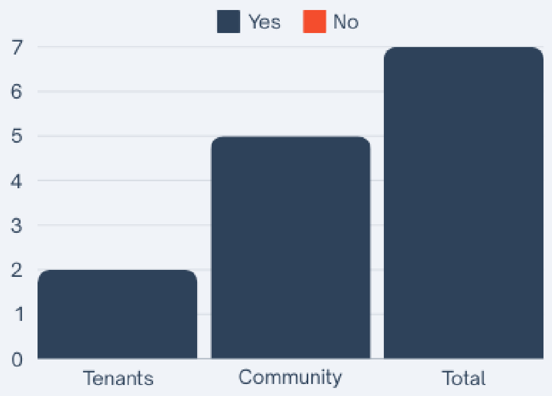
Do you agree we should develop our Modern Apprentice programme to provide more opportunities for people to get a qualification

EFFICIENT HEATING

CONSULTATION

GOAL 4

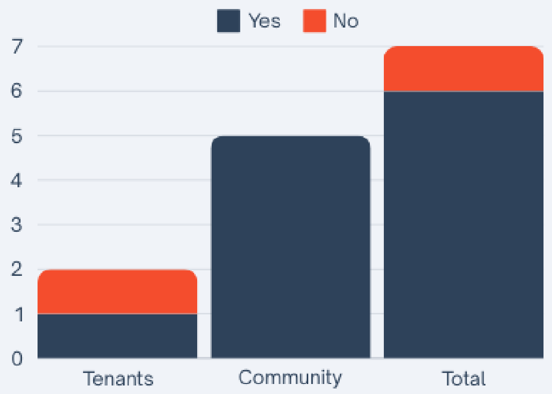
Working with partners to help our communities thrive



Do you agree we should work with local community landlords to see how we can enable them to deliver their vision for housing in their area?

Do you agree we should support communities through grants ?

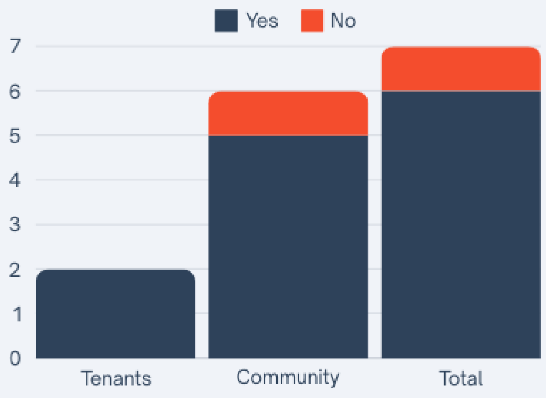
FACTORING



Do you agree we should aim to improve owner satisfaction with our factoring service by 20%

SOCIAL VALUE REPORT

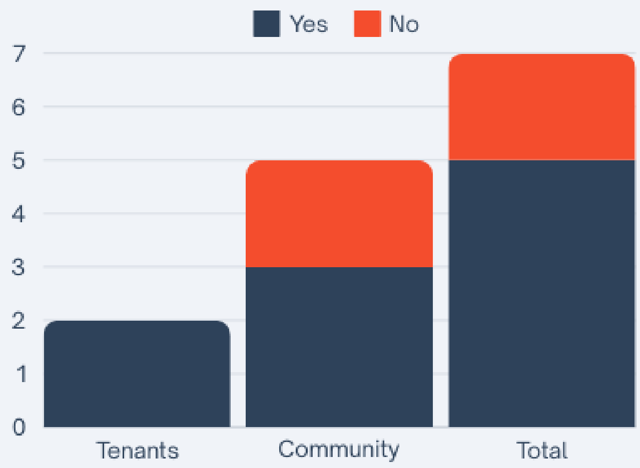
Do you agree we should develop an annual social value report



CONSULTATION

GOAL 4

Working with partners to help our communities thrive



Do you agree we should explore opportunities for the provision of accommodation for the Renewables work due to start in the islands in the next 2 to 4 years e.g. provide housing for the workers?

Additional comments

working closely with local community landlords for the provision of accommodation for workers re Uisenis Wind Farm, inter connector etc.

As far as Q2 is concerned, only if their is a need for housing in their area

BUDGETS 2024/25

Board 26 March 2024

Report by Director of Finance & Corporate Services

Purpose of Report

1.1 To present to the Board for consideration and approval the proposed 2024/25 budgets.

Summary

2.1 The budgets at Appendix 1 have been prepared, following the Board's decision to proceed with an RPI Minus 1% rent increase (5.1%) and taking into account the cash planning limits for 2024/25 as detailed at Appendix 2.

2.2 Total income for 2024/25 is budgeted to increase by £715K. Net dwelling rents are up by £635K due to the annual rent increase of 5.1% and an increase in the number of houses available for rent. Grant income has increased by £60K due to inflationary increases in RHI payments.

2.3 Operating expenditure is up £519K driven by a £224K increase in supervision and management costs, a £55K increase in response repairs and Planned Maintenance up by £236K. Paragraph 9.3 provides further details on the year to year movement.

2.4 Our capital investment programme has increased by £12K. This is due to a £390K reduction in the investment programme (Net of grants) as we anticipate receiving £1.37M of Net Zero grants in 24/25 for heating and insulation works. This is offset by an increase of £400K in the development programme from 2024/25 as we begin on site at Leverburgh in addition to new sites at Bernera, North Uist, Barra and Scott Road.

2.5 The budget was presented to the Development & Finance Committee on 25 March 2024 where stress testing and covenant compliance checks were performed.

Competence

3.1 The legal, financial and other considerations to the recommendations are contained in the Competence section at the end of this report

Recommendations

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

a) approve the 2024/25 budgets at Appendix 1; and

b) note the cash planning limits and 30 year cash flow statement at Appendix 2 & 3 respectively.

APPENDIX 1: Budgets for 2024/25
APPENDIX 2: 2023/24 Cash Planning Limits
Background Papers: None
Writer of Report: Donald MacLeod Tel: 0300 123 0773

Report Details

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

a) the promises made to tenants as part of the Stock Transfer;

b) the strategic goals of the current approved Business Plan;

c) Regulatory requirements; and

d) Scottish Government requirements in relation to the standard of the housing stock.

5.2 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.

5.3 Material variations from 2024/25 along with explanations can be found below:

BUDGET AREA		COMMENTS
Income	Dwelling Rents	£635K increase as a result of an increase in the number of properties available for rent coupled with a 5.1% annual rent increase.
	Grant Funding	£60K increase to allow for anticipated inflationary increase in RHI Grant payments.
	Other Income	£19K increase with a full year of service charge income for Bremner Court anticipated.
Supervision & Management	Salaries & Wages	Increase driven by annual pay award and increments due, coupled with the new Tenant Enagement Office post established in the year.
	National Insurance	
	Pension Costs	
	Other Employee Costs	Increase driven by uniform replacements due for all staff
	Premises Costs	£29K increase for increased office electric costs as we move off our Fixed Rate
	Community Support	£4K increase due to Tenant Survey related costs for 24/25 being offset by Tenant Participation brought in house.
	Consultants	Reduction as no stock condition survey this year (£50K) offset by funders valuation required (£22K) and culture audit (£19K)
	Insurance	Increase driven by additional housing stock as well as anticipated increase in premium costs.
	Fees charged to capital	Increase as a result of a larger investment and development programme for 24/25.
Repairs & Maintenance	Response Repairs	Increase to take account of construction inflation.
	Council Tax Empty Properties	Decrease due to prior year budget taking into account properties that have now been sold (Dun Berisay).
	Painting	Large Painterwork program planned for 24/25.
	Estate Management (Welfare)	Increase mainly due to additional support from Penumbra.
	Compliance Costs	Reduction in the number of EPCs required (£35K). EICR Survey Programme plus remedial works recommended in 23/24, planned for 24/25 has resulted in a £71K increase.
	Gutter Cleaning	The Gutter Cleaning programme has moved from a 2 year programme to a 3 year programme meaning that there will be less spend in 24/25.
Housing Investment		Decrease of £390K.The budget reflects the Board approved investment program for 24/25.
Development		Increase of £400K.The budget reflects the Board approved Development program for 24/25.

Competence

Financial	The report considers the resources required for 2024/25. The budget has been set in accordance with the current accounting standards and complies with our lenders financial covenants (110% Minimum Interest Cover and 30% Maximum Gearing). The current Royal Bank of Scotland borrowing facility will be repaid within the 30 year plan and the revolving credit facility is not forecast to be drawn in full due to delays in our development program.
Legal	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". 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.
Regulatory	The Regulatory Standards checklist has been completed and there is nothing in the report which would result in a breach of the standards.
Risk	The setting of realistic budgets with robust assumptions reduces the risk of financial loss and failure as highlighted in the Risk Register. The preparation and approval of updated 30 Year cash flows ensures compliance with the Funders requirements. Increasing development costs continue to drive up the build cost per unit. Any shortfall between the unit cost and Scottish Government grant contributions will need to be met through our private finance or CNES grant. Each project will be appraised by the Director of Finance and Corporate Services before it is progressed to tender stage. Our plans are most susceptible to changes in income with the main risks being a deterioration in voids, arrears/bad debts and below inflation rent increases. Inflation has decreased but at 4% remains double the BoE target. Ongoing tensions in Ukraine and Middle East is likely to exacerbate the cost of living, which will in turn put pressure on tenant's disposable income and their ability to pay their rent.

ESG	The 2024/25 budget makes provision for another electric car to be used in Uist. The existing electric car in Stornoway is also proposed to be replaced during the year. This will reduce the number of miles delivered by solid fuel cars by approx. 10,000 miles per annum.
Equalities	We are committed to promoting equality, diversity and inclusion. The are no equalities implications arising from the approval of this report.
Communication	Once approved, finalised detailed budgets will be distributed to all budget managers.

APPENDIX 1: 2024/25 BUDGETS

Line	Heading	CURRENT YEAR BUDGET Initial Budget £	Revised Budget £	ACTUAL to 31-Jan-24 £	2024/25 INITIAL BUDGET £	CHANGE £	CHANGE %	Commentary
	INCOME & EXPENDITURE							
1	Dwelling rents (net)	11,023,855	11,102,965	9,523,422	**11,658,470**	634,615	5.76%	£635K increase due to increased number of homes available for rent coupled with 5.1% annual rent increase
2	Non Dwelling rents (net)	17,120	17,120	15,684	**18,630**	1,510	8.82%	£1.5K increase due to 6.1% annual rent increase with voids set at 2%
3	Profit/(Loss) on Disposal of Assets	(45,000)	(45,000)	(10,933)	**(45,000)**	-	0.00%	
4	Grant Funding	550,000	815,000	675,716	**610,000**	60,000	10.91%	£60K Anticipated inflationary increase in RHI
5	Other Income	186,130	153,630	124,551	**205,500**	19,370	10.41%	Annual service charge increase of 6% in addition to a full year of service charge income from Bremner Court
6	**TOTAL INCOME**	11,732,105	12,043,715	10,328,440	**12,447,600**	715,495	6.10%	
7	Supervision & Management	2,941,015	2,951,801	2,348,255	**3,165,000**	223,985	7.62%	
8	Response Repairs	1,952,905	2,054,905	1,739,664	**2,008,820**	55,915	2.86%	Please refer to detailed breakdown
9	Estate Works	136,700	134,243	98,449	**139,300**	2,600	1.90%	
10	Planned/Cyclical Maintenance	1,194,925	1,189,925	864,062	**1,431,080**	236,155	19.76%	
11	**Total Operating Expenditure**	6,225,545	6,330,874	5,050,430	**6,744,200**	518,655	8.33%	
12	Operating Surplus/(Deficit)	5,506,560	5,712,841	5,278,010	**5,703,400**	196,840	3.57%	
13	Interest received	18,500	151,621	101,631	**90,750**	72,250	390.54%	£72K Increase due to reflect anticipated monies on deposit
14	Interest paid	1,189,400	756,915	606,805	**1,136,000**	(53,400)	(4.49%)	Reduction in interest rates and forecasted borrowing
15	Surplus/(Deficit)	4,335,660	5,107,547	4,772,836	**4,658,150**	322,490	7.44%	
16	Depreciation	4,617,600	4,617,600	3,709,363	**4,844,700**	227,100	4.92%	Increased investment in our housing stock coupled with new build additions in the year (Blackwater and Lochmaddy)
17	Grant Amortisation	(1,538,600)	(1,588,600)	(1,532,243)	**(1,588,610)**	(50,010)	3.25%	New build additions in the year (Blackwater and Lochmaddy)
18	Surplus/(Deficit)	1,256,660	2,078,547	2,595,716	**1,402,060**	145,400	11.57%	
	CAPITAL INVESTMENT							
19	Housing Investment Programme	4,039,595	4,322,885	1,712,835	**3,650,200**	(389,395)	(9.64%)	
20	Non Housing Investment	6,920	8,058	5,487	**9,040**	2,120	30.64%	
21	Development Programme	1,647,190	779,171	544,649	**2,047,200**	400,010	24.28%	
22		5,693,705	5,110,114	2,262,971	**5,706,440**	12,735	0.22%	

APPENDIX 1: 2024/25 BUDGETS

Line	Heading	CURRENT YEAR BUDGET Initial Budget £	Revised Budget £	ACTUAL to 31-Jan-24 £	2024/25 INITIAL BUDGET £	CHANGE £	CHANGE %	Commentary
	SUPERVISION & MANAGEMENT							
1	Salaries & Wages	1,841,490	1,855,545	1,500,702	**2,019,160**	177,670	9.65%	Increases driven by annual pay award and increments due, coupled with the new Tenant Enagement Office post established in the year.
2	National Insurance	185,745	186,650	150,797	**205,930**	20,185	10.87%	
3	Pension Costs	397,910	400,430	272,416	**426,900**	28,990	7.29%	
4	Other Employee Costs	39,875	40,355	20,288	**55,020**	15,145	37.98%	Increase driven by uniform replacements due for all staff
5	Travel & Subsistence	21,920	16,714	8,660	**28,320**	6,400	29.20%	Increase of £6K due to additional electric vehicle for Uist
6	EMPLOYEE COSTS	2,486,940	2,499,694	1,952,865	2,735,330	248,390	9.99%	
7	Premises Costs	64,830	70,100	46,944	**93,450**	28,620	44.15%	Increase of £29K in office electric costs as our 4 year fixed price agreement comes to an end
8	IT & Telecoms	214,600	203,952	155,539	**228,050**	13,450	6.27%	Additional 6% is due to inflationary subcription increases
9	Area Offices	28,250	37,212	34,434	-	(28,250)	(100.00%)	No longer using CNES cashdesk service
10	Payroll & Cashdesk	7,500	7,500	5,300	**23,000**	15,500	206.67%	Cash collection costs increased as we moved away from CNES area offices - now using ALLPAY
11	Property Management Fees	5,000	5,000	3,008	**5,000**	-	0.00%	
12	SUPPLIES & SERVICES	320,180	323,764	245,224	349,500	29,320	9.16%	
13	Postage, Printing & Stationery	37,850	36,650	20,860	**36,600**	(1,250)	(3.30%)	Reduction in printing costs due to improvements to online services E.g., Decision Time and CX Tenant Portal
14	Admin Furniture & Equipment	2,000	2,000	657	**2,000**	-	0.00%	
15	Training Courses	33,125	34,575	16,029	**34,380**	1,255	3.79%	
16	Community Support	53,750	32,570	12,336	**58,360**	4,610	8.58%	£22K reduction as tenant particpation role brought in house, this is offset with a £27K Increase for tenant satisfaction surveys
17	Health & Safety	9,380	9,380	4,254	**9,130**	(250)	(2.67%)	
18	Recruitment Costs	2,000	2,000	428	**2,000**	-	0.00%	
19	ADMINISTRATION COSTS	138,105	117,175	54,564	142,470	4,365	3.16%	
20	Legal Fees	30,000	30,000	15,928	30,000	-	0.00%	
21	Legal Compensation	12,000	12,000	10,370	-	(12,000)	(100.00%)	100% decrease as all Dun Berisay Tenants have now been moved
22	Consultants Fees	85,360	109,342	77,477	75,700	(9,660)	(11.32%)	Reduction as no stock condition survey this year (£50K) offset by funders valuation required (£22K) and culture audit (£19K)
23	Corporate Licences	2,100	2,100	976	2,100	-	0.00%	
24	External Audit Fees	11,340	11,904	-	11,900	560	4.94%	
25	Internal Audit Fees	10,750	10,186	9,234	10,190	(560)	(5.21%)	
26	**Total Legal and Audit Fees**	151,550	175,532	113,985	**129,890**	(21,660)	(14.29%)	
27	Insurance	282,420	289,720	230,732	**338,810**	56,390	19.97%	Increase due to an increase in the value of housing stock insured coupled with an anticipated premium uplift
28	Affiliation Fees	32,795	34,575	30,716	**37,440**	4,645	14.16%	
29	Charitable Donations	5,000	5,000	4,000	**6,000**	1,000	20.00%	
30	Governance	12,400	10,006	4,108	**10,750**	(1,650)	(13.31%)	Reduction in travel costs
31	Bank Charges	6,690	7,690	6,703	**7,500**	810	12.11%	
32	Public Relations / Marketing	9,430	10,230	1,051	**10,230**	800	8.48%	
33	CORPORATE EXPENSES	500,285	532,753	391,295	540,620	40,335	8.06%	
34	Fees Charged to Capital	(497,495)	(511,585)	(286,015)	**(592,920)**	(95,425)	19.18%	£37K increase on Development Internal fees/£58K increase of Investment CoW fees
35	VAT Received - Partial Exemption	(7,000)	(10,000)	(9,678)	**(10,000)**	(3,000)	42.86%	
36	MANAGEMENT INCOME	(504,495)	(521,585)	(295,694)	(602,920)	(98,425)	19.51%	
37	MANAGEMENT COST	2,941,015	2,951,801	2,348,255	3,165,000	223,985	7.62%	

APPENDIX 1: 2023/24 BUDGETS

Line	Heading REPAIRS & MAINTENANCE	CURRENT YEAR Initial Budget £	Revised Budget £	ACTUAL to 31-Jan-24 £	2024/25 INITIAL BUDGET £	Change £	Change %	Commentary
1	Responsive Repairs	1,225,520	1,275,520	1,008,004	**1,275,530**	50,010	4.08%	Increase of £50K to reflect the increase in repair cost during 23/24
2	Void Repairs	403,000	435,000	458,473	**435,000**	32,000	7.94%	Increase of £32K - clean and clear costs under negotiation with maintenance contractor
3	Handyperson	106,580	106,580	79,255	**102,070**	(4,510)	(4.23%)	Reduction in handyperson fuel costs
4	GENERAL REPAIRS	1,735,100	1,817,100	1,545,732	**1,812,600**	77,500	4.47%	
5	Decoration Allowance	55,640	55,640	27,870	**55,640**	-	0.00%	
6	Council Tax empty properties	10,000	10,000	1,012	**4,420**	(5,580)	(55.80%)	Prior year budget included provision for Dun Berisay
7	Compensation	9,500	9,500	2,749	**9,500**	-	0.00%	
8	SPECIFIC ITEMS	75,140	75,140	31,632	**69,560**	(5,580)	(7.43%)	
9	Rechargeable Repairs	108,000	138,000	119,531	**107,990**	(10)	(0.01%)	
10	Rechargeable Repairs Recoverable	(58,500)	(88,500)	(87,643)	**(74,500)**	(16,000)	27.35%	Increased to reflect current experience of recoverable recharges
11	Insurance Repairs	100,000	120,000	142,402	**100,000**	-	0.00%	
12	Insurance Claims Recoverable	(62,000)	(62,000)	(59,894)	**(62,000)**	-	0.00%	
13	RECOVERABLE EXPENDITURE	87,500	107,500	114,396	**71,490**	(16,010)	(18.30%)	
14	Commercial Properties	1,500	1,500	-	**1,500**	-	0.00%	
15	Communal Lighting	53,665	53,665	47,904	**53,670**	5	0.01%	
16	NON DWELLING REPAIRS	55,165	55,165	47,904	**55,170**	5	0.01%	
17	Gas Servicing	75,490	75,490	69,238	**77,490**	2,000	2.65%	
18	ASHP Servicing	231,180	231,180	182,558	**264,780**	33,600	14.53%	Increase in the number of units requiring servicing
19	TOTAL HEATING SERVICES	306,670	306,670	251,797	**342,270**	35,600	11.61%	
20	Estate Management	51,355	51,355	42,808	**53,860**	2,505	4.88%	
21	Estate Management (Welfare)	23,465	34,821	31,121	**54,820**	31,355	133.62%	Anticpated to start working with Penumbra in October 2024
22	Other Servicing	65,425	67,882	15,050	**69,910**	4,485	6.86%	
23	Compliance Costs	180,740	194,427	153,461	**216,390**	35,650	19.72%	Increase to continue EICR Surveys on a rolling annual programme, plus minor works required post survey
24	Painting	148,626	148,626	107,816	**331,060**	182,434	122.75%	Increased Planned Painterwork Programme
25	Drying Areas	55,783	55,783	40,466	**58,650**	2,867	5.14%	
26	Chimney	41,385	41,385	30,021	**44,290**	2,905	7.02%	
27	Environmental	25,158	25,158	18,250	**26,080**	922	3.66%	
28	Other Planned Maintenance	70,293	70,293	50,992	**70,000**	(293)	(0.42%)	
29	Stair Lifts and Door Entry Systems	12,135	12,135	4,381	**12,140**	5	0.04%	
30	Gutter Cleaning	64,605	64,605	64,936	**34,820**	(29,785)	(46.10%)	Gutter cleaning has been moved from a 2 year program to a 3 year program
31	Sewage Systems	18,085	18,085	-	**18,090**	5	0.03%	Septic tank cleaning/de-sludging required 24/25
32	Sewage Pumps	1,200	1,200	(89)	**1,200**	-	0.00%	
33	HWEC Communal Charges	130,000	97,500	53,053	**97,500**	(32,500)	(25.00%)	Reduction as Electricity supply contract has been renewed with savings
34	CYCLICAL MAINTENANCE	888,255	883,255	612,265	**1,088,810**	200,555	22.58%	
35	TOTAL REPAIRS & MAINTENANCE	3,147,830	3,244,830	2,603,727	**3,439,900**	292,070	9.28%	

APPENDIX 1: 2024/25 BUDGETS

Line	Heading INVESTMENT	CURRENT YEAR BUDGET Initial Budget £	 Revised Budget £	ACTUAL to 31-Jan-24 £	2024/25 INITIAL BUDGET £	Change £	Change %	Commentary
1	Roofs	-	5,944	5,944	**371,250**	371,250	100.00%	
2	Insulation	200,655	200,655	202,634	**720,000**	519,345	258.82%	
3	Insulation Grants	-	-	-	**(360,000)**	(360,000)	100.00%	
4	Total Roofs	200,655	206,599	208,578	731,250	530,595	264.43%	
5	Kitchen	363,600	500,291	7,045	**604,760**	241,160	66.33%	
6	Bathrooms	171,400	165,460	60,206	**303,470**	132,070	77.05%	
7	OT Aids & Adaptations	120,000	275,000	236,110	**120,000**	-	0.00%	
8	Showers	316,070	308,289	20,678	**119,510**	(196,560)	(62.19%)	
9	Heating	1,107,070	2,226,097	1,326,773	**1,697,400**	590,330	53.32%	
10	Heating Grants	-	(950,000)	(540,643)	**(1,018,440)**	(1,018,440)	100.00%	
11	Rewiring	69,120	38,915	13,432	**220,000**	150,880	218.29%	
12	Total Internals	2,147,260	2,564,052	1,123,602	2,046,700	(100,560)	(4.68%)	
13	Windows	1,439,680	1,300,234	380,656	**713,300**	(726,380)	(50.45%)	
14	Roughcast house & wall	252,000	252,000	-	**158,950**	(93,050)	(36.92%)	
15	Externals	1,691,680	1,552,234	380,656	872,250	(819,430)	(48.44%)	
16	**Total Investment excl. Unallocated Exp/Savings**	4,039,595	4,322,885	1,712,835	3,650,200	(389,395)	(9.64%)	
17	Savings Realised	-	-	-	-	-	0.00%	
18	Savings Re-invested	-	-	-	-	-	0.00%	
19	Unallocated Expenditure/ Slippage	-	-	-	-	-	0.00%	
20	**Total Investment**	4,039,595	4,322,885	1,712,835	3,650,200	(389,395)	(9.64%)	Budget reflects the Board approved investment programme.

