hebridean housing partnership
Making our house your home

BOARD AGENDA – 25 JUNE 2024

ITEM	AGENDA ITEM	ACTION	PRESENTED BY	PAGE NO
1	**Attendance & Apologies**	Noting	Chair	3
2	**Declaration of Interest**	Noting	Chair	
3	**Minutes**			
3.1	Minute of Meeting	Approval	Chair	5
3.2	Action Sheet	Noting	Company Secretary	8
4	**Date of Next Meeting** 27 August 2024	Approval	Chair	-
5	**Health & Safety**	Noting	Director of Operations	-

ITEM	AGENDA ITEM	ACTION	PRESENTED BY	PAGE NO
6	**Items For Decision**			
6.1	Annual Report and Financial Statements to 31 March 2024	Approval	Director of F&CS	9
6.2	Budgetary Performance for the Year Ended 31 March 2024	Approval	Director of F&CS	87
6.3	SHR Financial Return	Approval	Director of F&CS	98
6.4	Operations Report to 31 March 2024	Approval	Director of Operations	118
6.5	Annual Review of Standing Orders	Approval	Chief Executive	168
6.6	Annual Review of Financial Regulations	Approval	Director of F&CS	237
6.7	Disposal of Assets	Approval	Director of Operations	274
6.8	Data Hosting Extensions	Approval	Corporate Resources Manager	279

ITEM	AGENDA ITEM	ACTION	PRESENTED BY	PAGE NO
7	**Policies & Strategies**			
7.1	Corporate Pay Policy	Approval	Chief Executive	284
7.2	Risk Management Strategy Annual Review	Approval	Chief Executive	298
7.3	ESG Strategy Annual Review	Approval	Chief Executive	301
7.4	Asset Management Strategy Annual Review	Approval	Assets & Contracts Manager	338
7.5	Value for Money Performance Report to 31 March 2024	Noting	Finance Manager	378

ITEM	AGENDA ITEM	ACTION	PRESENTED BY	PAGE NO
8	**Noting Reports**			
8.1	Quarterly Treasury Report	Noting	Director of F&CS	389
8.2	Management Report to 31 May 2024	Noting	Finance Manager	398
8.3	Investment Report	Noting	Assets & Contracts Manager	411
8.4	Development Report	Noting	Development Manager	416
8.5	Business Plan Monitoring Report	Noting	Chief Executive	426

MEETING GOES INTO PRIVATE SESSION

Board Meetings 2023/24

Board Members	Notes	24-Aug-23	28-Nov-23	13-Feb-24	26-Mar-24	21-May-24			
Gordon Macleod									
Calum Mackay	5			Leave	Leave				
Alison MacCorquodale									
Helen Mackenzie									
Roddy Nicolson	1								
Norman A Macdonald									
Thomas Howe	2								
Iain Macleod									
Donald Macsween	3								
Finlay Stewart									
Norman Macdonald	4								
Fiona Macleod	6								

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 granted on 13 February 2024
6 -Appointed as Community Member on 1 March 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	H&S Training for Committee	Equalities & Diversity Training			
	22-Nov-23	02-May-24			
Gordon Macleod					
Calum Mackay		Leave			
Alison MacCorquodale					
Helen Mackenzie					
Roddy Nicolson					
Norman A Macdonald					
Thomas Howe					
Iain Macleod					
Fiona Macleod					
Finlay Stewart					
Norman Macdonald					

Member present at training

Member not present at training

Cancellation of travel due to weather

Unable to attend remote training due to techncial difficulties

Member not required to be present at training

Leave — Special Leave Granted

Thomas Howe	Introduction to Committee Board Meetings	14-Sep-23
Alison MacCorquodale	Community Wealth Building	09-Nov-23

hebridean housing partnership

Making our house your home

ITEM NO 3.1

HEBRIDEAN HOUSING PARTNERSHIP

Board

Minutes of Meeting held remotely via Microsoft Teams on Tuesday, 21 May 2024 at 5.30pm

	PRELIMINARY ITEM
	ATTENDANCE & APOLOGIES
1	**Attendance & Apologies** **Attendees** — **Staff & Consultants In Attendance** Gordon Macleod (Chair) — Dena Macleod (Chief Executive) Calum Mackay (Vice-Chair) — Donald Macleod (Director of Finance & Corporate Services) Roddy Nicolson — John Maciver (Director of Operations) Alison MacCorquodale — Iona France (Governance Officer) Norman A Macdonald — Michael Libby (Corporate Services Officer – Minute Taker) Iain M Macleod — Joel Martin (Corporate Services Officer) **Apologies Received** — Sawan Morrison (Development Manager) Fiona Macleod — James Morrison (Finance Manager) Tom Howe — Angus E MacNeil (Assets Contracts Manager) Helen Mackenzie — Gary Macleod (Digital Transformation Manager) **Apologies Not Received** Finlay Macsween Norman Macdonald The Chair asked that the condolences of the board be sent to Helen Mackenzie on the passing of her father.
	PRELIMINARY PROCEDURAL MATTERS
2	**Declaration of Interest** No declarations of interest were made.
3.1	**Minute of Board Meeting 26 March 2024** Callum Mackay asked if further clarification could be provided to him on Item 6.6 from the meeting of 26 March 2024, specifically the decision to use some of the retained Right to Buy (RTB) receipts to enable the Leverburgh project to proceed. The Chief Executive advised that the amount we are due to repay to the Scottish Government will reduce and that the money saved will go towards funding the Leverburgh project, a detailed explanation would be provided to Mr Mackay after the meeting. **The minute of the Board meeting of 26 March 2024 was submitted and approved as a true and accurate record.**
3.2	**Action Sheet** The Chief Executive advised there were no updates to the Action Sheet. **The Action Sheet was noted.**
4	**Date of Next Meeting** **The date of the next meeting will be 25 June 2024 and will be held in person.**
5	**Health & Safety** Nothing to report.

ITEMS FOR DECISION	
6.1	**Annual Return on the Charter 2023/24** The Annual Return on the Charter 2023/24 (ARC) was presented to the Board for consideration and approval, subject to the reconciliation of any queries raised. The Governance Officer advised the collection of data on EESSH2 has been paused until after the conclusion of the Scottish Government's review and the outcome of the Scottish Housing Regulators consultation on ARC indicators. The report highlighted the variances with some of the key indicators from the 2022/23 return: • Average time to re-let properties in the last year had increased by 6.68%; • Number of calendar days properties were empty increased by 10.94%; • Void loss had increased by 39.34%; • Arrears had decreased by 1.66%; • Repairs response performance for both emergency and non-emergency repairs have improved as has the repairs right first time performance; and • Tenant satisfaction with the repairs service has decreased. The migration to the new Housing Management System led to a period of two weeks where we were unable to allocate properties which impacted our re-let and void performance. The Director of Operations advised although we have seen a reduction in tenant satisfaction surrounding repairs, performance has increased, and no tenants stated they were dissatisfied. 9 tenants reported that they were 'neither satisfied nor dissatisfied' and this is what has resulted in the reduced satisfaction score. **The Board reviewed and approved the Draft Annual Return on the Charter 2023/24.**
6.5	**Investment Programme** **It was agreed that item 6.5 would be taken before item 6.2 due to the virements detailed below being included in the five-year financial plan.** The Assets and Contracts Manager advised that we had been unsuccessful in our funding application to the Social Housing Net Zero Heat Fund to support the replacement of 106 infra-red heating systems with air source heat pumps. As a result, we have had to revise the 2023/24 Investment Programme in order to make funds available for the continuation of the heating replacement works. The following virements are being recommended to fund the heating programme and replacement of the remaining Infra-red systems: • £303,470 from bathroom replacement programme; • £604,760 from kitchen replacement programme; and • £110,210 from shower installation programme. The revised 5-Year Investment Programme will also require revision and will be presented for Board approval in August 2024. Following the unsuccessful application, a meeting with the Scottish Government Funding Manager has been scheduled in order to understand the reasons for the application being unsuccessful. Callum Mackay asked if there were other options available to us in terms of funding the heating replacement works, and if tenants were previously made aware of the works which would now be cancelled in order to make funds available. The Assets and Contracts Manager advised that communications surrounding the 2023/24 Investment Programme had not been published whilst we were awaiting the outcome of the funding application. The Director of Operations advised that we still plan to carry out all the works detailed in the 2023/24 investment plan, but that the works previously outlined would be pushed back to a later date. We will also be submitting future grant applications, which if successful will allow the programme to be re-profiled. The Chief Executive advised that the recommendation to reorder the Investment Programme is reflective of the decision taken by the Board at the meeting of 8 February 2023. The Director of Finance and Corporate Services advised we have to comply with a number of covenant requirements in order to ensure that we fulfil the obligations of our borrowing agreement. **The Board approved:** **a) the amended Year 1 Investment Programme at Appendix 1 giving priority to replacing the Infra-Red heating, works that tackle fuel poverty and rewiring; and** **b) a virement of £303,470 from bathrooms, £604,760 from kitchens and £110,210 from showers to heating grant to fund the heating programme and replacement of the remaining Infra-Red systems.**

6.2 **SHR Five-Year Financial Plan Return**

The Director of Finance & Corporate Services presented the Five-Year Financial Plan (FYFP) (2024/25 – 2028/29) required by the Scottish Housing Regulator (SHR) for consideration and approval.

The variances in the 5-year plan compared with the plan approved by the Board at the meeting of 26 March 2024 were:

- Revision to the Investment Programme in terms of financing the replacement of infra-red heating systems;
- Use of retained Right to Buy (RTB) receipts to enable additional funding for the Leverburgh development;
- Gross Rents - £362k increase due to annual rent increase and new build units;
- Management Costs - £435k increase to provide for all established posts;
- Re-active and Voids Maintenance - £69k reduction in void costs from 2023/24 which was impacted by a large number of high value voids;
- Provisions for Liabilities and Charges - This is where rounding differences have been recorded; and
- New Social Rent Properties - Year 1 completions only includes Lochmaddy as Blackwater is dependent on the contractor being able to deliver a safe phased handover.

The Board approved the Five-Year Financial Plan for submission to the Scottish Housing Regulator.

6.3 **Board Member Appointment**

The report detailed a re-appointment to the Board, for approval. Ms Alison McCorquodale was appointed as a Board Member for a period of 2 years from 25 May 2022 and had indicated she would be interested in continuing her appointment to the Board. An active and engaged member of the Board since her appointment in 2022, Ms McCorquodale sits on the Development & Finance Committee and Personnel Working Group. Ms McCorquodale has worked in both public and private sectors for a number of years and has considerable knowledge to draw upon in the fields of finance and revenue and has experience in working with a range of stakeholders and public and a strong awareness of issues facing the local communities. The appointment would be in accordance with Rules 37.2.4 and 40.9.

The Board approved Ms Alison McCorquodale's appointment to HHP's Board for a further period of three years as a Board Appointed Member with effect from 21 May 2024.

6.4 **Leverburgh Name Consultation**

The Development Manager advised that a public consultation was conducted to gather suggestions for the naming of the development in Leverburgh. 11 names were suggested with the top 5 being selected by staff. It was recommended that the Board select their preference for the name of the new homes in Leverburgh from the 5 options below:

Suggested Name	Gaelic Version of Name
Meadow of the Stream	Lèana an t-Sruth
Hillside of the Pier	Leathad na Laimrig
Ensay View	Sealadh Easaigh
Houses of Fishing	Taighean an Sgadain
Leverburgh Cross	Crasgan An t-Ob

The Board approved the naming of the Leverburgh development as 'Lèana an t-Sruth' (Meadow of the Stream).

MEETING GOES INTO PRIVATE SESSION

Chairperson Mr Gordon Macleod

SIGNED .....

DATE .....

hebridean housing partnership
Making our house your home

ITEM NO 3.2

BOARD ACTION SHEET

ACTION POINT	MINUTE NUMBER	ACTION TO BE TAKEN	DEADLINE/ TIMESCALE	ACTION BY	PROGRESS
1	21 May 24 (6.1)	Annual Return on the Charter and Stock Figures to be submitted via Regulator Portal.	31 May 2024	Chief Executive	Completed 22 May 2024.
2	21 May 24 (6.2)	Five Year Financial Planning Return to be submitted via Regulator Portal.	31 May 2024	Director of Finance & Corporate Services	Completed 23 May 2024.
3	21 May 24 (6.5)	Feedback on grant discussions with Scottish Government to be provided.	30 June 2024	Director of Operations	Met with Scottish Government on 30 May 2024, some feedback requested from Scottish Government and a verbal update will be provided to the Board on progress.
3	26 Mar 23 (6.6)	Melbost Masterplan to pre-application stage.		Development Manager	Masterplan submitted to Planning Service and assessment and feedback awaited.
4	28 Nov 23 (8.5)	Details around Equal Adventure proposal to be reported to the Board.	June 2024	Tenant Engagement Officer	First event held 23 and 24 May 2024. Second Event held 13 and 14 June 2024.
6	28 Jun 23 (6.7)	Scott Road Development to proceed to full planning permission.	30 September 2024	Development Manager	North Harris Trust and majority of shareholders have approved extended site and substantive agreement in place with private landowner re access. Planning application in progress and expected to be submitted in August 2024.

hebridean housing partnership

Making our house your home

ITEM NO 6.1

ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Board 25 June 2024

Report by Director of Finance & Corporate Services

Purpose of Report

1.1 To present the Annual Report and Financial Statements for the year ended 31 March 2024 to the Board for approval.

Summary

2.1 The Financial Statements for the year ended 31 March 2024 are at Appendix 1.

2.2 The Financial Statements were presented to the Development & Finance Committee on 24 June 2024 and the Audit & Risk Committee on 24 June 2024.

2.3 The HHP Community Housing Financial Statements have been prepared for the year ended 31 March 2024 and are at Appendix 2.

Competence

3.1 The compliance issues relating to this report are at section 6.1 of the report.

Recommendations

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

a) **approve the Annual Report and Financial Statements for the year ended 31 March 2024 as at Appendix 1; and**

b) **note the HHP Community Housing Accounts for the year ended 31 March 2024 at Appendix 2.**

APPENDIX 1:	Annual Report and Accounts for the year ended 31 March 2024	
APPENDIX 2:	HHP Community Housing Accounts for the year ended 31 March 2024	
Background Papers:	None	
Writer of Report:	Donald Macleod	Tel: 0300 123 0773

Donald Macleod 19 Jun-24

Report Details

5.1 Account for the year ended 31 March 2024 have been prepared and are at Appendix 1 of this report. The external auditor's management letter will be issued to the Audit & Risk Committee.

5.2 Opportunity to ask questions with regards to the Accounts and performance for the year will be given at the Board meeting.

5.3 The key financial factors to highlight in the Annual Accounts are that:

a) Operating surplus of £3,398K shows an increase from the previous year of £722K. The key changes are detailed below:

Area	£000's	Reason
Rental Income	£1,048	Driven by annual rent increase and the additional number of units delivered through our new build programme.
Voids	£38	Cx go live contributed to some delays in void turnaround as well as 14 days of voids at all Bremner Court properties.
Decrease in Management & Maintenance Administration Costs	£323	£96K increase in Employee costs due to annual salary increases. A decrease in Pension I&E costs of £444K as a result of the latest actuarial valuation with the remainder driven by a reduction in training costs offset by increased corporate expenses with a stock condition survey completed this year.
Depreciation	£611	Increase driven by new build properties completed and component replacements capitalised in the year
Repairs	£165	General repairs has increased £95K due to a number of high void repair costs in addition to an increase of £69K of Insurance repairs as we experienced weather related damages during the winter months.
Increase in Grants	£174	OT Aids & Adaptations funding received down £55K from last year and RHI income is down £31K. Amortised grant has increased by £260K with the completion of new build units in the year & additional Net Zero Heating Grants being amortised.
Bad Debts	£117	Increase in bad debts, mainly driven by an increase in the level of rechargeable repairs in the year.

b) Increase of £2.762M in net assets reflecting the investment in our stock through the investment and development programmes.

c) Inclusion of the subsidiary, HHP Community Housing, and the decision not to prepare group accounts due to the immateriality of the trading activity of the Company during the year; and

d) The statement of comprehensive income includes an actuarial gain of £0.637M for 2023/24, which has arisen due to a change in the actuarial financial measurement assumptions in relation to our pension fund. The surplus on our pension has been restricted by £0.637M as we are unable to recover the surplus through reduced contributions in the future or through refunds from the plan (Paragraph B28.16 FRS102).

5.4 A separate report is being presented to the Board detailing performance for the year against the approved budget.

6.1 Compliance Section

COMPLIANCE CHECKLIST	
Financial	The Annual Report and Financial Statements detail how the resources for the year ended 31 March 2024 have been utilised. The cost of auditing and producing copies of the Annual Report and Accounts has been provided for in the Annual Report and Accounts. Our pension position has for the second consecutive year resulted in a pension surplus. Under FRS102 a surplus must be restricted if we are unable to recover the surplus through reduced contributions in the future of through refunds from the plan (Paragraph B28.16 FRS102). As a result, we have restricted the value of the pension surplus by £0.637m to Nil.
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. b) Rule 70 – The Board must send the Partnership's accounts and Balance Sheet to the Partnership's auditor. The auditor must then report to the Partnership on the accounts they have examined. In doing this, the auditor must follow the conditions set out in Part 7 of the Co-operative and Community Benefit Societies Act 2014 and Part 6 of the Housing (Scotland) Act 2010.c). c) Rule 71 - The Partnership must provide the Scottish Housing Regulator and the Financial Services Authority with a copy of its accounts and the auditor's report within six months of the end of the period to which they relate.
Regulatory	The Annual Report and Financial Statements prepared must comply with the Statement of Recommended Practice (SORP) - Accounting by registered social landlords 2014 and the Determination of Accounting Requirements issued by the Scottish Housing Regulator (February 2019). The Facility Agreement with our Funder's requires the Partnership to submit an audited Annual Report and Financial Statements within six months from the end of the period to which they relate together with confirmation from our External Auditor that the Financial Covenants have been met.

COMPLIANCE CHECKLIST	
	The following Financial Regulations are applicable: a) 5.10.2 – Preparation of annual accounts is to commence immediately after the end of each financial year and draft accounts are to be prepared for consideration by the auditors and by the Board no later than three months after the year-end. b) 5.10.4 - the draft accounts and audit management letter will be reviewed by the Audit and Risk Committee. On their recommendation the draft accounts will be submitted to the Board for approval, and subsequently for adoption at the Annual General Meeting. 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 risk of not complying with the Legal requirements has been mitigated by completing the preparation of the Annual Reports and Financial Statements within three months of the year-end.
ESG	There are no ESG considerations arising directly from the consideration of this report.
Equalities	There are no Equalities considerations arising directly from the consideration of this report.
Communication	These audited Financial Statements will be submitted to the Scottish Housing Regulator through the landlord portal and our Funder (Royal Bank of Scotland) once approved by Board.

APPENDIX 1

hebridean housing partnership

ANNUAL FINANCIAL STATEMENTS

Year Ended 31 March 2024

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

TABLE OF CONTENTS

CORPORATE INFORMATION 2

Board of Management, Directors & Advisors 2
Overview of Business 3
Core Values 4
Regulation 4
Governance & Management 4
Internal Financial Control 7
Board Statement on Internal Financial Control 10

OPERATING & FINANCIAL REVIEW 13

Summary of Performance Indicators 14
Housing Services 15
Tenant Engagement 16
Planned & Cyclical Maintenance 17
Investment 18
Development 19
Political & Charitable Donations 21
Key Risks Impacting On The Future 21
Fuel Poverty & EESSH 21
Financial Review 22
Auditors 24
Independent Auditors Report 25
Report by the Auditors to the Members of Hebridean Housing Partnership Ltd on Corporate Governance Matters 30

FINANCIAL STATEMENTS 32

Statement of Comprehensive Income as at 31 March 2024 33
Statement of Changes in Reserves as at 31 March 2024 34
Statement of Financial Position as at 31 March 2024 35
Statement of Cash Flows for the Year Ended 31 March 2024 36
Notes to the Statement of Cash Flows for the Year Ended 31 March 2024 37

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 38

DRAFT

CORPORATE INFORMATION

Board of Management, Directors & Advisors

Name	Category	Changes during the year	
		Appointed	Resigned
Thomas Howe	Tenant	24 August 2023	
Calum Mackay	Community	31 August 2022	
Norman A Macdonald	Community	31 August 2022	
Gordon Macleod	Community	31 August 2022	
Fiona Macleod	Community	1 March 2024	
Helen Mackenzie	Board Appointed	28 June 2023 (reappointed)	
Alison MacCorquodale	Board Appointed	21 May 2024 (reappointed)	
Iain M Macleod	Councillor	25 May 2022	
Finlay Stewart	Councillor	25 May 2022	
Norman Macdonald	Councillor	4 January 2024	
Roddy Nicolson	Community	28 August 2023 (re-appointed)	5 June 2024
Donald Macsween	Councillor	25 May 2022	28 November 2023
Fiona Knape	Tenant	15 December 2022	23 August 2023

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

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

External Auditors
CIB Audit
63 Kenneth Street
Stornoway
HS1 2DS

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

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

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

DRAFT

Overview of Business

Our principal activity is to provide and manage good quality, affordable accommodation for people in housing need in the Outer Hebrides. We are a charitable Registered Social Landlord and we own and manage a range of houses for rent, primarily general needs accommodation but also some supported accommodation. We provide accommodation for homeless people who are referred by Comhairle Nan Eilean Siar as statutory homeless and requiring permanent secure accommodation.

Interest rates peaked at 5.25% in 2023/24 and whilst inflation has started to decline, prices remain high and the cost of living pressure on our tenants continues to be a concern.

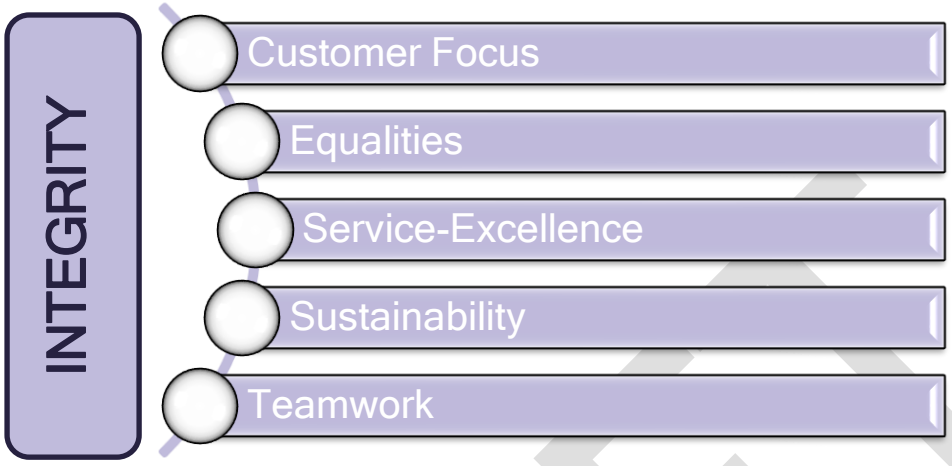
hhp | hebridean housing partnership

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

Core Values

Our core value is Integrity – "We will be honest, fair, dependable and trustworthy in all our working relationships. We will do the right thing no matter who is watching".

The core value is supported by the following five values:



Regulation

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

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

The Regulator has expressed satisfaction with HHP's progress for 2023/24.

Governance & Management

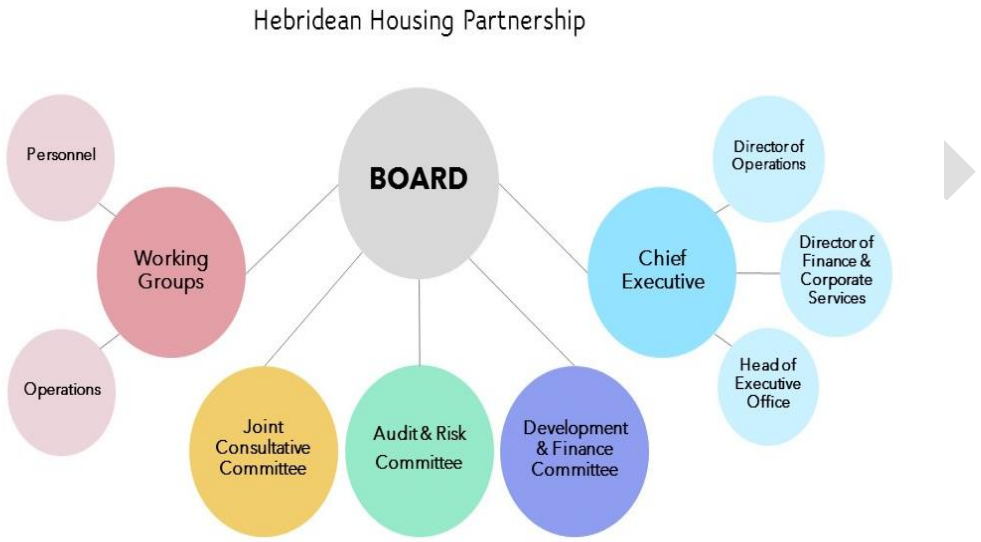
HHP is a registered society under the Co-operative and Communities Benefit Societies Act 2014 and is governed by a set of Rules appropriate for a Registered Social Landlord. The Partnership is governed by a voluntary Board of Management, which is supported by a Chief Executive, Executive Team and staff. A full list of Board Members is at Page 2.

DRAFT

All Board Members and staff are required to comply with our Standing Orders, Policies and Financial Regulations.

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

Figure 1 Board of Management



Our Standing Orders allow for three Standing Committees and two Working Groups. These Standing Orders also allow Working Groups to be set up as required for specific tasks.

The Board comprises up to 15 members - 4 Tenant members, 4 Community representatives or 5 should there be insufficient nominations for the Tenant category, up to 2 Board Appointed Members, up to 2 Co-opted Members and 3 Comhairle Nan Eilean Siar nominees. The Board may appoint a Board Member whom they consider will enhance the skills, knowledge, diversity and/or objectivity of the Board and its decision-making. There are currently 10 Board members.

HHP's Rules require that one Community and one Tenant member step down each year. There will be elections for the vacant positions at the Annual General Meeting in August 2024.

Tenant and Community members hold one fully paid £1 share. During 2023/24 13 shares were issued to new members while 150 shares were surrendered.

The Board is responsible for the overall strategic direction and objectives of HHP. Our new Business Plan which covers 2024/25 to 2028/29 is guided by the four Strategic goals outlined below:

The Board has delegated responsibility to the following Standing Committees:

Audit & Risk

To ensure that the activities of the Board are within the law and the regulations which govern the Board, and that an effective internal control system is maintained.

Joint Consultative Committee

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

Development and Finance Committee

To ensure that Financial and Development matters are examined in detail and in accordance with policy and to enable swift responses where time is of the essence.

Internal Financial Control

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

Management Structure

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

Audit & Risk Committee

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

Health & Safety

The Board places the highest priority on the Health and Safety of tenants, staff and contractors. A Health and Safety group chaired by the Director of Operations meets regularly with a remit to ensure the Health and Safety requirements are being met. Our Health & Safety policies and procedures are regularly reviewed.

DRAFT

System of Internal Control

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

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

Identification of Business Risk

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

Corporate Risk

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

Corporate Governance

The Board meets six times a year to focus on performance, financial monitoring, and strategic direction along with the regular review of policies.

DRAFT

Management Information Systems

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

Internal Audit

On 1 October 2023, the Board appointed Wylie & Bisset as their Internal Auditors. The Internal Auditors report directly to the Audit and Risk Committee.

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

Investment Appraisal

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

Investment

On 1 June 2010 HHP Community Housing Limited was formed as a non-charitable subsidiary of the Partnership. During 2023/24 there was no activity.

DRAFT

Board Statement on Internal Financial Control

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

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

Statement of Board Responsibilities

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

- formal policies and procedures are in place, including the ongoing documentation of key systems and any delegation of authority, which allow the monitoring of controls and restrict the unauthorised use of the Partnership's assets;
- experienced and suitably qualified staff take responsibility for important business functions and annual appraisal procedures have been established to maintain standards of performance;
- forecasts and budgets are prepared which allow the Head of Service and the Board to monitor the key business risks, financial objectives and progress being made towards achieving the financial plans set for the year and for the medium term;
- monthly financial management reports are prepared, providing relevant, reliable and up to date financial and other information, with significant variances from budget being investigated as appropriate;

DRAFT

- regulatory returns are prepared, authorised and submitted promptly to the relevant regulatory bodies;
- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the Board;
- the Audit & Risk Committee/Board received reports from management and from external and internal auditors to provide reasonable assurance that control procedures are in place and are being followed and that a general review of the major risks facing the Partnership is undertaken;
- formal procedures have been established for instituting appropriate action to correct any weaknesses identified through internal or external audit reports.

The Board has reviewed the effectiveness of the system of internal financial control in existence in the Partnership for the year end 31 March 2024. No weaknesses were found in internal financial controls which result in material losses, contingencies or uncertainties which require disclosure in the financial statements or in the auditor's report on the financial statements.

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

DRAFT

Statement of Disclosure to Auditors

In so far as the Board of Management are aware:

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

DRAFT

On behalf of the Board

Gordon Macleod

Chair

OPERATING & FINANCIAL REVIEW

Summary of Performance Indicators

DETAIL	Variance	ARC 2023/24	ARC 2022/23	ARC 2021/22
Emergency repairs completed	8.4%	**1,213**	1,119	983
Average length of time to complete emergency repairs	-5.09%	**2.17 hours**	2.48 hours	2.32 hours
Non-emergency repairs completed	0.11%	**4,620**	4,615	4,690
Average length of time to complete non-emergency repairs	-14.63%	**3.15 days**	3.69 days	3.87 days
Reactive repairs completed right first time	1.75%	**91.41%**	89.84%	89.72%
Total arrears	-1.66%	**£327,153**	£332,677	£340,748
Former tenant arrears	10.73%	**£125,898**	£113,701	£110,365
Average time to re-let properties in the last year	6.68%	**33.04 days**	30.97 days	45.19 days
Calendar days properties were empty	10.94%	**6,906**	6,225	8,497
Rent loss through voids	39.34%	**£85,191**	£61,139	£107,753
General needs lets	-14.88%	**206**	242	241
Supported Housing lets	233%	**10**	3	11
Anti-social behaviour cases	7.69%	**14**	13	16
Abandoned properties	0%	**7**	7	6
Total self-contained stock	1.97%	**2,376**	2,330	2,287
Stock meeting SHQS	5.74%	**88.26%**	82.79%	74.86%
Rent increase	-15.00%	**5.1%**	6.0%	3.5%
Staff turnover	-18.18%	**9%**	11%	13%

The implementation of our new housing system impacted on some areas of performance at the beginning of the year, which resulted in:

- An increase of 6.68% in the average time to re-let.
- The number of calendar days properties were empty increased by 10.94%
- Void loss has increased by 39.34%

Arrears have decreased by 1.66% (When aligned to the four weekly benefit cycle), however former tenant arrears have increased by 10.73% to £125,898.