Line	Heading Estate Works	CURRENT YEAR BUDGET Initial Budget £	 Revised Budget £	ACTUAL to 31-Jan-24 £	2024/25 INITIAL BUDGET £	Change £	Change %	Commentary
1	Unadopted Infrastructure	66,690	64,233	44,399	**64,230**	(2,460)	(3.69%)	
2	Grounds Maintenance	70,010	70,010	54,050	**75,070**	5,060	7.23%	
3	TOTAL ESTATE WORKS	136,700	134,243	98,449	**139,300**	2,600	1.90%	

APPENDIX 1: 2024/25 BUDGETS

Line	Heading NON HOUSING INVESTMENT	CURRENT YEAR BUDGET Initial Budget £	 Revised Budget £	ACTUAL to 31-Jan-24 £	2024/25 INITIAL BUDGET £	Change £	Change %	Commentary
2	Office equipment	1,920	1,020	87	**2,000**	80	0.00%	
3	IT equipment & Systems	5,000	7,038	5,400	**7,040**	2,040	40.80%	
4	Total	6,920	8,058	5,487	9,040	2,120	30.64%	

Line	Heading DEVELOPMENT	CURRENT YEAR BUDGET Initial Budget £	 Revised Budget £	ACTUAL to 31-Jan-24 £	2024/25 INITIAL BUDGET £	Change £	Change %	Commentary
	DEVELOPMENT - SOCIAL RENT							
1	COST	8,080,935	5,689,423	4,297,509	**10,632,400**	2,551,465	30.62%	
2	GRANT	(6,433,745)	(4,910,251)	(3,752,860)	**(8,585,200)**	(2,151,455)	33.44%	
3	PRIVATE FINANCE	1,647,190	779,171	544,649	**2,047,200**	400,010	64.06%	As per board approved development plan
4	**TOTAL PRIVATE FINANCE**	**1,647,190**	**779,171**	**544,649**	**2,047,200**	**400,010**	**24.28%**	

APPENDIX 2: 2024/25 CASH PLANNING LIMITS

CASH PLANNING LIMITS			
	BRIXX	**Budget**	**Diff**
	£000's	**£000's**	**£000's**
Gross Income	12,983,600	12,983,600	-
Voids	(247,600)	(247,600)	-
Bad Debts	(243,400)	(243,400)	-
Net Income	12,492,600	12,492,600	-
Expenditure			
Supervision & Management	3,100,000	3,100,000	-
Repairs	2,008,820	2,008,820	-
Planned	1,431,080	1,431,080	-
Estate Works	139,300	139,300	-
Interest	1,136,000	1,136,000	-
Investment	3,530,200	3,530,200	-
Aids & Adapts	120,000	120,000	-
Development Private Finance	2,047,200	2,047,200	-
Total Expenditure	13,512,600	13,512,600	-
Net	***(529,000)***	***(529,000)***	**-**

DATE: ***14 March 2024***

APPENDIX 3: 2024/25 30 YEAR CASHFLOW STATEMENT

Period: 01 April 2023 - 31 March 2053	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Total Receipts	14,973.00	12,372.60	13,127.50	14,119.80	14,610.00	15,076.00	15,656.90	16,231.70	16,842.80	17,567.90
Total Payments	-8,779.90	-6,943.40	-7,044.20	-7,284.70	-7,527.60	-7,742.00	-7,993.20	-8,175.90	-8,392.70	-8,615.70
Cash Paid To Employees										
Cash flow from Operating Activities	**6,193.10**	**5,429.20**	**6,083.20**	**6,835.10**	**7,082.50**	**7,333.90**	**7,663.70**	**8,055.90**	**8,450.20**	**8,952.20**
Provisions for tax										
Surplus for the year	**6,193.10**	**5,429.20**	**6,083.20**	**6,835.10**	**7,082.50**	**7,333.90**	**7,663.70**	**8,055.90**	**8,450.20**	**8,952.20**
Net cash generated from operating activities	6,193.10	5,429.20	6,083.20	6,835.10	7,082.50	7,333.90	7,663.70	8,055.90	8,450.20	8,952.20
Cash flow from investing activities										
Purchase of tangible fixed assets	-8,755.60	-14,307.60	-15,903.60	-12,781.20	-6,437.80	-4,967.00	-3,743.60	-4,821.60	-5,584.90	-5,801.60
Proceeds from sale of tangible fixed assets	140	28								
Grants received	4,210.30	8,730.20	5,813.10	4,619.70	1,440.00					
Interest Received (cash)	37	40.7	27.9	13.9	11.9	15.8	24.1	29.3	29.4	34.5
Total Cash flow from investing activities	**-4,368.30**	**-5,508.70**	**-10,062.50**	**-8,147.60**	**-4,985.90**	**-4,951.20**	**-3,719.50**	**-4,792.30**	**-5,555.60**	**-5,767.20**
Cash flow from financing activities										
Interest paid	-966	-1,136.00	-1,176.60	-1,413.70	-1,464.30	-1,464.30	-1,464.30	-1,380.00	-1,252.50	-1,191.30
Interest element of finance lease rental payment										
New secured loans			1,000.00	1,500.00				1,500.00		
Capital Repayments								-4,000.00	-800	-6,383.00
Loan Working Capital Movements										
Loan Working Capital Drawdowns										
Loan Working Capital Repayments										
Capital element of finance lease rental payments										
Withdrawal from deposits										
Total Cash flow from financing activities	**-966**	**-1,136.00**	**-176.6**	**86.3**	**-1,464.30**	**-1,464.30**	**-1,464.30**	**-3,880.00**	**-2,052.50**	**-7,574.30**
Cash & cash equivalents at the beginning of year	**7,853.40**	**8,712.20**	**7,496.70**	**3,340.80**	**2,114.60**	**2,746.90**	**3,665.40**	**6,145.40**	**5,528.90**	**6,371.00**
Net Change in Cash & cash equivalents	**858.8**	**-1,215.50**	**-4,155.90**	**-1,226.20**	**632.3**	**918.5**	**2,480.00**	**-616.5**	**842.2**	**-4,389.20**
Cash & cash equivalents at the end of year	**8,712.20**	**7,496.70**	**3,340.80**	**2,114.60**	**2,746.90**	**3,665.40**	**6,145.40**	**5,528.90**	**6,371.00**	**1,981.90**

APPENDIX 3: 2024/25 30 YEAR CASHFLOW STATEMENT

Period: 01 April 2023 - 31 March 2053	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Total Receipts	17,940.50	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
Total Payments	-8,724.70	-8,901.40	-9,234.90	-9,457.40	-9,759.70	-9,958.60	-10,213.60	-10,467.90	-10,791.40	-11,003.60
Cash Paid To Employees										
Cash flow from Operating Activities	**9,215.80**	**9,489.90**	**9,721.70**	**9,831.90**	**10,067.60**	**10,329.50**	**10,653.90**	**10,814.40**	**11,094.20**	**11,377.30**
Provisions for tax										
Surplus for the year	**9,215.80**	**9,489.90**	**9,721.70**	**9,831.90**	**10,067.60**	**10,329.50**	**10,653.90**	**10,814.40**	**11,094.20**	**11,377.30**
Net cash generated from operating activities	9,215.80	9,489.90	9,721.70	9,831.90	10,067.60	10,329.50	10,653.90	10,814.40	11,094.20	11,377.30
Cash flow from investing activities										
Purchase of tangible fixed assets	-6,734.60	-7,125.70	-7,173.40	-7,558.00	-7,920.30	-8,718.00	-9,555.50	-9,356.70	-9,799.30	-10,053.10
Proceeds from sale of tangible fixed assets										
Grants received										
Interest Received (cash)	11.2	13.5	16.7	17.9	15.8	12.8	6.6	2.7	1.6	2.7
Total Cash flow from investing activities	**-6,723.40**	**-7,112.20**	**-7,156.70**	**-7,540.10**	**-7,904.50**	**-8,705.20**	**-9,548.90**	**-9,354.00**	**-9,797.60**	**-10,050.50**
Cash flow from financing activities										
Interest paid	-1,130.10	-1,068.90	-1,007.70	-913.2	-779.5	-645.8	-512.1	-385.8	-279.5	-216.8
Interest element of finance lease rental payment										
New secured loans										
Capital Repayments	-800	-800	-800	-1,800.00	-1,800.00	-1,800.00	-1,800.00	-1,800.00	-800	-800
Loan Working Capital Movements										
Loan Working Capital Drawdowns										
Loan Working Capital Repayments										
Capital element of finance lease rental payments										
Withdrawal from deposits										
Total Cash flow from financing activities	**-1,930.10**	**-1,868.90**	**-1,807.70**	**-2,713.20**	**-2,579.50**	**-2,445.80**	**-2,312.10**	**-2,185.80**	**-1,079.50**	**-1,016.80**
Cash & cash equivalents at the beginning of year	**1,981.90**	**2,544.20**	**3,053.00**	**3,810.30**	**3,388.90**	**2,972.50**	**2,151.00**	**943.9**	**218.5**	**435.6**
Net Change in Cash & cash equivalents	**562.3**	**508.9**	**757.3**	**-421.4**	**-416.4**	**-821.5**	**-1,207.10**	**-725.4**	**217.1**	**310**
Cash & cash equivalents at the end of year	**2,544.20**	**3,053.00**	**3,810.30**	**3,388.90**	**2,972.50**	**2,151.00**	**943.9**	**218.5**	**435.6**	**745.5**

APPENDIX 3: 2024/25 30 YEAR CASHFLOW STATEMENT

Period: 01 April 2023 - 31 March 2053	2044	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	£000's
Total Receipts	23,055.20	23,479.20	24,093.60	24,127.20	24,268.50	24,144.90	24,147.30	24,157.60	24,250.50	24,189.40	591,601.30
Total Payments	-11,285.80	-11,567.10	-11,916.10	-12,110.50	-12,380.50	-12,631.40	-12,964.10	-13,212.60	-13,502.30	-13,799.80	-302,382.90
Cash Paid To Employees											
Cash flow from Operating Activities	**11,769.50**	**11,912.10**	**12,177.50**	**12,016.80**	**11,888.00**	**11,513.60**	**11,183.20**	**10,945.00**	**10,748.20**	**10,389.60**	**289,218.40**
Provisions for tax											
Surplus for the year	**11,769.50**	**11,912.10**	**12,177.50**	**12,016.80**	**11,888.00**	**11,513.60**	**11,183.20**	**10,945.00**	**10,748.20**	**10,389.60**	**289,218.40**
Net cash generated from operating activities	11,769.50	11,912.10	12,177.50	12,016.80	11,888.00	11,513.60	11,183.20	10,945.00	10,748.20	10,389.60	289,218.40
Cash flow from investing activities											
Purchase of tangible fixed assets	-9,800.30	-11,166.30	-11,305.30	-10,081.10	-9,939.60	-8,204.70	-13,216.00	-7,613.60	-11,644.40	-7,662.00	-267,732.40
Proceeds from sale of tangible fixed assets											168
Grants received											24,813.30
Interest Received (cash)	5.7	6	6.7	12.8	22.4	35.6	35.8	41	49.5	53.3	634.7
Total Cash flow from investing activities	**-9,794.60**	**-11,160.30**	**-11,298.70**	**-10,068.20**	**-9,917.20**	**-8,169.20**	**-13,180.20**	**-7,572.70**	**-11,595.00**	**-7,608.70**	**-242,116.40**
Cash flow from financing activities											
Interest paid	-155.6	-94.4	-33.2								-20,131.20
Interest element of finance lease rental payment											
New secured loans											4,000.00
Capital Repayments	-800	-800	-733.3								-26,516.30
Loan Working Capital Movements											
Loan Working Capital Drawdowns											
Loan Working Capital Repayments											
Capital element of finance lease rental payments											
Withdrawal from deposits											
Total Cash flow from financing activities	**-955.6**	**-894.4**	**-766.5**								**-42,647.60**
Cash & cash equivalents at the beginning of yeai	**745.5**	**1,764.80**	**1,622.30**	**1,734.60**	**3,683.10**	**5,654.00**	**8,998.30**	**7,001.40**	**10,373.70**	**9,526.90**	**7,853.40**
Net Change in Cash & cash equivalents	**1,019.30**	**-142.6**	**112.3**	**1,948.60**	**1,970.80**	**3,344.40**	**-1,997.00**	**3,372.30**	**-846.8**	**2,780.90**	**4,454.40**
Cash & cash equivalents at the end of year	**1,764.80**	**1,622.30**	**1,734.60**	**3,683.10**	**5,654.00**	**8,998.30**	**7,001.40**	**10,373.70**	**9,526.90**	**12,307.80**	**12,307.80**

hebridean housing partnership

Making our house your home

ITEM NO 6.3

ANNUAL FINANCING STRATEGY 2024/25

Board 26 March 2024

Report by Director of Finance & Corporate Services

Purpose of Report

1.1 To provide the Board with an overview of our borrowing strategy for 2024/25.

Summary

2.1 The Treasury Management Policy requires a Financing Strategy to be prepared and approved by the Board on an annual basis. The 2024/25 Annual Financing Strategy is at Appendix 1.

2.2 The main change in preparing the strategy this year is the anticipated reduction in drawdown of the revolving credit facility we hold with RBS (Facility C). Of the £8M available to draw down, we are now only forecasting to drawdown £4M. This is mainly due to the slippage of development projects which has also resulted in a reduction of interest payable.

Competence

3.1 The legal, financial and other considerations to the recommendations are contained in the Competence section at the end of this report.

Recommendations

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

APPENDIX 1	2024/25 Annual Financing Strategy	
Background Papers:	None	
Writer of Report:	Donald MacLeod	Tel: 0300 123 0773

Competence Checklist

Financial	The financial implications arising directly out of consideration of this report will be met within existing budgets. The strategy outlines a reduction in the required drawdown of £4M. The Annual Financing Strategy is supported by 30 year financial projections, 5 year projections and the annual budget for 2024/25. Our current funding facility totals £25m. We can borrow up to 91% of the value of our stock which based on the 2021 Valuation is £43.4m. The Board have set an internal cap of borrowing of 70% of the value of our stock which is £33.4m.
Legal	There are no legal implications arising from the consideration of this report.
Regulatory	The Regulatory Standards Checklist has been completed and there is nothing in this report which would breach these standards.
Risk	With interest rates at a record high this heightens the risk of increased borrowing costs. Our strategy mitigates this risk by ensuring we are appropriately hedged. With 91% of drawn debt fixed this risk is significantly reduced as outlined in our risk register at item 15 with an inherent risk of 9 and residual risk of 6.
ESG	There is no ESG impact arising from the consideration of this report.
Equalities	We are committed to promoting equality, diversity and inclusion. The are no equalities implications arising from the approval of this report.
Communication	Following approval of this report the strategy will be made available to all staff.

APPENDIX 1

Annual Financing Strategy

APPROVED BY HHP BOARD:

EFFECTIVE DATE:
March 2024

hebridean housing partnership

TABLE OF CONTENTS

INTRODUCTION

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

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

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

1.4 The Director of Finance & Corporate Services has delegated powers to effect the arrangements for borrowing and lending of money as required by the Partnership in accordance with the Partnership's borrowing and lending policies and the CIPFA Treasury Management in Housing Partnerships: A Code of Practice.

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

REGULATORY FRAMEWORK

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

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

SUMMARY

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

3.2 Cash balances at the end of December 2023 were £10.328M.

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

3.4 We have a total borrowing facility of £25M through our funder the Royal Bank of Scotland (RBS).

3.5 The below table provides a summary of our facilities agreement:

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

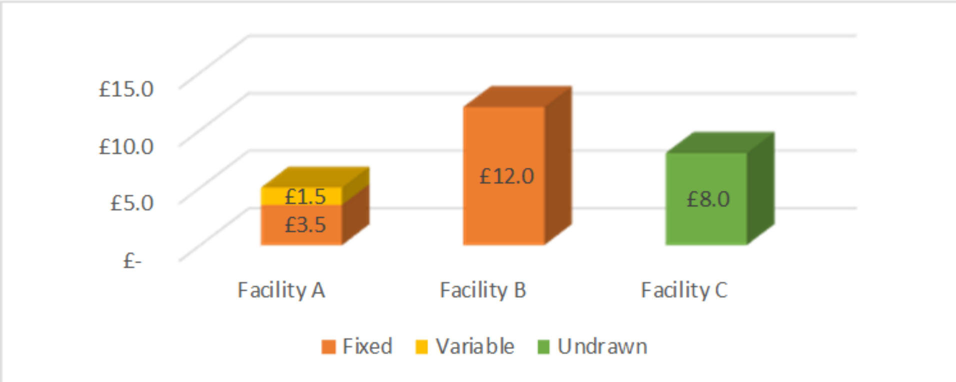
3.6 In December 2021, we entered into an accreting fixed rate loan (i.e. a fixed rate loan where the amount covered by the fixed rate increases over time). In this case the fixed rate loan increased from £5m, at December 2021, to £8m at June 2022 and to £12m at September 2022. This drawdown profile was in line with the projected drawdown of Facility B. The fixed rate payable under this fixed rate loan is 1.023% (excluding margin). Taking into account the Facility B Margin of 1.80%, the "all-in" rate payable under Facility B is 2.823% which applied from 31 December 2021 to 30 March 2046.

3.8 There is a pre-existing fixed rate loan in respect of Facility A for an amount of £3.5m which is due to expire in 2027. Accordingly, the total amount of drawn debt covered by fixed rate loans is currently £15.5m. Accordingly HHP is currently 91% hedged and no further hedging is recommended at this time.

3.9 The restatement incorporated the amendment of the financial covenant package and monitoring of the facility. Annual business plan approval from RBS is no longer required and covenants are now based on a minimum interest cover based on EBITDA-MRI (Earnings before Interest, Tax, Depreciation, Amortisation, Major Repairs Included) and Gearing.

CURRENT PORTFOLIO POSITION

4.1 The tables below show our treasury portfolio position at 31 December 2023:



4.2 Facility B is fully drawn in line with the 2 year availability period and agreed fixed rate loan profile. Non-utilisation / commitment fees that applied for the first year post completion no longer apply.

4.3 Cash Holdings

		Dec-23
DEPOSIT ACCOUNTS		£000's
	Royal Bank	5,450
	CWS	0
	BOS	21
	Santander	89
	Total Deposit	5,561
CURRENT ACCOUNTS		
	General Account	**2,479**
	Standing Order	**750**
	Direct Debit	**750**
	Office/Cash	**750**
	Property Factoring	**39**
	Total current	4,767
	Total	10,328

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

5.1 Forecasts have been prepared for the period to 31 March 2054. A detailed cash flow forecast for 2024/25 is at Appendix A.

5.2 The Covenant definitions required by our funding facility are at Appendix B. Forecasts indicate that Covenants levels for 2023/24 will be met.

5.3 Our current business plan forecasts we will hit a peak debt of £26.583m (Including £5.583M of deferred Right to Buy receipts) in 2030/31. The balance of the RBS facility is forecast to be drawn down as follows:

Anticipated level of RBS borrowing to peak debt

Year	20224/25 Est	AFS Forecast	Variance
	£m	£m	£m
2024/25	17.000	17.000	-
2025/26	18.000	18.000	-
2026/27	19.500	19.500	-
2027/28	19.500	19.500	-
2028/29	19.500	19.500	-
2029/30	19.500	19.500	-
2030/31	21.000	21.000	-

** RBS Facility C is repaid in 2030/31 which reduces debt to £17M with RBS*

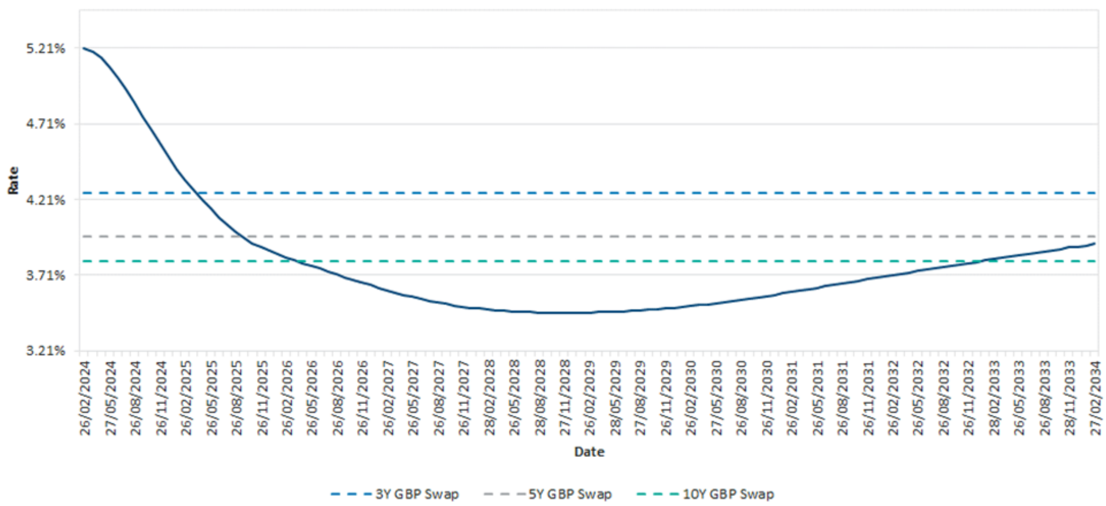
5.4 The underlying reference interest rate for all tranches/facilities of the RBS Facility is SONIA (the Sterling Overnight Index Average Rate). As noted, above the majority of HHP’s drawn facilities reference a fixed rate as opposed to variable interest rates.

INTEREST RATES & INFLATION

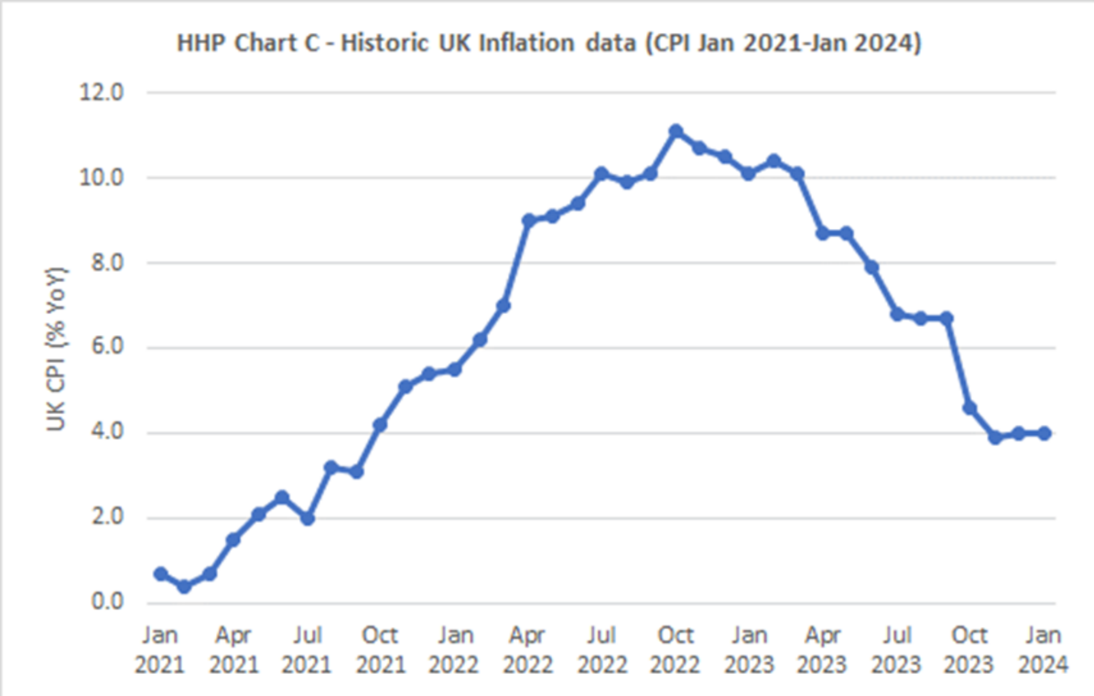
6.1 Chart A above, summarises key UK benchmark interest rates for the past year. Primarily to combat persistent high inflation, well above its 2% policy projective, the Bank of England continued to increase UK Base Rate during the first half of 2023. Since August 2023, Base Rate has stood at 5.25% ending a run of 14 increases since December 2021. As one would expect, this has been reflected in the key variable benchmark rate applied to most corporate and commercial loan facilities in the UK, SONIA. As SONIA is calculated in arrears (over the reference rate term, typically 3 months) it tends to trail the base rate movements.

6.2. SONIA is the rate that applies to HHP's variable rate debt, £1.5m drawn on a variable rate basis under Facility A. On 23 February 2024, 3month SONIA was 5.22%. HHP is not materially exposed to variable rates as 91% of its current drawn debt is subject to fixed rates (section [3.8]).

6.3. However, the chart also shows a further trend in fixed (swap) rates, represented here by the 5 year swap rate. This rate decreased from a peak of 5.27% in July 2023, to a low point of 3.32% at the end of December. This is predicated on market expectations of falling interest rates during the next three years, with the steepest decline forecast over the next 12 months, as shown on the forward 3 month SONIA curve (dark blue line) in Chart B below. On 26 February 2024, the 5-year swap rate was 3.97%.



6.4. One of the most pressing challenges for the housing sector, and indeed the overriding economic concern for the wider UK economy, has been inflation. As the following chart highlights, there has, in general, been a clear and downward trend in UK inflation data throughout 2023.



6.5. UK CPI peaked at 11.1% in October 2022 and remained over 10% until March 2023, which presented significant challenges for RSLs in setting the 2023/24 rent increase. Unlike the English sector where the regulator imposed a rent cap, in Scotland the majority of RSLs, in conjunction with the SFHA, adopted a voluntary and informal arrangement, with rents set significantly below the prevailing reference inflation rate.

6.6. Inflation (measured by CPI) subsequently fell to 3.9% by November 2023 which was broadly in line with Bank of England expectations. In addition, to the monetary policy tool of increasing UK Base Rate (as described above) other key factors contributing to the movement, have been the timing of UK energy price caps and the trend in wholesale energy costs and a slowing of inflationary pressures in other cost areas (notably food and petrol).

6.7 However, as far as the housing sector is concerned, the trend in headline inflation does not tell the full story:

1. First, and as highlighted in last year's report, it is the case that, in the short term, most RSL business plans have been and will continue to be inflation dilutive. Input inflation, notably in key cost areas such as repairs and maintenance materials and energy exceed income / rent inflation. This represents a net cost to the plan and the compounding effect over the life of the plan can be material.
2. An associated issue is that inflation disproportionately impacts low-income households. Inflation on essential items (notably domestic energy and food) has significantly exceeded the official, aggregated figure. Furthermore, benefit increases have not kept pace with inflation. The resulting cost of living squeeze on many tenants may, in turn, impact arrears and ultimately bad debts.

6.8 The downward inflationary trend is yet to flow through to variable interest rates with the Bank of England remaining cautious about interest rate cuts until the picture on inflation is clearer. The Bank of England's most recent Monetary Policy Report, February 2024, states "Headline inflation is now projected to fall to around 2% in 2024 Q2 before increasing to around 2.25% and 2.75% in Q3 and Q4 respectively". Inflation, and by extension interest rates, remain key treasury concerns in the coming year and we will continue to actively monitor the actual business plan against the business plan assumptions.

APPROVED INVESTMENT ORGANISATIONS

7.1 The credit rating and list of approved counterparties, currently approved for investment are set out below. The table below displays Standard & Poor's, Moody's and Fitch's long term ratings as stated at February 2024:

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

*ring-fenced entity

7.2 The only change over the past year is where RBS (NatWest) has increased its rating from A to A+. All the ratings are for the "ring-fenced" bank entities. Different (often lower) ratings apply to other banks within these banking groups.

APPENDIX 1 – 2024/25 CASHFLOWS

Monthly Cash Flow Forecast

Year Ended 31-Mar-25	30-Apr-24 Month 1	31-May-24 Month 2	30-Jun-24 Month 3	31-Jul-24 Month 4	31-Aug-24 Month 5	30-Sep-24 Month 6	31-Oct-24 Month 7	30-Nov-24 Month 8	31-Dec-24 Month 9	31-Jan-25 Month 10	28-Feb-25 Month 11	31-Mar-25 Month 12	Total
Cash on Hand at beginning of month	2,851,309	3,205,128	3,473,803	3,787,052	3,738,236	3,925,365	3,604,338	3,396,582	3,443,308	3,139,461	2,926,283	2,368,633	1,635,886
Cash Receipts													
Rent	1,262,662	915,692	940,766	741,533	1,217,477	1,013,365	1,095,547	927,803	937,819	1,139,884	976,804	1,003,385	**12,172,738**
Grant Income	410,000	410,000	609,070	496,570	496,570	609,070	836,470	1,163,870	1,058,070	1,245,570	902,670	797,270	**9,035,200**
Bank Interest	-	-	58,750	-	-	30,000	-	-	1,000	-	-	1,000	**90,750**
Total	**1,672,662**	**1,325,692**	**1,608,586**	**1,238,103**	**1,714,047**	**1,652,435**	**1,932,017**	**2,091,673**	**1,996,889**	**2,385,454**	**1,879,474**	**1,801,655**	**21,298,688**
Total Cash Available	4,523,971	4,530,820	5,082,389	5,025,155	5,452,283	5,577,800	5,536,356	5,488,255	5,440,197	5,524,915	4,805,758	4,170,288	
Cash Paid Out													
Payroll	219,440	219,440	219,440	219,440	219,440	219,440	221,145	222,850	222,850	222,850	222,850	222,850	**2,652,034**
Management Costs	65,875	65,875	65,875	65,875	65,875	391,255	65,875	65,875	65,875	65,875	65,875	65,875	**1,115,877**
Repairs	399,028	206,394	206,394	206,394	206,394	206,394	206,394	206,394	399,028	399,028	399,028	401,028	**3,441,900**
Investment	140,000	154,309	51,138	297,639	537,639	401,883	808,889	293,259	58,553	354,309	292,802	139,779	**3,530,200**
Development	493,500	410,000	499,070	496,570	496,570	499,070	836,470	1,255,570	1,258,070	1,555,570	1,455,570	1,363,070	**10,619,100**
Total	**1,317,843**	**1,056,018**	**1,041,917**	**1,285,918**	**1,525,918**	**1,718,042**	**2,138,773**	**2,043,948**	**2,004,376**	**2,597,632**	**2,436,125**	**2,192,602**	**21,359,111**
Cash Paid Out (Non P & L)													
Loan Interest	-	-	249,920	-	-	249,920	-	-	295,360	-	-	340,800	**1,136,000**
Capital Purchase			2,500			4,500		-	-	-	-	-	**7,000**
Refunds	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	**12,000**
Total	**1,000**	**1,000**	**253,420**	**1,000**	**1,000**	**255,420**	**1,000**	**1,000**	**296,360**	**1,000**	**1,000**	**341,800**	**1,155,000**
Total Cash Paid out	1,318,843	1,057,018	1,295,337	1,286,918	1,526,918	1,973,462	2,139,773	2,044,948	2,300,736	2,598,632	2,437,125	2,534,402	
Cash Position at End of Month	3,205,128	3,473,803	3,787,052	3,738,236	3,925,365	3,604,338	3,396,582	3,443,308	3,139,461	2,926,283	2,368,633	1,635,886	-
Deposit Acct At end of Month	5,860,939	5,860,939	5,860,939	5,860,939	5,860,939	5,860,939	5,860,939	5,860,939	5,860,939	5,860,939	5,860,939	5,860,939	
Total Funds Available	9,066,067	9,334,742	9,647,991	9,599,176	9,786,304	9,465,277	9,257,521	9,304,247	9,000,401	8,787,223	8,229,572	7,496,825	

APPENDIX 2 – FINANCIAL COVENANTS

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

Interest Cover

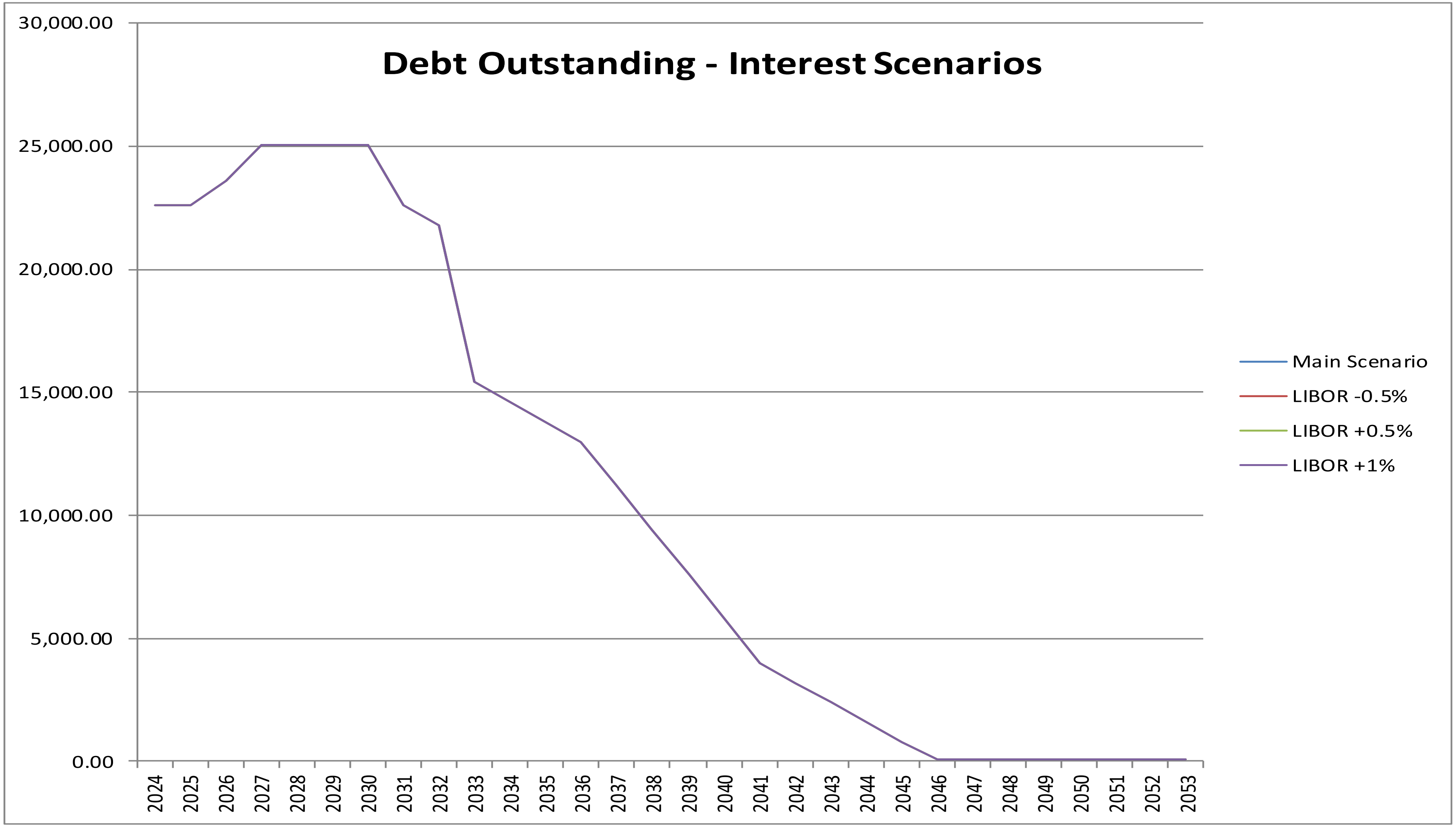
- **Minimum 1.1 : 1** in any financial year, and calculated as: **Adjusted Operating Surplus : Net Interest Payable** (means Interest Payable less interest receivable that is attributable to cash deposits (for the avoidance of doubt this excludes and interest received through intracompany loans or such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

Gearing

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

Lender will require covenant compliance to be confirmed by way of an independent Auditors compliance certificate (showing sufficient workings and detail to enable the Lender to test the financial covenants).

APPENDIX 3 – IMPACT OF INTEREST RATE CHANGE ON DEBT PROFILE



INTERPRETATIONS & ABBREVIATIONS

The following interpretation and abbreviations are used in this policy:

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

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

hebridean housing partnership

Making our house your home

ITEM NO 6.4

SUMMARY MANAGEMENT REPORT TO 29 FEBRUARY 2024

Board 26 March 2024

Report by Director of Finance & Corporate Services

Purpose of Report

1.1 To present a Summary Management Report for the month ended 29 February 2024 to the Board for review and approval.

Summary

2.1 The Summary Management Report, at Appendix 1, shows that financial covenants will be met for the year ended 31 March 2024 with a headroom forecast of £1.1M. The detailed Management Report was presented to the Development & Finance Committee on 25 March 2024.

2.2 Responsive Repairs overspend from previous quarters has now moved to an underspend position. It is estimated that an additional £80K is needed on void repairs for the remainder of the year. This is planned to be funded from savings on council tax on empty properties (£6K), compensation (£6K), EPC Renewals (£38.4K) and reserves (£29.6K).

Competence

3.1 The legal, financial and other considerations to the recommendations are contained in the Competence section at the end of this report.

Recommendations

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

a) Note the Summary Management Report at 29 February 2024 and revised forecast out turn at 31 March 2024 as at Appendix 1; and

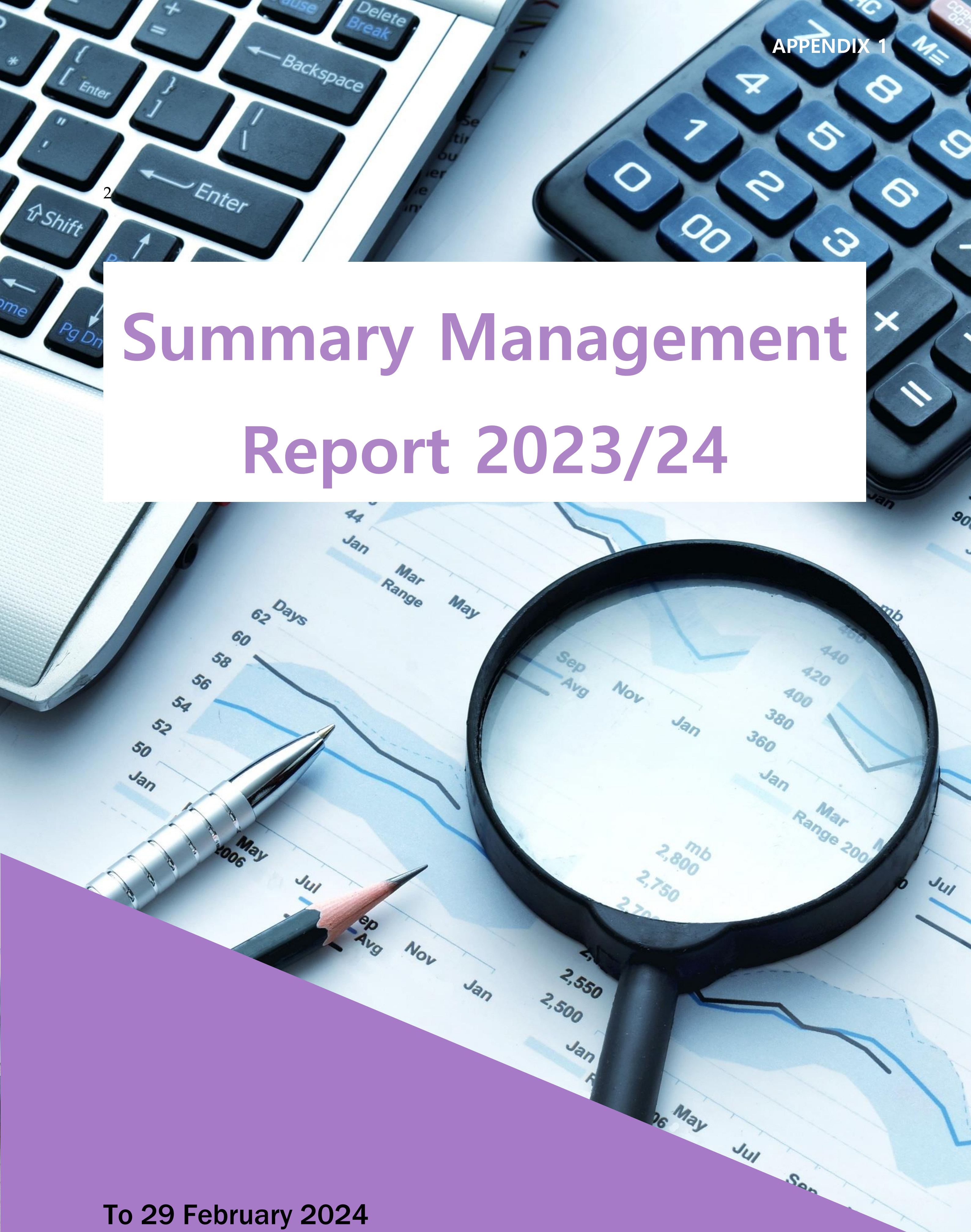
b) Approve a virement of £80K for Void Repair cost, which will be funded by savings from Council Tax on Empty Properties (£6K), Compensation (£6K), EPC Renewals (£38.4K) and reserves (£29.6K).

APPENDIX 1:	Summary Management Report to 29 February 2024	
Background Papers:	None	
Writer of Report:	James Morrison	Tel: 0300 123 0773

Competence Checklist

Financial	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 £2.16M
Legal	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	The Regulatory Standards Checklist has been completed and there is nothing in this report which would breach these standards. This report provides ongoing assurance of evidence point 3,4,5 and 6 in relation to our Annual Assurance Statement.
Risk	Borrowing Arrangements & not meeting our Financial Covenants is highlighted on our Risk Register with a residual risk of 6 which is considered low. All covenants will be met for the year.
ESG	There is no ESG impact arising from the consideration of this report
Equalities	We are committed to promoting equality, diversity and inclusion. The are no equalities implications arising from the approval of this report.
Communication	Our Facilities Agreement with RBS requires us to provide our funders with a copy our Management Report at the end of each quarter.

APPENDIX 1



Summary Management Report 2023/24

To 29 February 2024

hhp hebridean housing partnership

INTRODUCTION

The Summary Management Report to 29 February 2024 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.