The total stock meeting SHQS has increased by 5.74% to 88.26%. This indicator is impacted by Electrical Installation Condition Reports (EICRs) of which 30 were

DRAFT

reported as fails as they were not completed in the correct year, although they have now been completed.

The Scottish Government have completed their consultation on the Social Housing Net Zero Standard which will replace the Energy Efficiency Standard for Social Housing (EESSH2).

Housing Services

We have continued to see an increased number of welfare concerns during 2023/24. People are struggling due to the ongoing cost of living pressures and face daily challenges in heating their homes and feeding their families. Mental Health and addiction issues are a factor in some cases and there are also challenges in accessing support and health services. We were successful with applications for funding to the Scottish Federation of Housing Associations (SFHA) and Housing Associations Charitable Trust (HACT) which allowed us to distribute warm home packs and energy/food vouchers to tenants. Tenants were extremely grateful for the help and assistance they received.

In recognition of the challenges faced by some tenants, we have entered into discussion with Penumbra and anticipate launching an initial 2 year project in October 2024 to support some of our most vulnerable tenants.

The Universal Credit process has continued to operate reasonably well with no major issues identified and relationships with DWP have been very good. The advance notification of Universal Credit allows officers to contact tenants to discuss changes in circumstances or entitlement. Bedroom Tax continues to be mitigated by the Discretionary Housing Payment through Comhairle Nan Eilean Siar.

Despite the pressures being experienced by tenants, arrears have remained broadly stable through the support and advice provided by Housing Officers. Key to this is early action which reduces the risk of debt increasing to unmanageable levels. However, the cyber-attack suffered by CNES is currently presenting challenges as the Housing Benefit system impact is resulting in delays with information on entitlements and payments to some tenants.

DRAFT

Void rent loss for 2023/24 was stable despite the performance being impacted by the implementation of our new IT system at the start of the year. However, similar to previous years, low demand has affected performance in some of the most rural areas, albeit to a lesser extent due to increased demand on our waiting lists overall.

Tenant Engagement

In 2023 we appointed our first Tenant Engagement Officer (TEO). The TEO supports our Registered Tenants' Organisations: The Western Isles Housing Association Community Forum and the Cearns Community Association. The TEO also attends residents' groups and community associations where representation from HHP is beneficial, allowing us to engage with tenants in a way they find suitable.

Tenants who wish to start up a new group are being supported by our TEO. Recently, tenants from Casimir Place have come together to develop the Casimir Community Garden. Work was commissioned through Community Benefit to clear the garden. Tenants can also apply for a Community Grant throughout the year to help fund projects that will improve the neighbourhoods which we serve. This year £3,303 was awarded to Ashdail Cottages Playpark who installed a mini golf course.

This summer 2024 we will be conducting a Tenant Satisfaction Survey, employing 4 surveyors to carry out the surveys by visiting our tenants in their homes.

Our Tenant Engagement Officer is working to encourage tenants to get involved at Board level but the preference appears to be to engaged in a more informal setting, such as drop ins.

Tenant Events have been held in person, with those who attended finding them very useful. We have worked with Equal Adventure to support our tenants who have a disability to attend some outings with a focus on engagement and getting tenants to engage in an outdoor setting.

The Tenant Portal was launched in May 2024 enabling Tenants to manage their tenancy online including real time rent balance, raising repair requests and other key aspects of their tenancy. New applicants will also be able to apply for housing online.

DRAFT

We are funding 5 tenants places plus one for the Tenant Engagement Officer at this years TPAS Annual Conference. This gives tenants the opportunity to attend various workshops, discussing collaborative solutions and sharing best practices.

Planned & Cyclical Maintenance

Our Planned Maintenance Programme aims to protect the structure of tenant's homes and to maintain the wider environment.

Our cyclical maintenance programmes ensure the safety of tenants and compliance with our legal and regulatory requirements. The following works were carried out during the year:

- Gas, air source and oil heating systems were serviced;
- Fire alarms, stair lighting, and door entry systems were checked and tested;
- Stair-lifts were serviced;
- Electrical systems were tested where these were more than 5 years old in line with our new regulatory requirements;

DRAFT

- Water systems were tested for legionella, and anti-scald valves were checked where appropriate;
- Asbestos was checked where in place and;
- Flatted common areas were inspected.

Investment

£4.13M was invested in tenants' homes during the year delivering the following improvements:

Addressing the challenge of fuel poverty continues to be a key priority and this is demonstrated by our investment in new windows, heating systems and our commitment to replacing electric storage and solid fuel heating systems. We installed a further 128 Air Source Heat Pumps which deliver a more controllable and affordable heating solution for our tenants. We also replaced 13 gas heating systems with new high efficiency boilers.

We were successful in securing grant funding from the Scottish Government's Social Housing Net Zero Heat Fund. This allowed us to complete the first year of a 2-year programme to replace all infra-red heating systems in tenant's homes.

Development

The cost of developing new homes is a major challenge and impediment to taking schemes forward. However, through joint effort between ourselves and CNES and with unprecedented support from Scottish Government we were able to enter into contract for a 12 house development in Leverburgh. We drew £4.47M of funding from the Scottish Government Affordable Housing Supply Programme to support the completion of 57 homes as shown:

Scheme	Area	Type	Units
Rathad Na Ceardaich	Barra	Rent	6
Bremner Court	Stornoway	HWEC	50
11 Eireastadh, Crowlista	Rural Lewis	Rent	1
Total Handover to 31 March 2024			**57**

80 Homes Under Construction at 31 March 2024

The 8 home site at Lochmaddy, North Uist completed in April 2024 and we are expecting the completion of the first phase (33 homes) at Blackwater, Stornoway (total 72 homes). We expect to start on site in July 2024 for the development at Leverburgh, Harris and issuing a tender for a 6 house development in Barra in 2024.

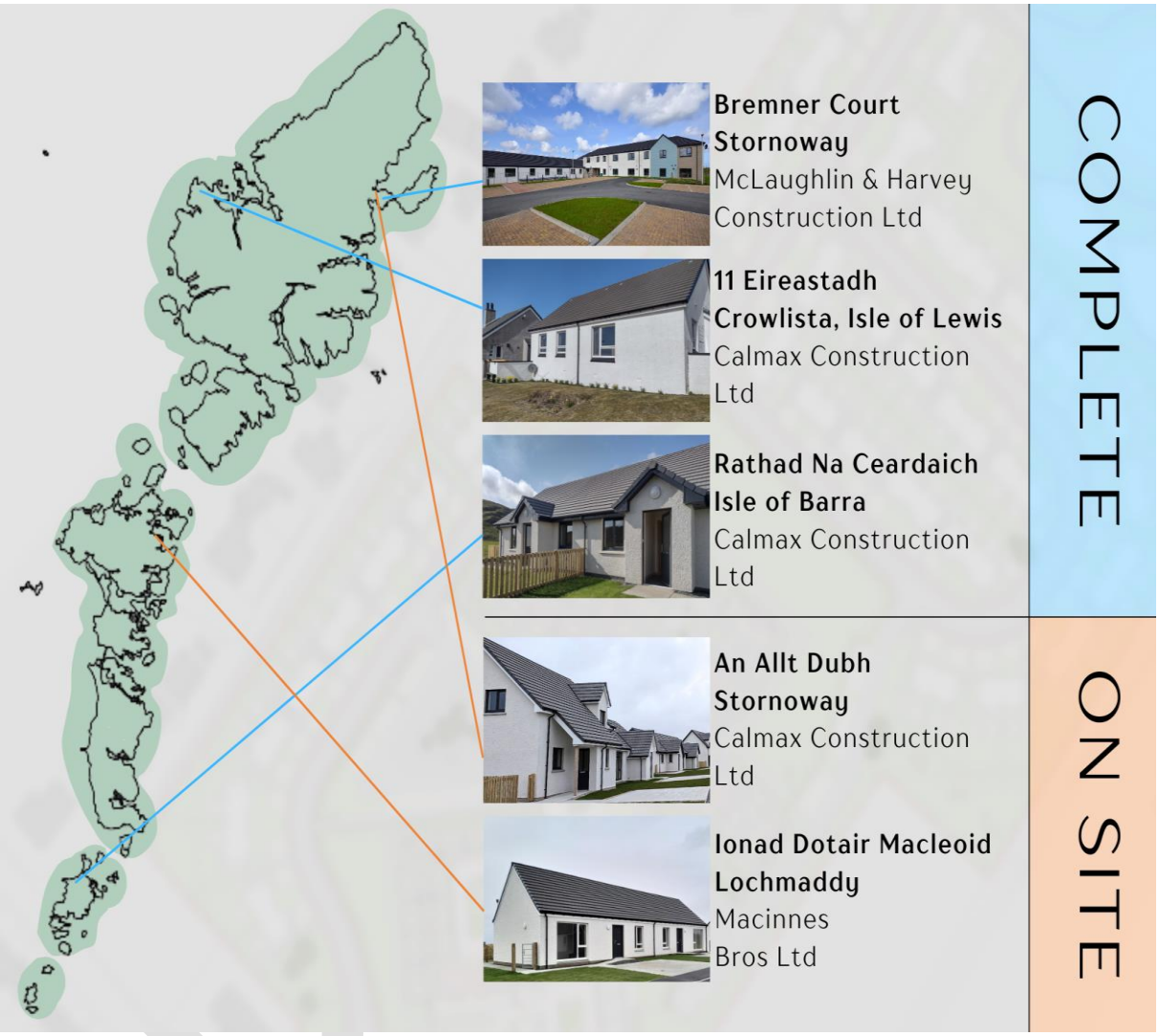
Future Development

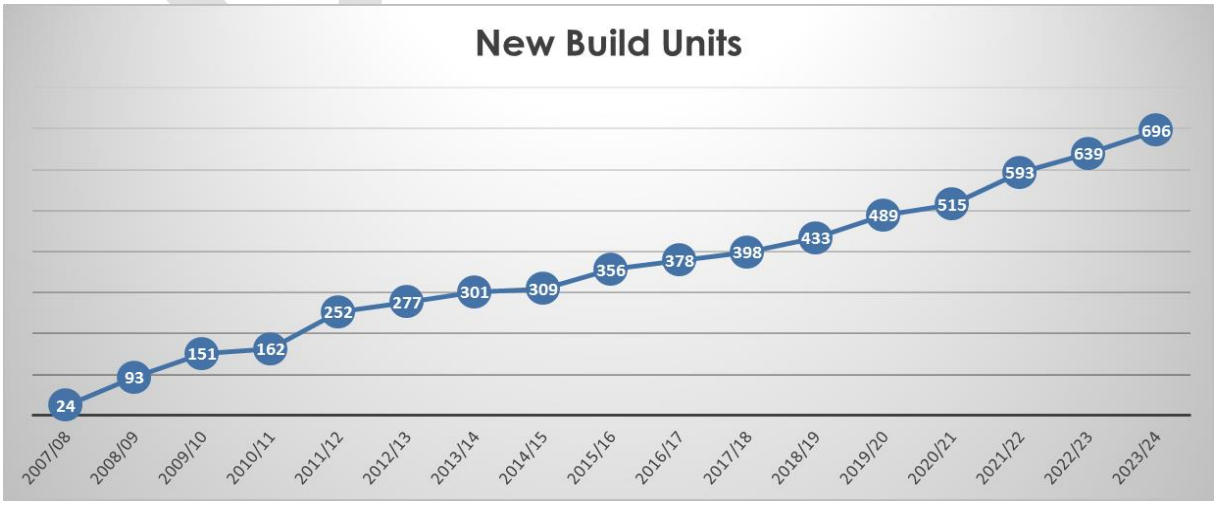
We continue to assist the Comhairle in identifying suitable land in line with the priorities identified in their annual Strategic Housing Investment Plan. We are also providing input to the Comhairle as they develop the Local Housing Strategy (LHS) which should set out the aspirations on where housing should be built.

DRAFT

Completed Developments

The map below shows locations of sites completed (in blue) and sites under construction (in orange) as at 31 March 2024:





Political & Charitable Donations

a) There were no political donations made by HHP during the financial year.

b) A total of £4,000 was donated during the year to the following local charities:

£1,000	Autism Eilean Siar
£1,000	Caraidean Uibhist
£1,000	Stornoway PHAB Club
£1,000	Macmillan Nurses

**One charity was unable to accept their donation of £1,000 and this will be carried over into 2024/25*

Key Risks Impacting On The Future

Any risk, which materially jeopardises the Partnership's ability to achieve our vision and goals or conduct our business is not accepted. HHP's risk appetite is assessed as part of the annual business planning process.

The number one risk on our risk register is affordability for tenants with the growing pressures on the cost of living.

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

Fuel Poverty & EESSH

Levels of fuel poverty in the Outer Hebrides are amongst the highest in the UK and are exacerbated with the high costs of energy. We are investing heavily in tenants' homes to meet the anticipated new Net Zero targets for social housing and have contributed to consultations on this. We have replaced our solid fuel heating systems (bar refusals) with Air Source Heat Pumps and are making good progress on replacing storage systems which are on restricted tariffs such as THTC. This year over 100 heating infra-red heating systems which tenants found to be ineffective were replaced.

Due to the ongoing energy crisis and price caps, switching energy suppliers has not been an option for most but we work with other agencies such as CAB and TIG to

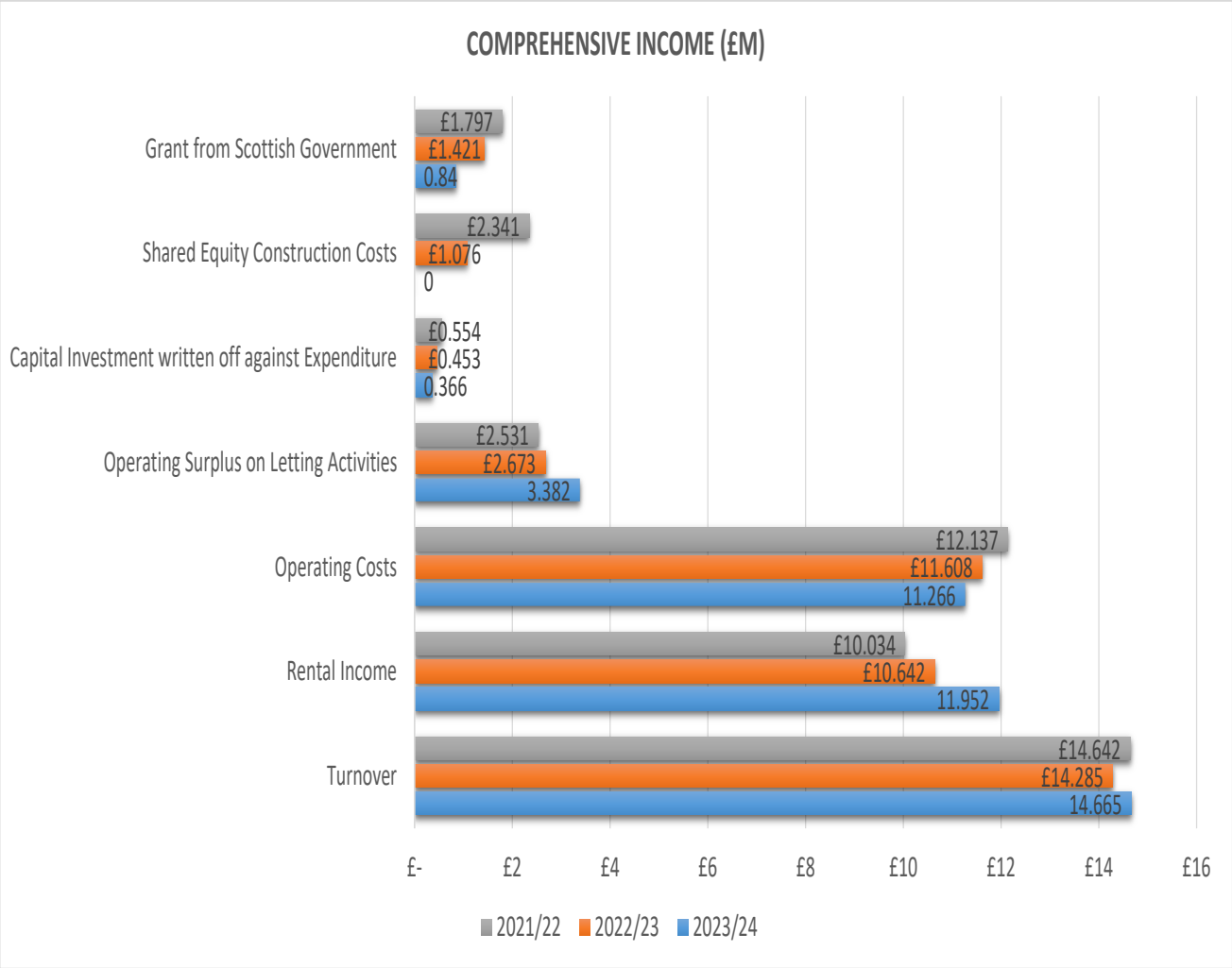
DRAFT

source financial support to tenants and have been successful with funding applications to SFHA and HACT for fuel vouchers.

We work with other Highland RSL's and Councils on lobbying MSPs, the Government and OFGEM on the challenges of energy needs and prices within the Highlands & Islands.

Financial Review

Comprehensive Income



There were no new Shared Equity properties sold during the year (2023/24).

Financial Position

HHP's Financial Position is shown on Page 35. The key factors affecting the Statement of Financial Position are:

a) The value of housing properties under construction has increased as a result of the value of the capitalised investment programme as well as the development programme in the year being higher than the depreciation in the same period.

b) The addition of 57 new homes for rent funded largely from Affordable Housing Supply Programme (AHSP) Grant from the Scottish Government;

c) An increase in Deferred Capital Grants reflecting the continued investment in new homes.

Cash Flow

The Cash Flow is shown on page 36. The net change in cash equivalents was £1.645M (2023: £4.711M). The principal cash outflows were operating, development costs and investment in assets with cash inflow boosted by proceeds from sales and grants received.

Current Liquidity

At 31 March 2024, HHP had cash and short-term deposits of £9.666M (2023: £8.022M). It is not anticipated that there will be a requirement to draw down funds from our borrowing facility during 2024/25.

Capital Structure & Treasury Management Policy

The main elements of HHP's long term funding are a loan facility arranged with the Royal Bank of Scotland (RBS) and grant provided by The Scottish Government. The RBS loan facility which was re-structured in June 2021, allows us to borrow up to £25 Million. 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.

The Board receives updates each quarter which detail the debt, cash and interest received.

DRAFT

Our Treasury Management Policy sets down the framework for investing and managing cash, raising loans, interest rate management and the use of financial derivatives by the Group. A key objective of the Policy is to ensure that the Partnership's loan portfolio represents the optimum balance of risk in interest rate, loan maturity and fixed rate exposure. Currently we have drawn £17M of the RBS loan facility with £15.5M fixed and £1.5M variable.

Plans For The Future

HHP plans to invest £22.59M over the next 5 years ensuring the Scottish Housing Quality Standard is maintained in all its properties. £32.42M of HHP cash and borrowings have been earmarked for the new build projects due for completion.

Auditors

A resolution to appoint new auditors for the next financial year will be proposed at the Annual General Meeting in August 2024.

DRAFT

Independent Auditors Report

Opinion

We have audited the financial statements of Hebridean Housing Partnership (the 'Partnership') for the year ended 31 March 2024 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Reserves, the Cashflow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Partnership's affairs as at 31 March 2024 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Co-operative and Communities Benefit Societies Act 2014, the Housing (Scotland) Act 2010, the Determination of Accounting Requirements 2019.

Basis for Opinion

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

DRAFT

Conclusions Relating to Going Concern

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

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

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

Other Information

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

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

We have nothing to report in this regard.

Matters on which we are required to Report by Exception

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

DRAFT

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

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

We have nothing to report in respect of these matters.

Responsibilities of the Board of Management

As explained more fully in the Boards' Responsibilities Statement set out on page 10, the Board of Management are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board of Management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in

DRAFT

accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

As part of the audit engagement, we:

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

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

DRAFT

the financial statements, the less likely the auditor is to become aware of it or recognise non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment through forgery, collusion, omission or misrepresentation.

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

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

This description forms part of our auditor's report.

Use of our report

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

DRAFT

CIB Audit
Chartered Accountants
Statutory Auditor
Stornoway
Date: 25 June 2024

Report by the Auditors to the Members of Hebridean Housing Partnership Ltd on Corporate Governance Matters

Corporate Governance

In addition to our audit of the Financial Statements, we have reviewed your statement on page 10 concerning the Partnership's compliance with the information required by the Regulatory Standards (for systemically important RSLs) in respect of internal financial controls contained within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes which are issued by the Scottish Housing Regulator.

Basis of Opinion

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

Opinion

In our opinion the Statement on Internal Financial Control on page 10 has provided the disclosures required by the relevant Regulatory Standards (for systemically important RSLs) within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes issued by the Scottish Housing Regulator in respect of internal financial controls and is consistent with the information which came to our attention as the result of our audit work on the Financial Statements.

DRAFT

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

DRAFT

CIB Audit

Chartered Accountants

Statutory Auditor

Stornoway

Date: 25 June 2024

FINANCIAL STATEMENTS

DRA

Statement of Comprehensive Income as at 31 March 2024

	Notes	31 March 2024 £	31 March 2023 £
Turnover	3	14,664,679	14,284,851
Operating expenditure	3	(11,266,284)	(11,608,004)
Operating surplus	3	**3,398,395**	**2,676,847**
Loss on disposal of property, plant & equipment		(111,186)	(157,197)
Interest receivable	6	187,360	16,650
Interest payable and financing costs	7	(733,466)	(705,947)
Increase/(Decrease) in valuation of housing properties		66,482	(1,342,435)
Surplus before tax		**2,807,586**	**487,918**
Actuarial gain/(loss) in respect of pension scheme	22	**(45,000)**	**2,730,000**
Total comprehensive income for the year		**2,762,586**	**3,217,918**

DRAFT

The results for the year relate wholly to continuing activities.

These financial statements were approved by the Board on 25 June 2024 and were signed on its behalf by:

Gordon Macleod	**Dena Macleod**	**Calum Mackay**
Chair	Company Secretary	Board Member

The notes on pages 37 to 63 form part of these financial statements.

Statement of Changes in Reserves as at 31 March 2024

Current Year	Share Capital £	Unrestricted Fund £	Total Reserves £
Balance at 1 April 2023	224	42,674,321	42,674,545
Movement in Share Capital	(137)		(137)
Surplus from statement of comprehensive income		2,762,586	2,762,586
Balance at 31 March 2024	87	45,436,907	45,436,994

Prior Year	*Share Capital £*	*Unrestricted Fund £*	*Total Reserves £*
Balance at 1 April 2022	*215*	*39,456,403*	*39,456,618*
Movement in Share Capital	*9*		*9*
Surplus from statement of comprehensive income		*3,217,918*	*3,217,918*
Balance at 31 March 2023	*224*	*42,674,321*	*42,674,545*

The notes on pages 37 to 63 form part of these financial statements.

DRAFT

Statement of Financial Position as at 31 March 2024

	Notes	31 March 2024 £	31 March 2023 £
Fixed Assets			
Tangible Assets-Social Housing	8	132,986,857	127,121,410
Tangible Assets-Property, plant & equipment	9	1,637,736	2,070,317
Investments	10	2	2
		134,624,595	129,191,729
Current Assets			
Stock		24,456	24,693
Trade and other receivables	11	2,119,765	1,890,232
Investments		6,365,142	4,353,272
Cash and cash equivalents		3,301,061	3,668,308
		11,810,424	9,936,505
Less: Creditors amounts falling due within one year	12	(2,979,570)	(2,652,809)
Net current assets		8,830,854	7,283,696
Total assets less current liabilities		143,455,449	136,475,425
Creditors: amounts falling due after more than one year	13	(22,365,333)	(22,583,000)
Deferred Capital Grants	14	(75,653,123)	(71,217,881)
Pension Liability	15	-	-
Net Assets		45,436,993	42,674,544
Reserves			
Share Capital	16	87	224
Income & Expenditure reserve		45,436,906	42,674,320
		45,436,993	42,674,544

DRAFT

These financial statements were approved by the Board on 25 June 2024 and were signed on its behalf by:

Gordon Macleod	**Dena Macleod**	**Calum Mackay**
Chair	Company Secretary	Board Member

The notes on pages 37 to 63 form part of these financial statements.

Statement of Cash Flows for the Year Ended 31 March 2024

	Note	31 March 2024 £	31 March 2023 £
Net Cash inflow from operating activities	1	5,770,096	4,490,042
Cashflow from investing activities			
Purchase of tangible assets		(10,359,807)	(12,893,176)
Proceeds from sale of tangible fixed assets		295,823	626,939
Grants received		6,321,151	6,064,067
Interest received		187,360	16,650
Cashflow from financing activities			
Interest paid		(570,000)	(593,937)
New secured loans		-	7,000,000
Net change in cash equivalents		1,644,623	4,710,585
Cash and cash equivalents at the beginning of the year		8,021,580	3,310,995
Cash and cash equivalents at the end of the year		9,666,203	8,021,580
		1,644,623	4,710,585

DRAFT

The notes on pages 37 to 63 form part of these financial statements.

Notes to the Statement of Cash Flows for the Year Ended 31 March 2024

Cashflow from Operating Activities

	2024	2023
	£	£
Surplus for the year	3,398,395	2,676,847
Adjustments for non-cash items:		
Depreciation of tangible fixed assets	4,616,385	4,005,838
Decrease/(Increase) in stock	237	255,105
(Increase)/Decrease in trade and other debtors	(229,533)	42,505
Increase/(Decrease) in trade and other creditors	260,760	(1,139,742)
Pension costs less contributions payable	66,000	510,000
Carrying amount of tangible fixed asset disposed	(292,775)	(203,216)
Adjustments for investing or financing activities:		
Loss from the disposal of tangible fixed assets	(111,186)	(157,197)
Government grants utlised in the year	(1,879,654)	(1,612,107)
Interest payable	(58,534)	112,010
	5,770,096	4,490,042

DRAFT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

NOTE 1 - ACCOUNTING POLICIES

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

Base of Accounting

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

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

The preparation of financial statements in conformity with FRS102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies selected for use by the Partnership. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2. Use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates. Hebridean Housing Partnership Ltd is a public benefit entity (PBE).

Preparation of Consolidated Financial Statements

The Financial Statements contain information about Hebridean Housing Partnership as an individual company and do not contain consolidated financial information as the parent of a group. The Partnership has taken the option not to prepare

DRAFT

consolidated Financial Statements due to the immateriality of the results of its subsidiary, HHP Community Housing Limited, as detailed in Note 10.

Turnover

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

Grant Income

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

Deposit and Liquid Resources

Cash, for the purpose of the cash flow statement comprises cash in hand and deposits repayable on demand, less overdrafts repayable on demand. Liquid resources are current asset investments that are disposable without curtailing or disrupting the business and are readily convertible into known amounts of cash at, or close to, their carrying value.

Pension Costs

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

DRAFT

Housing Properties

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

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

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

Improvements to Housing Properties

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

Impairment

An assessment is made at each reporting date of whether there are indications that a fixed asset (including housing properties) may be impaired. Impairment is recognised where the carrying value of an asset exceeds the higher of its net realisable value or its value in use. Value in use represents the net present value of expected future cash flows expected from the continued use of these assets. Any impairment of assets would be recognised in the Statement of Comprehensive Income.

Shared Ownership

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

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

DRAFT

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

Commercial Properties

Commercial Properties are valued at existing use value.

Provisions

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

Taxation

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

Depreciation

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

Housing Properties & Offices

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

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

DRAFT

Other Fixed Assets

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

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

Sale of Housing Accommodation

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

Stock

Stocks are valued at the lower of cost and net realisable value.

Capitalisation of Development Overheads

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

Value Added Tax

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

Bad & Doubtful Debts

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

DRAFT

Leased Assets

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

Designated Reserves

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

Financial Instruments

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

Going Concern

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

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

The Partnership therefore continues to adopt the going concern basis in preparing its financial statements and the period of management's going concern assessment is the period to 30 June 2025.

DRAFT

NOTE 2 – CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions that affect the amounts reported for assets, liabilities, income and expenditure.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods should it affect future periods.

The estimates and assumptions which carry a higher degree of risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

Useful economic lives of tangible fixed assets

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. They are amended when necessary to reflect current estimates, future investment, economic utilisation and the physical condition of the assets. See notes 8 and 9 for details of the values of tangible fixed assets.