This report is an extract of the Management Report presented to the Development & Finance Committee for review and is made up of the following:

High level summary

Statement of Comprehensive Income

Statement of Financial Position

Financial Covenants

Financial Ratios

Cashflow Forecast

Stock Levels

HIGH LEVEL SUMMARY

	INDICATOR	STATUS	COMMENT
	FINANCIAL COVENANTS		Covenants are forecasted to be met for the full year.
	FORECASTED SURPLUS		
INCOME	RENTAL INCOME		
	GRANT INCOME		
	DEVELOPMENT GRANTS		
	OTHER INCOME		
EXPENDITURE	DEVELOPMENT COSTS		
	INVESTMENT		Roughcasting, Bathroom,Shower and Window works will now not fully complete this year.
	REPAIRS & MAINTENANCE		High clean and clear costs throughout the year are resulting in an anticipated £80K overspend on void repairs.
	MANAGEMENT COSTS		
	INTEREST		

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

STATEMENT OF COMPREHENSIVE INCOME

Line	Heading	CURRENT YEAR BUDGET Initial Budget £	Revised Budget £	BUDGET to 29-Feb-24 £	ACTUAL to 29-Feb-24 £	BUDGET VARIANCE Budget to date £	Budget to date %	BUDGET REMAINING Revised Budget £	Revised Budget %	FORECAST OUT-TURN Over/ (under) £	at 31-Mar-24 £
1	Dwelling rents (net)	11,023,855	11,102,965	10,407,894	10,422,939	15,045	0%	680,026	6%	13,750	11,116,715
2	Non Dwelling rents (net)	17,120	17,120	16,221	16,590	370	2%	530	3%	-	17,120
3	Profit/(Loss) on Disposal of Assets	(45,000)	(45,000)	(45,000)	(31,099)	13,901	-31%	(13,901)	31%		(45,000)
4	Grant Funding	550,000	840,000	739,433	739,185	(249)	0%	100,815	12%		840,000
5	Other Income	186,130	153,630	138,080	138,387	307	0%	15,243	10%		153,630
6	**TOTAL INCOME**	11,732,105	12,068,715	11,256,628	11,286,002	29,375	0%	782,714	6%	13,750	12,082,465
7	Supervision & Management	2,941,015	2,955,890	2,583,236	2,558,467	24,769	1%	397,423	13%	(13,687)	2,942,203
8	Response Repairs	1,952,905	2,072,430	1,891,433	1,932,791	(41,359)	-2%	139,638	7%	88,000	2,160,430
9	Estate Works	136,700	134,243	122,998	101,421	21,577	18%	32,822	24%	-	134,243
10	Planned/Cyclical Maintenance	1,194,925	1,191,312	998,842	900,259	98,582	10%	291,052	24%	(35,635)	1,155,677
11	**Total Operating Expenditure**	6,225,545	6,353,874	5,596,509	5,492,939	103,569	2%	860,935	14%	38,678	6,392,552
12	Operating Surplus/(Deficit)	5,506,560	5,714,841	5,660,120	5,793,063	132,943	2%	(78,222)	-1%	(24,928)	5,689,913
13	Interest received	18,500	154,621	146,996	163,636	16,640	11%	(9,015)	-6%	10,000	164,621
14	Interest paid	1,189,400	756,915	694,185	647,490	46,695	7%	109,425	14%	(40,000)	716,915
15	Surplus/(Deficit)	4,335,660	5,112,547	5,112,931	5,309,209	196,278	4%	(196,662)	-4%	25,072	5,137,619
16	Depreciation	4,617,600	4,617,600	4,232,800	4,216,169	16,631	0%	401,431	9%		4,617,600
17	Grant Amortisation	(1,538,600)	(1,638,600)	(1,460,365)	(1,617,455)	(157,090)	11%	(21,145)	1%		(1,638,600)
18	Surplus/(Deficit)	1,256,660	2,133,547	2,340,496	2,710,495	369,999	16%	(576,948)	-27%	25,072	2,158,619
	CAPITAL INVESTMENT										
19	Housing Investment Programme	4,039,595	4,347,885	3,801,716	2,334,546	1,467,171	39%	2,013,339	46%	-	4,347,885
20	Non Housing Investment	6,920	8,058	6,625	5,847	778	12%	2,211	27%	-	8,058
21	Development Programme	1,647,190	736,594	684,115	546,079	138,037	20%	190,516	26%	(102,608)	633,986
22		5,693,705	5,092,537	4,492,456	2,886,472	1,605,986	36%	2,206,066	43%	(102,608)	4,989,929

Commentary on Performance

Income

Dwelling Rents (net) is forecast to be £14K above budget with void loss performing better than budget due to improved relet times.

Expenditure

The overspend on Response Repairs has reduced slightly month on month. However, Void Repairs overspend has increased by £3K. A reduction in Interest Paid forecast is due to the initial budget anticipating interest rates to be higher than they currently are.

STATEMENT OF FINANCIAL POSITION

Line	Heading	Notes	29-Feb-24 £	31-Jan-24 £	31-Mar-23 £
	Fixed Assets				
1	Tangible assets-social housing	1	125,086,547	124,900,179	*127,121,408*
2	Development & Investment Programme	2	438,012	488,816	-
3	Tangible assets - property, plant and equipment	1	1,052,176	1,055,586	*1,090,682*
4	Landbank	3	869,637	869,637	*979,637*
5	Investments		2	2	*2*
6	**Total Fixed Assets**		127,446,374	127,314,220	*129,191,728*
	Current Assets				
7	Stock		24,693	24,693	*24,693*
8	Trade and other debtors due within one year	6	835,344	1,189,501	*1,669,510*
9	Debtors due after more than one year		175,781	178,198	*202,372*
10	Short-term deposits	4	3,864,264	6,362,413	*4,353,272*
11	Cash at bank and in hand	5	6,736,881	3,871,866	*3,668,308*
12	Loan to subsiduary		18,350	18,350	18,350
13	**Total Current Assets**		11,655,314	11,645,021	*9,936,505*
14	**Creditors: amounts falling due within one year**		(1,110,547)	(1,126,788)	*(2,652,809)*
15	**Net current assets**		10,544,767	10,518,234	*7,283,696*
16	**Total assets less current liabilities**		137,991,141	137,832,453	*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		(70,023,239)	(69,979,119)	*(71,217,880)*
19	Pension Liability		-		-
20	**Net Assets**		**45,384,903**	**45,270,334**	***42,674,545***
	Capital and Reserves				
21	Share Capital		86	82	*224*
22	Revenue Reserve		45,384,817	45,270,252	*42,674,321*
23	**Total Capital and Reserves**		**45,384,903**	**45,270,334**	***42,674,545***

Commentary on Performance

Note 1 (Tangible Assets) An increase of £186K compared to previous period is a result of more works capitalised than the amount depreciated in the same period.

Note 2 (Development & Investment Programme) £438K of Development & Investment works due to new build and investment program work in progress.

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

Note 4 (Short Term Deposits) £2.5M on deposit has now matured and will be placed on deposit in March 2024.

Note 5 (Cash at Bank and in Hand) Increase as a result of the matured monies on deposit in addition to development grants received in February.

Note 6 (Trade and other debtors due within one year) Monthly decrease of £363K due to release of a grant accrual related to Blackwater development project.

Covenants are forecast to be met for the full year with Interest cover forecast at 316% and gearing of 11%.

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	£	3,194,349	£	2,710,913
2	Add back Depreciation	£	4,216,169	£	4,617,600
3	Add back Profit/(Loss) on sale of LIFT properties	£	-	£	-
4	Deduct Capitalised Investment (inc OT)	(£	2,334,546)	(£	3,946,260)
5	Deduct Pension Contributions	£	-	£	-
6	Deduct Amortisation	(£	1,561,455)	(£	1,638,600)
7	Adjusted Operating Surplus	£	3,514,517	£	1,743,653
8	Interest Payable	£	647,490	£	716,915
9	Interest Receivable	£	163,636	£	164,621
10	Net Interest Payable	£	483,854	£	552,294
11	Covenant for 23/24		110%		110%
12	Adjusted Operating Surplus as percentage of Net interest Payable		726%		316%
13	Headroom	£	2,982,278	£	1,136,130
14	Historic Cost of Properties	£	144,980,236	£	159,547,134
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	10.34	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%	1.39%	0.62%
Voids as % of Rental Income Due			
Bad Debts %	0.47%	2.00%	0.38%
Bad Debts written off as % of Rental Income Due			
Staff Cost/Turnover %	19.15%	20.65%	19.91%

CASH FLOW FORECAST 2023/24

The below cash flow shows the actual cash position as at 29 February 2024 and a forecast for the remainder of the Financial Year:

Monthly Cash Flow Forecast

Year Ended 31-Mar-24	29-Feb-24 Month 11	31-Mar-24 Month 12	Total
Cash on Hand at beginning of month	4,046,259	6,547,801	2,536,309
Cash Receipts			
Rent	929,405	716,827	11,344,184
Grant Income	788,979	353,500	5,946,888
Bank Interest	62,387	10,000	167,417
Insurance Claims	5,987	-	16,836
Other income	6,246	-	161,895
Transfer from Deposit	2,500,000	-	8,200,000
			-
Loan/Other cash injection	-	-	-
Total	4,293,003	1,080,327	25,837,220
Total Cash Available	8,339,262	7,628,128	
Cash Paid Out			
Payroll	214,687	304,000	2,416,828
Management Costs	122,729	95,736	1,002,872
Repairs	243,051	754,000	4,183,182
Investment	678,097	1,485,967	3,937,053
Development	532,488	328,560	4,966,601
Total	1,791,052	2,968,263	16,506,536
Cash Paid Out (Non P & L)			
Loan Interest	-	122,555	716,045
Refunds	409	1,000	19,228
Transfer to Deposit Account	-	2,000,000	9,701,000
Total	409	2,123,555	10,436,273
Total Cash Paid out	1,791,461	5,091,818	
Cash Position at End of Month	6,547,801	2,536,309	-
Deposit Acct At end of Month	3,860,939	5,860,939	
Total Funds Available	10,408,740	8,397,248	

STOCK LEVELS 2023/24

The below shows the current stock level position as at 29 February 2024:

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	2,366	2,321	80	137
Shared Ownership Accommodation	3	3	-	-
Supported Housing Accommodation	20	20	-	-
Total Housing Stock	2,389	2,344	80	137
Other Property				
Garages	42	42	-	-
Commerical	6	6	-	-
Heritable-Partnership's offices	3	3	-	-
Total Other Property	51	51	-	-

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.

hebridean housing partnership

Making our house your home

ITEM NO 6.5

INVESTMENT PROGRAMME

Board 26 March 2024

Report by Director of Operations

Purpose of Report

1.1 To provide an update on the 2023/24 Investment Programme and present the 2024-2029 Investment Programme for approval.

Summary

2023/24 Investment Programme

2.1 The programme is generally progressing well. Kitchens, bathroom and heating replacement works are expected to finish on target. The tenant feedback continues to be positive.

2.2 There is however expected to be a delay on windows at St Barr's Crescent, Barra, due to labour supply and additional works on other schemes creating a delay.

2024 - 2029 Investment Programme

2.3 The proposed 2024-29 Investment Programme is at Appendix 1. This is primarily based on data from the Stock Condition Survey and the Board decision in February 2023 to replace infra-red heating systems over the period 2023-2025.

2.4 The programme continues to tackle fuel poverty and to progress towards the anticipated requirements of the Energy Efficiency Standard for Social Housing (EESSH2) by 2032. The Programme also seeks to ensure that we maintain homes at the Scottish Housing Quality Standard.

2.5 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 from March through to April 2024.

Aids and Adaptations 23/24

2.6 The grant funding has been fully committed. There was no further funding opportunity in January from the Scottish Government.

Competence

3.1 The legal, financial or other constraints to the recommendations in this report are contained in in the compliance section at 6.1.

Recommendations

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

a) approve the Investment Programme 2024-2029 at Appendix 1; and
b) note the progress on the 2023/24 Investment Programme.

APPENDIX 1:	Investment Programme 2024-2029	
Background Papers:	Risk Register	
Writer of Report:	Angus MacNeil	Tel: 0300 123 0773

Report Details

2023/24 Investment Programme

4.1 The position of each contract Lot is set out below. Progress on work 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	March
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	March
Lot 3B - Bathroom & Showers	FES FM Ltd	February	March
Lot 3C - Showers	FES FM Ltd	January	March
Lot 4 - Kitchens	FES FM Ltd	January	March
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	Complete	
Lot 11 - Bathroom & Showers	Alex Murray (Construction) Ltd	February	March
Lot 11A - Showers	FES FM Ltd	January	March
Lot 12A - Kitchens	Alex Murray (Construction) Ltd	Complete	
Lot 12B - Kitchens	Alex Murray (Construction) Ltd	February	March
Energy Efficiency (External Wall Insulation) – Scotland Excel framework	BCA Group	Complete	

Programme Progress

4.2 Generally – programme is progressing well but completion for end March was challenging due to the late start as grant funding decisions were awaited.

4.3 In particular the windows at St Barr's Crescent, Lot 9C are behind programme and are not going to finish before end March. This is due to additional works being required on other schemes within the same lot and labour supply challenges. These works will be included in the 24/25 programme.

4.4 Infrared heating replacement – works are progressing across a number of lots. Tenant satisfaction responses are positive. Works are continuing to the end of March.

4.5 There are no issues being reported with the supply chain at present.

Aids and Adaptations position

5.1 The current position on General Adaptations is detailed below.

5.2 The budget allocation from the Scottish Government is fully committed with completion of works on target for 31 March 2024.

5.3 We were unable to apply for further Scottish Government funding therefore a virement was processed 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.

Occupational Therapy Referrals	**2023/24**
Number of Properties	90
Number of Referrals (some properties have more than one referral)	108
Number of tasks on Referrals (a referral can have multiple tasks)	233
Number of referrals completed	91
Number of Referral tasks completed	198
Total Spend/ Committed	**£288K**
Grant Allocation – General Adaptations	**£275K**
Virement to end of March	**£25K**
Total Budget	**£300K**

6.1 Competence Checklist

Financial	The programme for the five year period is within the business plan cash planning limits £21.99M for the same period. Grant applications were submitted for Social Housing Net Zero Heat Fund 2024/25 in January 2024 to support the replacement of inefficient electric heating systems with new air source heat pump and for External Wall Insulation. The outcome of the application is expected to be announced in April 2024.
Legal	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. Financial Regulations require that actual forecast and progress on the Investment Programme be reported to each routine meeting of the Board.
Regulatory	The Regulatory Standards Checklist has been completed and there is nothing in this report which would breach these standards. This report provides ongoing assurance of evidence point AN3 (H&S) in relation to our Annual Assurance Statement.
Risk	There are a number of risks highlighted in the Risk Register concerning • the health of the local economy and the capacity of contractors to deliver programmes. Capacity currently is limited both for contractors and elements of the supply chain. However, our 5-year term contract with FES provides some resilience in service delivery and enables resources to be aligned with maintenance requirements based on historic knowledge. Supply Chain challenges is highlighted on our Risk Register with a residual risk of 6 which is considered low. • affordability for tenants leading to increased levels of fuel poverty. This has a residual risk of 20 which is considered a high risk The Scottish Government requires landlords to comply with EESSH. Failure to meet the standard could result in regulatory engagement. Finalised guidance on new Net Zero targets for social housing is awaited

ESG	There is an ESG impact arising from the consideration of this report.
	• Social
	  o Building Safety and Quality - maintaining Scottish Housing Quality Standard
	  o Resident Voice - evaluate satisfaction.
	  o Placemaking – sustainability embedded into contract.
	• Environmental
	  o Climate Change - reducing waste, sustainability, recycling, local materials.
	  o Resource Management - regularly review standard specifications having regard to the environmental impact of individual products and materials.
	• Governance
	  o Supply Chain Management – maximise sourcing of local materials, minimize travel, Living wage through supply chain

Equalities	We are committed to promoting equality, diversity and inclusion. The are no equalities implications arising from the approval of this report.
Communication	Following approval of this report, tenants will be advised of programmes and consultation will be carried out pre works and satisfaction surveys carried out on completion.

APPENDIX 1

2024 to 2029 - 5 year INVESTMENT PROGRAMME					
Works Type	**2024/25 - £**	**2025/26 - £**	**2026/27 - £**	**2027/28 - £**	**2028/29 - £**
Heating Cost	£ 1,731,000	£ 1,109,434	£ 972,316	£ 1,748,192	£ 1,423,095
Heating Grant	(£1,038,600)				
Bathroom	£ 311,828	£ 305,274	£ 534,041	£ 504,800	£ 300,431
Electrical Works - Remedial	£ 220,000	£ 50,000	£ 50,000	£ 50,000	£ 50,000
External Wall Insulation - Cost	£ 720,000				
External Wall Insulation - Grant	(£360,000)				
Kitchen	£ 579,348	£ 300,651	£ 253,791	£ 258,867	£ 161,360
Roughcast	£ 158,950	£ 497,831	£ 544,753	£ 256,812	£ 386,612
Roofing	£ 396,000	£ 984,555	£ 978,496	£ 709,152	£ 1,778,869
Windows and Doors	£ 574,431	£ 902,396	£ 1,088,900	£ 187,415	£ 462,816
Environmentals	£ 114,384	£ 181,610	£ 165,635	£ 180,887	£ 170,404
Smoke Detectors	£ -	£ 25,000	£ 42,000	£ 91,000	£ 115,000
Shower	£ 122,859	£ 118,450	£ 204,866	£ 194,675	£ 118,413
TOTAL	**£3,530,200**	**£4,475,200**	**£4,834,800**	**£4,181,800**	**£4,967,000**

DEVELOPMENT PROGRAMME

BOARD 26 March 2024

Report by Chief Executive

Purpose of Report

1.1 To provide a progress update on our 5 Year Development Plan (2022-27).

Summary

2.1 Appendix 1 provides details of progress on the Development Plan for 2022 – 2027 with 64% of planned houses either completed (36%) or on site (28%). Appendix 2 summarises work being done on projects from 2024 onwards. The five year development plan is being updated as part of the Business Plan process.

2.2 Completion at Lochmaddy is expected in April 2024. However, the availability of tarring work is the main risk to handover with contractor pursuing other options to mitigate risk.

2.3 The first 33 homes in Blackwater are programmed for handover in October 2024 with full completion in February 2026. The supply of electricity meter continues to be a major concern with Blackwater.

2.4 We have reached a fully funded project to progress Leverburgh. The land acquisition is progressing and the building contract is being prepared. Until these are concluded risk still remains to the project.

2.5 We are working towards progressing a tender for a second phase at Barra.

2.6 Melbost Masterplan is being finalised in consultation with planning. The masterplan is a requirement in view of the size and capacity of the site and provides a framework for future development and any planning application lodged. It seeks to identify and address any challenges with the site. A Pre Application Consultation with the public and stakeholders is required before a planning application can be submitted and it is proposed that this be progressed. It does not commit to lodging a planning application and at present the site is not named in the SHIP. However, this would enable the site to be progressed quickly if this were required.

Competence

3.1 The legal, financial and other considerations to the recommendations are contained in the Competence section at the end of this report.

Recommendations

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

- **a) homologate the decision to use retained RTB receipts as agreed with SG to provide additional funding towards the Leverburgh project;**
- **b) approval to the progressing of the next stage of Melbost Masterplan to the Pre-Application Consultation stage;**
- **c) note the Development Plan update.**

APPENDIX 1:	New Build Plan Updates
APPENDIX 2:	Future Plans 2024 onwards
APPENDIX 3:	On Site 2023/24
Background Papers:	Development Risk Threshold
Writer of Report:	Sawan Morrison Tel: 0300 123 0773

Competence Checklist

Financial	The budget for development in 2023/24 is £8.2M expenditure, £6.4M Scottish Government (SG) Grant resulting in a private finance requirement of £1.8M. Details of the projected out-turn for the year are in the Management Report on this agenda. Following the receipt of the highest tender costs we have seen to date for Leverburgh, and an expedited technical assessment by Scottish Government, we have been offered the highest level of funding which amounts to over twice the benchmark grant figure. The grant level is approximately 1.6 times the grant levels offered at Barra which is the highest we have received to date. Even with the high level of grant and savings offered by the Contractors and ourselves there was still a substantial shortfall so use was made of the Retained Right to Buy agreement (signed in 2018) to meet the majority of the gap with a small amount of support from the Comhairle to get the project over the line. The level of cost we have seen is unprecedented and is unsustainable to the progress of the development plan
Legal	There are no legal implications arising from the consideration of this report.
Regulatory	The Regulatory Standards checklist has been completed and there is nothing in the report which would result in a breach of the standards. This report provides ongoing assurance of evidence RS2.2, RS4.3 and RS7.7 in relation to our Annual Assurance Statement.
Risk	Development is inherently risky. Feasibility work to ascertain the suitability and capacity of potential sites for development helps to reduce risk. As part of the feasibility process, we carry out a local housing needs demand survey if our waiting list indicates that demand is limited for housing in the area. Our Housing Needs and Demands Analysis (HNDA) 2021 and our Housing Waiting List indicates weak demand in all areas and particularly in the most rural locations. We continue to monitor demand on an ongoing basis and this has been stable and has shown some increase over recent months. The HNDA report suggests that based on current population trends, our Development Plan will in broad terms meet the current identified need for social rented housing by 2026. The Risk Register identifies a number of risks which can impact on the delivery of the Development Plan including:

	• effect of an increased development programme with a residual risk of 6 (low); • risk of contractor failure with a residual risk rating of 12 (medium); • supply chain and labour market challenges with a residual risk rating of 6 (low); • rent affordability with a residual risk rating of 20 (high); and • reliability of transport links with a residual risk rating of 10 (medium); and • risk of serious breach of Health & Safety with a residual risk rating of 4 (low). Other risks previously identified include: • The commissioning of a planning application at Scott Road without the necessary agreements and servitudes being finalised with the land owners which is mitigated by us having broad agreements in place. Should formal agreements not be achieved then the costs incurred to progress a planning application would be abortive. • Risk to our existing stock from new build developments with demand being skewed towards new builds leaving our older stock at risk of long term voids. Cost risk for progressing with projects without land purchase: • Gravir, South Lochs - £24,138 (Cost to take project to tender) • Leverburgh, Harris - £56,674 (cost to reach full planning permission and tendering) • Scott Road, Harris - £48,735 (Cost to reach full planning permission for 24 units).
ESG	Our new build programme considers ESG implications at every point in the process from detailed planning feedback sought at the onset to ensure placemaking is at the heart of a development and homes that are designed to be affordable to ensure a sustainable tenancy in the long term.
Equalities	We are committed to promoting equality, diversity and inclusion. The are no equalities implications arising from the approval of this report.
Communication	There was a press release for Leverburgh regarding the successful conclusion of a fully funded project. A name consultation will be conducted and local community contacted for input.

New Build Plan Updates

APPENDIX 1

Development Performance – 5 Year Development Plan 2022-2027 (Approved March 2023)

	RENT	NSSE	HWEC	TOTAL	% of Plan	Comments
Completed 2022/23	44	2	-	**46**	16%	-
Completed 2023/24	7	0	50	**57**	20%	-
On Site	80	0	0	**80**	28%	-
Planned for 2022-26	102	0	0	**102**	36%	-
	233	**2**	**50**	**285**		

New Build Plan Updates

APPENDIX 1

Table 1.2 - 5 Year Development Plan Summary (Approved March 2023)

Type	Area	Location	Total Units	Stage	2022/23	2023/24	2024/25	2025/26	2026/27
RENT	Stornoway	Goathill RENT	22	Completed 22/23	22				
NSSE	Stornoway	Goathill NSSE	2	Completed 22/23	2				
RENT	Uist	Balivanich	10	Completed 22/23	10				
RENT	Rural Lewis	Barvas (Developer led)	8	Completed 22/23	8				
RENT	Rural Lewis	Uig - Crowlista	4	Completed 22/23	4				
RENT	Rural Lewis	Uig - Crowlista Care Unit	1	Completed 23/24		1			
HWEC	Stornoway	Goathill HWEC	50	Completed 23/24		50			
RENT	Barra	Barra/Vatersay	6	Completed 23/24		6			
RENT	Stornoway	Blackwater	72	On Site - changes to phasing		22	25	25	
RENT	Uist	Lochmaddy Former Hospital	8	On Site - handover in April 2024		8			
RENT	Uist	South Harris - Leverburgh	6	No of units increased to 12 and funding secured		6			
RENT	Uist	Benbecula - Low Flyer	4	To be allocated to Leverburgh		4			
RENT	Rural Lewis	Rural Lewis- South Lochs	4	Board decision to progress to tender			4		
RENT	Rural Lewis	Rural Lewis- Bernera	4	Pursuing a potential land acquisition			4		
RENT	Harris	Scott Road, Harris	24	Planning permission WIP			12	12	
RENT	Uist	South Uist	6	Potential site awaiting planning assessment			6		
RENT	Uist	North Uist	4	Progressing to land acquisition & planning			4		
RENT	Rural Lewis	Cleat Road- Phase 2	6	Progressing to tender			6		
RENT	Rural Lewis	Point (Knock)	4	Full Feasibility instructed				4	
RENT	Uist	North Uist	6	Capacity in Grimsay site - land acquisition				6	
RENT	Stornoway	Stornoway Regeneration	14	Land to be determined					14
RENT	Rural Lewis	Barra HWEC	10	Initial Assessment					10
RENT	Uist	Balivanich	4	Land to be determined					4
RENT	Rural Lewis	Rural Lewis	6	Land to be determined					6
		Total Units	**285**		**46**	**97**	**61**	**47**	**34**

This is currently under review as part of the Business Plan process.

New Build Plan Updates **APPENDIX 1**

Table 2.1 Current Development Projects 2023/24

Scheme	Area	Units *	Stage	Expected Handover	Comments by exception
Goathill HWEC	Stornoway	50	Completed	May -23	-
Crowlista, Uig	Rural Lewis	5	Completed	Apr-23	-
Barra – Cleit Road	Barra	6	Completed	Jun-23	-
Blackwater	Stornoway	72	On Site	Feb-26	An amended phasing proposal has been accepted that would see 33 homes completed in October 2024.
Lochmaddy	Uist	8	On Site	Apr-24	Breedon availability for the final taring has pushed this handover to April 2024.
South Harris - Leverburgh	Harris	6	Tender	TBC	Due to high construction costs, significant effort was made to bring down construction cost and secure additional funding from all parties involved. Two additional sites allocated from Stornoway to bring total rented homes to 12. Discussion on risk of void loss with CNES initiated.
Benbecula – Low Flyer	Uist	4	Tender	TBC	CNES requested that the funding for this be directed to achieve 10 social rented housing at Leverburgh. Board requested to consider potential to tender along with site at Grimsay.
South Lochs	Rural Lewis	4	Feasibility	TBC	Board decision was to take this site to tender. We are consistently having difficulty re-letting properties in this area.
Bernera	Rural Lewis	4	Feasibility	TBC	Awaiting land owner feedback on land that is available to purchase.

*Number of units shown is as per previous Development Plan agreed in March 2023. New development plan to be approved.

Future Plans 2024 Onwards

APPENDIX 2

YEAR	Scheme	Area	Units	Demand (Transfer/Waiting)*	Comments by exception
2024/25	Scott Rd	Harris	12	5/36	Planning permission process on hold until we have an outcome from NHT. The public consultation regarding a Phase 2 was mostly popular with 59 of 69 responses for opening up the site for future.
	Rural Lewis- South Lochs	Rural Lewis	4	1/5	Board agreed to take this site to tender. We are consistently having difficulty re-letting properties in this area.
	Rural Lewis – Bernera	Rural Lewis	4	1/6	Awaiting land owner decision on land availability for purchase following Board approval to progress.
	South Uist	Uist	6	6/14	A previous potential site offered by a local has now been rescinded sighting issues with getting neighbour agreements. A second potential demolition site is also being looked at.
	North Uist	Uist	4	8/31	Site at Grimsay has now been instructed to take to full planning permission. Site in crofting.
	Cleat Road- Phase 2	Barra	6	5/33	Existing land available for a potential second stage of the current development. Tender being prepared.
2025/26	Scott Rd	Harris	12	5/36	As per above.
	Point	Stornoway Market Area	4	3/9	Site at Seaview, Knock instructed to be progressed to full feasibility following CNES approval for 50% of feasibility cost.
	North Uist	Uist	6	8/31	Site at Grimsay as per above has capacity for 8 units.
2026/27	Stornoway Regeneration	Stornoway	14	96/224	Site to be determined. We currently have a site at Melbost West undergoing masterplanning which required further updates following the new national planning framework 4 guidance.
	Barra HWEC	Barra HWEC	10	TBC	Board decision taken to support the project subject to confirmation of funding from the various departments of Scottish Government.

Future Plans 2024 Onwards

APPENDIX 2

YEAR	Scheme	Area	Units	Demand (Transfer/Waiting)*	Comments by exception
	Balivanich	Uist	4	13/31	This is an area identified in the SHIP. The existing site at Balivanich to be progressed here.
	Rural Lewis	Rural Lewis	6	18/97	The demand figure is for all Rural Lewis and does not include Stornoway.

*demand figures as at 1 January 2024.

APPENDIX 3

Blackwater

Phase 1

(CalMax)

Lochmaddy (Macinnes Bros)

TENANT PARTICIPATION & SATISFACTION SURVEY

Board 26 March 2024

Report by Director of Operations

Purpose of Report

1.1 This report is to provide an update on Tenant Engagement, including the tenant satisfaction survey action plan and this year's tenant satisfaction survey (TSS).

Summary

2.1 The contract with TPAS to provide HHP's Tenant Participation Support and Development Service was terminated in 2023 and the part-time Tenant Engagement Officer position created.

2.2 Laura Mackenzie has been in post as the Tenant Engagement Officers since July 2023.

2.3 We currently have two registered tenant groups and no scrutiny groups in place. Membership of the Western Isles Housing Association Communities Forum (the Forum) is limited with no recent activity with the exception of some consultation on the rent increase. The Tenant Engagement Officer is establishing some small less formal groups through activities such as a gardening project in Casimir Place.

2.4 Following the TSS in 2021 an action plan was produced to improve satisfaction scores. An update is provided at Appendix 1.

2.5 There is a Tenant Satisfaction Survey planned for the summer of 2024.

2.6 On 1 March 2024 the Operations Working Group reviewed the 2021 Tenant Satisfaction Survey Plan action plan and also the proposals for the 2024 survey, and agreed to recommend the Tenant Satisfaction Survey Plan to the Board for approval~~s~~.

2.7 The TPAS (Scotland) annual conference is due to take place in June 2024 at an approximate cost of £6k for 5 tenants and the Tenant Engagement Officer.

Competence

3.1 There will be a financial consideration of approximately £33K. Further details and other considerations to the recommendations contained in the Competence section at the end of this report.

Recommendations

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

a) note the 2021 Tenant Satisfaction Survey Update Action Plan and the Tenant Satisfaction Survey Plan; and

b) agree that subject to budgetary provision 6 places will be booked at the TPAS annual conference for tenants with a report back from all tenants on the benefits of the conference and that no tenant attends more than 4 years in a row".

Report Details

2021 Tenant Satisfaction Survey

5.1 The last tenant satisfaction survey was held in 2021. It was carried out during Covid restrictions via phone calls. The survey was carried out by 3 students. Detailed analysis of the survey was carried out and presented to Board. A Tenant Satisfaction Survey action plan was also created to improve our services to tenants and their perception of HHP.

5.2 The action plan is regularly reviewed and actioned by Operations Management Team. There have been several changes now that the Tenant Engagement Officer post has been created and Tenant Engagement services brought in house.

5.3 The Action Plan at Appendix 1 shows original targets and dates, and a new Action Plan will be created following the 2024 TSS, ensuring consistency with the 2024/25 to 2028/29 Business Plan.

2024 Tenant Satisfaction Survey

5.4 It is intended to adopt a similar approach and employ 4 people on 3 month contracts to carry out the survey over a 12-week period in June to August 2024. The surveys will be carried out in person this time which is expected to improve the response levels. Guidance from the regulator is" *that, due to our size, we survey 100% of tenants and not a 40% sample. We should also consider an online survey to boost response level after the face-to-face surveys*." We have not ruled out using a survey consultancy firm but research with other Housing Associations has shown that most are carrying it out themselves. The result of the research is at Appendix 2. The cost of a consultancy firm carrying out an in-person survey is estimated to be too expensive. In addition, using a similar methodology assists in tracking changes in satisfaction levels.

5.5 The survey is currently being drafted on Microsoft Forms which the survey team will use to input tenant's answers. The draft questions can be found at Appendix 3 or you can view a sample survey at https://forms.office.com/e/Q8baVyaVhX . The format and design are yet to be finalised.

APPENDIX 1:	Tenant Satisfaction Survey 2021 Action Plan
APPENDIX 2:	Research with other Housing Associations
APPENDIX 3:	Draft questions for Tenant Satisfaction Survey 2024
Background Papers:	None
Writer of Report:	Katrina Rowlands Tel: 0300 123 0773

5.6 A brief overview of the expected timeline and plan for tenant survey is shown below.

Date	**Action**
April 2024	Recruitment of temporary staff (1 Uist Based)
April – June 2024	Promotion of survey online and newsletter
June 2024	Survey questions finalised
June 2024	Start date and training of new staff
July 2024	Minimum of 8 weeks of surveys
August 2024	Initial analysis of findings and report provided by survey team
27 August 2024	Report with initial findings to Board
19 November 2024	Final report and action plan to Board

TPAS (Scotland) Conference

6.1 Since 2006 we have funded several places at this conference which is the only housing conference targeted specifically at tenants. It has been mainly attended by representatives from the Forum and the Cearns Community Association. This has been funded from Tenant Participation budgets.

6.2 As in previous years TPAS have agreed to provide 6 conference places for the price of 5. The cost of each place at the TPAS Conference is £870 for single occupancy for tenants and £945 for landlords, therefore the total cost would be £4,425. Return flights and transfers will be approximately £1,500.

5.3 The total estimated cost of 6 places attending the TPAS conference is £5,925.

5.4 We will discuss attendance with the Forum Chair and it is intended that tenants from across the islands will attend this year.

5.5 Tenants will be asked to agree to provide feedback from the conference and ongoing participation.

Competence Checklist

Financial	Provision of just over £27k has been made in the Tenant Satisfaction Survey budget. The budget includes salary, mileage and recruitment costs, along with a budget for prizes. There is budgetary provision of £10k for the TPAS conference and all HHP organised conferences in 2024/25.
Legal	The Housing (Scotland) Act 2001 created a legal requirement for landlords to actively develop and support TP. The Act introduced requirements for Landlords to have a TP strategy in place, register tenant and resident groups who meet prescribed criteria and to fund and support TP. It also gave tenants and Registered Tenant Organisations (RTOs) rights to be consulted and involved in landlords' decision making on housing and related services.
Regulatory	The Regulatory Standards Checklist has been completed and there is nothing in this report which would breach these standards.
Risk	Strong tenant participation represents good practice and reduces risk by helping to improve service delivery and processes to best meet the needs of service users. It also complies with regulatory expectations. Reputational risk is highlighted on our Risk Register with a residual rating of 4 which is considered low.
ESG	Based on previous surveys we have estimated 3 to 4000 miles will be driven during the survey project. Supporting attendance at the TPAS (Scotland) conference will result in 6 return flights to Glasgow.
Equalities	We are committed to promoting equality, diversity and inclusion. All tenants will be invited to participate in the survey and alternative completion methods will be offered. The TPAS conference will be open to all tenants to apply to attend.
Communication	The newsletter will provide tenants with details of the tenant satisfaction survey and TPAS conference opportunity. Details of both will also be issued via social media.

APPENDIX 1

Tenant Satisfaction Survey (2021) Action Plan

Question	Result	Target % by 2024 survey	Action Plan to improve	Responsible	Target Date	Update as at February 2024
Percentage of tenants satisfied with the overall service provided by their landlord (% satisfied)	86%	90%	The Digital Transformation Strategy includes increased digital offerings for tenants and improved areas for self-service. These will be heavily promoted through newsletter, frontline staff and social media. Tenant contact digitally to increase to 25% by 2023. Increase tenant participation through the Tenant Participation Strategy (TPS) to both identify areas that tenants feel less satisfied with and increase awareness of all services we deliver well. The TPS includes actions such as establishing tenant helpers across different areas and supporting village voices. Development of these to be publicised in the newsletter and on social media.	Service Development Manager / TPAS	August 2022	A group of tenants will be given a 'first look' at the Customer Portal as soon as a suitable version is available. The Tenant Engagement Officer has identified 3-4 tenants who are willing to support HHP as a 'village voice' offering feedback on consultation forms, passing on local information and attending tenant focus groups they find beneficial.

Question	Result	Target % by 2024 survey	Action Plan to improve	Responsible	Target Date	Update as at February 2024
			Events to restart such as the drop in Halloween event in Stornoway library. At least 6 TPAS or Forum 'pop up' small events this financial year. Our achievements will be publicised and promoted through the newsletter and social media campaigns.	TPAS All	31 March 2022	Most recent event was the Stornoway tenant event in the Town Hall in November 2023. Uist & Barra events being planned by TEO. All Managers reminded to improve outward communication to tenants and to promote successes. A monthly reminder is issued to Managers for positive social media stories. Positive stories and facts are being shared.
Percentage of tenants satisfied with the opportunities given to them to participate in their landlord's decision-making processes (% satisfied)	85%	88%	Our Tenant Participation Strategy includes several areas to cover participation in decision making. • Increased use of scrutiny panels • Use technology to enhance participation and make tenants feel like they have been listened to Use website for case studies to show how tenants have informed decisions.	Service Development Manager / TPAS	August 2022	**Complete.**
Percentage of tenants who moved into their property in the past 12	74%	92%	Increase participation in point of service surveys by following	Housing Services	March 2022	Housing Officers following up at new tenant visit if questionnaire not returned before then.

Question	Result	Target % by 2024 survey	Action Plan to improve	Responsible	Target Date	Update as at February 2024
months satisfied with the standard of the home when they moved in(% satisfied, for those who moved into their property in the past 12 months)			up at New Tenant Visit, where they have not been returned.			There have been 55 returns as at 21 February 2024 with 89% of new tenants satisfied with the condition of their new home.
			Explore difference between TSS results and point of service results.	Service Development Manager	March 2022	Full review conducted as at 31 March returns. Results for 2021/22 are in line with TSS results. **Complete**
			Where apparent inconsistencies come to light in voids these will be dealt with immediately.	Area Managers		Area Managers monitoring voids and void recharges
Percentage of existing tenants satisfied with the quality of their home (% satisfied)	89%	93%	Continued work through the Investment plan to improve properties, where this is possible within property limitations. Point of service surveys to score a minimum of 9/10 for satisfaction. Also link to action below re: dissatisfaction.	Investment Manager	March 2022	Investment satisfaction surveys remain at 9/10 average.
			Investment Manager to review the asset management tool to identify possible areas where tenants may be dissatisfied. Where possible, give tenants opportunities to identify the investment works they would	Investment Manager	April 2023	**Complete.** Asset management tool not suited to identifying areas of tenant dissatisfaction.

Question	Result	Target % by 2024 survey	Action Plan to improve	Responsible	Target Date	Update as at February 2024
			like to see carried out in their homes.			
			Through the newsletter, offer those tenants that expressed dissatisfaction the opportunity to have a visit to their home to discuss the reasons they are unhappy with their home.	Service Development Manager	December 2021	**Complete**
Percentage of tenants who have had repairs or maintenance carried out in the last 12 months satisfied with the R & M service (% satisfied, for those who say they had a repair carried out in last 12 months)	92%	95%	Satisfaction remains high. Point of service satisfaction surveys underway for October. Any issues are actioned immediately. Monthly meetings with FES and KPIs continue to drive performance.	Service Development Manager / Asset & Contracts Manager	November 2021	Complete & ongoing Point of service surveys show 98% satisfaction for period 1 April 2023 to 31 December 2023.
Percentage of tenants satisfied with HHP's contribution to the management of the neighbourhood they live in (% satisfied)	81%	95%	Tenant scrutiny panel arranged by TPAS to identify the reasons that tenants are dissatisfied with HHP's contribution. Scrutiny Panels performance will be monitored within the Business Plan.	Service Development Manager/TPAS	30 November 2021	Formal scrutiny last subject was lettable standard in 2020.
			Increase HHP visibility within our estates to show our presence.	Area Managers (Housing) &	March 2022	**Complete.** Joint visits with TPAS were undertaken – a number of estates were visited. Letters issued

Question	Result	Target % by 2024 survey	Action Plan to improve	Responsible	Target Date	Update as at February 2024
				Investment Manager		to tenants to inform them of the visits. The staff day in 2023 was Estate Visits across multiple areas.
Percentage of tenants who feel that the rent for their property represents good value for money (% good)	79%	85%	Increase communication on the services that tenants are receiving for their money to demonstrate the value. Increase tenant participation through the Tenant Participation Strategy to increase knowledge of HHP services	Communications Team Service Development Manager/TPAS	August 2022 August 2022	 Tenant events held in Stornoway, Uist and Barra in 2022. Stornoway Tenant Event in November 2023 was useful for those who attended. Uist & Barra currently at planning stage.

Appendix 2

We previously used a consultancy firm to carry out a postal survey, with a telephone top up, in 2013. The cost for that survey was £11k. We have not yet priced a consultancy firm to carry out an in-person survey in 2024 but we would expect it to be very significantly higher.

The following similar Housing Associations were approached to find out what methods were used to conduct their Tenant Satisfaction Survey.

Hjaltland Housing Association

We spoke to the Head of Housing & Customer Services at Hjaltland Housing Association. They have varied their approach over the previous two tenant satisfaction surveys, trying to find the balance between maximising tenant engagement and return against staff time.

In 2019, the survey was completed over the phone, this resulted in over 50% return rates and the highest recorded levels of satisfaction the association had achieved. They commented that this provided anl opportunity to speak with tenants they may not ordinarily have had contact with.

In 2022, the survey was completed through paper/electronic/WhatsApp means. This saw a reduction in returns, however, still coming back with over 30% tenant populus.

Orkney Housing Association Ltd

We spoke to a Senior Housing Officer at Orkney Housing Association Ltd. They have always outsourced the survey, using IBP Strategy and Research to undertake the Tenant Satisfaction Survey. IBP deliver a report to staff and board, giving in depth detail on common themes. It is noted that Orkney Housing Association do not employ a tenant engagement officer, and state that tenant engagement is the role of all staff, particularly Housing Officers. They were asked for a guide price for outsourcing. They have responded advising that they do not have permission to share the price.

Tenant Satisfaction Survey 2024 FIRST DRAFT

Feb 23, 2024

If you are happy to take part then this survey will take approximately 17 minutes to complete. By participating you will be entered into a prize draw for the chance to win £25 or £50.

* Required

Personal Details

These details will be held for validation purposes only. Final survey results will be anonymised.

1. Name

2. Address

3. Postcode

4. Contact Telephone Number (can we ask for consent to add this to their CX contact details?)

5. Email address - can we ask for consent to add this to their CX contact details

6. Are you happy to proceed?

○ Yes

○ No

7. Do you wish to be entered into the prize draw?

○ Yes

○ No

Hebridean Housing Partnership as your landlord

Confidential

8. (Ind1)Taking everything into account, how satisfied or dissatisfied are you with the service provided by Hebridean Housing Partnership? *

- ◯ Very satisfied
- ◯ Fairly satisfied
- ◯ Neither satisfied nor dissatisfied
- ◯ Fairly dissatisfied
- ◯ Very dissatisfied

9. (Ind2) How good or poor do you feel HHP is at keeping you informed about their services and decisions? (e.g. planned maintenance, major improvements, change in rent or tenancy agreements, new builds) *

- ◯ Very good
- ◯ Fairly good
- ◯ Neither good or poor
- ◯ Fairly poor
- ◯ Very poor

10. (Ind5) How satisfied or dissatisfied are you with opportunities given to you to participate in HHP's decision making processes? (e.g. Surveys, AGM, Tenant Panel) *

- ◯ Very satisfied
- ◯ Fairly satisfied
- ◯ Neither satisfied or dissatisfied
- ◯ Fairly dissatisfied
- ◯ Very dissatisfied

11. How, if at all, would you prefer to be involved in contributing to decision making and to getting information from HHP?

- ☐ Tenant Panel (e.g. contacts for surveys, focus groups etc)
- ☐ Local tenant group (constituted or non-constituted)
- ☐ Emails
- ☐ Visits
- ☐ Online surveys
- ☐ HHP Annual General Meeting
- ☐ Letters
- ☐ Telephone calls
- ☐ Village Voice (a voted representative from your village)
- ☐ Become a Board Member
- ☐ Other

12. Which of the following methods do you use to access the internet? We appreciate that people access the internet in different ways, so please select all that apply.

- [ ] Don't use the internet at all
- [ ] Mobile Phone
- [ ] Tablet
- [ ] Laptop or personal computer
- [ ] Laptop or PC made available in a public place (e.g. library, HHP)
- [ ] Other

13. To what extent do you agree with the following statements regarding HHP Newsletter, Homeward.

	Firmly agree	Agree	Disagree	Firmly disagree
The quality of information in Homeward is good.	◯	◯	◯	◯
Homeward is a good means of sharing information from HHP.	◯	◯	◯	◯
Homeward is easy to understand.	◯	◯	◯	◯

14. HHP will soon be rolling out our new Tenant Portal. Which of the following aspects of HHP's services would you like to be able to access on this portal? Please select all that apply DO WE REMOVE THE ONES THAT WE WILL DEFINITELY BE DOING AND ONLY HAVE FUTURE DEVELOPMENT REQUESTS?

- [ ] Pay your rent or another bill online
- [ ] Check the position of your rent account
- [ ] Apply for a transfer
- [ ] Report and track a repair
- [ ] Report anti-social behaviour
- [ ] Make an appointment to speak with a member of staff
- [ ] Get information about any improvement plans for your home or area
- [ ] Get information about activities and events happening in the area
- [ ] Get information about the Association's future plans in general
- [ ] Access publications such as the Association's newsletters or annual reports
- [ ] Make a complaint
- [ ] Make a comment or suggestion
- [ ] None of the above
- [ ] Other

15. Excluding reporting repairs, have you made a formal complaint to HHP in the past 12 months?

If your response is Yes, please continue to question 14. Otherwise, continue to question 15.

◯ Yes

◯ No

16. To what extent to you agree or disagree with the following statements regarding complaints.

	Firmly agree	Agree	Disagree	Firmly disagree
Complaint was dealt with quickly and fairly	◯	◯	◯	◯
HHP listened to my complaint fully	◯	◯	◯	◯
I was satisfied with the outcome	◯	◯	◯	◯
	◯	◯	◯	◯

The Repairs Service

17. (Ind7) Overall, how satisfied or dissatisfied are you with the quality of your home?

- ◯ Very satisfied
- ◯ Fairly satisfied
- ◯ Neither satisfied nor dissatisfied
- ◯ Fairly dissatisfied
- ◯ Very dissatisfied

18. (Ind12b) Thinking about the LAST time you had repairs carried out, how satisfied or dissatisfied were you with the repairs service provided by HHP? (Reporting the repair, and the people coming out to your home)

- ◯ Very satisfied
- ◯ Fairly satisfied
- ◯ Neither satisfied nor dissatisfied
- ◯ Fairly dissatisfied
- ◯ Very dissatisfied

19. (Ind12a) Have you had any repairs carried out in the last 12 months?