DRAFT

NOTE 3 – TURNOVER, OPERATING COSTS AND OPERATING SURPLUS

	2024			2023		
	Operating Turnover	Operating Costs	Operating Surplus	Operating Turnover	Operating Costs	Operating Surplus
	£	£	£	£	£	£
Income and Expenditure from Lettings						
Social Lettings (Note 4)	14,294,328	(11,177,578)	3,116,750	13,113,615	(10,440,498)	2,673,117
Other Activities (Note 5)	370,351	(88,706)	281,645	1,171,235	(1,167,505)	3,730
TOTAL	**14,664,679**	**(11,266,284)**	**3,398,395**	**14,284,850**	**(11,608,003)**	**2,676,847**

DRAFT

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

	General Needs Housing	Supported Accommodation	Shared Ownership	Other	Total	2023
	£	£	£	£	£	£
Income from rent and service charges						
Rent receivable net of service charges	11,455,168	63,846	4,270	-	11,523,284	10,584,442
Service charges	162,100	-	1,855	-	163,955	57,852
Gross Income from rents and service charges	11,617,268	63,846	6,125	-	11,687,239	10,642,295
Less voids	(104,268)	-	-	-	(104,268)	(65,806)
Net Income from rents and service charges	11,513,000	63,846	6,125	-	11,582,971	10,576,489
Release of deferred capital grant	1,871,758	-	-	-	1,871,758	1,612,107
Other Revenue Grants	839,599	-	-	-	839,599	925,019
Total Turnover from social letting activities	14,224,357	63,846	6,125	-	14,294,328	13,113,616
Expenditure						
Management and Maintenance Administration costs	2,599,880	16,462	3,292	-	2,619,634	2,892,730
Planned and Cyclical Maintenance including major repairs	1,607,615	7,852	-	-	1,615,467	1,498,133
Reactive Maintenance	2,156,755	11,193	494	-	2,168,442	2,002,843
Bad Debts-rents and service charges	157,650	-	-	-	157,650	40,955
Depreciation of social housing	4,594,270	19,942	2,173	-	4,616,385	4,005,838
Operating costs for social letting activities	11,116,170	55,449	5,959	-	11,177,578	10,440,499
Operating surplus on letting activities for 31 March 2024	3,108,187	8,397	166	-	3,116,750	- 2,673,117
Operating surplus on letting activities for 31 March 2023	2,657,740	15,771	(394)	-	2,673,117	

DRAFT

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

	Grants from Scottish Ministers	Other Revenue Grants	Other Income	Total Turnover		Other Operating Costs		Operating Surplus/ Deficit	
				2024	2023	2024	2023	2024	2023
	£	£	£	£	£	£	£	£	£
Factoring	-	-	5,157	5,157	4,721	3,901	3,557	1,256	1,164
Development & construction of Property Activities	-	-	100,126	100,126	89,872	84,805	81,219	15,321	8,653
Sale of Developments	-	-	-	-	1,076,462	-	1,076,462	-	-
Management Services	-	-	68	68	180	-	6,267	68	(6,087)
Liquidated Damages	-	-	265,000	265,000	-	-	-	265,000	-
Total from other activites 2024	**-**	**-**	**370,351**	**370,351**		**88,706**		**281,645**	
Total for other activities 2023	495,542	-	675,693		1,171,235		1,167,505		3,730

DRAFT

NOTE 6 - INTEREST RECEIVABLE AND OTHER INCOME

Interest Receivable and Other Income		
	2024	2023
	£	£
Interest receivable on deposits	187,085	16,379
Interest receivable on loan to subsidiary	275	271
	187,360	16,650

NOTE 7 – INTEREST PAYABLE AND SIMILAR CHARGES

Interest Payable and Similar Charges		
	2024	2023
	£	£
Interest Payable	781,976	537,935
Other Financing costs	62,490	103,012
Net Cost on pension	(111,000)	65,000
	733,466	705,947

Other financing costs include commitment, non-utilisation fees, the amortisation of transaction costs on the funding arrangements. Please refer to Note 22 for details on the net cost on pension.

DRAFT

NOTE 8 – TANGIBLE FIXED ASSETS SOCIAL HOUSING

Tangible Fixed Assets				
SOCIAL HOUSING	**Housing Properties held for letting**	**Housing Properties under construction**	**Shared Ownership held for letting**	**Total**
	£	**£**	**£**	**£**
Current Year Cost				
At start of the year	139,617,104	20,414,767	128,335	160,160,206
Additions during the year	4,737,286	5,704,583	-	10,441,869
Transfers in year	16,213,106	(16,213,106)	-	-
Impairment	-			-
Disposals	(365,412)	(59,826)	-	(425,238)
At end of year	160,202,084	9,846,418	128,335	170,176,837
Depreciation				
At start of year	(32,953,656)	-	(85,140)	(33,038,796)
Provided in year	(4,459,719)	-	(2,173)	(4,461,892)
Impairment	66,483			66,483
Eliminated on Disposal	244,225	-	-	244,225
At end of year	(37,102,667)	-	(87,314)	(37,189,980)
Net Book Value				
At end of year	123,099,417	9,846,418	41,021	132,986,858
Prior Year				
At start of the year	*129,379,304*	*20,220,037*	*128,335*	*149,727,676*
Additions during the year	*4,371,897*	*8,423,318*	*-*	*12,795,214*
Transfers in year	*8,217,671*	*(8,217,671)*	*-*	*-*
Impairment	*(1,721,474)*			*(1,721,474)*
Disposals	*(630,294)*	*(10,917)*	*-*	*(641,210)*
At end of year	*139,617,104*	*20,414,767*	*128,335*	*160,160,206*
Depreciation				
At start of year	*(29,860,529)*	*-*	*(82,967)*	*(29,943,496)*
Provided in year	*(3,910,161)*	*-*	*(2,173)*	*(3,912,334)*
Impairment	*379,039*	*-*	*-*	*379,039*
Eliminated on Disposal	*437,995*	*-*	*-*	*437,995*
At end of year	*(32,953,656)*	*-*	*(85,140)*	*(33,038,796)*
Net Book Value				
At end of year	*106,663,448*	*20,414,767*	*43,195*	*127,121,410*

Development administration costs capitalised amounted to £100,126 (2023: £196,719) for which Social Housing Grants amounting to £nil (2023: £nil) were received in the year.

The loss on sale of property disposals in the year was £52,751 (2023: Gain of £2,781).

The cost of new components capitalised in the year was £20,950,392 (2023: £12,589,568). Components with a cost of £365,412 (2023: £630,294), HAG of £15,997 (2023: £80,456) and accumulated depreciation of £244,225 (2023: £437,994) were disposed of in the year.

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

TANGIBLE FIXED ASSETS								
Property, Plant & Equipment	Heritable Property	Commerical Property	Office Equipment	Computer Equipment	Non-Housing Work In Progress	Motor Vans	Other Equipment	Total
	£	£	£	£	£	£	£	£
Current Year Cost								
At start of the year	979,637	930,708	94,520	590,186	354,564	38,950	95,873	3,084,438
Additions during the year	-	-	-	5,149	-	-	-	5,149
Transfers in year	(171,531)	-	-	354,564	(354,564)	-	-	(171,531)
Disposals	(111,763)	-	-	-	-	-	-	(111,763)
At end of year	696,343	930,708	94,520	949,899	-	38,950	95,873	2,806,293
Depreciation								
At start of year	-	(263,184)	(92,733)	(538,014)	-	(24,713)	(95,477)	(1,014,121)
Transfers in year	-	-	-	-	-	-	-	-
Provided in year	-	(23,798)	(407)	(126,186)	-	(3,856)	(190)	(154,437)
Eliminated on Disposal	-	-	-	-	-	-	-	-
At end of year	-	(286,982)	(93,140)	(664,200)	-	(28,569)	(95,667)	(1,168,558)
Net Book Value								
At end of year	696,343	643,726	1,380	285,700	-	10,381	206	1,637,736
Prior Year								
At start of the year	*908,190*	*930,708*	*93,224*	*578,963*	*227,409*	*38,950*	*95,873*	*2,873,317*
Additions during the year	*-*	*-*	*1,296*	*12,548*	*127,155*	*-*	*-*	*140,999*
Transfers in year	*71,447*	*-*	*-*	*-*	*-*	*-*	*-*	*71,447*
Disposals	*-*	*-*	*-*	*(1,325)*	*-*	*-*	*-*	*(1,325)*
At end of year	*979,637*	*930,708*	*94,520*	*590,186*	*354,564*	*38,950*	*95,873*	*3,084,438*
Depreciation								
At start of year	*-*	*(239,053)*	*(92,585)*	*(475,593)*	*-*	*(19,425)*	*(95,287)*	*(921,943)*
Transfers in year	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*
Provided in year	*-*	*(24,131)*	*(148)*	*(63,746)*	*-*	*(5,288)*	*(190)*	*(93,503)*
Eliminated on Disposal	*-*	*-*	*-*	*1,325*	*-*	*-*	*-*	*1,325*
At end of year	*-*	*(263,184)*	*(92,733)*	*(538,014)*	*-*	*(24,713)*	*(95,477)*	*(1,014,121)*
Net Book Value								
At end of year	*979,637*	*667,524*	*1,787*	*52,172*	*354,564*	*14,237*	*396*	*2,070,317*

NOTE 10 – INVESTMENTS

Investments			
		2024	2023
		£	£
Investment in subsidiary undertaking		1	1
Investment in Hebrides Energy CIC		1	1
		2	2
	Activity	*Registered*	*Shareholding*
HHP Community Housing Ltd	Dormant	Scotland	100%
Hebrides Energy	Offer competitive electricity tariffs	Scotland	11.1%

NOTE 11 – TRADE & OTHER RECEIVABLES

Trade and other receivables		
	2024	2023
	£	£
Rental Arrears	229,181	187,483
Less: provision for bad debts	(190,178)	(168,174)
	39,003	19,309
Amounts owed by subsidary undertaking (due within 1 year)	18,626	18,350
Other debtors	1,166,985	1,150,571
Prepayments and accrued income	721,787	499,630
Other debtors (due in more than 1 year)	173,364	202,372
Total	2,119,765	1,890,232

NOTE 12 – CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

Creditors-Amounts falling due within one year		
	2024	2023
	£	£
Trade payables	918,925	699,223
Contract retentions	149,665	287,210
Accruals and deferred income	1,328,314	928,200
Rent in advance	305,774	272,960
HAG creditor	276,891	464,262
RTB Receipts Repayable on demand	-	954
Total	2,979,570	2,652,809

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

Creditors-Amounts falling due after more than one year		
	2024	2023
	£	£
Bank term loans	17,000,000	17,000,000
RTB Receipts due to the Scottish Government	5,365,333	5,583,000
Total	22,365,333	22,583,000
Bank Term loans are secured by specfic charges on the Partnership's properties and are repayable at varying rates of interest.		
The above creditors are due are follows:		
	£	£
Between one and two years	-	-
Between two and five years	-	-
In five years or more	22,365,333	22,583,000
	22,365,333	22,583,000

At the year end the Partnership's outstanding loan balance was £17 Million. A committed facility of £25 Million was available from the Royal Bank of Scotland along with an uncommitted overdraft facility of £0.250 Million. Loan arrangement fees incurred in setting up this facility are included in debtors and are being amortised over the period of the loan. Security has been granted in accordance with the restated loan agreement to the Royal Bank for the period of the lending facility.

NOTE 14 – DEFERRED CAPITAL GRANTS

Deferred Captial Grants	Housing Properties held for letting £	Housing Properties under construction £	Shared Ownership held for letting £	Property Plant & Equipment £	Total £
Current Year Cost					
At start of the year	(56,432,945)	(13,972,194)	(41,199)	(771,543)	(71,217,881)
Additions during the year	(1,150,768)	(5,388,051)	-	-	(6,538,819)
Disposals during the year	41,214	25,848	-	-	67,062
Transfers in year	(9,890,723)	9,890,723	-	156,861	156,861
Amortised in year	1,877,417	-	2,060	177	1,879,654
At end of year	(65,555,805)	(9,443,674)	(39,139)	(614,505)	(75,653,123)
Prior Year					
At start of the year	*(51,758,090)*	*(14,208,850)*	*(43,259)*	*(771,720)*	*(66,781,919)*
Additions during the year	*(976,647)*	*(5,087,420)*	*-*	*-*	*(6,064,067)*
Disposals during the year	*15,997*	*-*	*-*	*-*	*15,997*
Transfers in year	*(5,324,076)*	*5,324,076*	*-*	*-*	*-*
Amortised in year	*1,609,870*	*-*	*2,060*	*177*	*1,612,107*
At end of year	*(56,432,945)*	*(13,972,194)*	*(41,199)*	*(771,543)*	*(71,217,881)*

NOTE 15 – PROVISIONS FOR LIABILITIES & CHARGES

Pension Fund	2024 £	2023 £
At 1 April 2023	-	2,155,000
Created in Year	(637,000)	(4,525,000)
Restriction in Pension Surplus	637,000	2,370,000
At 31 March 2024	-	-

NOTE 16 – SHARE CAPITAL

Share Capital		
	2024 £	2023 £
Shares of £1 each issued and fully paid		
At 1 April 2023	224	215
issued during period	13	9
Surrendered during period	(150)	-
At 31 March 2024	87	224

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

- Calum Mackay
- Roddy Nicolson
- Gordon Macleod
- Helen Mackenzie
- Alison MacCorquodale
- Fiona Knape
- Norman A Macdonald
- Fiona Macleod
- Thomas Howe

NOTE 17 – KEY MANAGEMENT EMOLUMENTS

OFFICER'S EMOLUMENTS	2024	2023
	£	£
Senior Officers are defined as the Chief Executive, the Director of Finance & Corporate Services and Director of Operations		
Aggregate emoluments payable to Directors exceeding £60,000 (excluding pension contributions and benefits in kind)	251,850	240,105
Emoluments payable to the highest paid officer (excluding pension contributions)	98,823	93,927
During the period the Directors' emoluments (excluding pension contributions) fell within the following band distributions:		
More than £60,000 but not more than £70,000	-	-
More than £70,000 but not more than £80,000	2	2
More than £80,000 but not more than £100,000	1	1
Pension contributions	45,158	43,101
The directors are members of the Highland Superannuation Fund and employer's contributions are paid on the same basis as other members of staff.		
Total Expenses reimbursed in so far as not chargeable to UK Income Tax	975	654

NOTE 18 – EMPLOYEE INFORMATION

The average number of persons employed during the year was: 54

At 31 March 2024 the number of employees of the Partnership, including Directors, was: 46 (FTE), (2023 – 47 FTE).

EMPLOYEE INFORMATION	2024	2023
	£	£
Staff costs (for the above persons)		
Wages and Salaries	1,822,632	1,700,057
Social Security costs	183,290	178,427
Employers' pension costs	266,152	308,769
FRS102 Pension Adjustment (Note 22)	66,000	510,000
	2,338,074	2,697,253
Staff costs capitalised	(544,759)	(634,630)
	1,793,316	2,062,623

NOTE 19 – OPERATING SURPLUS

OPERATING SURPLUS		
	2024	**2023**
	£	**£**
Operating surplus is stated after charging:		
Depreciation	4,616,329	4,005,837
Amortised capital grants	(1,879,654)	(1,612,107)
Repairs:cyclical, major, day to day	3,783,909	3,500,975
Auditor's remuneration		
-in their capacity as auditors	11,904	11,340
-in respect of other services	-	-

NOTE 20 – TAXATION

The Partnership is a registered charity and is therefore exempt from Corporation Tax on its charitable activities. No corporation tax was due on the non-charitable activities in the year (2023: nil).

NOTE 21 – CAPITAL COMMITMENTS

CAPITAL COMMITMENTS		
	2024	**2023**
	£	**£**
Capital expenditure which has been contracted for but has not been provided for in the financial statements	13,615,830	14,186,147
Capital expenditure which has been authorised by the Board but is not contracted	40,781,370	35,303,753
	54,397,200	49,489,900
This is to be funded by:		
Funding from the Scottish Government	20,603,000	21,747,400
Private Finance	33,794,200	27,742,500
	54,397,200	49,489,900

NOTE 22 – PENSIONS

The Partnership participates in the Highland Superannuation Fund (HSF) which, as part of the Local Government Pension Scheme is a defined benefit statutory scheme based. From 1 April 2011 the scheme has operated the career average revalued earnings with 1/120th accrual benefit rate. Contributions are charged to the Income and Expenditure Account so as to spread the cost of pension over employees' working lives. These contributions are determined by formal actuarial valuation which takes place every three years, the last valuation was to 31 March 2023. The main purpose of the valuation is to determine the financial position of the Scheme in order to determine the level of future contributions required so that the Scheme can meet its pension obligations as they fall due.

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

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

There were 53 active members of the Scheme employed by the Partnership. All new employees join the scheme and have the option to withdrawn after a short period if they so choose.

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

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

The Scheme Actuary has prepared an Actuarial Report that provides an approximate update on the funding position of the scheme as at 31 March 2024. The funding update revealed an increase in the assets of the Scheme to £14.460 million and continues to show a net asset compared to liabilities of approximately £3.007 million. Under FRS102, the net surplus has been restricted as we are unable to recover the surplus through reduced contributions or refunds from the plan.

Since the contribution rates payable to the Scheme have been determined by reference to the last full actuarial valuation the following notes relate to the formal actuarial valuation as at 31 March 2023.

Employer Membership Statistics			
	Number	Total Salaries/Pensions £000's	Average Age
	31-Mar-23	31-Mar-23	31-Mar-23
Actives	53	1717	55
Deferred Pensionsers	34	94	54
Pensioners	21	205	68

Investment Returns

The return on the Fund in market value terms for the period to 31 March 2024 is estimated below based on actual Fund returns as provided by the Administering Authority and index returns where necessary. Details are below:

Actual returns from 1 April 2023 to 31 March 2024	10.90%

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

The bid value of the Fund's assets are estimated to be £2,649,706,375 based on information provided by the Administering Authority.

Period Ended	31-Mar-24	31-Mar-23
Equities	69%	69%
Bonds	10%	11%
Property	15%	15%
Cash	6%	5%

Financial Assumptions

Period Ended	31-Mar-24	31-Mar-23
Pension increase Rate	2.75%	2.95%
Salary increase Rate	3.55%	3.75%
Discount Rate	4.85%	4.75%

Historic Mortality

Period Ended	Current Pensioners	Future Pensioners
31-Mar-24	CMI 2021 model, with a 10% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a	CMI 2021 model, with a 10% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a

Commutation

An allowance is included for future retirements to elect to take 65% of the maximum tax-free cash up to HMRC limits.

Changes in Fair Value of Plan Assets Defined Obligation & Net Liability For The Year Ended 31 March 2024

Period ended 31 March 2024	Assets £000's	Obligations £000's	Net Liability/ Asset £000's
Fair Value of Plan Assets	12,848	-	12,848
Present Value of liabilitites	-	10,454	(10,454)
Present value of unfunded liabilities	-	24	(24)
Opening Position at 31 March 2023	**12,848**	**10,478**	**2,370**
Service Cost	**-**	**406**	**(406)**
Net Interest			
Interest income on plan assets	617	-	**617**
Interest cost on defined benefit obligation	-	506	**(506)**
Total Net interest	617	506	**111**
Total defined benefit cost recoginised in P & L	**617**	**912**	**(295)**
Cashflows			
Plan Participants contributions	121	121	-
Employers contributions	338	-	338
Contributions in respect of unfunded benefits	2	-	2
Benefits paid	(220)	(220)	-
Unfunded benefits paid	(2)	(2)	-
Expected closing position	**13,704**	**11,289**	2,415
Remeasurements			
Changes in demographic assumptions	**-**	34	(34)
Changes in financial assumptions	**-**	(698)	698
Other experience	**(44)**	828	(872)
Return on assets excluding amounts in net interest	**800**	-	800
Total remeasurements recognised in Other Comprehensive Income (OCI)	**756**	**164**	**592**
Fair Value of plan assets	**14,460**	-	14,460
Present value of funded liabilities	**-**	11,429	(11,429)
Present value of unfunded liabilities	**-**	24	(24)
Closing position at 31 March 2024	14,460	11,453	3,007

NOTE 23 – PROPERTY STOCK

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

Property Stock

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

	Units in Management		Units under Development	
	2024	2023	2024	2023
Unimproved				
New Build	595	538	80	137
Improved	1,774	1,783	-	-
General Needs Housing	2,369	2,321	80	137
Shared Ownership Accommodation	3	3	-	-
Supported Housing Accommodation	15	20	-	-
Total Housing Stock	2,387	2,344	80	137
Other Property				
Garages	42	42	-	-
Commerical	6	6	-	-
Heritable-Partnership's offices	3	3	-	-
Total Other Property	51	51	-	-

NOTE 24 – REVENUE COMMITMENTS

Operating Leases

	2024	2023
The Partnership had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:	£	£
Within one year	404	404
In the second to fifth year inclusive	-	-
	404	404

NOTE 25 – RELATED PARTY TRANSACTIONS

Board Members

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

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

Transactions entered into with members and rent arrear balances at 31 March 2024 are as follows:

Rent Charges	£5,676.84

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

HHP Community Housing Ltd

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

At the year-end HHP Community Housing Ltd owed Hebridean Housing Partnership £18,626 (2023: £18,350) which is included in other debtors Note 11.

NOTE 26 – LEGISLATIVE PROVISIONS

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

APPENDIX 2

Registered Number: SC379412 (Scotland)

HHP COMMUNITY HOUSING LIMITED

REPORT OF THE DIRECTORS AND

UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD 1 APRIL 2023 TO 31 MARCH 2024

DRAFT

HHP COMMUNITY HOUSING LIMITED

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 APRIL 2023 TO 31 MARCH 2024

	Page
Company Information	1
Report of the Directors	2
Financial Statements	4
Notes to the Financial Statements	7

DRAFT

DIRECTORS:	C Mackay Iain Gordon Macleod Fiona Macleod Thomas Howe
SECRETARY:	C Mackay
REGISTERED OFFICE:	Gleann Seileach Business Park Willowglen Road Stornoway Isle of Lewis HS1 2QP
REGISTERED NUMBER:	SC379412 (Scotland)

DRAFT

The Directors present their report with the financial statements of the Company for the period 1 April 2023 to 31 March 2024.

PRINCIPAL ACTIVITY

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

INCORPORATION

The Company was incorporated on 1 June 2010.

DIRECTORS

The Directors who have held office during the year from 1 April 2023 to the date of this report are as follows:

Directors	Changes during the year	
	Appointed	Resigned
Calum Mackay	13 Sep 2012	
Iain Gordon Macleod	23 Jun 2021	
Fiona Macleod	23 Apr 2024	
Thomas Howe	23 Apr 2024	
Roderick Nicolson	23 Jun 2021	5 June 2024

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

STATEMENT OF DIRECTORS

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

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

DRAFT

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

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

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

ON BEHALF OF THE BOARD

Director:

25 June 2024

DRAFT

INCOME & EXPENDITURE ACCOUNT

	Notes	31 March 2024 £	31 March 2023 £
Turnover		-	-
Operating Costs		-	-
Operating Surplus		-	-
Surplus on sale of fixed assets			
-housing properties		-	-
-other assets		-	-
Interest receivable and other income		-	-
Interest payable and other charges		(275)	(271)
Loss on ordinary activities, before transfer to Reserves		(275)	(271)
Tax on surplus on ordinary activities		-	-
Deficit for the Year		(275)	(271)
Revenue Reserve at 1 April 2023		(18,350)	(18,079)
Revenue Reserve at 31 March 2024		(18,625)	(18,350)

DRAFT

BALANCE SHEET

	Notes	31 March 2024 £	31 March 2023 £
Current Assets			
Cash at bank and in hand		1	1
		1	1
Creditors: amounts falling due within one year	2	(18,625)	(18,350)
Net current assets		(18,624)	(18,349)
Total assets less current liabilities		(18,624)	(18,349)
Capital and Reserves			
Called up Share Capital	3	1	1
Revenue Reserve	4	(18,625)	(18,350)
SHAREHOLDERS FUNDS		(18,624)	(18,349)

DRAFT

AUDIT EXEMPTION STATEMENT

The Company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the period ended 31 March 2024 relating to small companies.

The Members have not required the Company to obtain an audit of its financial statements for the period ended 31 March 2024 in accordance with Section 476 of the Companies Act 2006

For the financial year ended 31 March 2024 the Company was entitled to exemption from audit under Section 480 Companies Act 2006 relating to dormant companies.

Directors' responsibilities:

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

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

Approved by the Board and authorised for issue on 25 June 2024

Director

Company Registration No: SC379412

DRAFT

The notes form part of these financial statements.

1. ACCOUNTING POLICIES

Accounting Convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company.
Monetary amounts in these financial statements are rounded to the nearest £.

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

2. CREDITORS: Amounts falling due within one year

	2024	2023
	£	£
Intercompany Creditor	**18,625**	**18,350**

3. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal Value	2024	2023
			£	£
1	Ordinary	£1	**1**	**1**

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

4. REVENUE RESERVE

	2024	2023
	£	£
Accumulated surplus at 1 April 2023	**(18,350)**	**(18,079)**
Loss for the year	**(275)**	**(271)**
Accumulated surplus at 31 March 2024	**(18,625)**	**(18,350)**

DRAFT

hebridean housing partnership

Making our house your home

ITEM NO 6.2

BUDGETARY PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2024

Board 25 June 2024

Report by Director of Finance & Corporate Services

Purpose of Report

1.1 To present a report on the performance against budget, for the year ended 31 March 2024, including an overview of Board Members' expenses and consultancy spend for the year as per Appendix 1.

Summary

2.1 An operating surplus of £1.26m was the approved budget for 2023/24. The out-turn was an operating surplus was £3.13m and Appendix 1 provides commentary on the difference. The difference which is an improvement has a positive effect on HHP cash balances in the 30 year finances.

2.2 The covenant compliance calculation for the year is at Appendix 2 and confirms we have complied with all covenants for the year ended 31 March 2024.

Competence

3.1 The compliance issues relating to this report are at section 6.1 of the report.

Recommendations

4.1 It is recommended that the Board:

a) note the performance against budget for the year ended 31 March 2024 as at Appendix 1;

b) note the Financial Covenant for 2023/24 as at Appendix 2; and

c) approve a recommendation to the AGM that £6,000, or another sum, of the surplus be donated to local charities during 2024/25.

APPENDIX1:	Budgetary Performance for 2023/24	
APPENDIX 2:	Financial Covenant 2023/24	
Background Papers:	None	
Writer of Report:	Donald Macleod	Tel: 0300 123 0773

James Morrison 13-May-24

Report Details

5.1 Actual performance has been reviewed against budget and the report at Appendix 1 provides explanations for material variances against approved budgets.

5.2 In June 2023 the Board approved a recommendation to the membership of the AGM that £5,000 be donated to 5 local charities. The donations were very much appreciated by the local charities, although one charity was unable to accept the donation. It is suggested that this donation be carried over and added to the recommendation to be placed before the membership of the 2024 AGM.

6.1 Compliance Section

COMPLIANCE CHECKLIST	
Financial	The Report deals with how the financial resources of the Partnership have been utilised.
Legal	The following Partnership rules are applicable: Rule 79.1 The Partnership must not distribute its surpluses to Members. Rule 79.2 The Board shall set and review periodically its policy for the donation of funds to charities. Such donations must further the objects of the Partnership and the Board shall report to the Members on such donations. The following Standing Orders are applicable: Approval and Amendment of Strategy, Business Plans and Budgets, including virements to or from a budget head to the value as defined in the Financial Regulations.
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	There are no risks arising directly from the consideration of this report as Financial Covenants were met for the year ended 31 March 2024, with an interest cover of 520% and gearing of 11%.
ESG	There are no ESG considerations arising directly from the consideration of this report.
Equalities	There are no Equalities considerations arising directly from the consideration of this report.
Communication	There are no communication requirements

Appendix 1 – I&E Summary

Line		CURRENT YEAR BUDGET Initial Budget £	Revised Budget £	ACTUAL to 31-Mar-24 £	BUDGET VARIANCE Budget to date £	Budget to date %
1	Dwelling rents (net)	11,023,855	11,116,715	11,244,217	127,502	1%
2	Non Dwelling rents (net)	17,120	17,120	17,150	30	0%
3	Profit/(Loss) on Disposal of Assets	(45,000)	(45,000)	(44,703)	297	-1%
4	Grant Funding	550,000	840,000	839,599	(401)	0%
5	Other Income	186,130	153,630	434,181	280,551	183%
6	**TOTAL INCOME**	11,732,105	12,082,465	12,490,444	407,979	3%
7	Supervision & Management	2,941,015	2,942,203	2,653,214	288,989	10%
8	Response Repairs	1,952,905	2,160,430	2,168,442	(8,012)	0%
9	Estate Works	136,700	134,243	123,642	10,600	8%
10	Planned/Cyclical Maintenance	1,194,925	1,155,677	1,125,845	29,831	3%
11	**Total Operating Expenditure**	6,225,545	6,392,552	6,071,144	321,408	5%
12	Operating Surplus/(Deficit)	5,506,560	5,689,913	6,419,300	86,571	2%
13	Interest received	18,500	167,621	187,360	(19,739)	-12%
14	Interest paid	1,189,400	716,915	733,467	(16,552)	-2%
15	Surplus/(Deficit)	4,335,660	5,140,619	5,873,194	83,384	2%
16	Depreciation	4,617,600	4,617,600	4,616,386	1,214	0%
17	Grant Amortisation	(1,538,600)	(1,588,600)	(1,871,758)	283,158	-18%
18	Surplus/(Deficit)	1,256,660	2,111,619	3,128,565	200,988	10%

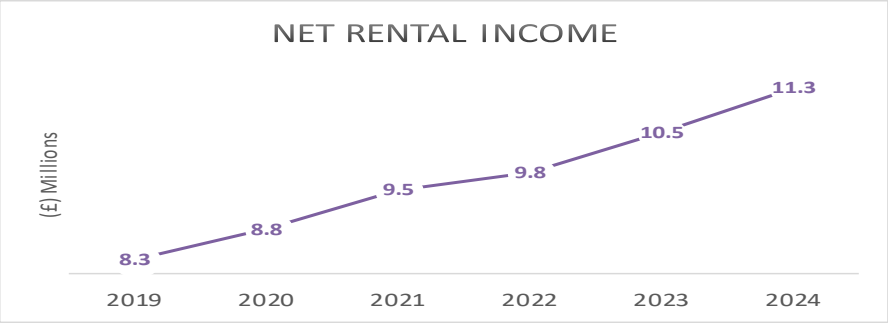
	CAPITAL INVESTMENT					
19	Housing Investment Programme	4,039,595	4,361,568	4,125,957	235,611	5%
20	Non Housing Investment	6,920	8,058	5,847	2,211	27%
21	Development Programme	1,647,190	736,594	359,447	377,148	51%
22		5,693,705	5,106,220	4,491,251	614,970	12%

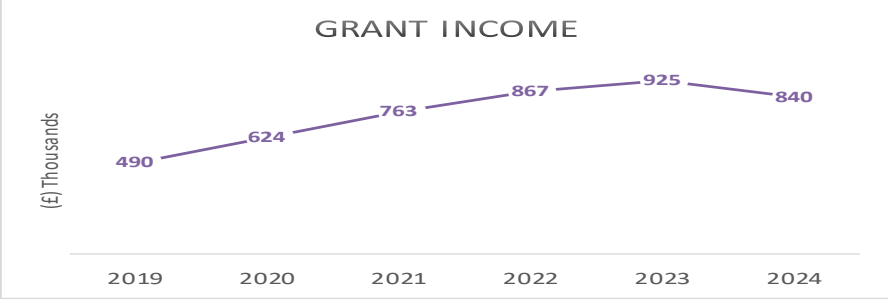
hebridean housing partnership

Making our house your home

Appendix 1 – Income

Line		2019/20 ACTUAL £	2020/21 ACTUAL £	2021/22 ACTUAL £	2022/23 Actual £	2023/24 Actual £	2023/24 BUDGET £	VARIANCE £	%
1	Net Rental Income	(8,787,442)	(9,479,361)	(9,785,232)	(10,477,681)	(11,261,366)	(11,133,835)	127,531	(1.1%)
2	Grants	(624,038)	(763,072)	(866,639)	(925,019)	(839,599)	(840,000)	(401)	0.0%
3	Grant Amortisation	(1,288,781)	(1,382,934)	(1,462,709)	(1,612,107)	(1,871,758)	(1,588,600)	283,158	(17.8%)
4	(Profit)/Loss on Disposal of Assets	242,482	206,411	248,435	1,499,632	44,703	45,000	297	0.7%
5	Other Income	(1,019,333)	(2,085,220)	(2,406,477)	(2,404,066)	(434,181)	(153,630)	280,551	(182.6%)
6	Interest Received	(23,045)	(5,438)	(2,381)	(16,650)	(187,360)	(167,621)	19,739	(11.8%)
7	**Total Income**	**(11,500,158)**	**(11,489,114)**	**(14,275,003)**	**(13,935,892)**	**(14,549,561)**	**(13,838,686)**	**710,875**	**(5.1%)**





Net Rental Income **(better than budget by 1.1%)**

- £55K benefit due to void loss performing better than budget with the remaining driven by Bad Debts coming in significantly below budget.