- ◯ Yes
- ◯ No

20. To what extent do you agree or disagree with the following statements about repairs.

	Firmly agree	Agree	Disagree	Firmly disagree
It is easy to report repairs to HHP.	◯	◯	◯	◯
The quality of repairs was good.	◯	◯	◯	◯
Work was completed within the timescale.	◯	◯	◯	◯
The work people were tidy and polite.	◯	◯	◯	◯
HHP staff are very helpful.	◯	◯	◯	◯
I can usually speak to the person I need to easily.	◯	◯	◯	◯

Your Home and Neighbourhood

Confidential

21. (Ind 9a) Did you move into this property within the last 12 months?

- ◯ Yes
- ◯ No

22. (Ind25) Taking into account the accommodation and the services HHP provides, do you think that the rent for this property represents good or poor value for money? Is it....

- ◯ Very good
- ◯ Fairly good
- ◯ Neither good or poor
- ◯ Fairly poor
- ◯ Very poor

23. (Ind9b) Thinking about when you moved in, how satisfied or dissatisfied were you with the standard of your home? (e.g. the finish, kitchen, bathroom, plumbing, cleanliness, heating)

- ◯ Very satisfied
- ◯ Fairly satisfied
- ◯ Neither satisfied nor dissatisfied
- ◯ Fairly dissatisfied
- ◯ Very dissatisfied

24. Do you have any additional comments about the standard of your home.

25. Which of the following aspects of your home are you satisfied with?

- ☐ Quality of house
- ☐ Heating System
- ☐ Window and door quality
- ☐ Kitchen
- ☐ Storage space
- ☐ Bathroom
- ☐ Living Room
- ☐ Bedroom/s
- ☐ Access to property
- ☐ Other

26. (Ind13) Overall, how satisfied or dissatisfied are you with HHP's contribution to the management of the neighbourhood you live in? (your scheme) (KR has moved this up above the questions below. Different question position from last year)

- ◯ Very satisfied
- ◯ Fairly satisfied
- ◯ Neither satisfied nor dissatisfied
- ◯ Fairly dissatisfied
- ◯ Very dissatisfied

27. How satisfied or dissatisfied are you with any major improvements (new kitchens, heating, windows etc) carried out in your property in the past 12 months?

- ◯ Very satisfied
- ◯ Fairly satisfied
- ◯ Neither satisfied nor dissatisfied
- ◯ Fairly dissatisfied
- ◯ Very dissatisfied
- ◯ No major improvements in the past 12 months

28. If no neighbourhood issues in past 12 months then you may skip the next few questions

- ◯ Skip
- ◯ Experience with issues

29. Have you reported any of the issues you have experienced in the last 12 months to HHP? (e.g. phoned in, emailed or told an HHP employee)

- ◯ Yes
- ◯ No

30. To what extent to you agree with the following statements about reporting issues to HHP?

	Firmly agree	Agree	Disagree	Firmly disagree
It was easy to report the issue to HHP.	◯	◯	◯	◯
HHP listened to what I had to say.	◯	◯	◯	◯
HHP gave me advice on dealing with these issues.	◯	◯	◯	◯
I would be happy to contact HHP again regarding problems in my neighbourhood.	◯	◯	◯	◯

31. To what extent to you agree with the following statements about improvements carried out in your property in the last 12 months?

	Firmly agree	Agree	Disagree	Firmly disagree
I was informed when improvements were taking place.	◯	◯	◯	◯
The improvements took place on time.	◯	◯	◯	◯
The standard of work was good.	◯	◯	◯	◯
The work people were tidy and polite.	◯	◯	◯	◯

Tenant Satisfaction Survey - Additional Comments

32. Into which of the age following age bands do you fall?

- ◯ 16-17
- ◯ 18-25
- ◯ 26-59
- ◯ 60-74
- ◯ 75+

33. How many people live here including children?

- ◯ 1
- ◯ 2
- ◯ 3
- ◯ 4
- ◯ 5 or more

34. How would you describe the composition of your household?

- ◯ Single person
- ◯ Couple with children
- ◯ Couple without children
- ◯ Single parent
- ◯ Other with children
- ◯ Other without children
- ◯ Other

35. Are there any issues you wish to be passed on to your Housing Officer for follow up?

- ◯ No, please treat all my answers as confidential
- ◯ Yes, please pass on details to my HO (note in additional comments which queries)

36. Do you have any other comments about HHP or the services it provides?

Optional Section

As said before, the satisfaction survey is split into two parts, with the first concerning the general satisfaction of your experience with HHP and your home. This information will remain anonymous unless you request feedback relating to any issues.

The following questions relate to your household. These answers will assist HHP in planning for and addressing issues such as Welfare Reform and Fuel Poverty. This section is entirely optional. You do not need to continue unless happy to do so.

37. Do you wish to continue with the optional questions?

- ◯ Yes
- ◯ No

38. To which of these groups do you consider yourself belonging?

- ◯ White Scottish
- ◯ White Other British
- ◯ White Republic of Ireland
- ◯ White other
- ◯ Black Carribean
- ◯ Black African
- ◯ Black Other
- ◯ Asian Chinese
- ◯ Asian Pakistani
- ◯ Asian Bangladeshi
- ◯ Asian Other
- ◯ Mixed
- ◯ Not Known
- ◯ Other

39. How many people in the house are:

	One	Two	Three	Four	Five	Six	None
Employed	◯	◯	◯	◯	◯	◯	◯
Self Employed	◯	◯	◯	◯	◯	◯	◯
Unemployed	◯	◯	◯	◯	◯	◯	◯
Permanently sick or disabled	◯	◯	◯	◯	◯	◯	◯
Retired	◯	◯	◯	◯	◯	◯	◯

40. Please specify your household income before tax

- ◯ £0-£9,999
- ◯ £10,000 - £19,999
- ◯ £20,000 - £29,999
- ◯ £30,000 - £39,999
- ◯ £40,000 - £49,999
- ◯ £50,000+

41. What % of your household income gets spent on fuel costs?

- ◯ Agree bands here
- ◯ <5%
- ◯ 5-10%
- ◯ 10-15%
- ◯ >15%

42. Do you struggle with any of the following

	Yes, I am struggling	No, I am managing
Paying rent	◯	◯
Energy costs	◯	◯
Food costs	◯	◯

43. Do you receive any of the following?

- ☐ Housing Benefit
- ☐ Universal Credit - Housing Element
- ☐ Any other benefits?
- ☐ Do not receive any benefits

44. How do you pay your rent? (do we want any that apply or main method - can set question to one answer or multiple) - do we even need this question?

- ☐ Direct Debit
- ☐ Standing Order
- ☐ Rent Card
- ☐ By Phone
- ☐ Cash Desk
- ☐ Housing Benefit or Universal Credit direct to landlord
- ☐ Other

45. Which of the following methods do you use to pay for your electricity?

- ◯ Direct Debit
- ◯ Prepayment Meter
- ◯ Quarterly Bill
- ◯ Other

46. Do you have any other comments about HHP or the services it provides?

EXPENSES POLICIES

Board 26 March 2024

Report by Director of Finance & Corporate Services

Purpose of Report

1.1 To provide the Board with an update on the review of the Staff and Members expenses policy.

Summary

2.1 The Members & Staff Expenses Policies is reviewed annually and during this review minor updates are proposed which are outlined at paragraph 5.1

2.2 Employees continue to be signposted to the appropriate HMRC guidelines on working from home allowances and tax reliefs available.

Competence

3.1 The legal, financial and other considerations to the recommendations are contained in the Competence section at the end of this report.

Recommendations

4.1 It is recommended that the Board approve the:

a) Staff Expenses Policy at Appendix 1 for consultation with staff and the Union;

b) if there are no material changes to the Staff Expenses Policy arising from the consultation, that the Policy is approved, otherwise a revised Policy be presented to the next meeting of the Board; and

b) Members Expenses Policy at Appendix 2.

APPENDIX 1:	Staff Expenses Policy	
APPENDIX 2:	Members Expenses Policy	
Background Papers:	None	
Writer of Report:	**Donald Macleod**	Tel: 0300 123 0773

Report Details

5.1 The following changes have been made to the Expenses Policies:

	Staff Expenses Policy	Members Expenses Policy
1.	Subsistence rates increased by £5 per meal	Subsistence rates increased by £5 per meal
2.	Passenger Mileage rate introduced as per HMRC approved guidance	Passenger Mileage rate introduced as per HMRC approved guidance
3.	First Aid Allowance to be increased (subject to consultation with Unison) following Salary Benchmarking exercise from £366 per annum to £523 per annum.	
4.	Increase in the daily standby rate from £24.13 to £30.74 to align with COSLA approved rates.	

Competence Checklist

Financial	The financial implications arising directly out of consideration of this report will be met within existing budgets.
Legal	There are no legal implications arising from the consideration of this report.
Regulatory	The Regulatory Standards Checklist has been completed and there is nothing in this report which would breach these standards.
Risk	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. Governance is highlighted on our Risk Register with a residual risk rating of 3 which if considered low risk.
ESG	These policies look to have a positive ESG impact by promoting car sharing, the use of public transport and bicycles where appropriate.
Equalities	We are committed to promoting equality, diversity and inclusion. The are no equalities implications arising from the approval of this report.
Communication	Following approval of this report we will consult with Unison & Staff on the changes. Policies will be made available to all staff, Board members and our payroll provider (CNES).

APPENDIX 1

STAFF EXPENSES & ALLOWANCES POLICY

APPROVED BY HHP BOARD:

EFFECTIVE DATE:
March 2024

hhp | hebridean housing partnership

TABLE OF CONTENTS

INTRODUCTION

1.1 We will pay the costs and expenses wholly and necessarily incurred on our business by our employees. This includes extended periods of travel as a result of weather delays.

1.2 Current guidance relating to Payments and Benefits paid by RSLs is given in the 'SHR Regulatory Standards of Governance and Financial Management' which is the reference document used for our policy on Control of Payments and Benefits.

AIMS

2.1 The aim of this policy is to enable our staff to be properly reimbursed on a fair and equitable basis for all expenses incurred in connection with their duties on our behalf.

SUBSISTENCE

3.1 Subsistence will be payable to employees who are prevented by their duties from taking a meal at their home, administrative centre or establishment where they normally take their meals, and thereby incur additional expenditure; an employee may be required by the manager to certify this. The allowances do not apply to staff that are required to make journeys on a regular basis as part of their employment with us.

3.2 The allowance shall not be paid where a suitable meal is provided for as part of an accommodation or course package where payment is made otherwise in accordance with any other provisions for personal expenses.

3.3 The maximum amounts which will be paid for subsistence are:

Meals	Type of Journey	Amount
Breakfast rate	Local/mainland	£15
Lunch Meal	Local/mainland	£15
Evening meal	Local/mainland	£30

A meal is defined as a combination of food and drink and would take a normal dictionary meaning. Breakfast rate will only apply if the Employee leaves home, to commence their journey, before 6.00 am and incurs a cost on breakfast taken away from home after the qualifying journey has started. Breakfast rate will not be paid if the cost of an overnight stay includes breakfast.

3.4 Subsistence rates should be reduced by the appropriate amount in respect of any meals provided free of charge by the Partnership or other body during the period to which the allowance relates.

3.5 For an overnight absence from an employee's usual place of residence we will book accommodation in advance, up to a maximum of the rates below. Where accommodation and meals cannot be obtained for the standard rates, the actual costs will be reimbursed when the prior approval of a director has been obtained:

Accommodation		Amount (inc Vat)
In Hotel or Guest House	Mainland/Inter island	£120
	London	£190
	Outside UK	£190
	Overnight Incidentals	£5

3.6 Expenditure will require to be accompanied by appropriate receipts.

3.7 Where the above subsistence rates are exceeded, expenditure should be appropriately authorised with an explanation provided as to why the expenditure exceeds the permitted allowance.

CAR ALLOWANCE

4.1 Employees authorised by HHP to use their own car for official business shall receive allowances which will be paid at the HMRC approved rates which are currently:

Type	Annual mileage	Rate per mile
Casual	Up to 10,000	45p
	Over 10,000	25p

4.2 Where employees travel with a fellow employee (Or Board member) in a car or van on journeys which are also qualifying work journeys for them, an additional 5p per passenger per business mile for carrying fellow employees can be claimed. To qualify for this allowance the passenger must be a member of staff or board member and claimants must provide the full name of the passenger when making a claim.

4.3 Permission must be given by a Director before a car is hired. Where permission is given and a car is hired, the cost of the fuel used should be claimed via appropriate receipts and not by way of a mileage allowance.

4.4 The allowance payable to an employee who chooses to travel by car rather than by public transport shall not exceed the amount of the allowance which would have been payable had public transport been used.

MOTORCYCLE ALLOWANCE

5.1 The allowance payable to an employee who uses a motorcycle when travelling on HHP's business shall be as per the HMRC approved rate (Currently 24p per mile).

5.2 Employees shall only be entitled to use a motorcycle for business travel when it has been properly authorised in advance and where appropriate insurance is in place.

CYCLE ALLOWANCE

6.1 Employees who use their bicycles for travel on official business are eligible to claim a bicycle mileage allowance.

6.2 The cycle mileage rate payable under the scheme will be as per the HMRC approved rate (Currently 20p per mile).

6.3 Employees are required to make arrangements to ensure that they are adequately covered under their Household Insurance policy or other appropriate Bicycle Insurance arrangements. Evidence of these arrangements is required prior to authorisation being given.

6.4 Employees wishing to use their bicycle for official business travel must sign declarations form verifying that they will observe the appropriate safety conditions.

6.5 The Manager, taking accounts of the needs of the service, will determine where for operational reasons, it is practical to use a bicycle for official business travel.

PUBLIC TRANSPORT & PARKING

7.1 All employees will travel Second Class on Public Transport wherever possible.

7.2 All expenses must be evidenced by appropriate receipts or tickets.

7.3 All journeys must be properly authorised prior to being undertaken.

7.4 All parking fees will be re-imbursed in respect of authorised business.

7.5 When travelling on the mainland, taxis should only be used where public transport is not available or where its use would lead to:

a) Partnership business or a travel connection being missed; or

b) a wait in excess of 90 minutes for the start of a public transport journey not exceeding 10 miles; or

c) difficulties for disabled travellers.

FIRST AID ALLOWANCE

8.1 Employees who have a current approved First Aid Certificate and who are designated First Aid Officers, shall receive an annual allowance at a rate as determined by EVH (Employers in Voluntary Housing). This allowance is currently set at a rate of £523 per annum and is payable monthly along with the Employee's salary.

8.2 This does not apply to these employees who have, as a condition of employment, the need to hold such a certificate or who have to have a basic awareness of first aid.

MOBILE PHONES

9.1 We make mobile phones available to employees where the circumstances of their role make that appropriate. In that case, we will pay for any service charges and all calls of a business nature.

9.2 Mobile phones are provided for general business purposes. Personal use will be recharged to the staff in the event of any extra costs being incurred. The employee will be invoiced for any such costs and will be expected to pay such invoice within 30 days.

PROFESSIONAL FEES

10.1 Where membership of a professional body or association is required by us for appointment to a particular post we will pay for the annual subscription. If the employee leaves during the year the appropriate amount of the Professional Fee must be repaid.

10.2 The qualifications recognised for the purposes of this section will be those determined from time to time by us and detailed in a list held by the Personal Assistant.

PRIVATE USE OF VANS OWNED BY HHP

11.1 Where a van is provided to our employee it is done on the basis that its use is intended for business and insignificant private use only. Insignificant private use means as an exception to normal business usage for short periods on exceptional and irregular instances. This distinction is made to ensure that HMRC do not view the provision of the van as a benefit in kind.

11.2 Specific review by HMRC as to what would be considered as private use would be dealt with on a case-by-case basis but it is important that any private use for a significant time or purpose is approved in advance by the employee's line manager. For the avoidance of doubt, ordinary commuting (as defined in clause 11.4 below) is deemed to be an appropriate private use.

11.3 Failure to comply with the above may mean that we will have to report the use of the van as a benefit in kind, which could also potentially result in an increased tax and NIC liability for the employee concerned. (Current, 2023-24, Benefit in Kind charge to tax of £3,600 if there is no payment for private use).

11.4 Provision of fuel for private use is classed as a benefit in kind by HMRC unless paid for by the employee. In order to ensure compliance with this, with effect from 1 January 2011 employees will require to make a payment of 10p per mile to reimburse HHP for all private use of these assets.

RE-SETTLEMENT ALLOWANCE

12.1 Re-settlement Allowances are payable for the posts within the Executive Team:

a) Where there has been difficulty in recruitment for particular posts out with the Executive Team, the appropriate Director should make the case for a re-settlement package to the Chief Executive. It will be delegated to the Chief Executive whether a re-settlement allowance should be payable;

b) Employees who have received a re-settlement allowance must sign an undertaking to remain in our employment for a period of 2 years from the date of appointment or repay the amount in full;

c) Employees shall pay the full expenses in the first instance. They should thereafter submit all receipts, tender documents and necessary information for approval by the Director. Completed Claim Forms with all the appropriate documentation should be forwarded to the Director for authorisation before reimbursement, which should be within the normal time frame for re-imbursement of expenses;

d) The total allowance payable is subject to a limit of £5,000. Claims must be submitted within 2 years of taking up appointment; and

e) Any payment made to the employee's family/partner relating to relocation expenses must be declared on the claim form and a proportion may be deductible from the total claim payable by HHP.

12.2 The categories for allowance payable are shown at Appendix 1.

OTHER PAYMENTS

13.1 Staff who are also tenants may be entitled to other payments relating directly to their tenancies if those payments would be made to any other tenant under a similar tenancy. Such payments should be recorded in the Employee Benefits & Payments register and include, inter alia:

a) Decoration allowance;

b) Disturbance allowance;

c) Compensation payment;

d) Home loss payment; and

e) Refund of rent.

CLAIMING OF EXPENSES & ALLOWANCES

14.1 All expenses and allowances must be claimed at the end of every calendar month using an approved Claim Form.

14.2 The Claim Form must have all appropriate receipts attached, be signed by the claimant and approved by the appropriate Manager or Director.

14.3 Payment will be included in the following monthly salary transfer.

14.4 The period allowances are paid shall be from 1 April to the following 31 March.

DRIVING LICENSE AND INSURANCE CHECKS

15.1 We reserves the right to inspect the driving licence of employees who require to drive Partnership vehicles.

15.2 It is a requirement that any employee using their own vehicle on our business will provide a copy of the following documents which will form part of a register to be held as a register within Corporate Resources:

a) Driving licence;

b) Insurance policy confirming cover for business use; and

c) MOT certificate (where appropriate).

15.3 It is the responsibility of all employees to inform HHP of any changes in relation to the above.

OTHER BENEFITS – AIR MILES, CREDIT CARD/LOYALTY POINTS, ETC.

16.1 Air miles, petrol tokens, credit card/loyalty points etc. acquired by an employee are not taxable if they were acquired in the same way as applies to any other member of the general public, for instance by buying goods or services on which such benefits are given.

16.2 Provided the vouchers, air miles or points belong to the employee rather than the employer, they are not considered as being provided by reason of their employment even if the goods or services giving rise to them happen to be purchased as part of the employee's business travel or using a credit card provided by the employer.

16.3 Compensation being provided by Airlines for delayed travel is payable to the passenger in accordance with European Union Regulation 261/2004.

STANDBY PAYMENTS

17.1 There will be some occasions, i.e. weather events, where in order to ensure a repairs service is provided staff will be required to be on standby.

17.2 The Partnership recognises that standby may disrupt and inconvenience those who carry it out, and this policy provides details of the payments employees will receive and highlights the obligations placed on both management and operational staff in successfully operating such schemes.

17.3 The overriding principle of standby is employee Health & Safety.

17.4 Standby payment arrangements apply to all employees except the Executive Team and covers the times when the office is closed.

17.5 The purpose of the Standby payment is to compensate the employee for the limitations on their activities which are substantial. Alternatively, it may be where the employee cannot use the time effectively for their own purposes.

17.6 A payment of £30.74 a day will be made to employees on standby. It does not apply to the situation where an employee is actually asked to work. Where an employee is asked to work they will be paid for their time as detailed below:

Day	Rate
Normal working day	Time
Christmas Eve	Double time
Christmas Day	Double time
Boxing Day	Double time
Hogmanay	Double time
New Year’s Day	Double time
Day after New Year’s Day	Double time

17.7 An employee will be on “Standby” duty if they have been assigned to be in a state of readiness to perform normal work when called upon.

MONITORING AND REVIEW OF POLICY

Review

18.1 This policy will be reviewed on an annual basis to ensure that the rates are reasonable and consistent with recommended practice.

Breaches

18.2 If a member of staff knowingly breaches the conditions of this policy this may be grounds for disciplinary proceedings.

APPENDIX 1

Conditions to re-settlement allowance

Removal

Employees must obtain at least 3 competitive written tenders. The allowance payable is based on the lowest of such tenders and will include actual expenses incurred inclusive of insurance, vat and storage charges. The employee may, however, select an alternative contractor and pay the difference in cost between this and the lowest tender.

Sale of former residence

Allowances payable will include the actual costs of agency fees, mortgage redemption fees and advertising costs associated with the sale of the former residence.

Breaking of tenancy agreement

Allowances will include the payment of actual costs involved in breaking of a tenancy agreement on former residence as a consequence of the employee taking up hhp's offer of employment.

Purchasing of property

Allowances will include the actual costs of legal fees, mortgage fees, survey fees (both successful and unsuccessful) and stamp duty associated with the purchase of the new residence.

Disturbance and/or settling in allowance

Allowances will include actual costs of incidental expenses connected with moving home (alteration or replacement of curtains, fixtures and fittings; relaying of floor coverings; conversion and installation of electrical appliances, etc). The claim payable will be subject to a limit of £1,000 (20% of total claim).

Lodging allowance

This allowance will be payable as a measure of temporary assistance to an employee who is unable to sell his/her former residence or arrange rental of that property and is therefore forced to maintain two residences.

Upon the employee signing an undertaking that they are not receiving any rental income on their former property and are actively trying to sell that property HHP shall grant the following:

For the first 8 weeks, reimbursement of reasonable rental costs,

Thereafter, for a period not exceeding a further 31 weeks, an allowance of £96.74 per week, with that position to be reviewed at the end of the period by the Director of Finance & Corporate Services.

Completed claim forms should be submitted to the Director of Finance & Corporate Services for approval.