Grant Amortisation **(better than budget by £283K)**

- Better than budget due the to Low Carbon Transition Programme (LCITP) Infrastructure Grants.

Interest Received **(better than budget by £20K)**

- This is due to an increase in the value of monies placed on deposit in Q4.

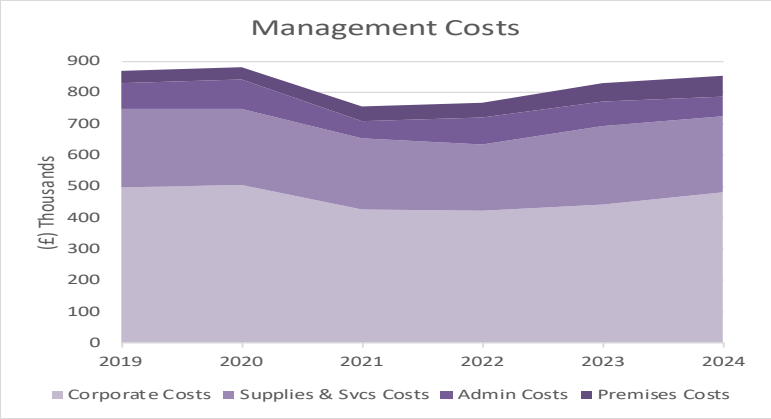
Other Income **(better than budget by £281K)**

- £265K benefit due to the receipt of delay damages at Bremner Court with the remaining driven by income from property factor accounts dependant on works carried out throughout the year.

Appendix 1 – Management Costs

Line		2019/20 ACTUAL £	2020/21 ACTUAL £	2021/22 ACTUAL £	2022/23 Actual £	2023/24 Actual £	2023/24 BUDGET £	VARIANCE £	%
1	Employee Costs	1,614,635	2,233,197	2,029,322	2,205,017	2,367,770	2,494,694	126,925	5.1%
2	Pension Adjustment	-	-	561,000	510,000	-	-	-	
3	Premises Costs	38,086	46,299	47,466	60,836	67,256	75,550	8,294	11.0%
4	Supplies and Services	239,484	226,479	211,542	250,922	242,786	254,323	11,536	4.5%
5	Administration Costs	97,343	53,976	84,812	77,619	63,866	106,078	42,212	39.8%
6	Corporate Expenses	507,104	428,523	423,663	441,856	481,502	533,143	51,641	9.7%
7	**Total Management Costs**	**2,496,652**	**2,988,474**	**3,357,805**	**3,546,251**	**3,223,181**	**3,463,788**	**240,607**	**6.9%**

**Pension Adjustment is based on actuarial valuation provided at year end*



Employee Costs (better than budget by £127K)

- £102K underspend on Salaries and associated costs (NI & Pensions) due to vacant posts throughout the year
- £11K underspend on Travel & Subsistence due to remote meetings driving costs down as well as £13K underspend on uniforms and mileage (due to increased electric car usage)

Premises Costs (better than budget by £8K)

- Planned office programmed works were completed at the beginning of April

Supplies and Services (better than budget by £12K)

- Software requirements were less than anticipated (£5K)
- Customer Services SLA Contract with CNES ended and new contract with Allpay resulting in procurement savings (£3K)

Administration Costs (better than budget by £42K)

- Community Support was £13K under budget as a result of overprovision on tenant conference fees in addition to no tenant training
- Training Courses was within budget by £20K due to the majority of training being delivered remotely at a reduced cost in addition to minimal spend on occupational health services (£4K) and reduced printing costs (£4K)

Corporate Expenses (better than budget by £52K)

- Consultancy Spend was £25K less than budget, with legal fees (£9K) requiring less spend and Property Consultants (£12K-ACS and Corgi) had provision for safety audits that are now Bi-Annual
- Insurance costs £8K under budget due to delay in property handover throughout the year
- Remote board meetings and training resulted in savings of £6K on Governance and delays in launch of new tenant portal resulted in less spend on marketing (£9K).

hebridean housing partnership

Making our house your home

Appendix 1 – Response Repairs & Planned Maintenance

Line		2019/20 ACTUAL £	2020/21 ACTUAL £	2021/22 ACTUAL £	2022/23 Actual £	2023/24 Actual £	2023/24 BUDGET £	VARIANCE £	%
1	General Repairs	1,321,003	1,495,856	1,675,204	1,781,901	1,876,760	1,897,100	20,340	1.1%
2	Specific Repairs	92,317	42,143	60,080	78,223	53,231	60,665	7,433	12.3%
3	Rechargeable Repairs	59,075	10,552	1,356	(4,661)	33,676	39,500	5,824	14.7%
4	Insurance Repairs	39,221	64,273	133,438	84,423	153,439	108,000	(45,439)	(42.1%)
5	Non Dwelling Repairs	20,753	22,212	19,311	62,957	51,335	55,165	3,830	6.9%
6	**Total Response Repairs**	**1,532,369**	**1,635,035**	**1,889,388**	**2,002,842**	**2,168,442**	**2,160,430**	**(8,012)**	**(0.4%)**
7	Planned Maintenance	650,768	889,028	793,832	952,317	1,125,845	1,155,677	29,831	2.6%
8	Estate Works	129,289	65,930	140,339	93,115	123,642	134,243	10,600	7.9%
9	**Total Planned Maintenance**	**780,058**	**954,958**	**934,171**	**1,045,432**	**1,249,488**	**1,289,919**	**40,432**	**3.1%**

General Repairs (£20K under budget)

- Whilst General Repairs has come in £20K under budget, budget was increased by £162K to cover an over run on void repairs. Repairs spend in the latter half of the year reduced with us closing the year with a £20K under spend

Specific Repairs (under budget by £7K)

- Mainly driven by an under spend on Decoration Allowances due to a reprogramming of investment works with Roughcast works moved to 25/26 and Window works completion delayed to early 24/25

Rechargeable Repairs (under budget by £5K)

- Increase in the value of rechargeable repairs recovered through invoicing. Whilst invoicing has increased, concerns still remain on the recoverability on these invoices.

Insurance repairs (£45K over budget)

- An increase in the number of storm damage repairs under the excess threshold after various weather events throughout the winter coupled with two significant water damage claims resulted in an overspend

Planned Maintenance (£30K better than budget)

- A number of sewage system works were not completed this year due to Scottish Water being behind on scheduling works.

hebridean housing partnership

Making our house your home

Appendix 1 – Capital Investment

Line		2019/20 ACTUAL £	2020/21 ACTUAL £	2021/22 ACTUAL £	2022/23 Actual £	2023/24 Actual £	2023/24 BUDGET £	VARIANCE £	%
1	Investment Programme	4,235,093	2,545,443	4,284,001	3,968,862	4,125,957	4,361,568	235,611	5.4%
2	Development Programme	2,500,262	951,903	8,995,105	3,031,642	359,447	736,594	377,148	51.2%
3	Non Housing Investment	210,783	40,141	266,021	142,778	5,847	8,058	2,211	27.4%
4	**Total Capital Investment**	**6,946,138**	**3,537,487**	**13,545,128**	**7,143,283**	**4,491,251**	**5,106,220**	**614,969**	**12.0%**

Investment Programme (Underspend of £236K)

- Roughcast works have been delayed until 25/26 in addition to some Windows at St Barrs not completing by the end of March 24

Development Programme (Underspend of £377K)

- The underspend on development is principally driven by the timing of grants for Blackwater from Scottish Government.

CONSULTANCY SPEND 2023/24							
Area	**Consultant**	**Cost (£)**	**Budget (£)**	**Responsible Officer**	**Scope of Works**	**Summary of Performance**	**Value for Money (Y/N)**
Consultants General	Kirsty Innes	5,804	5,850	Dena Macleod	Scoping, planning, & mobilisation of culture audit. Inclusive of organisational survey and 10x Individual Surveys plus travel expenses.	Project is still underway and the peformance will be reviewed on completion of project	Y
Consultants General	Employers in Voluntary Housing	2,160	2,160	Dena Macleod	Salary benchmarking project	Completed on time and within budget. Recommendations now implemented	Y
Property Consultants	The John Martin Partnership	79,068	79,100	John Maciver	Survey of stock condition 2023/24	Completed on time, survey data, detail and SHQS data provided was good. Modelling was somewhat inconsistent and required removal of double counting, also required levelling. Tender price very high at outset, negotiated down to a lesser level but still expensive.	N
Property Consultants	Pick Everard	5,400	5,500	Donald Macleod	Insurance reinstatement cost assessment of Housing with Extra Care, Gibson Gardens, Calabhaigh, lochboisdale, and Haldane.	Work performed within timescales allowing for insurance renewal to include updated valuations.	Y
VAT Consultants	Azets	1,140	1,500	Donald Macleod	Goathill HWEC VAT liability advice.	Work performed within agreed timescales	Y

hebridean housing partnership

Making our house your home

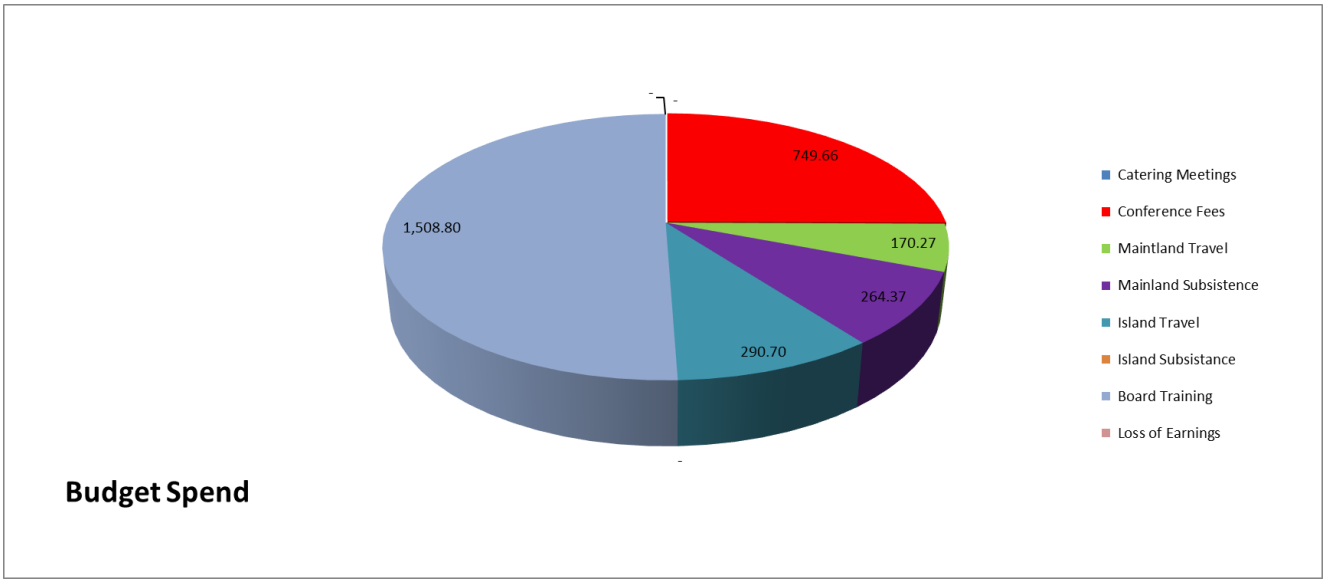
BOARD MEMBER EXPENSES 2023/24

1.1 The chart below details the areas of expenditure incurred during the year against budget.

1.2 There has been an overall underspend of 77% on the total budget for the Board.

1.3 There were 4 Board training sessions held throughout the year and Board Members attended 3 conferences in 2023/24.

BOARD MEMBERS' EXPENSES



	Catering Meetings	Conference Fees	Maintland Travel	Mainland Subsistence	Island Travel	Island Subsistance	Board Training	Loss of Earnings	Total
Gordon Macleod	-	74.83	54.00	-	323.10	-	-	-	419.53
Calum Mackay	-	-	-	-	-	-	-	-	-
Helen Mackenzie	-	-	-	-	-	-	200.00	-	200.00
Roddy Nicolson	-	74.83	16.90	99.49	-	-	-	-	174.32
Donald Macsween	-	-	-	-	-	-	-	-	-
Iain M Macleod	-	-	-	-	-	-	-	-	-
Finlay Stewart	-	-	-	-	-	-	-	-	-
Norman A Macdonald	-	-	-	-	-	-	-	-	-
Alison MaCorquodale	-	600.00	99.37	-	-	-	402.80	-	1,102.17
Thomas Howe	-	-	-	164.88	-	-	250.00	-	414.88
Fiona Knape	-	-	-	-	-	-	200.00	-	200.00
Board Catering	-	-	-	-	-	-	-	-	-
Board General	-	-	-	-	-	-	456.00	-	-
Totals	**-**	**749.66**	**170.27**	**264.37**	**323.10**	**-**	**1,508.80**	**-**	**2,510.90**
Budget Allocation for 2023/24									**£10,830.00**
Board Members Budget Allowance Underspend									**77%**

James Morrison 13-May-24

hebridean housing partnership

Making our house your home

APPENDIX 2

Line	Detail	YTD
1	Adjusted Operating Surplus	£ 3,674,672
2	Add back Depreciation	£ 4,616,386
3	Add back Profit/(Loss) on sale of LIFT properties	£ -
4	Deduct Capitalised Investment (inc OT)	(£ 3,514,594)
5	Deduct Pension Contributions	£ -
6	Deduct Amortisation	(£ 1,871,758)
7	Deduct Impairment Gain	(£ 66,483)
8	Adjusted Operating Surplus	£ 2,838,224
9	Interest Payable	£ 733,467
10	Interest Receivable	£ 187,360
11	Net Interest Payable	£ 546,106
12	Covenant for 23/24	110%
13	Adjusted Operating Surplus as percentage of Net interest Payable	520%
14	Headroom	£ 2,237,506
15	Historic Cost of Properties	£ 160,330,419
16	Financial Indebtedness	£ 17,000,000
17	Gearing Covenant for 23/24	30%
18	Gearing	11%

ITEM NO 6.3

SHR RETURNS 2023/24

Board 25 June 2024

Report by Director of Finance & Corporate Services

Purpose of Report

1.1 To present the Loan Portfolio return (2023/24) required by the Scottish Housing Regulator (SHR) for consideration and approval.

Summary

2.1 The SHR requires RSL's to submit three returns on an annual basis. The Loan Portfolio Return (Appendix1), the Audited Financial Statements and the five year financial plans (approved by Board in May 2024 and has subsequently been submitted to SHR).

2.2 The SHR has not yet opened the Audited Financial Statements return on the portal, but this return will be filed as per the Audited Financial Statements at Board Item 6.1.

2.3 There are no changes to the return from last year other than an update on the final covenant position for the year and an update to the number of housing units owned.

Competence

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

Recommendations

4.1 **It is recommended that the Board approve for submission to the Scottish Housing Regulator:**

a) the Loan Portfolio Return for 2023/24 as at Appendix 1; and

b) the submission of the Audited Financial Statements as at Board Agenda Item 6.1 once the Regulator has opened the portal for submissions.

APPENDIX1:	Loan Portfolio Return 2023/24	
Background Papers:	None	
Writer of Report:	Donald Macleod	Tel: 0300 123 0773

5.1 Compliance Checklist

COMPLIANCE CHECKLIST	
Financial	The Loan Portfolio Return reflects the level of debt drawn at 31 March 2024(£17M) along with an overview of the make-up of the borrowing facility held with the Royal Bank of Scotland (£25M).
Legal	The Partnership's Rule 69 states that "The Partnership must keep proper books of account to cover its income, expenditure transactions and its assets, liabilities and reserves in line with sections 75 and 76 of the Co-operative and Community Benefit Societies Act 2014. It must also set up and maintain a suitable system for controlling its books of accounts, its cash and its receipts and invoices". The Board has ultimate responsibility for the Partnership's finances and in accordance with the Financial Regulations the Board has the responsibility to approve the five year plans.
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.
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	There will be no communications required following approval of this report.

APPENDIX 1

Loan Portfolio Annual Return 2023-2024

Landlord name:	Hebridean Housing Partnership Ltd
RSL Reg. No.:	359
Report generated date:	12/06/2024 10:43:42

Approval	
Date approved:	
Approver:	
Approver job title	

Submission		
Nil return		No
Date of Return		31/03/2024
Accounting year-end		March
Number of housing units owned by RSL		2,387
Number of housing units used for Security		2,212
Unencumbered housing units		175
What Percentage of unencumbered housing units has a Positive value?		100.00%
Does a Lender have a floating charge over the company assets?		No
Maturity Profile of Loan Debt Outstanding	Less than 1 year	0.0
	Between 1 and 2 years	0.0
	Beyond 2 years and up to 5 years	0.0
	Greater than 5 years	17,000.0
	Total	17,000.0

Submission Comments
N/A

Covenants for Loans

Covenant Sequence Number	Type of Covenant applied	How is this Covenant calculated?	Required levels	Frequency of reporting to lender	Date of last report to lender	Actual levels achieved at that date
1	Interest Cover	Annual Cashflow Deficit Covenant In respect of each Financial Year specified in Part A where the ratio in column 2(total interest paid divided by net operating cashflow except in years where there is a deficit) is less than zero, the Annual Cashflow Deficit for that Financial Year shall not be a greater negative figure than that set out in Part A of Schedule 5, as amended each year by the Lender in line with the agreed Business Plan. Net Operating Cashflow Covenant In respect of each Financial Year specified in Part B where the ratio in column 2 is equal to or greater than zero, the ratio of Net Operating Cashflow to Total Interest for that period shall not be less than the ratio setout in Part B of Schedule 5, as amended each year by the Lender in line with the agreed Business Plan. Part A 31March2019 3,450,000 31March2020 5,434,000 31March2021 8,053,000 31March2022 2,551,000 31March2033 402,000 Part B 31March2023 1.27 31March2024 1.51 31March2025 1.81 31March2026 4.49 31March2027 4.28 31March2028 2.92 31March2029 3.41 31March2030 2.52 31March2031 3.89 31March2032 3.98	Cashflow deficit of £8.053m for 2020/21	Annually	31/03/2021	Cashflow Surplus of £0.22M

Covenant Sequence Number	Type of Covenant applied	How is this Covenant calculated?	Required levels	Frequency of reporting to lender	Date of last report to lender	Actual levels achieved at that date
		31March2034 3.90 31March2035 5.93 31March2036 18.99 31March2037 0.00 31March2038 0.00 31March2039 0.00 31March2040 0.00 31March2041 0.00 31March2042 0.00				
3	Interest Cover	Interest Cover Covenant - The Borrower shall procure that Adjusted Operating Surplus in respect of each Financial Year expressed as a percentage of Net Interest Payable in respect of such Financial Year shall not be less than one hundred and ten per cent (110%). "Adjusted Operating Surplus" to be calculated in accordance with the applicable SORP and adjusted as follows:- - adding back amounts charged for depreciation in respect of housing properties; - adding the profit/loss in respect of sales of housing properties sold in the ordinary course of its activities; - deduct 100% of capitalised component replacement costs and capitalised major repair costs; -in respect of the financial years ending 31 March 2022 and 31 March 2023 only, adding back any 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) - deducting pension deficit contributions payable, Gearing Covenant - The Borrower shall procure that at all times Total Financial Indebtedness expressed as a percentage of Historic Cost of Properties will not exceed thirty per cent (30%).	Minimum Interest Cover 110% & Maximum Gearing = 30%	Annually	31/03/2024	Gearing = 11% / Interest Cover = 520%

Facilities

Facility Reference Number	Name of Lender	Charge holder	Security Trustee in place?	Start Date	End Date	Total Facility (£'000s)	Reason for Total Facility Change	Balance of Facility Outstanding (£'000s)	Facility Undrawn (£'000s)	Next five years?	Undrawn Facility for?	Details
HHPRBS2164	Royal Bank of Scotland plc		No	02/07/2021	31/03/2041	5,000.0		5,000.0	0.0			
HHPRBS2165	Royal Bank of Scotland plc		No	02/07/2021	31/03/2046	12,000.0		12,000.0	0.0			
HHPRBS2166	Royal Bank of Scotland plc		No	02/07/2021	31/03/2031	8,000.0		0.0	8,000.0	Yes	Working Capital	
Totals						25,000.0		17,000.0	8,000.0			

Facilities

Facility Reference Number	Name of Lender	Funds Committed?	Fees - Arrangement	Fees - Non-utilisation	Fees - Other	Fees - Details	All lenders within this syndicate	Linked to ESG Credentials?	Facility Comments
HHPRBS2164	Royal Bank of Scotland plc		Yes	No	No			No	RBS Refinancing 2021 (£10M increased facility from £15M to £25M)
HHPRBS2165	Royal Bank of Scotland plc		Yes	Yes	No			No	
HHPRBS2166	Royal Bank of Scotland plc	No	Yes	Yes	No			No	

Loans

Facility Reference Number	Loan Reference Number	Loan Type	Purpose of Loan	Loan Purpose Details	Total Loan Amt (£'000s)	Balance O/S (£'000s)	Repmnt Terms	Ref Int Rate	Margin Over Ref Int Rate (%)	'All in' Fixed Rate (%)	First Cap Repmnt Date	Final Cap Repmnt Date	First Int Pmnt Date	Interest is being
HHPRBS2164	RBSFIXED1045	Fixed Rate Loan	Refinancing		3,500.0	3,500.0	Interest only followed by structured capital repayments	Fixed Rate Percentage		6.6250%	30/06/2036	31/03/2041	18/10/2021	Paid
HHPRBS2164	RBSVAR1046	Variable Rate Loan	Refinancing		1,500.0	1,500.0	Interest only followed by structured capital repayments	SONIA	1.4000%		30/06/2036	31/03/2041	31/12/2021	Paid
HHPRBS2164 Total					5,000.0	5,000.0								
HHPRBS2165	RBSFIXED1047	Fixed Rate Loan	Refinancing		5,000.0	5,000.0	Interest only followed by structured capital repayments	Fixed Rate Percentage		2.8230%	30/06/2031	31/03/2046	31/03/2022	Paid
HHPRBS2165	RBSFIXED1049	Fixed Rate Loan	Affordable Housing Development		3,000.0	3,000.0	Interest only followed by structured capital repayments	Fixed Rate Percentage		2.8230%	30/06/2031	31/03/2046	30/09/2022	Paid
HHPRBS2165	RBSFIXED1050	Fixed Rate Loan	Affordable Housing Development		4,000.0	4,000.0	Interest only followed by structured capital repayments	Fixed Rate Percentage		2.8230%	30/06/2031	31/03/2046	31/12/2022	Paid
HHPRBS2165 Total					12,000.0	12,000.0								
Totals					17,000.0	17,000.0								

Loans

Facility Reference Number	Loan Reference Number	Start Date	Fin cap Rep Date Ind	Current deal expiry date	Forward fixes neg with Lender?	Fees - Arrangement	Fees - Non-utilisation	Fees - Other	Fees - Details	Percentage of Security provided by Social Housing assets (%)	Value of Security provided by Social Housing units (£'000s)	Basis of valuation	Date of valuation	Loan not linked to Covenant	Loan Comments
HHPRBS2164	RBSFIXED1045	02/07/2021	Yes			Yes	No	No		100.00%	47,715.0	EUV-SH without sales	31/03/2021		
HHPRBS2164	RBSVAR1046	02/07/2021	Yes			Yes	No	No		100.00%	47,715.0	EUV-SH without sales	31/03/2021		
HHPRBS2165	RBSFIXED1047	31/12/2021	Yes			Yes	Yes	No		100.00%	47,715.0	EUV-SH without sales	31/03/2021		
HHPRBS2165	RBSFIXED1049	30/06/2022	Yes			Yes	Yes	No		100.00%	47,715.0	EUV-SH without sales	31/03/2021		
HHPRBS2165	RBSFIXED1050	30/09/2022	Yes			Yes	Yes	No		100.00%	47,715.0	EUV-SH without sales	31/03/2021		

Loans Covenants

Facility Reference Number	Loan Reference Number	Covenant Sequence Number	Type of Covenant applied	How is this Covenant calculated?	Required levels	Frequency of reporting to lender	Actual levels achieved at that date
HHPRBS2164	RBSFIXED1045	3	Interest Cover	Interest Cover Covenant - The Borrower shall procure that Adjusted Operating Surplus in respect of each Financial Year expressed as a percentage of Net Interest Payable in respect of such Financial Year shall not be less than one hundred and ten per cent (110%). "Adjusted Operating Surplus" to be calculated in accordance with the applicable SORP and adjusted as follows:- - adding back amounts charged for depreciation in respect of housing properties; - adding the profit/loss in respect of sales of housing properties sold in the ordinary course of its activities; - deduct 100% of capitalised component replacement costs and capitalised major repair costs; -in respect of the financial years ending 31 March 2022 and 31 March 2023 only, adding back any 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) - deducting pension deficit contributions payable, Gearing Covenant - The Borrower shall procure that at all times Total Financial Indebtedness expressed as a percentage of Historic Cost of Properties will not exceed thirty per cent (30%).	Minimum Interest Cover 110% & Maximum Gearing = 30%	Annually	Gearing = 11% / Interest Cover = 520%
HHPRBS2164	RBSVAR1046	3	Interest Cover	Interest Cover Covenant - The Borrower shall procure that Adjusted Operating Surplus in respect of each Financial Year expressed as a percentage of Net Interest Payable in respect of such Financial Year shall not be less than one hundred and ten per cent (110%). "Adjusted Operating Surplus" to be calculated in accordance with the applicable SORP and adjusted as follows:-	Minimum Interest Cover 110% & Maximum Gearing = 30%	Annually	Gearing = 11% / Interest Cover = 520%

Facility Reference Number	Loan Reference Number	Covenant Sequence Number	Type of Covenant applied	How is this Covenant calculated?	Required levels	Frequency of reporting to lender	Actual levels achieved at that date
				- adding back amounts charged for depreciation in respect of housing properties; - adding the profit/loss in respect of sales of housing properties sold in the ordinary course of its activities; - deduct 100% of capitalised component replacement costs and capitalised major repair costs; -in respect of the financial years ending 31 March 2022 and 31 March 2023 only, adding back any 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) - deducting pension deficit contributions payable, Gearing Covenant - The Borrower shall procure that at all times Total Financial Indebtedness expressed as a percentage of Historic Cost of Properties will not exceed thirty per cent (30%).			
HHPRBS2165	RBSFIXED1047	3	Interest Cover	Interest Cover Covenant - The Borrower shall procure that Adjusted Operating Surplus in respect of each Financial Year expressed as a percentage of Net Interest Payable in respect of such Financial Year shall not be less than one hundred and ten per cent (110%). "Adjusted Operating Surplus" to be calculated in accordance with the applicable SORP and adjusted as follows:- - adding back amounts charged for depreciation in respect of housing properties; - adding the profit/loss in respect of sales of housing properties sold in the ordinary course of its activities; - deduct 100% of capitalised component replacement costs and capitalised major repair costs; -in respect of the financial years ending 31 March 2022 and 31 March 2023 only, adding back any 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)	Minimum Interest Cover 110% & Maximum Gearing = 30%	Annually	Gearing = 11% / Interest Cover = 520%

Facility Reference Number	Loan Reference Number	Covenant Sequence Number	Type of Covenant applied	How is this Covenant calculated?	Required levels	Frequency of reporting to lender	Actual levels achieved at that date
				- deducting pension deficit contributions payable, Gearing Covenant - The Borrower shall procure that at all times Total Financial Indebtedness expressed as a percentage of Historic Cost of Properties will not exceed thirty per cent (30%).			
HHPRBS2165	RBSFIXED1049	3	Interest Cover	Interest Cover Covenant - The Borrower shall procure that Adjusted Operating Surplus in respect of each Financial Year expressed as a percentage of Net Interest Payable in respect of such Financial Year shall not be less than one hundred and ten per cent (110%). "Adjusted Operating Surplus" to be calculated in accordance with the applicable SORP and adjusted as follows:- - adding back amounts charged for depreciation in respect of housing properties; - adding the profit/loss in respect of sales of housing properties sold in the ordinary course of its activities; - deduct 100% of capitalised component replacement costs and capitalised major repair costs; -in respect of the financial years ending 31 March 2022 and 31 March 2023 only, adding back any 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) - deducting pension deficit contributions payable, Gearing Covenant - The Borrower shall procure that at all times Total Financial Indebtedness expressed as a percentage of Historic Cost of Properties will not exceed thirty per cent (30%).	Minimum Interest Cover 110% & Maximum Gearing = 30%	Annually	Gearing = 11% / Interest Cover = 520%
HHPRBS2165	RBSFIXED1050	3	Interest Cover	Interest Cover Covenant - The Borrower shall procure that Adjusted Operating Surplus in respect of each Financial Year expressed as a percentage of Net Interest Payable in respect of such Financial Year shall not be less than one hundred and ten per cent (110%).	Minimum Interest Cover 110% & Maximum Gearing = 30%	Annually	Gearing = 11% / Interest Cover = 520%

Facility Reference Number	Loan Reference Number	Covenant Sequence Number	Type of Covenant applied	How is this Covenant calculated?	Required levels	Frequency of reporting to lender	Actual levels achieved at that date
				"Adjusted Operating Surplus" to be calculated in accordance with the applicable SORP and adjusted as follows:- - adding back amounts charged for depreciation in respect of housing properties; - adding the profit/loss in respect of sales of housing properties sold in the ordinary course of its activities; - deduct 100% of capitalised component replacement costs and capitalised major repair costs; -in respect of the financial years ending 31 March 2022 and 31 March 2023 only, adding back any 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) - deducting pension deficit contributions payable, Gearing Covenant - The Borrower shall procure that at all times Total Financial Indebtedness expressed as a percentage of Historic Cost of Properties will not exceed thirty per cent (30%).			

Embedded Interest Rate Derivatives

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

IGF Lend

Sequence Number	Name of the organisation that the funding is provided to	Relationship to RSL	Amount Provided (£'000s)	Balance O/S (£'000s)	Purpose of loan	Details	Duration of funding arrangement (months)	Start Date	End Date	First repayment date	Is Funding Provided Part of Funds Borrowed?	Loan Reference Number	Lender aware of on Lending Arrangement?
1	HHP Community Housing Ltd	Subsidiary	18.6	18.6	Working Capital		48	01/04/2023	31/03/2027	31/03/2027	No		
Totals			18.6	18.6									

IGF Lend

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

IGF Borrow

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

IGF Borrow

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

ISDAs

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

ISDA Covenants

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

OPERATIONS REPORT TO 31 MARCH 2024

Board 25 June 2024

Report by Director of Operations

Purpose of Report

1.1 To update the Board on Allocations, Anti-Social Behaviour, Estate Management, Complaints and Repairs for 2023/24.

Summary

2.1 The Allocations Report, at Appendix shows there has been a significant increase in the number of applications on the waiting list and we are currently working to identify the drivers in this. There are a number of reasons including the rising cost of mortgages, lower turnover of stock since 2020, our new build programme attracting applicants and potentially processing issues as we implemented the new CX system. Analysis of the data will be completed and reported to the Board in August 2024.

2.2 Complaints Performance, at Appendix 2, shows that 61 complaints were received from 1 October 2023 – 31 March 2024 which is lower than the 74 received in the same period last year. 93% were responded to within target. 107 compliments were received during the period. A significant proportion were due to the assistance given via vouchers to assist with cost-of-living pressures.

2.3 An update on Anti-Social Behaviour (ASB) & Estate Management can be found at Appendix 3. There were 13 new complaints of ASB during the year. These were relatively minor and levels continue to be low.

2.4 Repair and Maintenance Contractor Performance for the period 1 October 2023 – 31 March 2024 has been assessed as good. Operationally FES FM has provided a good service and this is reflected in the Service Review at Appendix 4.

Competence

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

Recommendations

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

a) note the Allocations Report 2023/24 at Appendix 1;

b) agree the quota of vacancies in Stornoway remain at 50% for homeless applicants and that the number of 2 apt properties being made available for homeless applicants in Stornoway be retained at 25 per annum;

c) agree the quotas for allocation properties in Stornoway remain at 15% for transfer applicants and 35% for other waiting list applicants;

d) note the Complaints Performance at Appendix 2;

e) note the Anti-Social Behaviour & Estate Management Performance at Appendix 3; and

f) note the 6 monthly Repairs Service Review at Appendix 4.

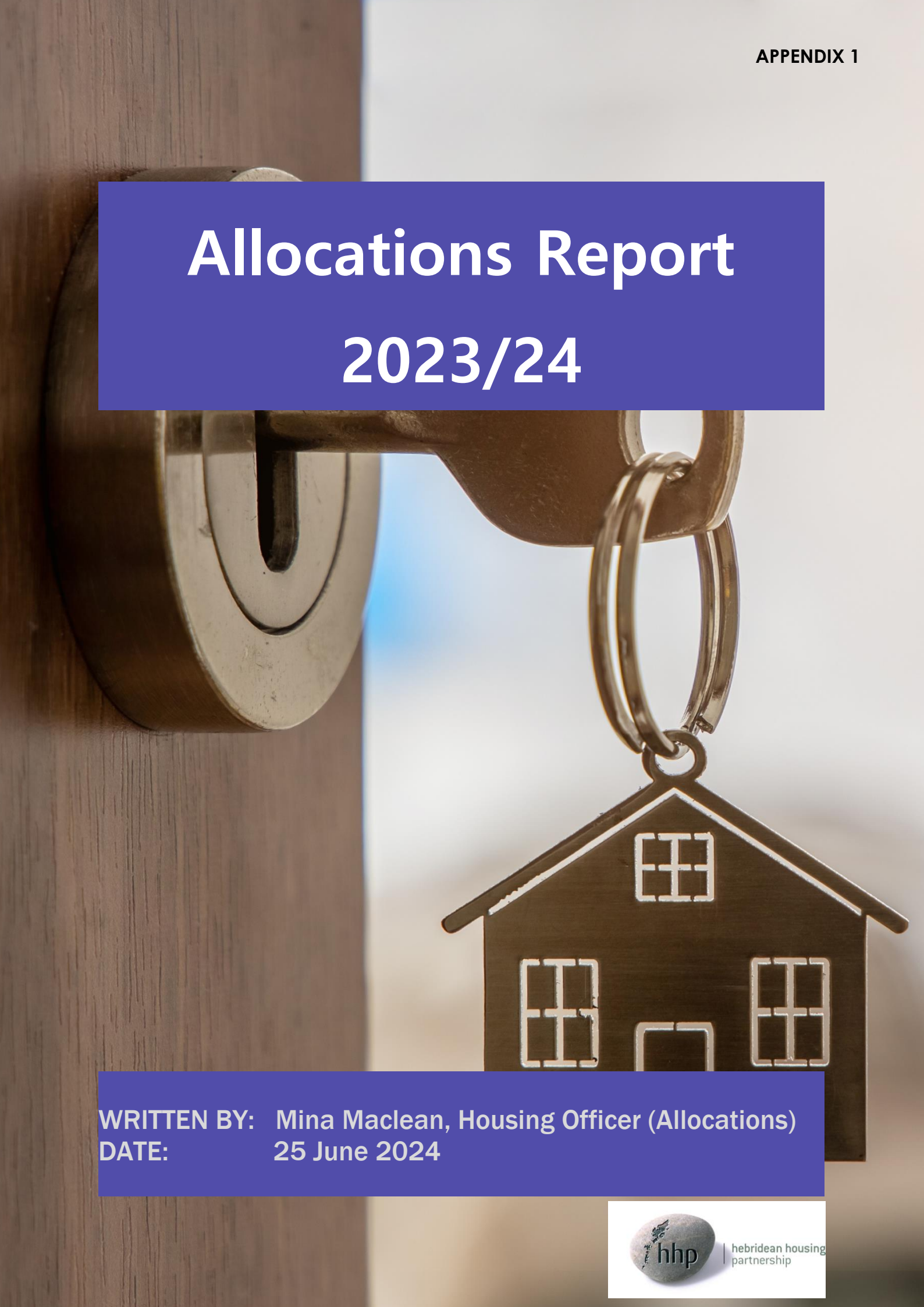
APPENDIX 1:	Allocations Report 2023/24	
APPENDIX 2:	Complaints Performance	
APPENDIX 3:	Anti-Social Behaviour & Estate Management	
APPENDIX 4:	Repairs Service Review	
Background Papers:	Allocations Policy	
Writer of Report:	John Maciver	Tel: 0300 123 0773

5.1 Compliance Section

COMPLIANCE CHECKLIST	
Financial	There are no financial constraints to the recommendation in this report being implemented.
Legal	There are no legal constraints to the recommendation in this report being implemented.
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	Lack of demand from housing will impact the income and strength of the business. Reducing population is captured within the Risk Register with the residual rating of 20 (high). Repeated failures to meet SPSO Complaints response timescales could result in bother the Regulator and SPSO reviewing our complaints handling process and staff training, and we would fail to meet Business Plan target 1.3. Failure to meet adequate repairs service review scoring against the criteria could affect our ability to meet regulatory and legal obligations and performance targets. In addition, contractor failure is identified on our Risk Register with a residual rating of 12 (medium).
ESG	The data in the report helps to inform our ESG strategy and elements are captured in the action plan.
Equalities	We are committed to promoting equality, diversity and inclusion. The data in the report forms part of our monitoring of equalities issues.
Communication	The data in the report will be shared with staff/tenants/partners as appropriate to their needs and requirements.

APPENDIX 1

Allocations Report 2023/24



WRITTEN BY: Mina Maclean, Housing Officer (Allocations)
DATE: 25 June 2024

hhp | hebridean housing partnership

EXECUTIVE SUMMARY

The information in this report allows trends and changes in demand and supply to be tracked.

CONCLUSIONS

The number of people on waiting lists has increased significantly over the last 2 to 3 years. The reasons for this are not fully identified at present and work is continuing to analyse the data. However, it is believed that there are a number of factors contributing to the increase:

- the cost of living crisis and increased mortgage costs making it difficult for people to access owner occupation.
- It is also likely that our new build programme may have generated demand particularly around Stornoway but in some of the rural areas as well.
- The transition to CX and associated processing and reporting changes may also be a factor and this is being reviewed.
- Turnover was lower during Covid restrictions and is slowly increasing. Consequently, fewer houses have been available for let.

All these factors are being investigated further to ascertain the extent to which they are playing a part in the increase. Nonetheless, the ratio of applicants to available housing remains low. Therefore, it should not be assumed that demand is strong or that there is a compelling argument for substantially increasing housing supply. While waiting lists have increased the Housing Need and Demand Assessments carried out by ourselves and CNES do not indicate significant demand. More local surveys carried out do not indicate a differing position.

Our Development programme will continue to increase supply through to 2028/29 and this coupled with the demographic trends evidences the need for an ongoing assessment of our programme in the context of the wider population and economic position.

In 2023/24 the void loss figure increased to 0.78% from 0.5% in 2022/23.

AIMS

1.1 The aims of this report are to:

- provide information on the supply and demand for social housing in the Outer Hebrides
- inform decisions on the requirement for, and location of, new supply
- monitoring equality in terms of access to housing.

SUMMARY

2.1 A summary of waiting list (includes transfer applicants but not suspended and deferred applicants) for the period is below:

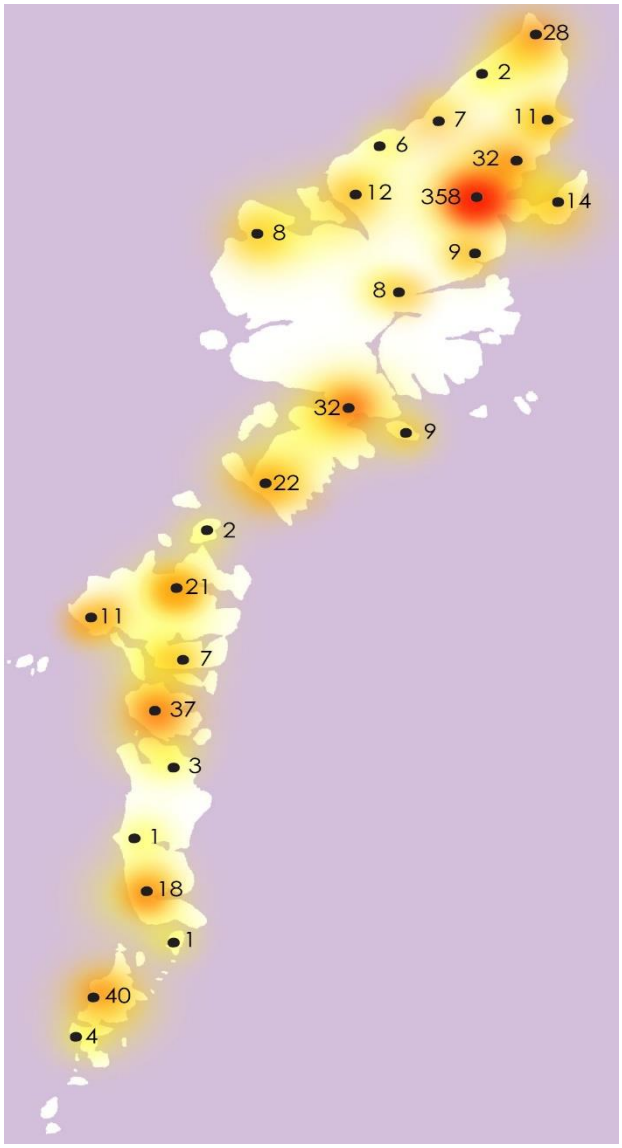
Waiting List as at 24 February 2023	546
New applications*	478
Applications Withdrawn*	208
Waiting List as at 31 March 2024	703

*1 April 2023 – 31 March 2024

2.2 For the period from 25 February 2023 to 31 March 2023, which covers CX going live, a reconciliation has been done to confirm reporting numbers are correct.

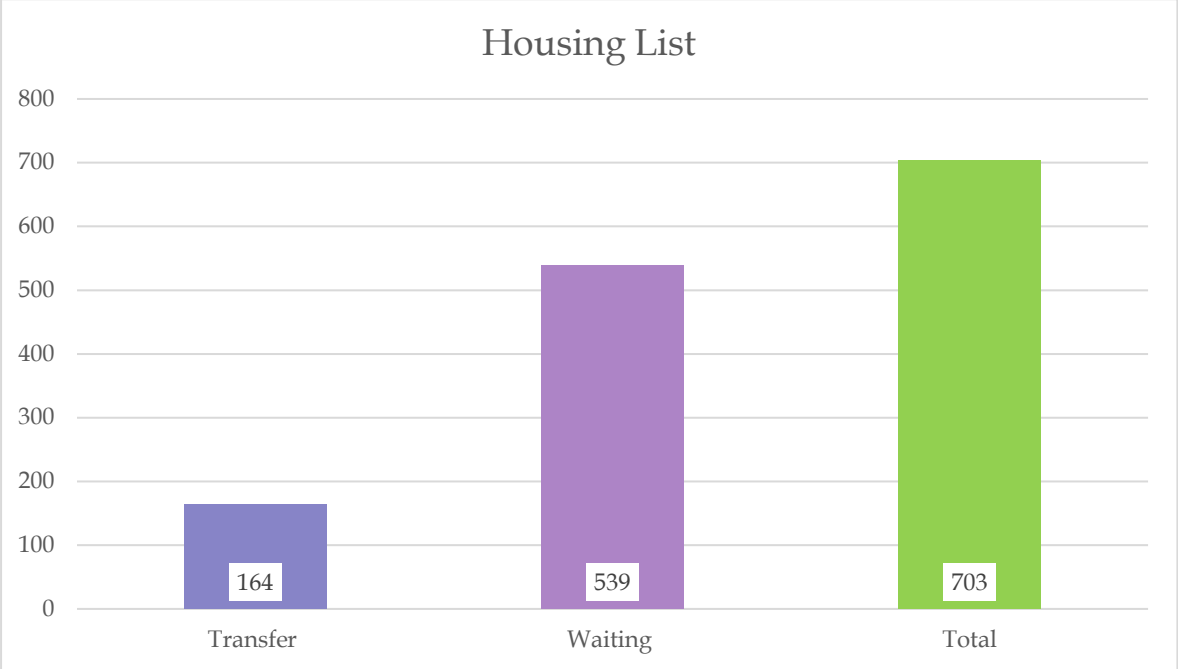
WAITING LIST AT 31 MARCH 2024

3.1 The map below shows the number of applicants on the waiting list at 31 March 2024 by first choice area of preference.



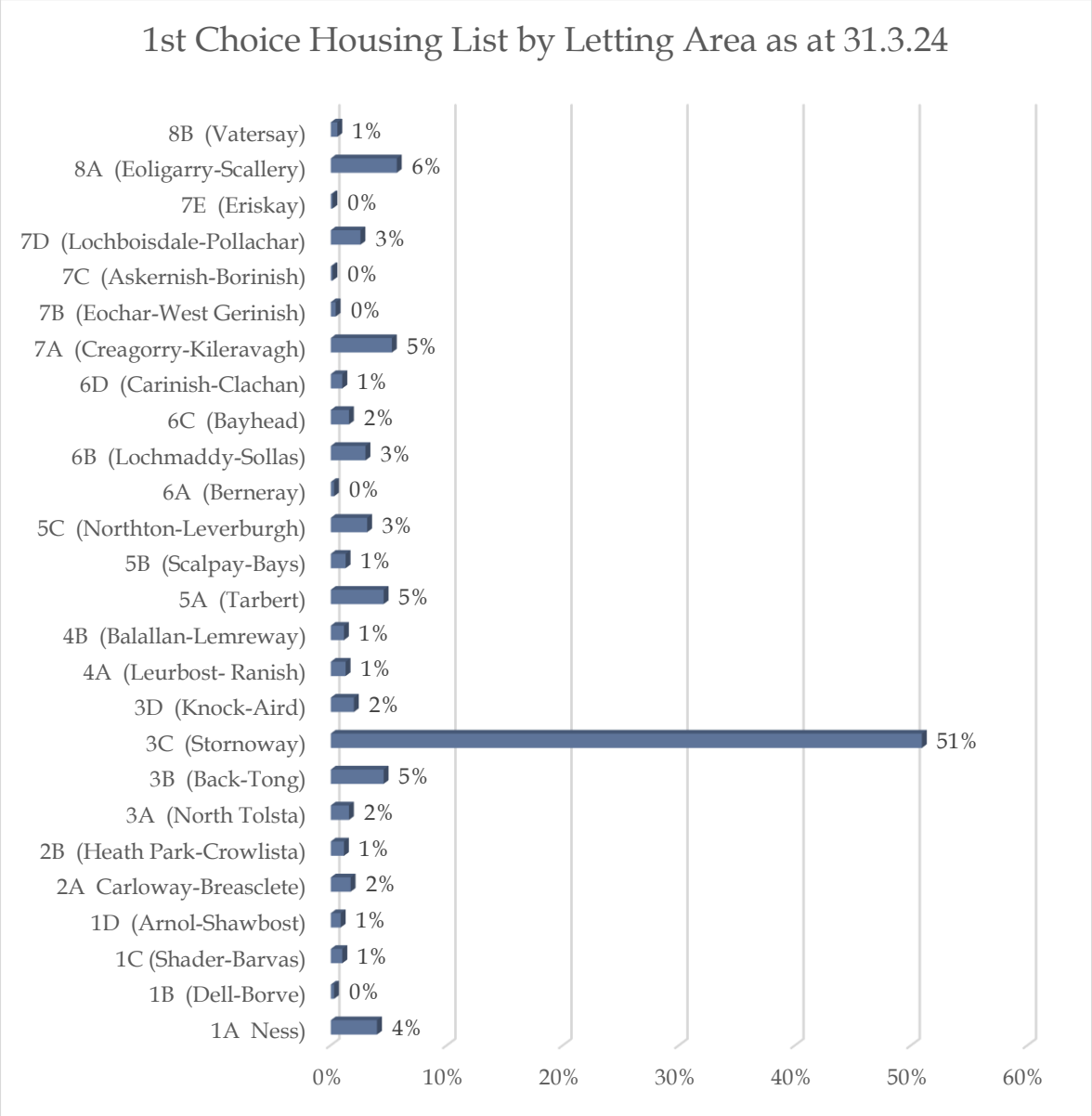
3.2 Demand is highest at the main centres of population and is lowest in the most rural areas. This will be a similar picture nationally.

3.3 The waiting list is broken down to show waiting and transfer applicants (excluding 18 suspended and 90 deferred) below.



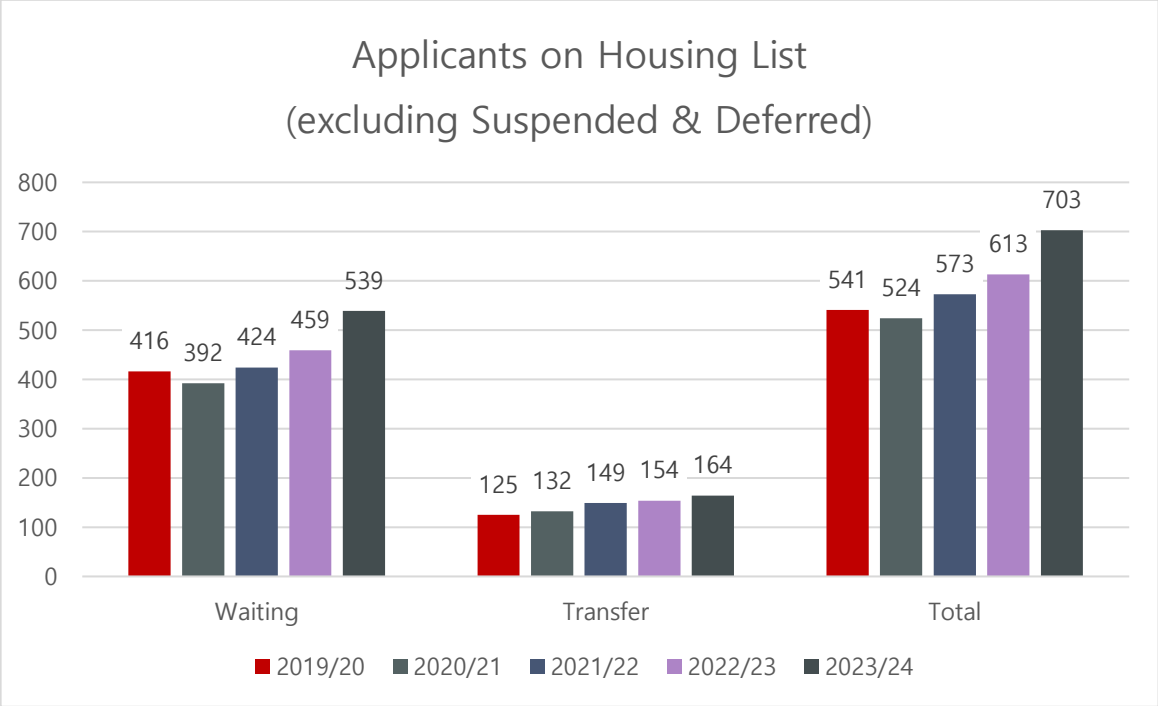
PERCENTAGE OF DEMAND BY AREA BY FIRST CHOICE

4.1 The chart shows that the largest demand by a considerable distance is for the Stornoway area with 51% of applicants recording this as their first preference. The next largest areas of demand are Eoligarry/Scallery with 6%, followed by Creagorry/Kileravagh, Tarbert and Back/Tong at 5%.



BREAKDOWN OF APPLICANTS ON WAITING LIST FROM 2019/20 – 2023/24 (INCLUDING SUSPENDED & DEFERRED)

5.1 The chart below shows the number of applicants on the waiting list over the last five years. The figures in this chart excludes suspended and deferred applications.

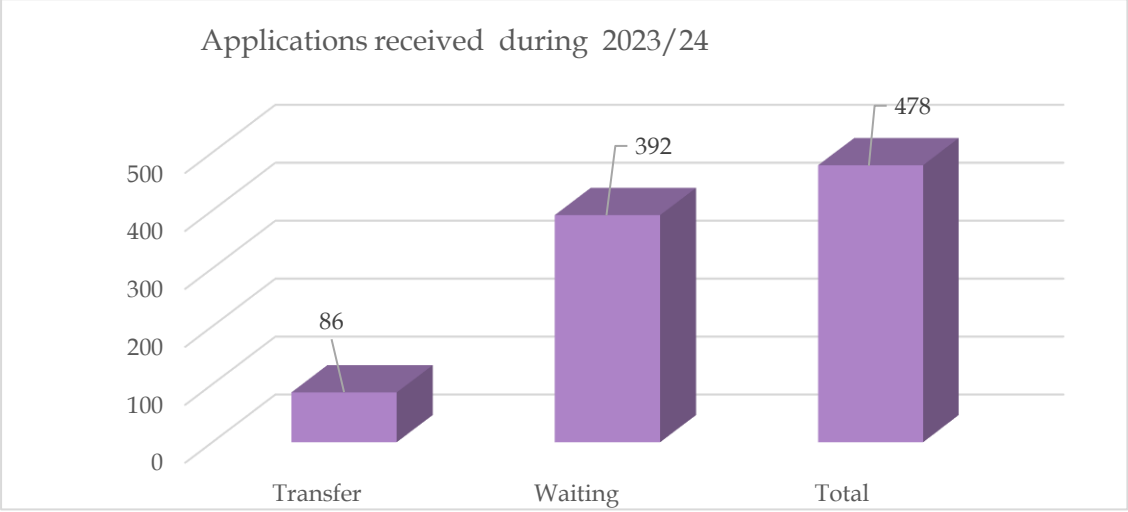


5.2 There are 539 applicants on the waiting list.

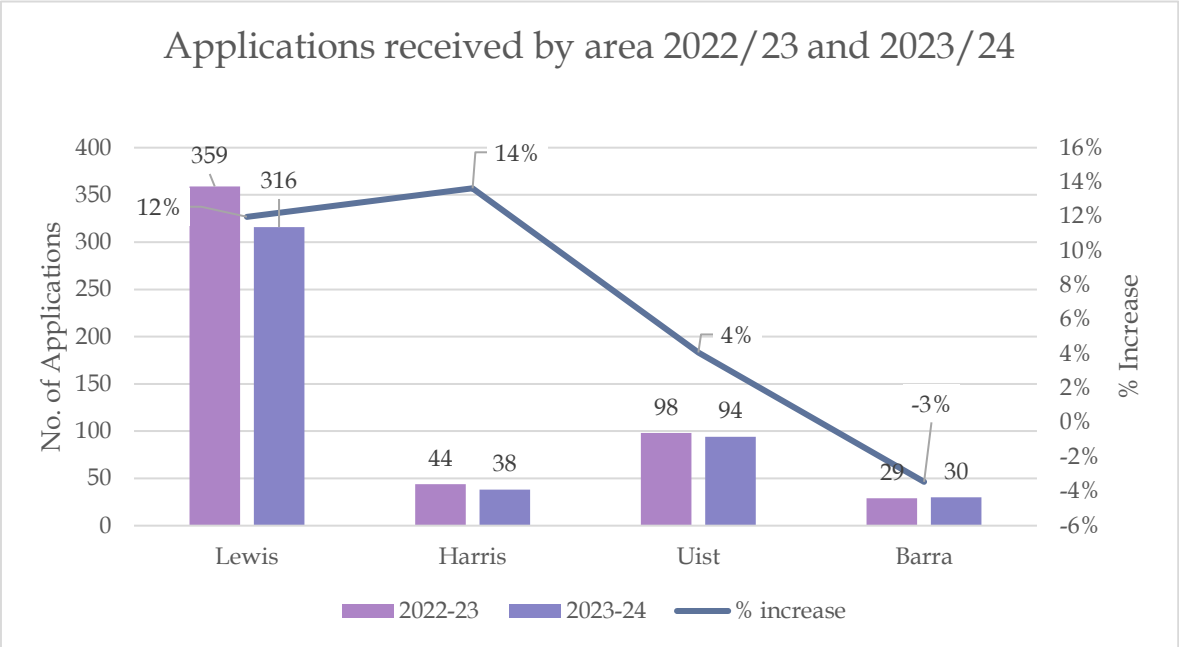
5.3 There has been a 12.8% increase in the total number of applicants from 24 February 2023 to 31 March 2024 and a 14.8% increase in the waiting list applications. Overall numbers have increased since 2021. This followed a sustained period of decline before they stabilised and have now increased significantly. The reasons for this are still being investigated.

APPLICATIONS RECEIVED DURING 2023/24

6.1 The total number of applications received during 2023/24 was 478, a decrease of 3.4% from the previous year but an increase of 8.1% on 2017/18.

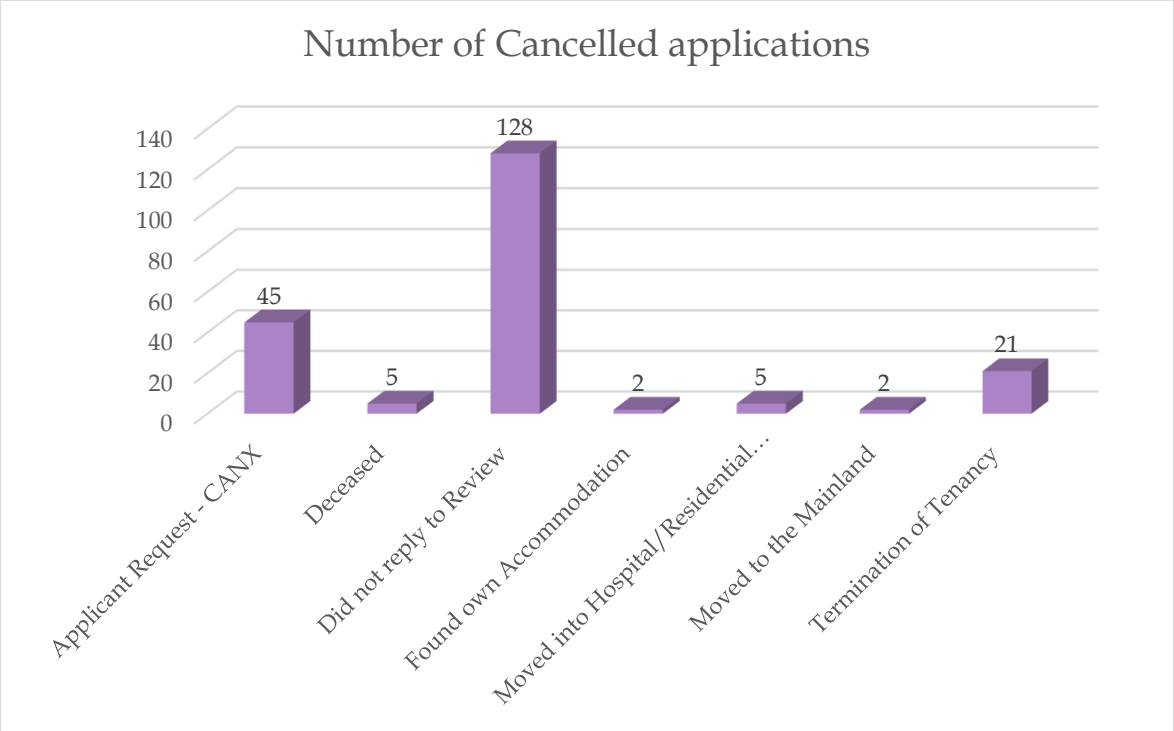


6.2 The chart below shows the number of applications received over the last two years broken down by areas and the percentage increase. There has been a decrease of 12% in the Lewis area and a decrease of 4% in Uist.