INTERPRETATIONS & ABBREVIATIONS

The following interpretation and abbreviations are used in this policy:

WORD	INTERPRETATION
HHP or Partnership	Hebridean Housing Partnership
Board	Means the Board of the Hebridean Housing Partnership
Board Members	All Members of the Board including co-opted Members
Close relative and/or Member of the family	A person is a close relative or a member of the family if: he or she is the spouse of, or cohabits with, that person (whether the same or different sexes), or he or she is that person's parent, grandparent, child, stepchild, grandchild, brother, sister.
Claim Form	Expenses Claim Form
Executive Team	Chief Executive, Director of Finance & Corporate Services, Director of Operations and Head of Executive Office.
HMRC	His Majesties Revenue and Customs

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.

APPENDIX 2

MEMBERS EXPENSES POLICY

APPROVED BY HHP BOARD:
EFFECTIVE DATE:
March 2024

hebridean housing partnership

TABLE OF CONTENTS

INTRODUCTION

1.1 We will pay the cost and expenses wholly and necessarily incurred on its business by Board Members. This includes extended periods of travel as a result of weather delays.

1.2 It is recognised that Board Members will incur necessary expenses in the pursuit of their duties, and it has been determined that reasonable expenses will be reimbursed, subject to the conditions set out in this Policy.

AIMS

2.1 To enable Board Members to be properly reimbursed on a fair and equitable basis for expenses incurred in connection with the duties of HHP having regard to relevant guidance including:

a) SHR Regulatory Standards of Governance and Financial Management;

b) HHP Entitlements Payments & Benefits Policy;

c) HMRC published guidance on expenses and benefits.

SUBSISTENCE

3.1 For an overnight absence from a Members usual place of residence, we will book accommodation in advance, up to a maximum of the rates below. Under normal circumstances, the Partnership will reimburse expenses and pay subsistence up to the following maximum limits, shown in the tables below, inclusive of VAT where appropriate. Where accommodation and meals cannot be obtained for the standard rates, the actual costs will be reimbursed when the prior approval of a director has been obtained:

Hotel or Bed & Breakfast	£120 per night
Hotel rates - London	£190 per night
Hotel Rates – non UK	£190 per night

Breakfast rate	£15
Lunch Meal	£15
Evening meal	£30
Overnight Incidentals	£5 per night

3.2 To qualify for meal allowances, Board Members must be prevented by their official duties from taking their meal at home (or where they would normally take their meals), and thereby incur additional expenditure. This does not include attendance at Board, sub-committee or any other meetings at our offices where a meal is provided, or other circumstances where a suitable meal is provided or has been reimbursed.

3.3 A meal is defined as a combination of food and drink and would take a normal dictionary meaning. Breakfast rate will only apply if the Employee leaves home, to commence their journey, before 6.00 am and incurs a cost on breakfast taken away from home after the qualifying journey has started. Breakfast rate will not be paid if the cost of an overnight stay includes breakfast.

3.4 Expenditure will require to be accompanied by appropriate receipts.

3.5 Accommodation or meals will not be reimbursed where these items are included in a training or conference fee, or if a meal provided by the Partnership is accepted.

CAR ALLOWANCE

4.1 Board Members using their own vehicles to attend meetings, including Board meetings, will be eligible to claim using the appropriate HMRC approved rates (Current approved HMRC mileage rates as shown):

Miles	Rate
Up to 10,000	45p
Over 10,000	25p

4.2 Where members travel with a fellow member (Or Employee) in a car or van on journeys which are also qualifying work journeys for them, an additional 5p per passenger per business mile for carrying fellow employees can be claimed. To qualify for this allowance the passenger must be a member of staff or board member and claimants must provide the full name of the passenger when making a claim.

4.3 It is the responsibility of the Board Member to ensure that their vehicle insurance policy includes a clause which:

a) permits the vehicle to be used in connection with the official business of the Partnership; and

b) indemnifies the Partnership against all third party claims, including those concerning passengers, arising out of the use of their vehicle on official business for the Partnership.

PUBLIC TRANSPORT

5.1 All Board Members will travel Second Class on Public Transport wherever possible.

5.2 All expenses must be evidenced by appropriate receipts or tickets.

5.3 All parking fees will be re-imbursed in respect of authorised business.

5.4 When travelling on the mainland, taxis should only be used where public transport is not available or where its use would lead to:

a) partnership business or a travel connection being missed; or
b) a wait in excess of 90 minutes for the start of a public transport journey not exceeding 10 miles; or
c) difficulties for disabled travellers.

CHILDMINDER OR CARERS ALLOWANCE

6.1 If in order to attend a Board Meeting or training event, a Board Member is required to use the services of a childminder or a carer for a dependent relative the cost will be reimbursed as follows:

a) Payments will be made for dependent children under 16 years of age and for adult dependants who are in receipt of Attendance Allowance;

b) No payment will be made if the childminder or carer is another member of the household. A maximum of eight hours will be paid except where a Board Member is required to be away from their home overnight.

c) Payment will be at a maximum of the Living Wage per hour per child.

d) Receipts signed by the baby sitter or carer showing the date and the hours of service must accompany the claim for expenses (copy at Appendix 1).

LOSS OF EARNING

7.1 The Partnership may make payment of loss of earnings to a Board Member where:

a) the payment is made in respect of a routine meeting held within the Outer Hebrides; and

b) the loss of earnings are directly attributable to travel time; and

c) attendance by the member claiming loss of earnings was important; and

d) it was not possible to hold meetings at a time when loss of salary/annual leave would not result; and

e) the member certifies their loss by completing the appropriate Form (copy at Appendix 2); and

f) the loss of earnings will be broadly in line with jury level expenses (those currently in force are as detailed at Appendix 3). These rates are determined by HM Courts Service and are updated on a regular basis.

7.2 Loss of Earnings may not be claimed by a Board Member who is self-employed.

CLAIMING EXPENSES

8.1 Expenses shall be claimed at the end of every calendar month using the approved Claim Form as at Appendix 4.

8.2 The Claim Form must have all receipts attached and be signed by the Board Member.

8.3 The Claim Form will be checked and approved for payment by the Governance Officer.

8.4 Payment will be made within 10 working days of submission of an approved Claim Form.

8.5 Where Board Members would find difficulty in paying expenses, they may receive an advance on account from the Partnership, subject to submitting a signed claim form at least 10 days prior to when the monies are required.

8.6 Any potential tax liability arising from the payment of expenses will be the responsibility of the claimant.

APPROVED CONFERENCES

9.1 The following conferences are classed as approved:

a) Chartered Institute of Housing annual housing conference; Scotland;

b) Scottish Federation of Housing Associations annual conference;

c) Tenant Participation Advisory Service annual conference.

d) RIHAF annual conference

e) EVH annual conference

9.2 Attendance at any other conferences will require to be approved by the Board.

APPROVED CONFERENCES

10.1 Air miles, petrol tokens, credit card/loyalty points etc. acquired by a member are not taxable if they were acquired in the same way as applies to any other member of the general public, for instance by buying goods or services on which such benefits are given.

10.2 Provided the vouchers, air miles or points belong to the member rather than us, they are not considered as being provided by reason of employment even if the goods or services giving rise to them happen to be purchased as part of the members business travel.

10.3 Compensation being provided by Airlines for delayed travel is payable to the passenger in accordance with European Union Regulation 261/2004.

MONITORING AND REVIEW OF POLICY

Review

11.1 This policy will be reviewed on an annual basis to ensure that the rates are reasonable and consistent with recommended practice.

11.2 Following the end of each financial year, in a format approved by the Board, a report will be presented to the Board detailing expenses paid to each Member of the Board and Area Committees. That report will be made available to the Board within three months of the financial year-end.

Breaches

18.2 If a Board Member knowingly breaches the conditions of this policy this may be grounds for removal from office in accordance with the Code of Governance for Board Members.

APPENDIX 1

CHILDMINDER AND CARER CLAIM FORM

hebridean housing partnership
Making our house your home

CLAIM FOR CHILDMINDING OR CARER COSTS
BOARD MEMBER

Claimant's Details

Name	
Address	
Position	
Claim for Period Ending	

Childminder/Carer Details

Name	
Address	

Address if the child is minded at a different address	

Is the Childminder/Carer registered with the local Council	Yes		No	

If yes, please give the registration number	
If no, what is the Childminder/Carer's relationship to the Board Member	

Name of childor person being cared for	Date of Birth	Number of hours claiming for	Hourly rate	Total Claim

Certification

To be completed by the Childminder/Carer

I certify that I have claimed the above from the Board Member named above.

Signed		Date	

To be completed by the Board Member

I certify that I will pay the above amount to the Childminder/Carer named above.

Signed		Date	

APPENDIX 2

LOSS OF EARNINGS CLAIM FORM

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Claimant's Details

Name	
Address	
Position	
Claim for Period Ending	

Employer's Details

Name	
Address	

Time Absent from employment to attend Board Business (round up to nearest hour)	

Certification

To be completed by the Board member

I certify that I have not been paid for the hours detailed above.

Signed		Date	

To be completed by the Employer

I certify that the Board Member has not been paid for the hours detailed above.

Signed		Date	

Offical Business Stamp should be placed here or a note on the Business letterhead as evidence

APPENDIX 3

LOSS OF EARNINGS ALLOWANCE

Time	Amount
Up to and including 4 hours	£32.47 per day
More than 4 hours	£64.95 per day

Calculation of Travel Time

Meeting		Time due outward journey		Time due return journey	
Start	**Finish**	**From**	**To**	**From**	**To**
6.30pm	9pm	Time leaving employment to travel to meeting	5pm	9am	Time arriving back at employment
9.30am	12.30pm	Time leaving employment to travel to meeting	5pm	Time leaving meeting	Time arriving back at employment
9.30am	5pm	Time leaving employment to travel to meeting	5pm	9am	Time arriving back at employment
2pm (travelling the same day)	5pm	Time leaving work	5pm	9am	Time arriving back at employment
2pm (leaving the night before) 5pm		Time leaving work	5pm	9am	Time arriving back at employment

BOARD MEMBERS WILL BE EXPECTED TO TAKE THE MOST TIME EFFICIENT MEANS OF TRANSPORT WHEN CLAIMING THIS ALLOWANCE.

APPENDIX 4

CLAIM FORM FOR REFUND OF EXPENSES

hebridean housing partnership

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CLAIM FORM FOR REFUND OF EXPENSES

CLAIMANT'S DETAILS

Name		
Address		
Car Reg No		
CLAIM FOR PERIOD ENDING		

SUMMARY OF EXPENSES

			General		Training	
			£	p	£	p
Miles	Casual	miles @ p per mile				
Public Transport	Mainland					
	Island					
Subsistence	Mainland					
	Island					
Other Expenses	Telephone Rental	(Receipts attached)				
		(Receipts attached)				
TOTAL CLAIM						

DECLARATION

1. I declare that :-

a) the travelling expenses detailed above were actually incurred by me to enable me to perform approved duties of the Partnership;

b) The subsistence allowances detailed above are claimed in consequence of my duties for the Partnership which prevented me from sleeping at home or taking a meal at home or premises where I normally take a meal; and

c) All amounts claimed are in accordance with the rates and allowances determined by the Partnership

2. I declare that I am not in receipt of travelling and subsistence expenses from any other public body for items claimed on this form.

Signature of Claimant: ______________________ Date: ______________

CERTIFICATION

I have checked the above claim and hereby approve it for payment.

Director/Chairman ______________________ Date: ______________

START OF JOURNEY		JOURNEY ENDED		ROUTE AND DUTIES (including Starting point, places visited, point returned, purpose of journey and names of official passengers)	SUBSISTENCE DETAILS (including name and address of Hotel, Guest House)			MILEAGE DETAILS		PUBLIC TRANSPORT			OTHER EXPENSES		DETAILS OF OTHER EXPENSES
Date	Time	Date	Time			£	p	Basic	Passenger	Method	£	p	£	p	
					TOTALS										

INTERPRETATIONS & ABBREVIATIONS

The following interpretation and abbreviations are used in this policy:

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Board	Means the Board of the Hebridean Housing Partnership
Board Members	All Members of the Board including co-opted Members
Close relative and/or Member of the family	A person is a close relative or a member of the family if: he or she is the spouse of, or cohabits with, that person (whether the same or different sexes), or he or she is that person's parent, grandparent, child, stepchild, grandchild, brother, sister.
Claim Form	Expenses Claim Form
HMRC	His Majesties Revenue and Customs

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.

hebridean housing partnership

Making our house your home

EQUALITY & DIVERSITY POLICY

Board 26 March 2024

Report by Chief Executive

Purpose of Report

1.1 To seek approval to consult with Unison and staff on the revised and updated Equality & Diversity Policy at Appendix 1 and present an update on our Equalities & Diversity Action Plan.

Summary

2.1 The Policy has been rewritten to broaden its scope to include all aspects of our services.

2.3 Equalities & Diversity Training has been arranged for all staff and Board Members.

2.4 An updated Equalities and Diversity Action Plan is at Appendix 2.

2.5 Both the Policy and Action Plan are underpinned by the commitment to "Promote a culture that respects and values difference across our customer and employee bases"- it is very much about valuing and treating with respect and dignity everyone we encounter as we deliver our services throughout the islands and beyond.

Competence

3.1 The legal, financial and other considerations to the recommendations are contained in the Competence section at the end of this report.

Recommendations

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

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

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

APPENDIX 1:	Equality & Diversity Policy	
APPENDIX 2:	Equalities Action Plan	
Background Papers:	None	
Writer of Report:	Iona France	Tel: 0300 123 0773

Report Details

Equalities Action Plan Update

5.1 We are exploring the use of technology, such as MS Co-Pilot, to further improve communications.

5.2 In 2024, we will be working with Equal Adventure, an organisation who provide activities that support disabled people, their communities and families, which will benefit our tenants with disabilities.

5.3 Every complainant receives an Equality and Diversity questionnaire with their response however, the returns are minimal with only 3 responses since inception in May 2022.

Compliance Checklist

Financial	There are no financial implications arising directly from the consideration of this report
Legal	Employers are liable under the Equality Act 2010 for any act of discrimination carried out by any of their employees in the course of their employment. Employers can only defend themselves against claims of discrimination if they can show that they took all reasonable steps to prevent their staff from behaving in a discriminatory way.
Regulatory	This report provides ongoing assurance of evidence point AN3 and EH1 in relation to our Annual Assurance Statement.
Risk	The implementation and operation of the Equality and Diversity Policy should mitigate the risk of employees breaching the requirements of the equalities legislation. Legislative and Regulatory changes are highlighted on our Risk Register with a residual rating of 10 which is considered a medium risk.
ESG	There is no ESG impact arising from the consideration of this report
Equalities	We are committed to promoting equality, diversity and inclusion. Having robust equality and diversity policies, procedures and practice will help mitigate bias and prevent discrimination
Communication	Following approval of this report, consultation will be carried out with staff and stakeholders.

APPENDIX 1

EQUALITY & DIVERSITY POLICY

APPROVED BY HHP BOARD:

EFFECTIVE DATE:

hhp | hebridean housing partnership

TABLE OF CONTENTS

INTRODUCTION

1.1 HHP are committed to promoting equal opportunities both in the provision services and in our employment practices. We value diversity, and recognise the benefits of employing a diverse workforce in relation to our customer service and growth as an organisation

1.2 As providers of affordable housing and as an employer, we aim to promote fair treatment for all community members regardless of various factors like race, gender, disability, religion, marital status, sexuality, age, etc.

1.3 We understand some groups or people experience prejudice and discrimination and to make opportunities available, we have to make an extra effort. We will endeavour to ensure that no-one receives less favourable treatment or is disadvantaged by any conditions, requirements, provisions criteria, procedures or practices that cannot be justified, or victimised for taking action against discrimination or harassment.

1.4 We will ensure that our policies and practices are in keeping with the Equality Act 2010.

HOUSING NEEDS

2.1 We will regularly review how we can contribute to meeting the needs of local communities, especially groups that may face discrimination by using our existing stock or developing new housing.

2.2 We will consider working in partnership with specialist agencies where we feel they are better equipped than ourselves to meet the needs.

2.3 In developing new homes, we will ensure that the design of homes meets the cultural and other needs of the households (where these are known) we are going to be rehousing.

2.4 In developing new homes, we will ensure that we follow guidance for people with disabilities e.g. that all ground floor accommodation is accessible to people in wheelchairs, and is developed to Housing with Varying Needs Standards.

ACCESS TO HOUSING

3.1 We have a firm commitment to equal opportunities in the allocation of housing. We will take no account of race, ethnic origin, religion, disability, gender, sexual orientation, marital status or age, providing that the eligibility for certain property types is satisfied.

HOUSING SERVICES

4.1 We will ensure that we consult all tenants effectively (especially those facing discrimination). This will be carried out by through surveys and through mechanisms such as tenant groups to ensure that the housing service meets their needs,

4.2 We will ensure that tenant involvement and participation activities promote the full and active involvement of all groups of tenants and participatory forums.

4.3 We will ensure that our complaints procedure is accessible to all, and feedback about the service given proper consideration.

4.4 We will not tolerate harassment of tenants and will take the strongest possible action against perpetrators. We will be proactive in co-operating with other agencies in dealing with all forms of harassment.

4.5 We will provide appropriate means of communication such as the provision of an interpreting service.

4.6 We will try to ensure we respond sensitively to the needs of vulnerable tenants.

4.7 We will maintain up to date information on the translation or other communication needs of all residents.

EMPLOYMENT & TRAINING

5.1 We are committed to actively promoting equality of opportunity and fair treatment for all current and potential employees.

5.2 We will conduct and monitor our recruitment in an open and accountable way and according to equal opportunities practices, and will regularly review the results of the monitoring to ensure fairness is evident at all stages.

5.3 We will conduct and oversee our recruitment process and career development opportunities transparently and accountable ensuring they are fair and equitable and based solely on merit.

5.4 We will make reasonable adjustments to enable employees with disabilities to perform their jobs in a way that minimises the impact of their disability.

5.5 We will ensure fair and equitable pay by implementing our job evaluation, pay structure and Corpoarate Payroll Policy.

5.6 Training in the importance and use of this Policy will be part of an individual's induction to the organisation and regular refreshers will be available to all staff.

BOARD MEMBERS

6.1 We will try to ensure that our Board is fully representative of the local community by having an open and accountable recruitment process.

6.2. Board members will be regularly briefed on equalities issues and will receive regular monitoring reports on key areas of activity, both on service delivery and employment.

CONTRACTORS

7.1 All our tendered procurement processes will incorporate and implement the Fair Work First (FWF) principles.

7.2 The FWF principles requires businessess to commit to adopting and implementing certain standards, including providing fair pay for workers, taking action to tackle the gender pay gap and offering flexible and family friendly working practices.

COMPLAINTS OF DISCRIMINATION

8.1 All complaints of discrimination, including harrassment and victimisation will be taken seriously, whether from, employees, Board Members, tenants and other stakeholders. As well as being potentially unlawful, such discrimination can greatly affect the moral and performance of staff. Any complaints of this nature will be carried out quickly and in accordance with our policies and procedures.

RELATED POLICIES & PROCEDURES

9.1 The following policies and procedures are related to this Policy:

- Allocations Policy
- Recruitment Policy
- Greivance Procedure
- Particular Housing Needs Policy
- Communications Policy
- Corporate Payroll Policy
- Training Policy

MONITORING AND REVIEW OF POLICY

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

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

INTERPRETATIONS & ABBREVIATIONS

The following interpretation and abbreviations are used in this policy:

WORD	INTERPRETATION
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APPENDIX 2

EQUALITIES ACTION PLAN 2024/25

	**Communication** Ensure all new communications are accessible and easy to understand for our customers Make use of technology e.g. Flesch Kincaid grading, MS Co-pilot to assess and improve readability of documents **Inclusion** When reviewing policies include Human Rights considerations to our Equality & Diversity Impact Assessments
 Cheque presentation to Autism Eilean Siar following their talk at our AGM	**Informing & engaging** Invite a key disability speaker to at least one event per year Review the location of where public events are held and ensure that they are fully accessible to disabled people. Participate in the Equal Adventure scheme

Data

Improve the data collection on equalities on our customer base

Ensure that customer satisfaction surveys are carried out that allow for a review of findings by disabilities

Identify gaps in data available and put measures in place to gather data for the future

Promote a culture that respects and promotes equality, diversity and inclusion within the workplace

hebridean housing partnership

ITEM NO 7.3

REPAIR AND MAINTENANCE POLICY

Board 26 March 2024

Report by Director of Operations

Purpose of Report

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

Summary

4.1 The policy is due for review in 2024 and has been reviewed by the Operations Working Group where no significant changes have been proposed. Repair categories and priorities have been reviewed but the scope to amend these is limited due to statutory and regulatory requirements.

4.2 Minor amendments have been made to clarify some points. In addition, the Policy now incorporates a reference to the Damp, Mould and Condensation Policy as a related policy.

Competence

3.1 The legal, financial and other considerations to the recommendations are contained in the Competence section at the end of this report.

Recommendations

4.1 **It is recommended that the Board approve the Repairs & Maintenance Policy at Appendix 1.**

APPENDIX 1:	Repairs & Maintenance Policy	
Background Papers:	None	
Writer of Report:	Angus E MacNeil	Tel: 0300 123 0773

Compliance Checklist

Financial	The policy must be delivered within the boundaries of the Repairs and Maintenance budget approved each year. ‡
Legal	We will meet our legal obligations through the Scottish Secure Tenancy Agreement, include the following: • Keep houses in a condition which is habitable, wind and watertight and, in all respects, reasonably fit for human habitation. Ensure all repairs are carried out within a reasonable period. • Keep in repair the structure and exterior of all dwellings and common areas; • Keep in repair and proper working order installations for the supply of water, gas, electricity, sanitation, space and water heating; etc. • Undertake tenant consultation; • Permit reasonable tenants' alterations and improvements; and • Offer compensation for improvements at termination of tenancy.
Regulatory	The Regulatory Standards Checklist has been completed and there is nothing in this report which would breach these standards. This report provides ongoing assurance of evidence point AN3 (H&S), AN4 (H&S) and CH4 in relation to our Annual Assurance Statement.
Risk	There are a number of risks highlighted in the Risk Register concerning the health of the local economy and the capacity of contractors to deliver programmes. Capacity currently is limited both for contractors and elements of the supply chain. However, our 5-year term contract with FES provides resilience. Supply Chain challenges is highlighted on our Risk Register with a residual risk of 6 which is considered low. Global events are also impacting costs and availability of materials and is highlighted on our Risk Register with a residual risk of 12 which is considered medium.

ESG	There is an ESG impact arising from the consideration of this report.
	• Social
	  o Building Safety and Quality - maintaining Scottish Housing Quality Standard
	  o Resident Voice - evaluate satisfaction.
	  o Placemaking – sustainability embedded into contract.
	• Environmental
	  o Climate Change - reducing waste, sustainability, recycling, local materials.
	  o Resource Management - regularly review standard specifications having regard to the environmental impact of individual products and materials.
	• Governance
	
	Supply Chain Management – maximise sourcing of local materials, minimize travel, Living wage through supply chain

Equalities	We are committed to promoting equality, diversity and inclusion. The are no equalities implications arising from the approval of this report.
Communication	As there are no significant changes, consultation with tenants is not required but tenant satisfaction with the repairs service will be included in the Tenant Satisfaction Survey.