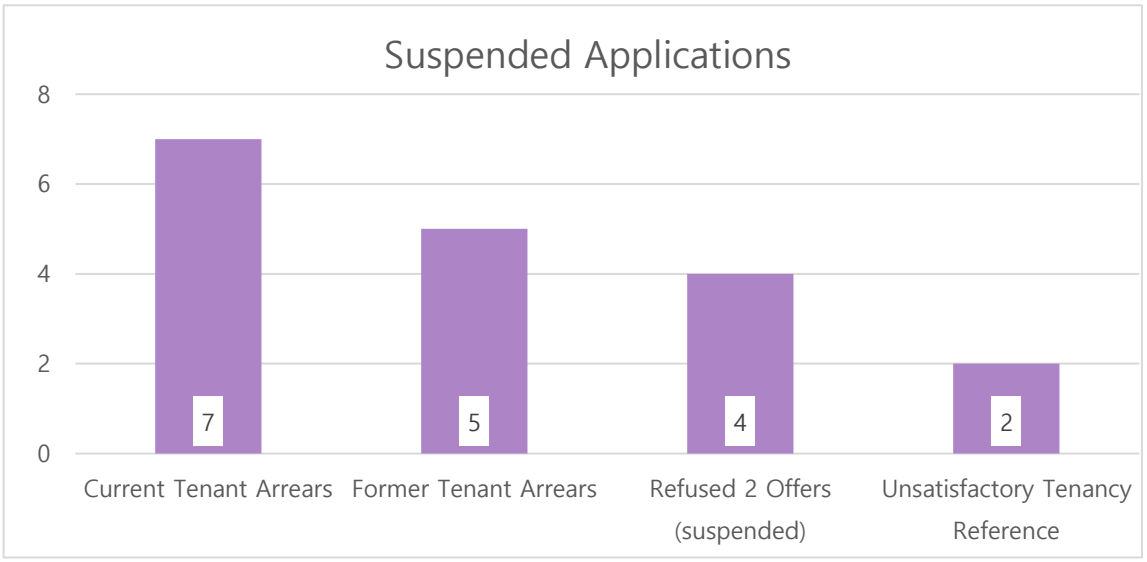
CANCELLED, SUSPENDED AND DEFERRED APPLICATIONS

7.1 During the year 208 applications were cancelled, 128 of these were due to non-return of review forms, which indicated that people are no longer interested in being offered housing. The rolling review process is important in keeping data live and up to date.

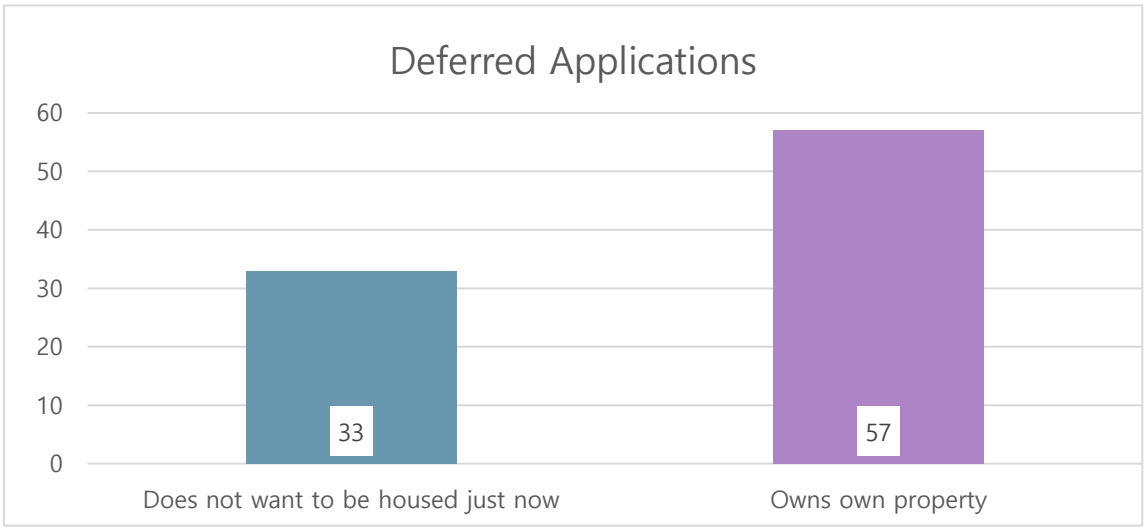


7.2 In 2022/23 there were 132 applications cancelled due to non-return of review forms and in 2021/22 the figure was 129. There is no obvious reason for the level of review forms not being returned. The initial review form is issued followed up with a reminder before any applications are cancelled.

7.3 In some circumstances applicants will be suspended from the waiting list. Suspended applicants are reviewed every month to ensure that the suspension is still relevant. There are currently 18 applications suspended, 7 are suspended because of current tenant arrears, 5 are suspended because of former tenant arrears and 2 because of conduct issues. 4 applicants are suspended for refusing two offers of housing which met their choices.



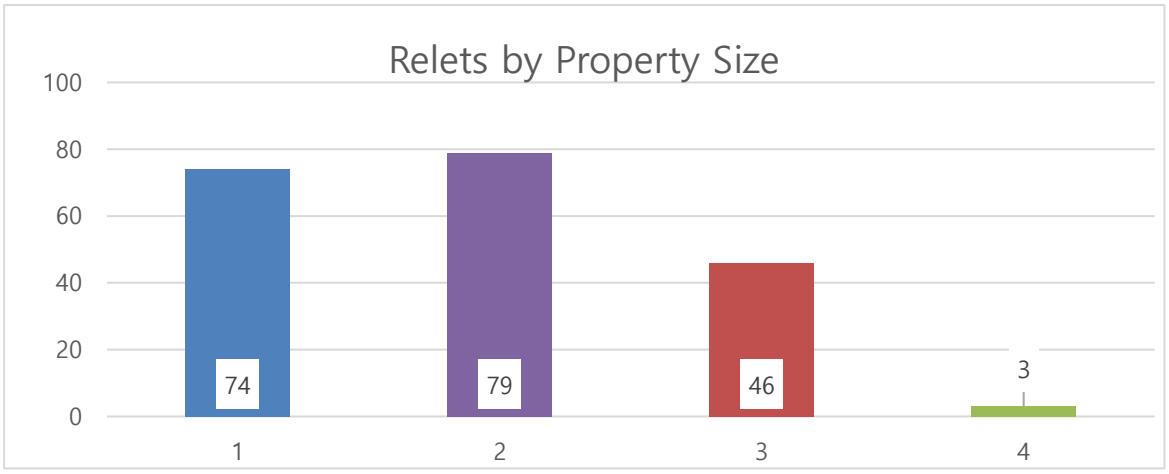
7.4 33 applicants do not wish to be housed at present and are deferred until such time as their circumstances change. 57 applicants are deferred as they own their own property and are not eligible for an offer of housing under the Allocation Policy.

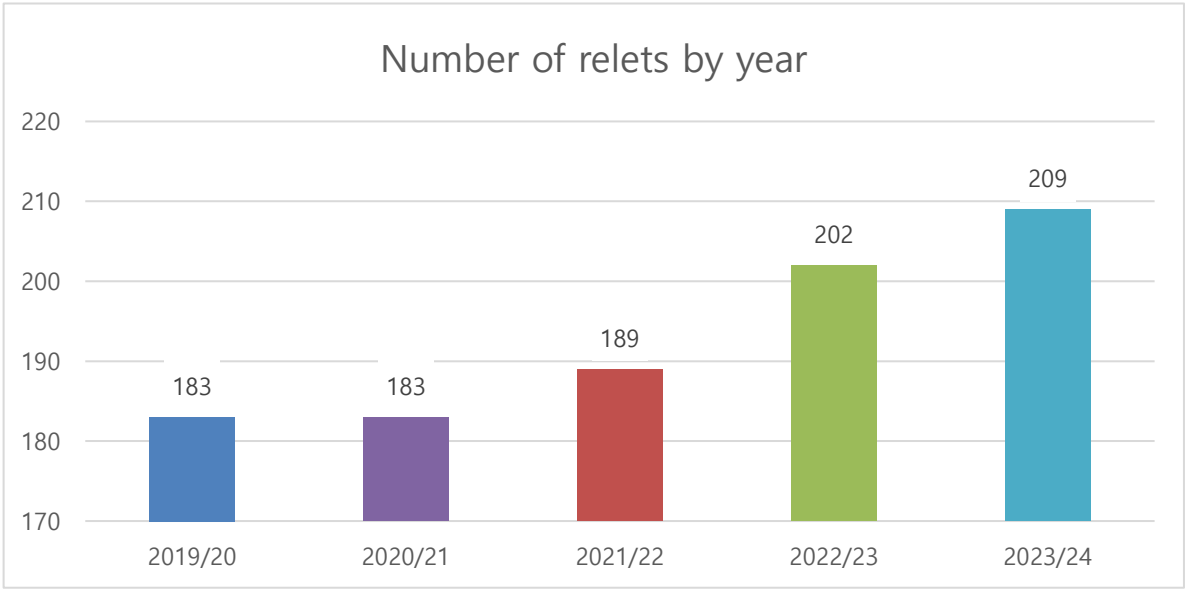


HOUSING SUPPLY

8.1 In total 209 properties were re-let during 2023/24. 33 lets were made to transfer applicants and there were 7 new build lets.

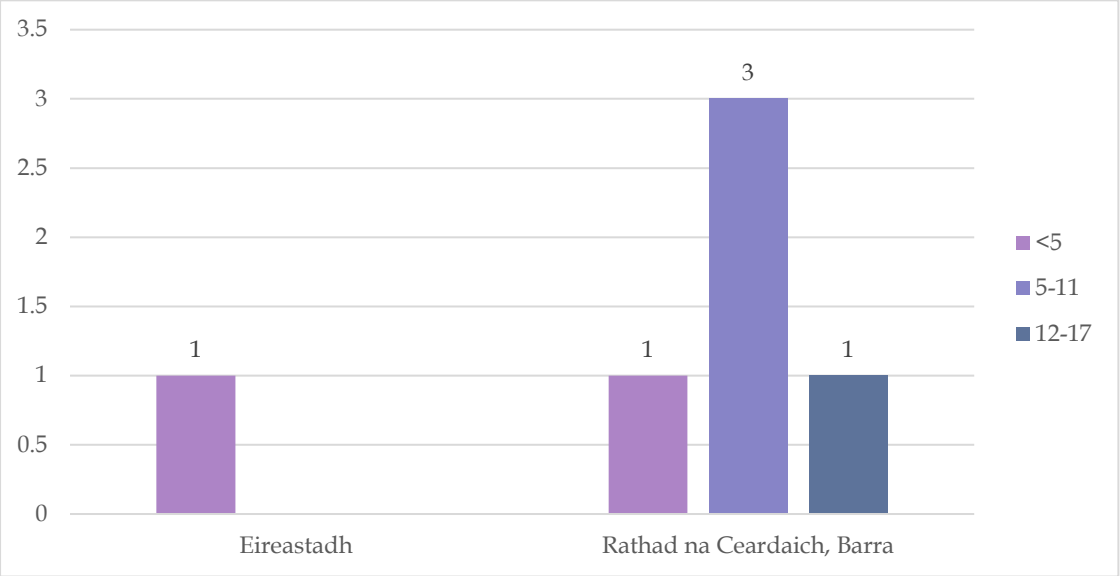
8.2 The chart below shows the relets for each year since 2019/20.





NEW BUILD LETS

9.1 In 2023/24 there were 7 new build lets. The chart below shows the household composition of under 5, 5-11 and 12-17 year olds in new build properties. This was information previously requested by the Board.



9.2 The table below gives information on families who were already in the area or moved into the area when allocated.

Development	No. Moved into Area	No. Already in Area
Eireastadh	0	1
Rathad na Ceardaich, Eriskay	1	5

OPERATIONS REPORT TO 31 MARCH 2024

Board 25 June 2024

Report by Director of Operations

Purpose of Report

1.1 To update the Board on Allocations, Anti-Social Behaviour, Estate Management, Complaints and Repairs for 2023/24.

Summary

2.1 The Allocations Report, at Appendix shows there has been a significant increase in the number of applications on the waiting list and we are currently working to identify the drivers in this. There are a number of reasons including the rising cost of mortgages, lower turnover of stock since 2020, our new build programme attracting applicants and potentially processing issues as we implemented the new CX system. Analysis of the data will be completed and reported to the Board in August 2024.

2.2 Complaints Performance, at Appendix 2, shows that 61 complaints were received from 1 October 2023 – 31 March 2024 which is lower than the 74 received in the same period last year. 93% were responded to within target. 107 compliments were received during the period. A significant proportion were due to the assistance given via vouchers to assist with cost-of-living pressures.

2.3 An update on Anti-Social Behaviour (ASB) & Estate Management can be found at Appendix 3. There were 13 new complaints of ASB during the year. These were relatively minor and levels continue to be low.

2.4 Repair and Maintenance Contractor Performance for the period 1 October 2023 – 31 March 2024 has been assessed as good. Operationally FES FM has provided a good service and this is reflected in the Service Review at Appendix 4.

Competence

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

Recommendations

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

a) note the Allocations Report 2023/24 at Appendix 1;

b) agree the quota of vacancies in Stornoway remain at 50% for homeless applicants and that the number of 2 apt properties being made available for homeless applicants in Stornoway be retained at 25 per annum;

c) agree the quotas for allocation properties in Stornoway remain at 15% for transfer applicants and 35% for other waiting list applicants;

d) note the Complaints Performance at Appendix 2;

e) note the Anti-Social Behaviour & Estate Management Performance at Appendix 3; and

f) note the 6 monthly Repairs Service Review at Appendix 4.

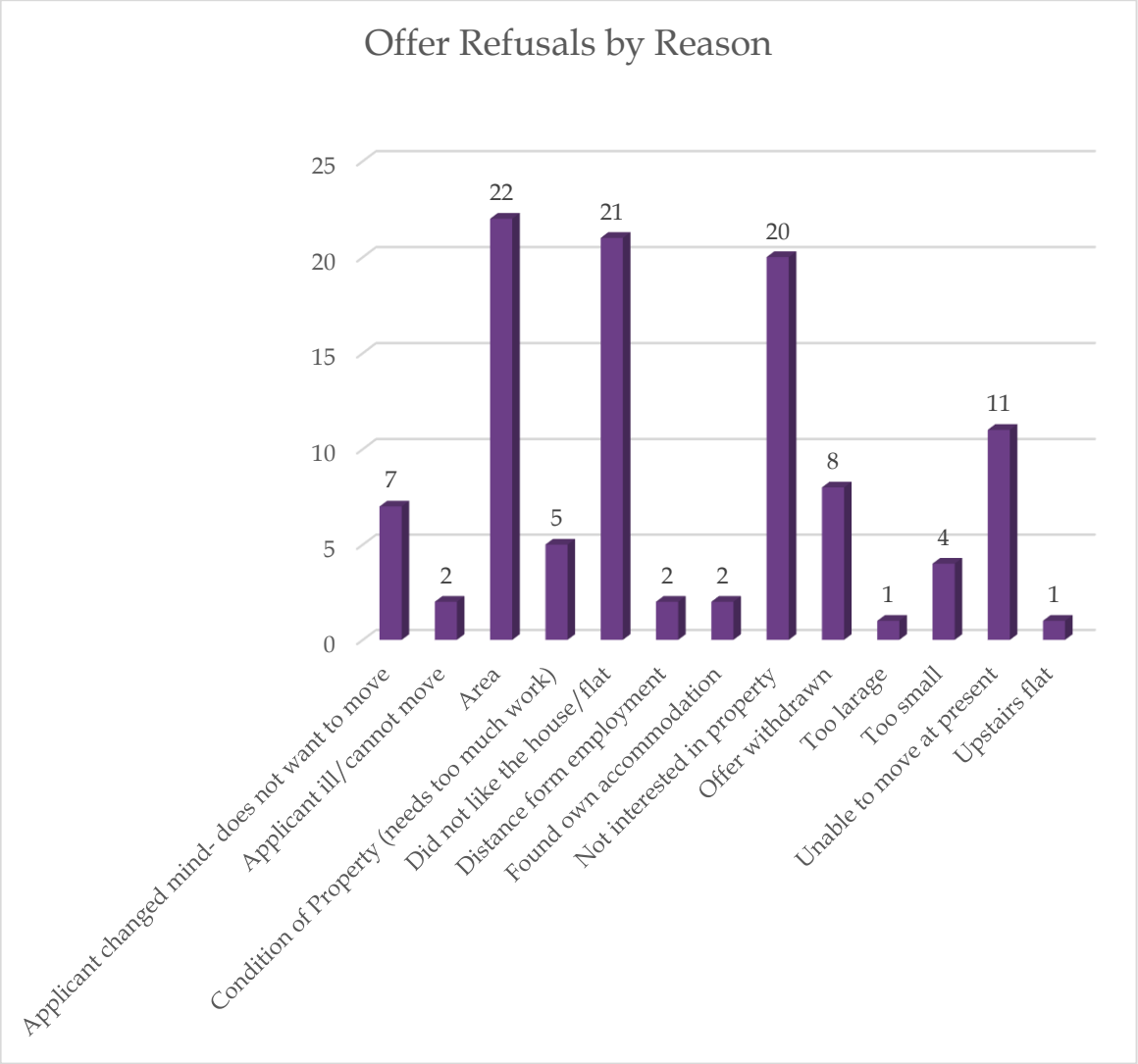
APPENDIX 1:	Allocations Report 2023/24	
APPENDIX 2:	Complaints Performance	
APPENDIX 3:	Anti-Social Behaviour & Estate Management	
APPENDIX 4:	Repairs Service Review	
Background Papers:	Allocations Policy	
Writer of Report:	John Maciver	Tel: 0300 123 0773

5.1 Compliance Section

COMPLIANCE CHECKLIST	
Financial	There are no financial constraints to the recommendation in this report being implemented.
Legal	There are no legal constraints to the recommendation in this report being implemented.
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	Lack of demand from housing will impact the income and strength of the business. Reducing population is captured within the Risk Register with the residual rating of 20 (high). Repeated failures to meet SPSO Complaints response timescales could result in bother the Regulator and SPSO reviewing our complaints handling process and staff training, and we would fail to meet Business Plan target 1.3. Failure to meet adequate repairs service review scoring against the criteria could affect our ability to meet regulatory and legal obligations and performance targets. In addition, contractor failure is identified on our Risk Register with a residual rating of 12 (medium).
ESG	The data in the report helps to inform our ESG strategy and elements are captured in the action plan.
Equalities	We are committed to promoting equality, diversity and inclusion. The data in the report forms part of our monitoring of equalities issues.
Communication	The data in the report will be shared with staff/tenants/partners as appropriate to their needs and requirements.

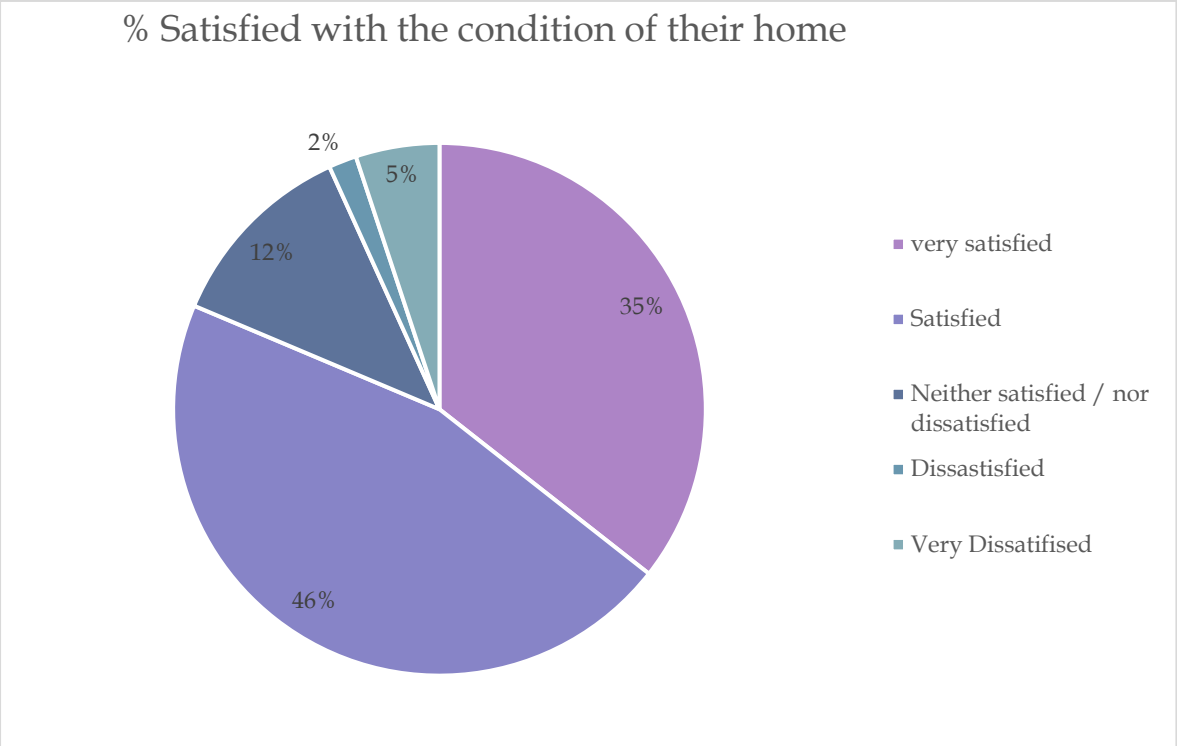
TENANCY REFUSALS

10.1 The chart below shows the offers that were refused in 2023/24 and the refusal reasons.



NEW TENANT SATISFACTION WITH CONDITION OF HOME

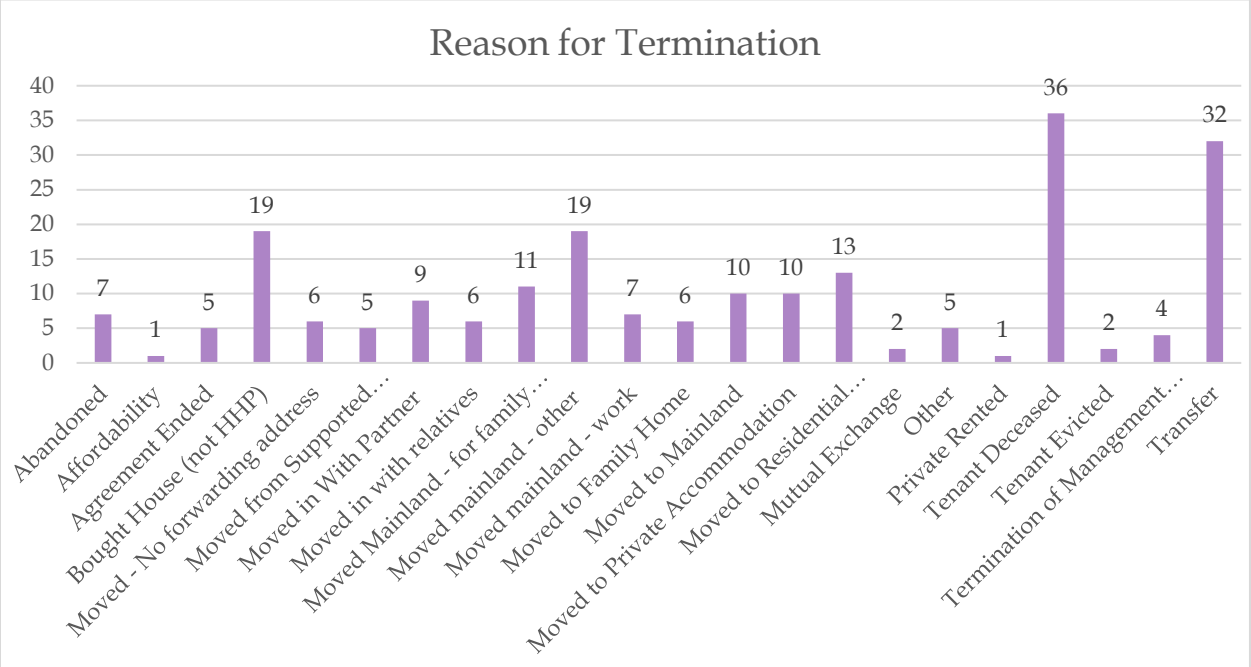
11.1 Within a week of starting a new tenancy we send a questionnaire to tenants asking about the standard, decoration, cleanliness of the property and the quality of repairs carried out. 30% of questionnaires were returned. 81% of tenants who responded said they were satisfied with the condition of the house. 7% were dissatisfied due to decoration and/or the condition of the property.



11.2 In 2022/23 there were 43% of questionnaires returned. 94% of tenants who responded said they were satisfied with the condition of the house. 6% were dissatisfied due to decoration and the condition of the property.

REASON FOR TERMINATIONS

12.1 The reasons for terminations are, 9% moved to the private sector, while 15% moved to the mainland including 3% who moved to the mainland for work. 9% bought their own house.



12.2 In 2022/23 there were 8% who bought their own house.

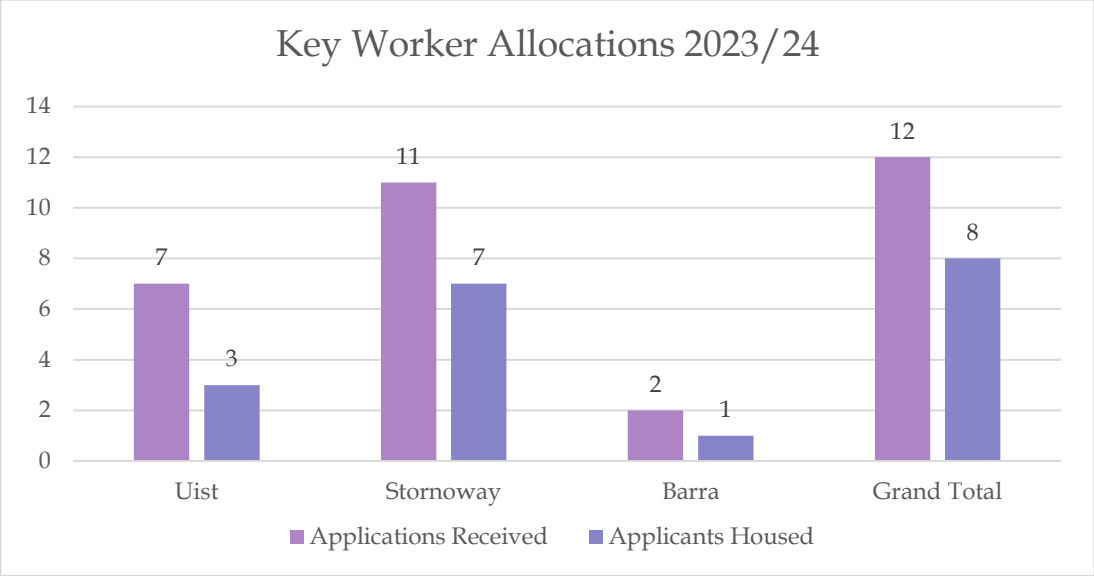
12.3 If we excluded people who transferred this figure would be 11% moved to the private sector, 17% moved to the mainland and 4% moved to the mainland for work.

KEY WORKER STATUS

13.1 To assist employers in the island with recruitment the Board agreed to include Key Worker Status in the Allocations Policy. Employers can request this where they are unable to recruit locally in key areas such as Care, Health and Education services.

13.2 Recruitment and retention of staff continues to be a concern for Comhairle Nan Eilean Siar particularly in the Care Service which has been severely affected and which limits the number of residents who can be supported in the HWEC. The areas where there is most concern is greater Broadbay and the Westside areas of Lewis.

13.3 The chart below shows the number of Key Worker status applications received in 2023/24 and the numbers housed.



LOW DEMAND PROPERTIES

14.1 Overall 60 relets during 2023/24 were classed for ARC purposes as being low demand compared to 80 relets in the previous year. In 2023/24 the void loss figure increased to 0.78% from 0.5% in 2023/23. This was because we were unable for a period to relet due to the implementation of CX. Further information and potential interventions will be reported to future Board meetings as appropriate.

HOMELESS APPLICANTS

15.1 In 2023/24 a total of 77 statutory homeless applicants were housed. Of these 47 were housed in the Stornoway area in line with their expressed preference. This is 61% of lets in Stornoway against a target quota of 50%. This quota is reviewed annually and it is proposed that it continue at 50% except for 2 apt properties in Stornoway. The Board agreed to continue the previously agreed target of 25 per annum for 2023/24 and 28 allocations were made in the year, which represented 76% of all 2 apt Stornoway

allocations made. Of all allocations made throughout the Outer Hebrides, 36% were made to statutory homeless applicants.

15.2 After four consecutive years of decreases in the overall backlog of statutory homeless applicants awaiting an offer of permanent housing, the backlog increased by 8% in 2023/24 to 82 households. This was partly driven by a 5% increase in statutory homeless referrals to HHP and reflects a need to at least continue with the current allocation targets to assist the Comhairle in achieving the aims of its Rapid Rehousing Transition Plan.

15.3 On 19 May 2021 the Board agreed the:

(a) allocation of up to 25 (2 apt) vacancies per annum to Statutory Homeless applicants in the Stornoway area for an initial 12 month period;

(b) impact of the increased allocation was reviewed after 12 months; and

(c) the increased allocation was on the basis that the Comhairle committed to establishing a cohesive preventive and housing support strategy in line with their housing development strategy, within the 12 month period.

15.4 This agreement was extended for one year respectively on 29 June 2022 and 28 June 2023.

15.5 The Comhairle's Housing Team were asked to provide an update on these issues and their response is detailed in paragraphs 17.4 – 17.9.

Information from the Comhairle's Housing Team

15.6 *The table below shows the Statutory Homeless (SH) 2 apt allocations made in Stornoway from 2020/21 to 15 May 2024.*

	2020/21	*2021/22*	*2022/23*	*2023/24*	*2024/25*
SH waiting for offer 1 April each year	*36*	*34*	*33*	*28*	*22*
SH added in year	*30*	*33*	*39*	*30*	
SH resolved by other means	*17*	*14*	*17*	*5*	
Total number of SH in year requiring an offer	*49*	*53*	*52*	*53*	
SH allocated	*19*	*22*	*27*	*28*	
2 apt properties void in year	*28*	*51*	*49*	*37*	
% age of allocations to SH	*68*	*43*	*55*	*66*	

15.7 *This backlog has reduced every year since the target was introduced. To reduce the backlog further and continue this progress, the Comhairle have requested that the target of at least 25 allocations be extended for a further year.*

Prevention Strategy

15.8 *The Comhairle is still awaiting the forthcoming Housing Bill – now introduced to the Scottish Parliament - which will outline new duties in relation to the Prevention of Homelessness. It was considered prudent to wait for this Bill before developing a prevention strategy*

Housing Support

15.9 *The Comhairle have advised that they have no plans to develop a distinct support strategy. They state that all aspects of support are covered within the Rapid Rehousing Transition Plan. The Comhairle assess all applicants for their support needs and are now providing a Housing First service to eight of HHP's tenants. These tenancies have been successfully sustained. A further one statutory homeless applicant is currently waiting for a Housing First tenancy and is being supported in preparing for this. The Comhairle is also working in partnership with HHP to offer support to tenants, when required, to address their arrears.*

Housing Development Strategy

15.10 *Since 2017 the Comhairle has had a strategic approach towards affordable Housing provision that favours developments in rural areas. This is set out in the Local Housing Strategy 2017-2022 (LHS) as an aspirational target to see 55% of all*

new developments take place in the Rural Housing Market Area and 45% in the Stornoway Housing Market Area. The Stornoway HMA consists of Stornoway and outskirts, plus the Point District and most of the Broadbay District, apart from Tolsta.