APPENDIX 1

REPAIRS AND MAINTENANCE POLICY

APPROVED BY HHP BOARD:
EFFECTIVE DATE:
March 2024

hebridean housing partnership

TABLE OF CONTENTS

INTRODUCTION

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

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

AIMS

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

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

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

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

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

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

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

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

LEGAL OBLIGATIONS

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

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

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

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

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

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

RECORD KEEPING

4.1 We will maintain the following records:

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

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

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

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

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

INFORMATION TO TENANTS

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

(i) Our Policy on Repairs and Maintenance.
(ii) The Scottish Secure Tenancy Agreement.
(iii) Guidance leaflets including information on repairs procedures, right to repair, right to compensation for improvements, etc.
(iv) Information on performance against repairs and maintenance targets annually.
(v) We will make information available in other languages and formats where possible and on request.

Reporting Repairs

5.2 We will provide an emergency service for reporting repairs. During working hours, general and emergency repair requests can be reported to either of our offices. All tenants requesting a repair will be given a repair request number that the caller can use to follow through a repair.

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

RECHARGEABLE REPAIRS

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

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

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

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

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

6.6 The Operations Working Group will scrutinise the procedures and processes governing rechargeable repairs to ensure these are effective and efficient.

TENANT'S RIGHTS TO CARRY OUT ALTERATIONS AND IMPROVEMENTS

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

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

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

Permission will normally be granted subject to the following conditions:

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

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

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

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

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

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

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

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

7.7 We will review permitted improvements and requirements to remove these as we develop our ESG Strategy

RIGHT TO COMPENSATION FOR IMPROVEMENTS

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

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

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

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

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

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

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

REPAIRS AND MAINTENANCE TARGETS

9.1

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

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

Emergency Repairs - 4 hours

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

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

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

Urgent Repairs

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

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

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

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

3 Days or 7 Days

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

Routine Repairs – 20 Days

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

Performance Management

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

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

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

Planned Maintenance

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

Annual Services
Gas Servicing
Air Source Heating
Fire Doors
Communal lighting, stair lifts/hoists, door entry systems, communal TV/satellite systems (or more frequent if required)
Routine Day to Day Repairs
Thermostatic mixing valves
Flue Cleaning for solid fuel heating systems
Communal Areas Inspections
Playpark Inspections
Twice Annually
Fire detection systems and emergency lighting
Every 2-3 years
Cleaning of gutters and downpipes
Every 5 Years
Electrical Condition Reports
At Voids and Where Risk Flagged
Legionella measures

Investment

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

a) Replacement of kitchen units

b) Replacement of bathroom fittings

c) Replacement of heating systems

d) Replacement of windows/ doors/ roof windows

e) Re-roofing

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

STOCK CONDITION SURVEY

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

CHANGE OF TENANCY

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

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

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

RIGHT TO REPAIR

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

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

1. Instruct another approved contractor to do the work;
2. Receive compensation. The amount tenants may be eligible for is calculated at £15 and then £3.00 for every working day in the period, commencing on the day after the last day of what would have been the maximum and ending with the day on which the qualifying repair is completed, subject to a maximum amount of £100

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

Exceptions

12.4 These rights do not apply if:

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

TENANT CONSULTATION

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

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

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

13.4 The installation of new gas supplies will not be supported and air source heating is the preferred heating solution. Where gas heating is currently in place then these will be maintained. This position will be reviewed as Government guidance develops. .

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

INSURANCE

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

HANDYMAN SERVICE

15.1 We have an in-house handyperson service to address minor repairs and to provide an enhanced service to the elderly and disabled.

PROCEDURES FOR REPAIRS AND MAINTENANCE

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

AIDS AND ADAPTATIONS

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

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

BUDGETING

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

MONITORING AND REVIEW OF POLICY

20.1 The Repairs and Maintenance Policy to be reviewed every 3 years.

20.2 The Board shall receive the following reports:

(i) Performance Management Report (Monthly)

(ii) Investment Programme Plan ~~Strategy~~ (Annual)

(ii) Performance against Investment Strategy (Annual)

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

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

(iv) Included within monthly management reports

a. Budget v Actual

b. Material variances from Investment Strategy

Related Policies

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

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

INTERPRETATIONS & ABBREVIATIONS

The following interpretation and abbreviations are used in this policy:

WORD	INTERPRETATION
HHP or Partnership	Hebridean Housing Partnership
Board	Means the Board of the Hebridean Housing Partnership
Board Members	All Members of the Board including co-opted Members
RSL	Registered Social Landlord

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

hebridean housing partnership

Making our house your home

ITEM NO 7.4

PROCUREMENT STRATEGY ANNUAL UPDATE

Board 26 March 2024

Report by Director of Finance & Corporate Services

Purpose of Report

1.1 To advise the Board of the outcome of the annual review of the Procurement Strategy and to provide details on procurement activity during the year.

Summary

2.1 The Procurement Strategy has been reviewed with no changes required.

2.2 The Procurement Plan for 2024/25 is included at Appendix 1.

2.3 Procurement Performance for 2023, is shown at Appendix 2, together with comparative data for 2018 – 22.

2.4 Our current contracts and community benefits registers are at Appendices 3 & 4 respectively, for noting.

2.5 Appendices 1-4 will be published on our website in accordance with our Policy.

Competence

3.1 The legal, financial and other considerations to the recommendations are contained in the Competence section at the end of this report.

Recommendations

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

a) there are no changes to the Procurement Strategy and the current Strategy will remain valid for a further 12 months.

b) the Procurement Plan for 2024/25 at Appendix 1;

c) the procurement performance for 2023 set out in Appendix 2; and

d) the Contracts & Community Benefit Registers at Appendices 3 & 4.

APPENDIX 1:	Procurement Plan for 2024/25	
APPENDIX 2:	HHP Procurement Performance Report 2023	
APPENDIX 3:	Contracts Register 2024	
APPENDIX 4:	Community Benefits Register 2024	
Background Papers:	None	
Writer of Report:	Angus Smith	Tel: 0300 123 0773

Shona Matheson 27-Feb-24

Report Details

Delivering Strong Suppliers Relationships

4.1 We will be completing the 'Continuous Improvement Program for Procurement' program as delivered by Scotland Excel by December 2024 with any recommendations being incorporated accordingly.

4.2 We use the online services of the Public Contract Scotland (PCS) website to undertake and administer the majority of our contract opportunities and awards. PCS are developing tools to develop and improve the procurement process for buyers and suppliers. This involves simplifying and streamlining wherever possible. These developments are beneficial, and assist us in our drive to encourage more suppliers to engage with us electronically.

4.3 One example of this is the development of an online Single Procurement Document (SPD). Rather than a supplier having to complete an SPD for every individual tender the new process will attempt to deliver a one-time general information repository. This means that answers to standard questions such as name, address, insurances etc can be completed once and applied to multiple tenders. Thereby saving the supplier time when considering whether to participate in a tender exercise.

4.4 Training on the SPD creation has been arranged for HHP staff.

Competence Checklist

Financial	There are no financial costs arising directly from consideration of this report however, failure to follow policy and procurement legislation could leave us open to reputational, legal and financial penalties.
Legal	The Procurement Reform (Scotland) Act 2014 made it a requirement for an organisation with a regulated procurement spend of greater than £5M to prepare a procurement strategy. The Strategy must include details on a number of mandatory topics; these include how procurement will contribute to achieving the organisation's purposes; how we will treat economic operators equally and without discrimination; how we will act in a transparent and proportionate manner in relation to procurement; and how this procurement will be undertaken sustainably. This sustainability statement must show how we will use procurement to contribute to our global climate emergency response. It also requires statements on the use of community benefit, consultation, the Fair Work First directive, compliance with health and safety, and prompt payment provisions.
Regulatory	The Regulatory Standards checklist has been completed and there is nothing in the report which would result in a breach of the standards. This report provides ongoing assurance of evidence RS2.2, RS4.6 and RS5 in relation to our Annual Assurance Statement.
Risk	There are no risks arising directly from the consideration of this report. However, it should be noted that the act of procurement itself exposes us to several potential risks. These risks are highlighted in our Risk Register. We are still operating with, and are affected by, aspects of the COVID-19 pandemic, and the rollout and implementation of the trade deal agreed between the UK and the EU continues. Supply chain challenges is identified on our Risk Register with a residual risk rating of 6 (low). We therefore face uncertainty and possible cost increases in relation to the procurement of materials and equipment sourced from the EU and beyond. Energy costs and other supply chain issues are also impacting on our ability to procure effectively.

	The Procurement Strategy aims to reduce the risks highlighted in our Risk Register. Through better contract management and evaluation of suppliers and customer satisfaction, we will look to minimise the impact of the failure of a major contractor or supplier.
ESG	This sustainability statement must show how we will use procurement to contribute to our global climate emergency response. It also requires statements on the use of community benefit, consultation, the Fair Work First directive, compliance with health and safety, and prompt payment provisions.
Equalities	We are committed to promoting equality, diversity and inclusion. The are no equalities implications arising from the approval of this report.
Communication	Following approval of this report, the appendices will be published on our website.

APPENDIX 1

hebridean housing partnership

HHP PROCUREMENT PLAN 2024/25

Contract	Quantities/Length of Contract	Procurement Method	Planned Procurement Date	Planned Contract Start Date
Barra Phase 2 Development – 6 units	TBD	PCS	April 2024	August 2024
Grimsay, North Uist Development – 8 units	TBD	PCS	November 2024	February 2025
Scott Road, Harris Development – 24 units	TBD	PCS	November 2024	February 2025
External Audit	4 Year External Audit Engagement	PCS	May 2024	Year Ended 31 March 2025
Insurances (Non-Housing)	TBD		June 2024	October 2024
Feasibility Services		PCS	October 2024	December 2024
Legal Services	TBD	PCS	November 2024	April 2025

Notes:

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

As at 1 March 2024

APPENDIX 2

HHP Procurement Performance Report 2023

1.1 Performance data for the procurement function have now been collected for the 5 calendar years up until December 2023.

No		2019	2020	2021	2022	2023	Target
		Developing the Procurement Function & Team within HHP					
1	Compliance with Procurement Legislation (tenders)	100% (20)	100% (23)	100% (21)	100% (29)	100% (32)	100%
2	% of Suppliers paid within terms (previously 30 days) (invoices)	95% (2019)	93% (1764)	94% (1872)	95% (1871)	98% (2074)	100%
3	Number of renewal contracts with savings etc.	66% (2 of 3)	No renewal contracts	100% (1 of 1)	50% (1 of 2)	40% (2 of 5)	50%
4	Tenders notified within the target timescales	100%	100%	100%	100%	100%	100%
		Developing a Strong Supplier Base (with local Suppliers)					
5	% of HHP spend being tendered*	93%	96%	96 %	98%	92%	90%
6	% of Tenders with local supplier involvement (tenders)*	95% (19)	96% (22)	91% (21)	93% (27)	88% (28)	95%
7	% of spend with local suppliers*	74% (1550)	76% (1042)	96% (1074)	94% (1068)	89% (1097)	90%
8	% of invoices received electronically (invoices)	65% (787)	93% (1474)	98% (1074)	94% (1063)	96% (1052)	95%
		Developing Strong Supplier Relationships					
9	Customer Satisfaction with Contractor Performance (Repairs Surveys)	100% (107)	99% (156)	97% (126)	98% (205)	94% (90)	90%
10	% of invoices received electronically (invoices)	86% (1742)	93% (1764)	94% (1650)	89% (1812)	92% (1929)	95%
11	Contract Compliance	100%	100%	100%	100%	100%	100%

Notes

2.1 No. 3: Savings were delivered as a result of tendering for Funders Valuation & Garden Assistance Scheme.

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

2.3 No. 5: Not all of HHP's spending requires to go through a regulated tender process.

2.4 No 6 & 7: Not all of HHP's procurement requirements can be delivered through local providers where specialist skills may be unavailable locally. One tender process this year had no tenderers. The decrease in percentage of spend with local suppliers is mainly due to External Wall Insulation works (Procured through Scotland Excel) which were awarded to a mainland contractor.

2.5 No 9: Satisfaction with overall service is rated highly albeit on a limited sample. Sample size will increase as resources permit.

2.6 There were no regulated procurements that required to be considered in relation to FWF.

APPENDIX 3

HHP's Contract Register							
Date of Award	Description of Works/Services Supplied under Contract (Total Contract Works Exceeding £50k)	Contractor	Estimated Value (£k)	Start Date	End date	Current Extended End Date	Extension Available (Months)
02.12.2009	Legal Services	Harper Macleod	£73k	01.01.2010			
01.09.2018	ICT 2018 - 2022 Hosting & Support	Kick ICT	£106k	01.10.2018	31.09.2022	31.09.2024	48
11.12.2018	Investment Framework 2023-2029	Alex Murray Construction	£16,000k	01.04.2023	31.03.2029		
		A Campbell Electrical Services					
		FES FM					
		Neil Mackay & Co					
		O'Mac Construction					
10.09.2018	Goathill HWEC - CNES (50 houses)	McLaughin + Harvey	£11,300k	CNES are contracting body			
04.12.2019	Planned, Cyclical & Responsive Maintenance Services & Void Works	FES FM	£14,000k	01.04.2020	31.03.2025		48
7.6.2021	Housing Management System	Civica UK Ltd	£450k	01.05.2021	01.08.2026		
31.08.2022	Social Housing Insurance	NIG	£251k	01.10.2023	30.09.2024		
10.02.2022	Feasibility Services	TIG	£5k per annum	01.12.2021	01.12.2024		12
17.11.2021	Barra Development, Isle of Barra	Calmax Construction	£1,305k	14.02.2022	31.10.2022	20.06.2023	
31.03.2022	Blackwater Development, Isle of Lewis	Calmax Construction	£13,329k	14.07.2022	31.03.2025		
31.03.2022	Crowlista, Isle of Lewis	Calmax Construction	£879k	31.03.2022	24.11.2022	16.04.2023	
02.03.2022	Lochmaddy, Isle of North Uist	Macinnes Bros	£1,700k	02.03.2023	15.04.2024		
20.02.2024	Electricity Contract for Landlord Supply at Bremner Court, Stornoway	EDF	£90k	01.04.2024	31.03.2026		

HHP COMMUNITY BENEFIT REGISTER			APPENDIX 4
Project	**Start Date**	**End Date**	**Community Benefit**
Planned, Cyclical & Responsive Maintenance Services & Void Works	01.04.2020	31.03.2025	**FES Apprenticeship Scheme** New apprenticeship positions **Work Placement** Provide a structured period of work experience for a Nicolson Institute pupil **SME Engagement** Work with Scottish Enterprise and other stakeholders such as the local Chamber of Commerce on opportunities for economic development, training and other funded assistance to help support the and maximise the potential positive influences on the local communities, economies and supply chain. **Social Enterprises: Our Endeavours** Continually striving to work with Social Enterprises on our projects and believe strongly in the social, economic and environmental contributions which can be made to the local and wider community by doing so. **Community Enhancement** Deliver community projects in association with HHP Contribute to local charities and organisations
Crowlista, Uig	31.03.2022	24.11.2022	CalMax Construction Ltd were approached by Kneep Grazings who operate the Kneep caravan site and asked if they could undertake coastal protection works due to coastal erosion issues which were being encountered at Reef Beach in Uig. As part of the works Calmax has carried out a large proportion of this work totalling £1500.00. Works included re-diverting river, transport the demolition materials from old Valtos Outdoor Centre, Transport stones from leana Ruadh to Reef beach, import quarry rubble to provide potection from erosion and tidy the site.
Blackwater Development, Isle of Lewis	14.07.2022	31.03.2025	•River flood defences / river bank reinforcement in two separate areas (west section at 25m length and east section at 40m length) of the Newmarket playpark. Import rock armour aggregate. and lay these stones individually at the toe of the river bank, in accordance with the SEPA green bank guidelines. Infill ground level above rock armour with clay to marry in with surrounding ground levels, capped with soil and grass seeded. Estimate costs for labour, plant and materials £35,000.00 •Gate replacement at playpark Flying Fox - £1,500 contribution towards installation costs. •Footpath repair following flooding damage sustained on the pathway to "Mexico City" - £500 costs contributed for the labour, plant and material to carry out repairs to the footpath. •The provision of a level footpath for Gleann Dubh residents to easily access bus stop in front of Newmarket playpark. Calmax contributing an estimated amount of £8K towards the total cost of the work and carrying out the work.
Barra Development, Isle of Barra	14.02.2022	31.10.2022	Calmax have provided a barrier out of galvanised metal tubing as edge protection to an existing culvert head wall at the Corran Cismaol Housing Development
Lochmaddy, Isle of North Uist	02.03.2023	15.04.2024	MIB provided a donation of £2,000 to the NUAAC u-12 girl's team to participate in the National Finals in Glasgow in June 2023.

PLANNED MAINTENANCE 2024/25

Board 26 March 2024

Report by Director of Operations

Purpose of Report

1.1 To advise on our approach to the Planned and Cyclical Maintenance Programmes in 2024/25.

Summary

2.1 The Planned Maintenance Programme has two strands – Planned Preventative Maintenance and Cyclical Maintenance.

2.2 Planned Preventative Maintenance will prioritise works to ensure properties remain wind and watertight and will address potential Health & Safety issues. Work to maintain the environment and common areas will be carried out as budgets permit.

2.3 The Cyclical Maintenance programme includes annual servicing on gas and ASHP systems, chimney cleaning, fire detection systems checks and fire door inspections. It also includes electrical installation testing which operates on a 5 year cycle.

2.4 The programme will be delivered through the Planned, Cyclical and Responsive Maintenance Contract. The report provides information on the approach being taken to prioritise works.

2.5 Achieving agreement from owners where there is a shared responsibility for works is a continual challenge and many owners are unable or unwilling to participate in maintenance works.

Competence

3.1 The financial, legal or other constraints to the recommendation in this report are contained in the competence section at the end of this report.

Recommendations

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

Background Papers: Repairs and Maintenance Policy

Writer of Report: Angus MacNeil Tel: 0300 123 0773

Report Details

Aims

5.1 The aims of the planned and cyclic maintenance programmes are as follows:

- ensure compliance with statutory health and safety requirements;
- minimize the amount of ad hoc repairs and reactive maintenance;
- ensure that work is carried out effectively and efficiently and complies with recognised best practice; and
- carry out as much work as possible on a planned and programmed basis rather than a reactive basis.

Planned Maintenance Inspection/ Survey

6.1 Clerk of Works are currently carrying out an inspection of all properties in the 2024/25 cycle. Once completed, the information received from the surveys will be costed and will then be used to prioritise works and to determine the shape and make-up of the programme for the year.

6.2 The surveys identify all external repairs required or which may be needed in the immediate future. This includes more aesthetic works such as fabric painting.

6.3 The value of the works identified is likely to be significantly greater than the available budget. Works will therefore need to be prioritised.

Planned Maintenance Inspection/ Survey

7.1 Works will be prioritised on the following basis:

	Priority	**Works**
1.	Statutory and Regulatory Requirements	• Heating Servicing • Fire Safety Inspections • Fire Door Inspections • Asbestos checks • Electrical Inspections • Water Safety (Legionella) • EPC renewals
2.	Health and Safety Issues	• Communal Lighting • Addressing path and step trip hazards • Door and window repairs • Flue cleaning • Play Park inspections. • Stair lifts and hoists
3.	Building fabric repairs	• Roof and roughcast repairs • Chimney repairs • Slate repairs • Guttering and downpipes repairs • Fascia and soffit repairs
4.	Environmental Works and External Fabric Painting	• Fencing repairs • Improvement to communal paths • Render painting of houses and fencing

7.2 It is important that we do not lose sight of the importance of maintaining the appearance of schemes and the impact of this on people's perception of an area. However, the priority of any maintenance regime both from a tenant and business perspective must be to maintain the actual houses in the best possible condition. The approach to planned maintenance must recognize that investment in the environment is necessary and that works to maintain the environment cannot be postponed indefinitely.

Mixed Tenure

8.1 Mixed tenure remains problematic as the majority of private owners refuse to consent to the shared cost of works. This will mean the condition continuing to deteriorate unless addressed and will have an impact on the aesthetic appearance of the estate and demand of those estates. Works can be enforced in emergency situations, but these are limited and do not assist with the majority of planned works.

Compliance Checklist

Financial	The 2024/24 budget for Planned and Cyclical Maintenance is £1.43M (subject to Board Approval. We will seek to take advantage of any funding opportunities that arise which support our programmed works or assist in reducing our carbon footprint. Costings are awaited from FES on the works identified. However, it is expected that these will be significantly in excess of budget. Works will therefore need to be prioritised as follows: 1. Statutory and Regulatory requirements; 2. Health & Safety issues; 3. Building fabric repairs; 4. Environmental works; and 5. External fabric painting.
Legal	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. There are legislative requirements controlling the frequency of Cyclical Maintenance. Ensuring the Health & Safety of tenants is a key priority for the Scottish Housing Regulator. The increasing statutory requirements mean that the balance of works is changing from the 5-year planned and preventative maintenance, towards measures required by statute and regulation and is likely to continue to do so.
Regulatory	The Regulatory Standards Checklist has been completed and there is nothing in this report which would breach these standards. This report provides ongoing assurance of evidence point AN3 (H&S) and AN4 (H&S) in relation to our Annual Assurance Statement.
Risk	There are a number of risks highlighted in the Risk Register concerning the health of the local economy and the capacity of contractors to deliver programmes. Capacity currently is limited both for contractors and elements of the supply chain. However, our 5-year term contract with FES provides some resilience in service delivery and enables resources to be aligned with maintenance requirements based on historic knowledge. Supply Chain challenges is highlighted on our Risk Register with a residual risk of 6 which is considered low.

ESG	There is an ESG impact arising from the consideration of this report.
	• Social
	  o Building Safety and Quality - maintaining Scottish Housing Quality Standard
	  o Resident Voice - evaluate satisfaction.
	  o Placemaking – sustainability embedded into contract.
	• Environmental
	  o Climate Change - reducing waste, sustainability, recycling, local materials.
	  o Resource Management - regularly review standard specifications having regard to the environmental impact of individual products and materials.
	• Governance
	  o Supply Chain Management – maximise sourcing of local materials, minimize travel, Living wage through supply chain

Equalities	We are committed to promoting equality, diversity and inclusion. The are no equalities implications arising from the approval of this report.
Communication	Letters are sent to tenants and, where appropriate, owner occupiers informing them that their properties will be included in the forthcoming survey and when the actual survey will commence. Prior to work commencing, letters are issued to tenants and owners where affected, informing them when work is due to start. Owners will be provided with information on the cost of work for which they are partly responsible, and this will be discussed with them in advance of proceeding with planned work. Satisfaction surveys will be carried out with tenants on completion.