15.11 The Comhairle is currently developing its next Local Housing Strategy which will cover the period 2024-2029. The new LHS is due to be drafted by the end of 2024. A key part of the development of the LHS will be consideration of the Affordable Housing Strategy and where new housing should be located. This issue will be considered by the Comhairle, and the local Housing Market Partnership (of which HHP is a member), during 2024.

QUOTAS FOR ALLOCATING HOUSES

16.1 Within the Stornoway area it is proposed that houses will continue to be allocated on a one-to-one ratio between homeless applicants and waiting list applicants.

16.2 In terms of new build properties allocations a one-to-one ratio of allocations being made to Priority Homeless applicants may not always be achieved.

16.3 The quota for waiting applicants is 35% and for transfer applicants in the Stornoway area is 15%.

Complaints Performance

1 October 2023 – 31 March 2024

COMPLAINTS PERFORMANCE

1.1 The report is based on the performance indicators provided by the Scottish Public Services Ombudsman (SPSO).

1.2 The categories and outcomes of complaints received from 1 October 2023 to 31 March 2024 are in section 2. The number of complaints received in the period was 61, which is13 lower than the 74 received in the same 6-month period last year.

1.3 We responded to 93% of complaints within target timescales. We had 4 late responses. Overall, the average number of days to respond is within target. Property and repair issues remain the most frequent complaints.

1.4 18% of cases were upheld and 23% were partially upheld during the period. The highest percentage of upheld complaints falls in the repairs, recharge or property related complaints. This continues to be monitored and actioned as appropriate, for example monitoring patterns, amending processes and addressing issues with relevant staff if mistakes are repeated.

1.5 Three complainants raised their complaint with the Ombudsman. The Ombudsman reviewed each initial complaint and decided not to progress with an investigation.

1.7 12 MSP/MP enquiries were received during the period as shown in Table 8.

1.8 Learning from complaints is important and details of any learning is recorded on our system. Appendix 3 shows actions to be taken from learning during this period. It also includes an update on actions from the previous quarter.

1.9 Complaints regarding our repairs service are still a large proportion of our complaints but as stated in previous reports this represents a very small number of our overall repairs completed. For the period of 1 October 2023 to 31 March 2024 complaints represent 0.57% of completed reactive repairs. Repairs satisfaction also remains very high.

1.10 The Operations Management Team continue to discuss complaint handling best practice during monthly meetings. Complaints learning is published on our website quarterly to show actions taken as a result of our complaints process and our internal discussions. The main learning points are included at table 10 of this report.

TENANT COMPLAINTS

Complaints made by Tenants, Applicants and Other Service Users.

Period: 1 October 2023 – 31 March 2024

2.1 The SPSO produced a list of mandatory KPIs for all organisations. The following tables are presented as required by the SPSO.

Table1: The total number of complaints received.

The sum of the number of complaints received at Stage 1 (this includes escalated complaints as they were first received at Stage 1), and the number of complaints received directly at Stage 2.

Frontline		***Escalated***		***Investigation***		***Total***
35	57%	5	8%	21	35%	61

Table 2: The number and percentage of complaints at each stage that were closed in full within the set timescales of five and 20 working days.

The number of complaints closed in full at stage 1, stage 2 and after escalation within MCHP timescales as % of all stage 1, stage 2 and escalated complaints responded to in full.

	Frontline		**Escalated**		**Investigation**		**Total**	
Late	2	6%	1	20%	1	5%	4	7%
On Time	33	94%	4	80%	20	95%	57	93%

Table 3: The average time in working days for a full response to complaints at each stage.

The average (mean) time in working days to respond at stage 1, stage 2 and after escalation.

Frontline	**Escalated**	**Investigation**
3.89	19.6	13.76

Table 4: The outcome of complaints at each stage

The number of complaints upheld, partially upheld, not upheld and resolved at stage 1, stage 2 and after escalation as % of all complaints closed at stage 1, stage 2 and after escalation.

	Frontline		**Escalated**		**Investigation**		**Total**	
Not Upheld	22	63%	3	60%	10	48%	35	57%
Upheld	7	20%	0	N/A	4	19%	11	18%
Partially Upheld	5	14%	2	40%	7	33%	14	23%
Resolved	1	3%	0	N/A	0	N/A	1	2%
Total	35	100%	5	100%	21	100%	61	100%

SPSO Complaints

2.2 During the period 1 October 2023 to 31 March 2024, three complaints went to the SPSO.

2.3 In one case the SPSO asked for some further information. In all cases they made the decision not to progress with investigating the case further.

Number of Complaints by Call Type

Table 5: Number of complaints by category

Category	Frontline	Escalated	Investigation	Total
Allocations	1	1	3	5
Damp & Mould	1	-	3	4
Décor damaged	1	1	-	2
Development	1	-	-	1
Estate Management	2	-	1	3
Factoring	1	1	1	3
HHP Policy	1	-	3	4
Investment/Planned	8	-	2	10
Property Condition	3	-	1	4
Recharges	2	2	1	5
Rent and Service Charges	2	-	-	2
Repairs	12		6	18
Grand Total	**35**	**5**	**21**	**61**

Chart 1: Complaints by Category and Classification

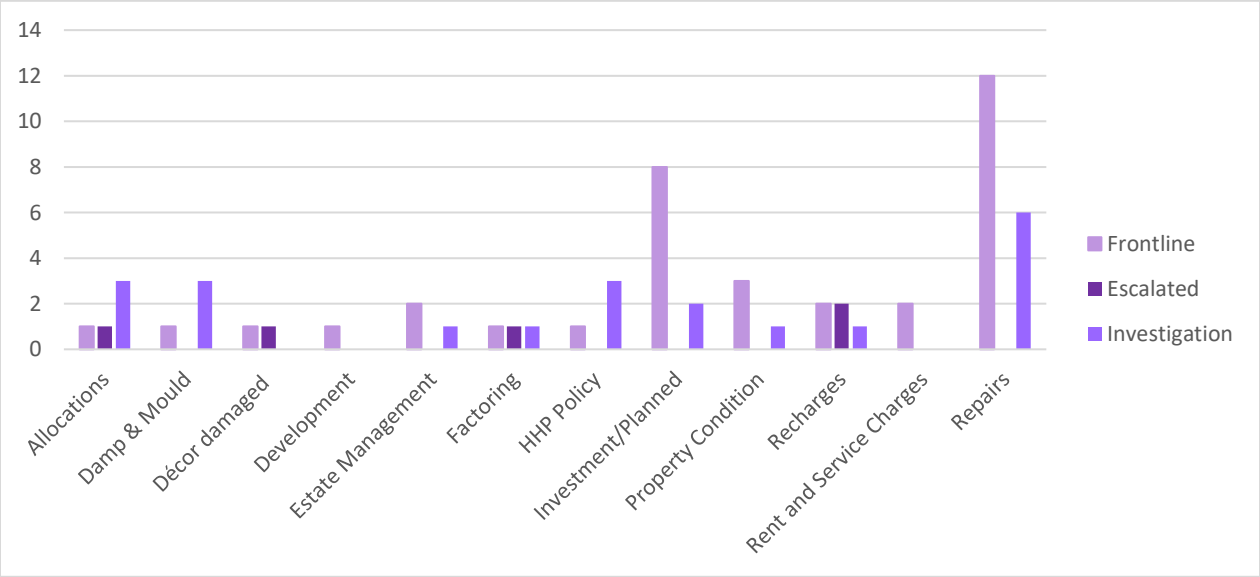
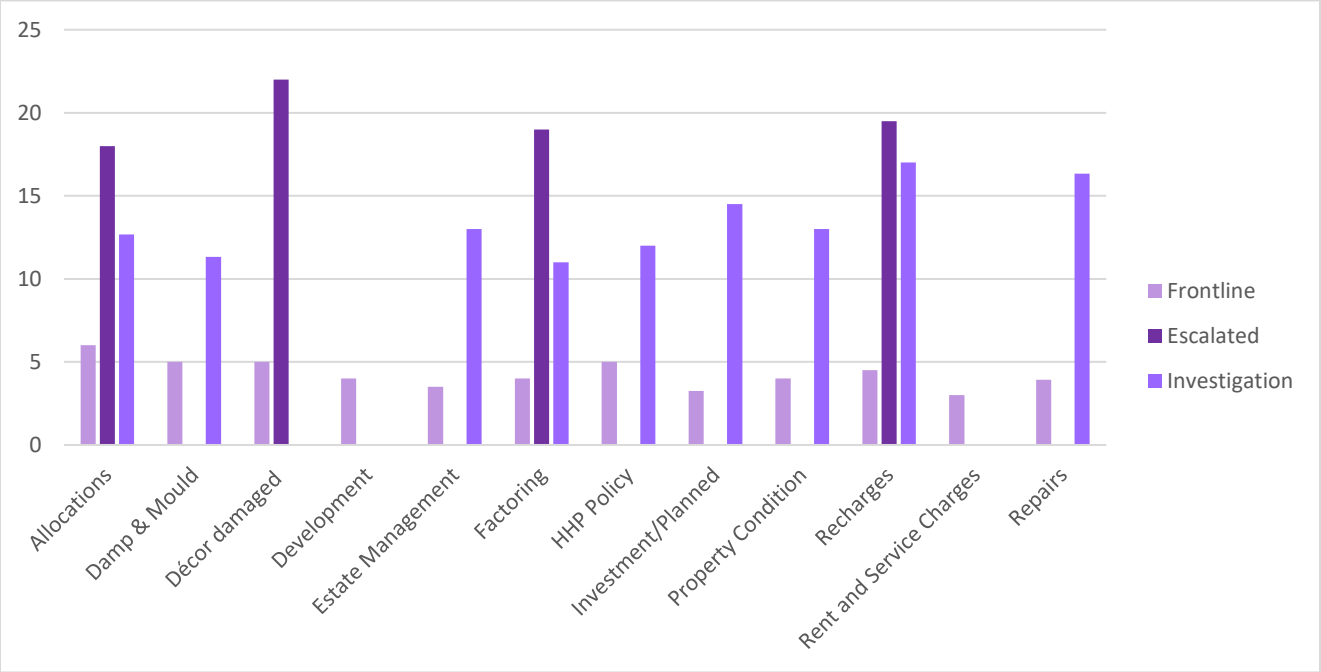


Table 6: Average number of working days to respond to tenant complaints

Category	Frontline	Escalated	Investigation	Overall Average
Allocations	6	18	13	12
Damp & Mould	5	-	11	10
Décor damaged	5	22	-	14
Development	4	-	-	4
Estate Management	4	-	13	7
Factoring	4	19	11	11
HHP Policy	5	-	12	10
Investment/Planned	3	-	15	6
Property Condition	4	-	13	6
Recharges	5	20	17	13
Rent and Service Charges	3	-	-	3
Repairs	4	-	16	8
Grand Total	4	20	14	9

Chart 2: Average days to respond by category

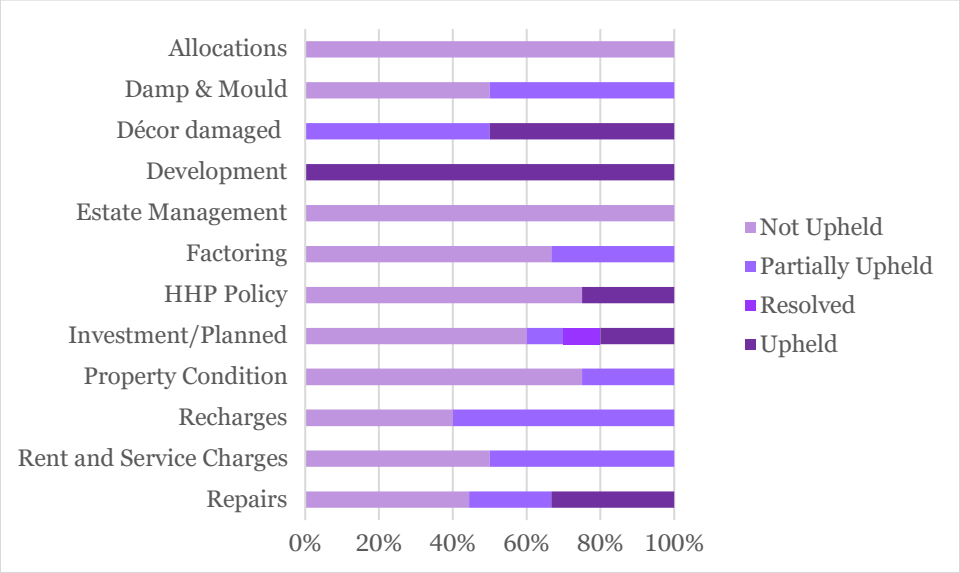


Complaint Decisions

Table 7: Outcome of complaints by complaint category

Category	Not Upheld	Partially Upheld	Resolved	Upheld	Total
Damp & Mould	2	2			4
Décor damaged		1		1	2
Development				1	1
Estate Management	3				3
Factoring	2	1			3
HHP Policy	3			1	4
Investment/Planned	6	1	1	2	10
Property Condition	3	1			4
Recharges	2	3			5
Rent and Service Charges	1	1			2
Repairs	8	4		6	18
Grand Total	**35**	**14**	**1**	**11**	**61**

Chart 3: Category and outcome



MSP & MP ENQUIRIES

Period: 1 October 2023 – 31 March 2024

Table 8: Enquiry Summary

Category of Enquiry	Number of Enquiries	Average days to respond
Allocations	2	5.5
Development	2	3.0
Estate Management	1	7.0
Investment/Planned	3	8.3
Repairs	4	5.5
Grand Total	**12**	**5.9**

Chart 4: MP/MSP Enquiries and average time to complete

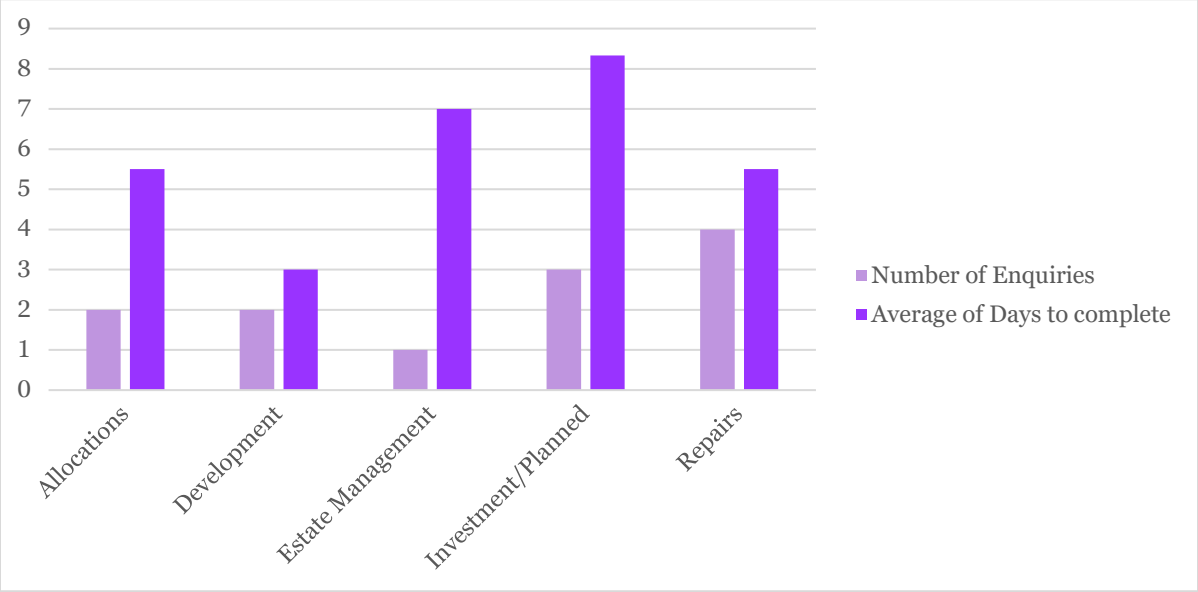


Table 9: Complaint Learning and action points 1 October 2023 – 31 March 2024

Case Study	What Happened?	What did we do?	What did we learn?	Officer Responsible	Date Action Required
1	A complaint was raised that the contractor was taking too long to address some defect issues at a new build following a leak.	We had regularly chased the contractor, at a minimum weekly, to get the work completed. It was escalated to the Development Manager and Contractor's senior representative.	We should have given a deadline and if they have not completed all the work by then, use our main reactive contractor and invoice new build contractor. We should also be clear with tenant which work is related to the immediate defect and which work will be completed at end of defects period.	Development Manager	Immediate

APPENDIX 3

Anti-Social Behaviour & Estate Management 2023/24

hhp | hebridean housing partnership

ANTI-SOCIAL BEHAVIOUR

1.1 The number of ASB complaints in 2023/24 increased to 13 compared to 9 reported in the previous year but are still at a low level. There were 3 cases carried over from 2022/23 which were closed in 2023/24.

1.2 The majority of cases were reported in the latter part of 2023/24 with 5 being reported in February and March 2024. These are brought forward to 2024/25.

1.3 The table below gives a breakdown by area of reported cases of anti-social behavior for the year 2023/24 and the number of cases resolved. This includes the 3 brought forward from the previous reporting year.

TABLE 1

ANTI-SOCIAL BEHAVIOUR CASES 2023/24	REPORTED	RESOLVED WITHIN 3 MONTHS	RESOLVED OUTWITH 3 MONTHS	STILL OPEN
LEWIS	10	5	1	4
HARRIS	0	0	0	0
UIST	4	2	2	0
BARRA	2	0	1	1
TOTAL	16	7	4	5

1.4 The majority of ASB cases related to noise with issues involving loud music, and verbal abuse. Further detail is contained in Tables 2-4. There were 3 cases where enforcement action was taken with a Notice of Proceedings for Possession on the grounds of Anti-social Behaviour being served on each of the tenants involved. To date further legal action has not been progressed.

TABLE 2

NUMBER OF ANTI SOCIAL BEHAVIOUR CASES

Year	Cases	Lewis	Harris	Uist	Barra	Total
2014/15	Reported	22	2	8	0	32
	Resolved	22	2	8	0	32
2015/16	Reported	27	1	4	0	32
	Resolved	27	1	4	0	32
2016/17	Reported	19	0	10	2	31
	Resolved	19	0	10	2	31
2017/18	Reported	12	2	20	2	36
	Resolved	8	1	16	1	26
2018/19	Reported	12	2	15	1	30
	Resolved	16	2	21	1	40
2019/20	Reported	4	0	5	1	10
	Resolved	4	0	5	1	10
2020/21	Reported	5	1	6	0	12
	Resolved	1	1	6	0	12
2021/22	Reported	3	0	9	4	16
	Resolved	3	0	9	4	16
2022/23	Reported	3	1	4	1	9
	Resolved	2	1	3	0	6
2023/24	C/Forward to 2023/24	1	0	1	1	3
	Reported	9	0	5	0	14
	Resolved	6	0	5	1	12

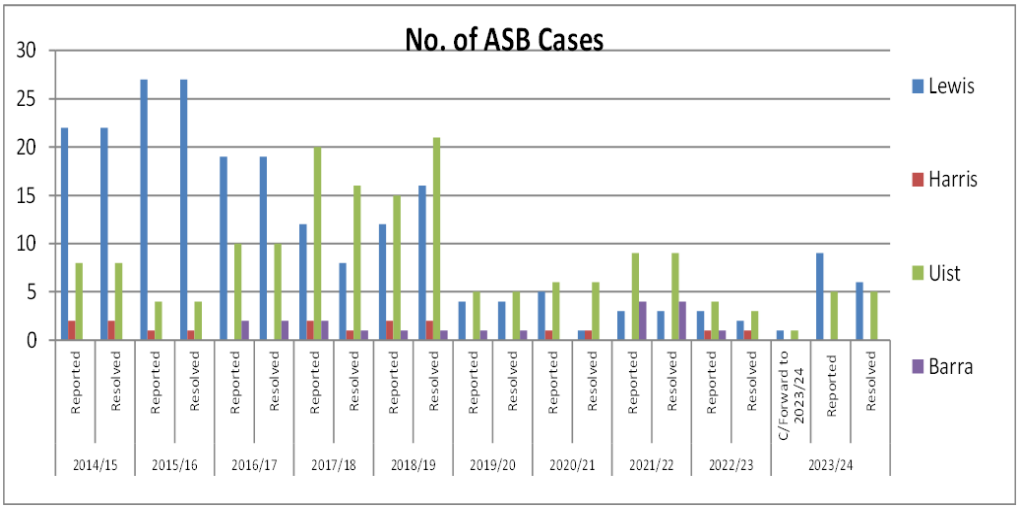


TABLE 3

CATEGORISATION OF ANTI-SOCIAL COMPLAINTS

CASES REPORTED 2023/24	LEWIS	HARRIS	UIST	BARRA	TOTAL
Noise Nuisance	5	0	2	0	7
Verbal abuse	0	0	0	0	0
Loud Music	0	0	0	0	0
Alcohol/Substance Abuse	0	0	0	0	0
Visitors to the property	0	0	0	0	0
Threatening behaviour	0	0	0	0	0
Intimidation/Harassment	1	0	1	0	2
Indecent Behaviour	0	0	0	0	0
Malicious damage	0	0	0	0	0
Derelict Vehicles	0	0	0	0	0
Children	0	0	0	0	0
Pets	0	0	2	0	2
Youths Congregating	0	0	0	0	0
Totals	**6**	**0**	**5**	**0**	**11**

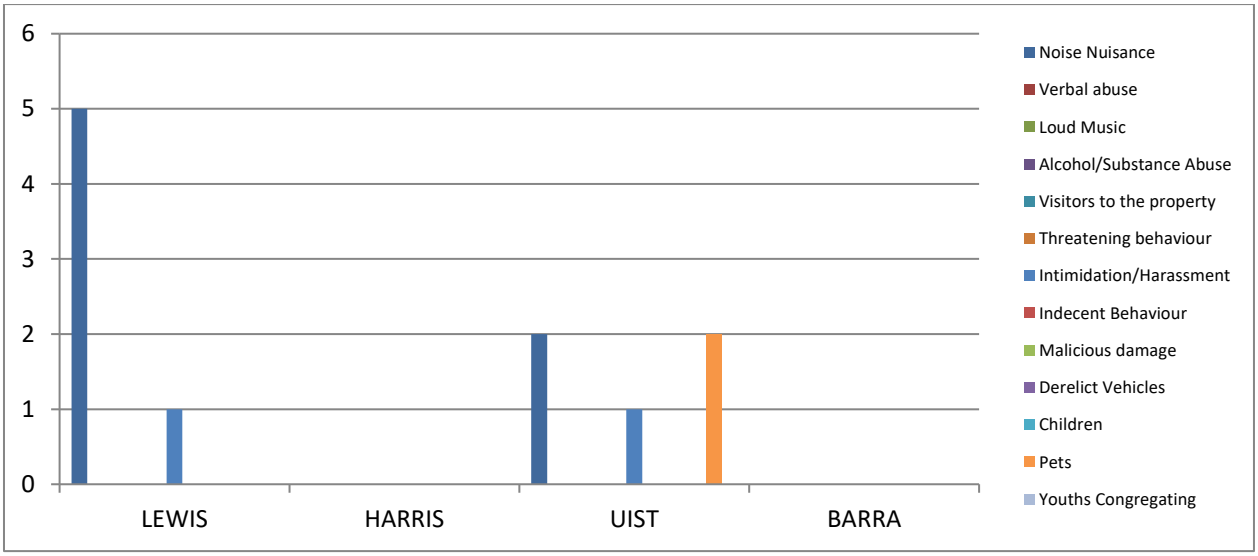
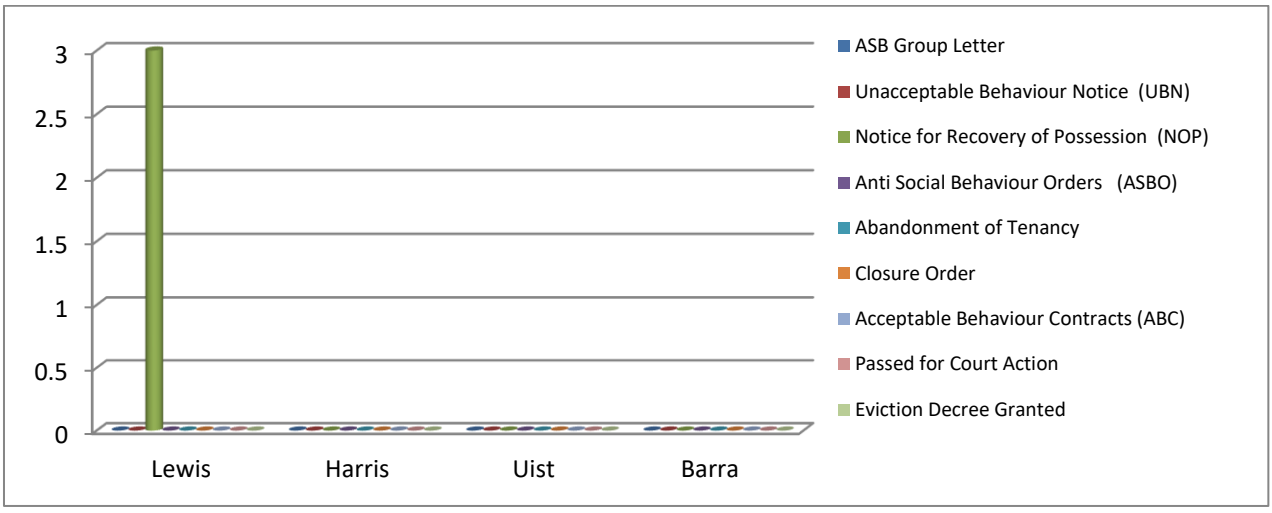


TABLE 4

ENFORCMENT ACTION	Lewis	Harris	Uist	Barra	Total
ASB Group Letter	0	0	0	0	**0**
Unacceptable Behaviour Notice (UBN)	0	0	0	0	**0**
Acceptable Behaviour Contracts (ABC)	0	0	0	0	**0**
Notice for Recovery of Possession (NOP)	3	0	0	0	**3**
Anti Social Behaviour Orders (ASBO)	0	0	0	0	**0**
Abandonment of Tenancy	0	0	0	0	**0**
Passed for Court Action	0	0	0	0	**0**
Eviction Decree Granted	0	0	0	0	**0**
Closure Order	0	0	0	0	**0**



ESTATE INSPECTIONS

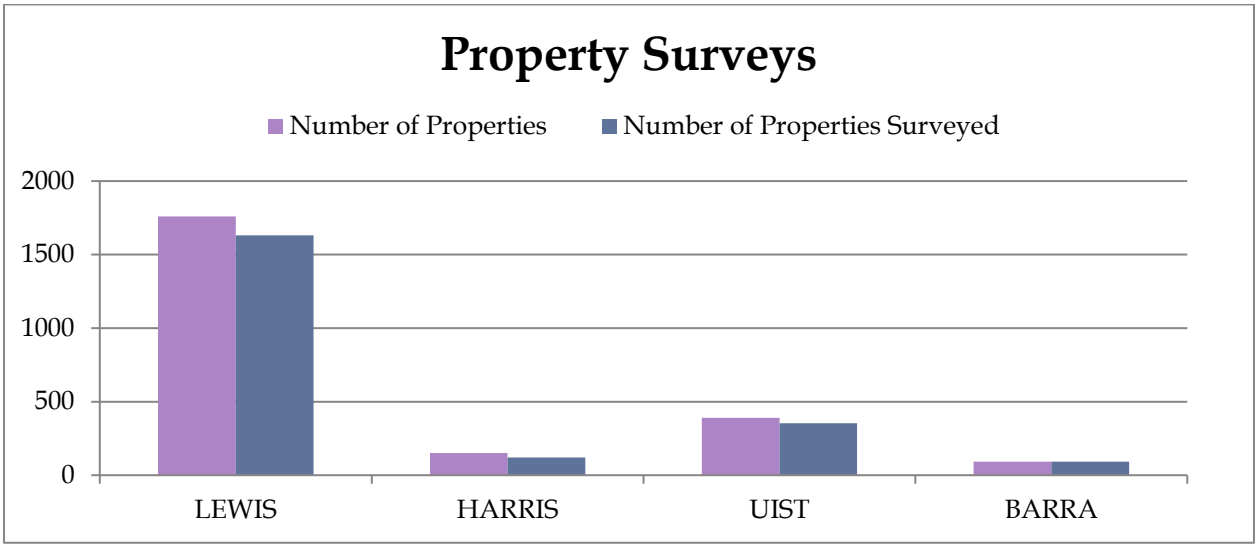
2.1 Table 5 provides information on estate inspections carried out by officers in 2023/24. The number of inspections carried out in 2023/24 remained the same as the previous year. Areas that were not inspected in 2023/24 will be prioritised in 2024/2025.

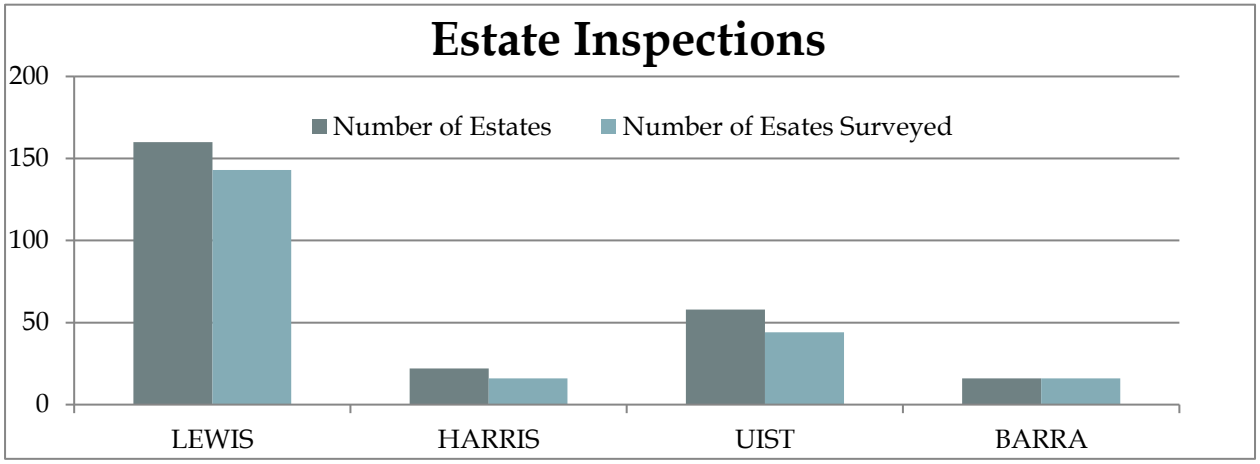
2.2 Most of the problems found during inspections related to overgrown gardens and fencing. Those who did not maintain their gardens received a letter. The handyman repaired minor fencing and gate issues and other works will be recorded for inclusion in planned maintenance programmes where possible. Issues relating to blocked gutters will also be picked up during the gutter cleaning planned maintenance work.

TABLE 5

ESTATE MANAGEMENT STATISTICS

AREA	LEWIS	HARRIS	UIST	BARRA	TOTAL
Number of Estates	160	22	58	16	256
Number of Estates Surveyed	143	16	44	16	219
% of Estate Surveys Completed	**89%**	**73%**	**76%**	**100%**	**86%**
AREA	**LEWIS**	**HARRIS**	**UIST**	**BARRA**	**TOTAL**
Number of Properties	1760	150	390	93	2393
Number of Properties Surveyed	1632	120	353	93	2198
% of Property Surveys Completed	**93%**	**80%**	**91%**	**100%**	**92%**

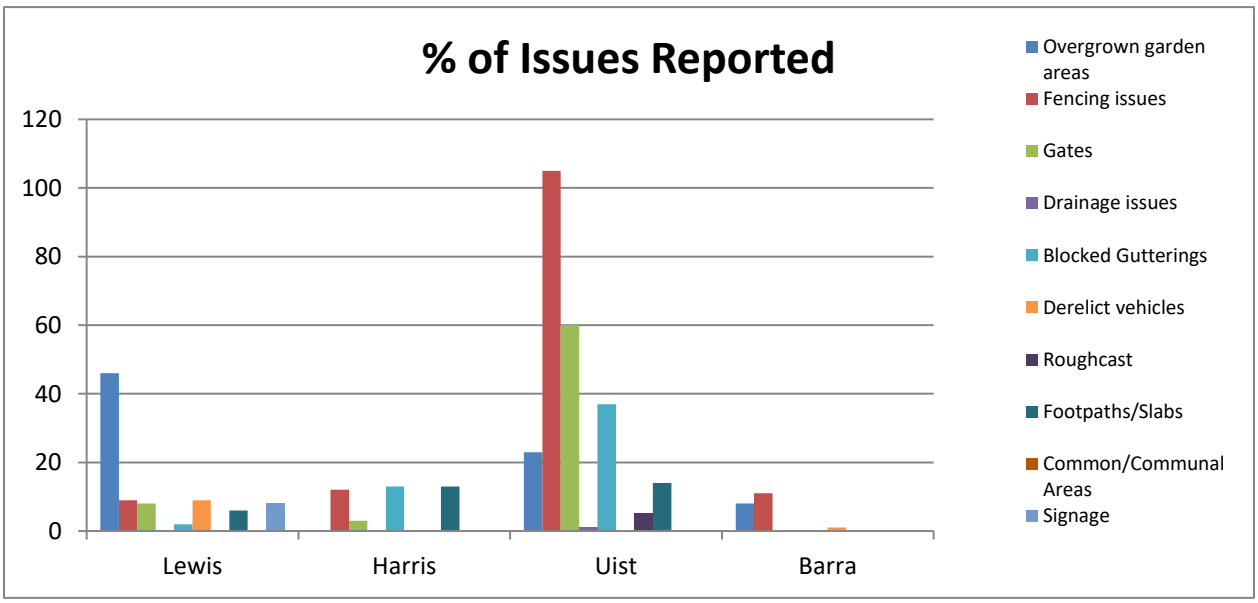




ISSUES REPORTED

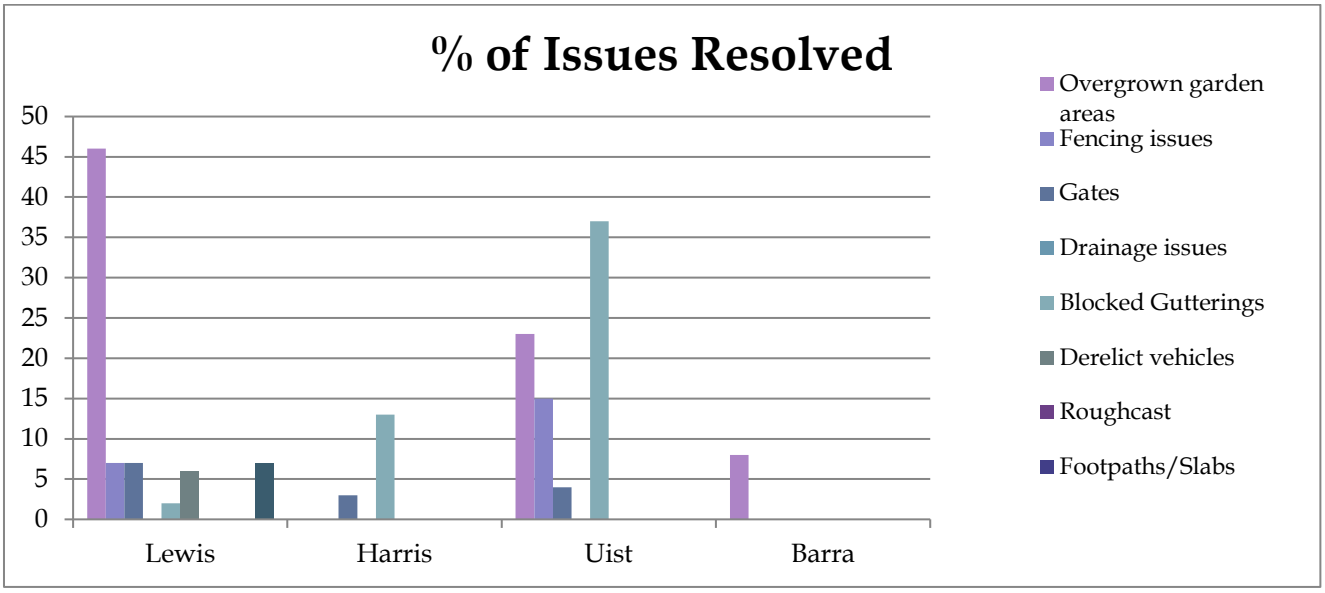
	Lewis	Harris	Uist	Barra	Total
Overgrown garden areas	46	0	23	8	77
Fencing issues	9	12	105	11	137
Gates	8	3	60	0	71
Drainage issues	0	0	1	0	1
Blocked Gutterings	2	13	37	0	52
Derelict vehicles	9	0	0	1	10
Roughcast	0	0	5	0	5
Footpaths/Slabs	6	13	14	0	33
Common/Communal Areas	0	0	0	0	0
Signage	8	0	0	0	8
Total	88	41	245	20	394

	Lewis	Harris	Uist	Barra	Total
Overgrown garden areas	2.8%	-	6.5%	8.6%	3.5%
Fencing issues	0.6%	10.0%	29.7%	11.8%	6.2%
Gates	0.5%	-	17.0%	-	3.2%
Drainage issues	-	-	0.3%	-	0.0%
Blocked Gutterings	0.1%	10.8%	10.5%	-	2.4%
Derelict vehicles	0.6%	-	-	1.1%	0.5%
Roughcast	-	-	1.4%	-	0.2%
Footpaths/Slabs	0.4%	10.8%	4.0%	-	1.5%
Common/Communal Areas	-	-	-	-	0.0%
Signage	0.5%	-	-	-	0.4%

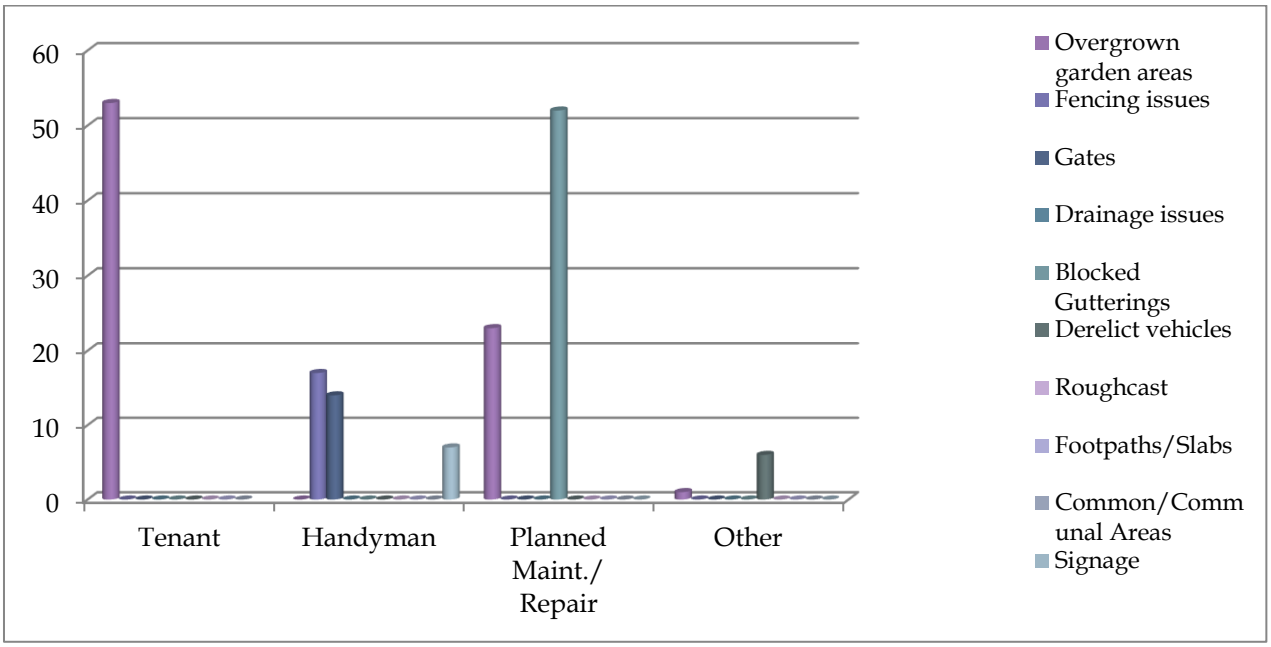


RESOLVED	Lewis	Harris	Uist	Barra	Total
Overgrown garden areas	46	-	23	8	**77**
Fencing issues	7	-	15	-	**22**
Gates **ISSUES RESOLVED**	7	3	4	-	**14**
Drainage issues	-	-	-	-	**-**
Blocked Gutterings	2	13	37	-	**52**
Derelict vehicles	6	-	-	-	**6**
Roughcast	-	-	-	-	**-**
Footpaths/Slabs	-	-	-	-	**-**
Common/Communal Areas	-	-	-	-	**-**
Signage	7	-		-	**7**
Total	**75**	**16**	**79**	**8**	**178**

% RESOLVED	Lewis	Harris	Uist	Barra	Total
Overgrown garden areas	100%	-	100%	100%	100%
Fencing issues	78%	-	14%	-	16%
Gates	88%	100%	7%	-	20%
Drainage issues	-	-	-	-	-
Blocked Gutterings	100%	100%	100%	-	100%
Derelict vehicles	67%	-	-	-	60%
Roughcast	-	-	-	-	-
Footpaths/Slabs	-	-	-	-	-
Common/Communal Areas	-	-	-	-	-
Signage	88%	-	-	-	88%



RESOLVED BY	Tenant	Handyman	Planned Maint./ Repair	Other	Total
Overgrown garden areas	53	-	23	1	77
Fencing issues	-	17	-	-	17
Gates	-	14	-	-	14
Drainage issues	-	-	-	-	-
Blocked Gutterings	-	-	52	-	52
Derelict vehicles	-	-	-	6	6
Roughcast	-	-	-	-	-
Footpaths/Slabs	-	-	-	-	-
Common/Communal Areas	-	-	-	-	0
Signage		7	-	-	7
Total Resolved	53	38	75	7	173



GARDEN ASSISTANCE SCHEME

3.1 The Garden Assistance Scheme continued in 2023/24. It was first introduced in 2013 to assist those who could not manage their own garden areas due to age and/or disability.

3.2 The successful applicants from 2023 were contacted and asked to confirm if their circumstances had changed and whether they wanted to continue with the service. Applicants from the waiting list were added to the scheme to replace applicants who were no longer in receipt of the service. The table below gives a breakdown of those qualifying for the 2024 scheme.

Garden Assistance Scheme	Last Year's Applicants	New Applicants & Waiting List	Total Programmed for 2024
Lewis	54	27	52
Harris	3	1	4
Uist	10	15	13
Barra	4	3	4
Total	71	46	73

3.3 In Uist/Barra the work was carried out by David's Garden Machinery whilst in Lewis & Harris it was carried out by Thompson Grounds Maintenance.

3.4 The scheme for 2023 was fully subscribed and applicants who were unable to be accepted on to the scheme and who met the scheme criteria were placed on a waiting list. Currently there are 46 applicants on the waiting list, higher than last year when there were 33 on the list.

Service Review

Period **6 months from 1st October 2023 to 31st March 2024** **Year 4**

Assessment by: **A MacNeil** Service Manager

Meeting target

Periodically short of Target

Less than Target

The Service Review is carried out across

- Service Information – those are minimum standards of service delivery and reporting specified in the contract
- Key Performance Indicator (KPI) – these set out performance targets and are also tied into retention and pain/gain shares with the contractor's payments.

The main scoring has been carried out by the Asset and Contracts Manager who is the Service Manager as defined in the contract. The Service Manager is responsible for the contract management and delivery

The methodology is set out in the contract. Each heading is split into items for assessment according to the Contract Service Information and KPI's.

The KPI's set out minimum targets which the contractor must achieve. Where performance levels are below those set out within the KPI schedule, we may retain the retention until performance levels are brought to the required levels. Otherwise, retentions are released at the end of each quarter. Retentions will roll forward only until the year end (31 March). Failure to meet the performance indicators by the end of the year will result in retentions outstanding at that point being lost to the Contractor.

In addition, if the Contractor is not on target to achieve the KPI target they will be required to submit proposals for improving performance.

The Contract Service Information and KPI's inform any decision on whether to award a contract extension beyond the initial 5-year term. The contract entered year 4 of the initial 5-year term on 1 April 2023. The option to exercise the first two year extension to 31st March 2027 has been approved by Board.

i) Contract performance will be scored in line with the KPI Schedule (Appendix 1)

ii) Contract performance will be measured against the following five main headings:

- Quality
- Cost
- Time
- Health and Safety
- Continuous Improvement

iii) Contract performance will be scored using the following bands:

iv) If two consecutive reviews produce unsatisfactory results then this could result in the Employer terminating the contract ref clause 91.2 i.e. Contractor has "Substantially failed to Provide the Service"

v) Contract performance will also form the basis of evaluating whether the two year contract extensions will be invoked.

* ● indicates if a Contract Service Information or KPI requirement/

Note: **6 months from 1st October 2023 to 31st March 2024**

Criteria	Item ref	Item description	Contract Service Information (minimum service requirements) *	KPI (measurable performance tied into retention and pain/ gain payments) *	Measurable targets	Comments	Performance	Comment v previous period
Quality	1.1	**Attendance at meetings**	•			Regular monthly meetings continue to be well attended during the period. Contractor has good performance with attending Team meetings inclusive of officers in Benbecula. Relevant personnel attending No Risk Reduction meetings were required during the period	●	No change
	1.2	**Contractors' reports - accurate & issued on time**	•			Paymechs and Performance reports submitted within agreed timescale. Contractor to continue to develop more data on service reports to assist with ascertaining causes of repairs and repairs trends. Evaluation of sub contractors costs needs to be undertaken prior to inclusion on paymech but numbers are not significant overall	●	No change
						Contractor has good performance in responding to Client requests to for bespoke reports. Monthly reporting includes Recharges Target v Actual costs, Community Benefit, Material Price trackers. Cx being developed to undertake verification of paymech data. QS team meetings share information on concerns and trends to drive inmprovement.	●	No change
	1.3	**Repair trends reports**	•		More information requested for contractor service reports to identify possible improvments relating to repairs and maintenance	Development ongoing with identifying trends to track in current market. Repairs continue to be analysed by various categories and types of works to establish if causes are preventable or if patterns are evident. Contractor instructed to analyse average cost per repair and to monitor issues as market showing some signs of recovery on material costs as reported by BCIS. Push back required on suppliers to explain reasons and drivers for prices remaining high locally and if they are consistent with national trends.	●	No change - further work required with supply chain
	1.4	**Risk Reporting**	•		Early warning notices from both parties used to flag issues early in the service delivery to mitigate risks and harm.	Contractor continues to submit Risk related Early warning notices, where required, in regard to issues eg supply chain and materials . Contract risk register in place and in operation - monitored and reviewed against HHP Risk Register. The contractor also monitors and reports on out of hours gas related incidents to ensure systems remain safe at all times, no issues have arisen in the period. Safeguarding measures in place for engineers to record and report concerns/ vulnerabilities or other safety concerns. NSPCC child safety training completed in Uist, renewal of training in Lewis due August.	●	No change - no risk reduction meetings required

Criteria	Item ref	Item description	Contract Service Information (minimum service requirements) *	KPI (measurable performance tied into retention and pain/ gain payments) *	Measurable targets	Comments	Performance	Comment v previous period
								No change
	1.5	**Right First Time -** Availability of materials, on vans & held stock		•	Target 90%, period average 91.41%	No significant issues with stock. Contractor continuing to hold materials at contractor's cost across the island bases. Right first time reviewed monthly to review common themes indicating stock control issues/ ordering periods. Early Warning process also in place but not required to date. Performance is generally good and exceeding target		No change - above target. Last SHN review to peer groups was good
	1.6	**Recalls**		•	Target 3%, average 3.27%	Contractor has reduced recalls from 6% in previous period. However, a sustained improvement aligned to the target needs to be achieved. This has been discussed during an FES service busioness review with the Customer Relations Manager. A further business review is upcoming. Also reviewed at monthly meetings.		Improved. Good performance in Sept and Nov bettering target. Remaining periods did not meet target.
Cost	2.1	**Financial Reports**	•		99.57% of all invoices accurate & submitted on time	Paymechs issued on required date. Paymech information on Trades requires QA checks from Contractor to identify analysis of what repairs and where repairs occur. Sub contractor invoicing also QA checked. Increased number of paymech QA checks undertaken on each paymech by HHP/ FES to enable accurate billing and identifying trends used on monitoring daily repairs report.		No change
	2.2	• Invoicing		•		Performance very good, invoices received timeously including those from sub contractors		No change
	2.3	• Increase value for money	•			Paymech being used to evaluate value for money. QA checks carried out on samples of service reports during paymech QA checks. Various types of checks undertaken on repairs. Average costs not showing signs of reduction due to high inflation pressures. This was again highlighted as a concern and area for improvement with the FES Service Manager. The Contractor also needs to interrogate suppliers costs and reasons for trends. Cost continues to be the main pressure on the service.		No change - work still required on recovery of material prices
	2.4	•[detailing Total of Prices, Actual Costs, anticipated Contractor's share etc.]	•			Contractor has worked with HHP to limit costs impact of inflation by freezing some rates or reducing full impact of inflation adjustments to the contracted rates. Further improvement required to lower material costs and drive efficiency particularly on quotations.		No change - contractor continues to work with HHP to mitigate pressures, work will be ongoing
Time	3.1	• Reactive maintenance completion times (days)		•	Target 4 days, period average 3.15 days	This period of averaged 3.15, ahead of 4 day target. Performance has remained relatively consistent, below the target. In the same period Emergency repairs performance was 2.2 hrs v target 3.5 hrs		No change - better than target
	3.2	• Achieving Void completion times		•	Target 95% completion on time, annual average 100%	Performance has been good. Challenges of maintaining times combined with large clear outs have been managed within the period and performance remaining above target. However, the cost of clear outs has contributed to budgetary overspends to the end of the period. Void turnaround targets have been maintained in the period.		No change - better than target
	3.3	• Maintaining tenant appointments		•	Target 99%, annual average unavailable	Appointment system in place for routine repairs with Contractor - no data available at this time from Cx		No change
	3.4	• Completion of Planned maintenance works	•			General planned maintenance extended well into March placing pressures on delivery to year end. Contractor still needs to improve on cashflow reporting and forecasts to period end. QS meetings in place to explore ongoing measures. Measures in place to combine visits for services into combined visits to minimise travel, cost and disruption.		No change
Health and Safety	4.1	Did work carried out on the contract fall within the industry standard measures related to Accident Frequency Rate		•	Target, reportable incidents per month <1, annual average 0 incidents	No reported incidents, tool boxes talks regularly carried out		No change - better than target

Criteria	Item ref	Item description	Contract Service Information (minimum service requirements) *	KPI (measurable performance tied into retention and pain/ gain payments) *	Measurable targets	Comments	Performance	Comment v previous period
	4.2	• Did the Accident Frequency Rate improve from the last review		•		Constant good performance during year		No change - contractor manages H&S well
	4.3	• Health and Safety - covering contractor's operatives		•		No incidents - regularly reviewed Measure will follow good practice, HSE and Government guidance. Contractor has also provided the use of their premises at no cost for the Lewis Handyperson - this will include work stations, storage, welfare facilities, H&S first aid kits, eye wash stations and fire extinguisher station.		No change - contractor manages H&S well
	4.4	• Health and Safety - Incidents within or around tenant premises		•		No incidents, regularly reviewed, measure will follow good practice, HSE and Government guidance to protect both contractor's operatives, HHP Officers and tenants.		No change - contractor manages H&S well
Continuous Improvement	5.1	• Ongoing [over contract duration] Contractor's involvement and commitment to a continuous improvement culture	•			Community benefit initiatives continued through the period. These included initiatives and voluntary works eg attending careers events and tenants events. Free voluntary work undertaken in mutiple areas. Apprenticeships in place - 7 at various stages,		No change
						Gateway in place for ordering and completion data. Development of options for e-invoicing completed on Cx development to automate paymech processing		No change - Cx links developed
	5.2	• Reduction in duration for completion of Voids works	•		measurable against item 3.2	Turnaround times have been minimised whilst managing large clear outs. Collaboration with HHP to reduce turnaround times continuing. Key management undertaken via Cx though all stages of process		No change
	5.3	• Reduction in Reactive maintenance - Reactive trends	•		measurable against item 1.3	Ongoing review of common repairs, recurring repairs. Daily interrogation of repairs, nature of repairs and appropriate cost checks, budget alignment and coding. Toolbox talks held with Enginneers to improve information on Service Reports and probable causes of repairs where not clearly evident from call diagnosis.		No change - service reports to provide further data, to be monitored

Criteria	Item ref	Item description	Contract Service Information (minimum service requirements) *	KPI (measurable performance tied into retention and pain/ gain payments) *	Measurable targets	Comments	Performance	Comment v previous period
	5.4	Improved tenant satisfaction	•	•	Target 95%, annual average 92%	Tenant satisfaction surveys measure appointment offered/ Contractor on Time. ID shown/ Helpful and Polite/ Satisfaction/ Cleaning done - core surveys will continue on sample but other initiatives will be explored to measure tenant satisfaction. QA checks also undertaken post repairs to repairs in Barra to ensure sub contractor provides same level of service, standards and satisfaction. Overall performance for period is 92.3% satisfied, the remaining numbers expressed "Neither Satisfied/ Dis satisfied" none expressed outright dissatisfaction. All surveys were undertaken by phone		No change - a number of responses fall into "neither satisfied/ dissatisfied" category

Overall Performance

Performance is assessed as **SATISFACTORY** . The operational elements of the service continue to deliver on Completions, Voids and Right First Time performing well.

Costs pressures continue. This will continue as a main action point with the FES Service Manager for addressing with the local team. These continue to be closely scrutinised and monitored via daily reports, recommendations and paymech, pain/gain.

REVIEW OF STANDING ORDERS

Board 25 June 2024

Report by Chief Executive

Purpose of Report

1.1 The purpose of this report is to present an updated set of Standing Orders to the Board for approval.

Summary

2.1 Our Standing Orders are reviewed annually and were last updated in August 2023.

2.2 The key changes to the Standing Orders following this review are detailed at 5.1 of this report.

2.3 It is proposed only policies which require a major update will be presented to the Board for approval. The Company Secretary will ensure all policies are updated for any changes in legislation and reviewed in line with our Policy Review Schedule by the appropriate Manager and approve minor changes to the Policy.

2.4 The Board and Audit & Risk Committee will be informed of any changes to the Policy.

Competence

3.1 The compliance issues relating to this report are at section 7.1 of the report.

Recommendations

4.1 **It is recommended that the Board approve the Standing Orders at Appendix 1.**

APPENDIX 1:	Composite Standing Orders	
Background Papers:	HHP Rules	
Writer of Report:	Iona France	Tel: 0300 123 0773

Standing Orders

5.1 There were only minor updates required to the Standing Orders and they are detailed in the table below:

Part 1	Paragraph	
The Role & Remit of the Board	1.45	Delegated authority to Chief Executive to update policies in line with legislation/regulation added for clarification.
Part 2	Paragraph	
Schedule of Decisions reserved to the Board	2.1 b	Clarification added in line with Paragraph 1.45.
Part 3	Paragraph	
Operations Working Group Remit & Terms of Reference	1.2	The Operations Working Group will approve grant requests made under Community Grants Policy (previously approved by the Board).
Part 4	Paragraph	
Scheme of Delegation to Officers	G11	Delegated authority to Company Secretary to ensure all policies are reviewed on a 3 yearly cycle by the appropriate Manager and approve minor changes.

Board Attendance

6.1 The Board attendance figures for meetings and trainings throughout 2023/24 are detailed below. There were 4 Board training sessions held throughout the year and Board Members attended 3 conferences.

Board	
Target Attendance	85%
Actual for 2023/24	71%
Actual for 2022/23	72%
Actual for 2021/22	71%
Actual for 2020/21	86%
Actual for 2019/20	79%

Training	
Target Attendance	85%
Actual for 2023/24	70%
Actual for 2022/23	67%
Actual for 2021/22	30%
Actual for 2020/21	57%
Actual for 2019/20	47%

7.1 Compliance Section

COMPLIANCE CHECKLIST	
Financial	There are no financial implications arising from the implementation of the recommendations.
Legal	There is a legal requirement to have a Governance framework in place which outlines how the Board will discharge its responsibilities, and how the Partnership will function. The Standing Orders form part of this framework and detail how the powers and authorities outlined in the Partnership's Rules are to be exercised.
Regulatory	The Regulatory Standards checklist has been completed and there is nothing in the report which would result in a breach of the standards.
Risk	Governance of the Partnership is critical to its long-term viability. The Board requires the skills, knowledge and diversity to provide capable leadership, control and constructive challenge to achieve the RSL's purpose, and helps to mitigate the risk of not delivering good tenant outcomes or manage the Partnership's affairs. Governance is highlighted on our Risk Register with a residual risk rating of 6 considered low.
ESG	Reviewing our Standing Orders regularly ensures compliance with our ESG Strategy.
Equalities	There are no Equalities considerations arising directly from the consideration of this report.
Communication	Our Standing Orders are published on our website.

APPENDIX 1

Standing Orders

JUNE 2024

PART ONE-REGULATION OF BUSINESS 5
INTRODUCTION 5
MEMBERSHIP OF THE PARTNERSHIP 5
Register of Members 5
MEETINGS OF THE MEMBERSHIP 6
Annual General Meeting 6
Quorum for Membership Meetings 6
MEMBERSHIP OF THE BOARD 7
Composition of the Board 7
Elections and Nominations 7
Board Appointments 8
Termination of Board Membership 9
Co-opted Members 9
Recruitment of Board Members 10
THE ROLE AND REMIT OF THE BOARD 10
Delegated Authority 10
Functions of the Board 11
Office Bearers 12
CONDUCT OF/AT BOARD MEETINGS 12
Frequency 12
Notice of Meetings and Agendas 13
Attendance at Board Meetings 13
Committee, Working Groups and Spokespersons 14
Hearing and Appeals Panels 14
Quorum for Board, Committees and Working Groups 15
Matters of Urgency outwith Board Meetings 15
Minutes of Meetings 15
Disclosure of Interests 17
Openness and Transparency 18
PROCEDURE AT BOARD MEETINGS 18
Motions and Amendments 19
Order of Debate 20
Entering Dissent 21
Voting/Decision 21
Points of Order 21
Length of Meeting and Adjournment 22

Officer Advisors at Board Meetings 22
Policy Safeguards 22
APPLICATION, VARIATION AND SUSPENSION OF STANDING ORDERS 23
USE OF COMMON SEAL 24
PART 2-SCHEDULE OF DECISIONS RESERVED TO THE BOARD 27
PART 3 - SCHEME OF ADMINISTRATION FOR COMMITTEES 31
COMMITTEES, COMMUNITY LIAISON GROUPS & WORKING GROUPS 31
APPOINTMENT OF MEMBERS 32
APPOINTMENT OF CHAIR 33
QUORUM 33
DELEGATION TO WORKING GROUPS AND HEADS OF SERVICE 33
REFERRED FUNCTION 33
DELEGATED FUNCTIONS 34
CONDITIONAL DELEGATION 34
REPORTING TO THE BOARD 34
VARIATION OF SCHEME OF ADMINISTRATION 35
AUDIT & RISK COMMITTEE-TERMS OF REFERENCE 36
CONSTITUTION 36
FREQUENCY 36
REFERRED FUNCTIONS 36
DEVELOPMENT AND FINANCE COMMITTEE-TERMS OF REFERENCE 39
CONSTITUTION 39
FREQUENCY 39
REFERRED FUNCTIONS 39
JOINT CONSULTATIVE COMMITTEE-TERMS OF REFERENCE 41
CONSTITUTION 41
COMMITTEE CHAIR 41
FREQUENCY 41
STATUS OF RESOLUTIONS 42
COMMUNICATIONS 42
COMMUNITY LIAISION GROUPS-TERMS OF REFERENCE 43
CONSTITUTION 43
PERSONNEL WORKING GROUP REMIT & TERMS OF REFERENCE 44
REMIT 44
CONSTITUTION 44
FREQUENCY OF MEETINGS 44

OPERATIONS WORKING GROUP REMIT & TERMS OF REFERENCE 45
MEMBERSHIP 46
FREQUENCY OF MEETINGS 46
SPOKESPERSON 47
SCHEME OF DELEGATION 51
GENERAL 51
SAFEGUARDS 51
SCHEME OF DELEGATION TO OFFICERS 53
INTERPRETATIONS & ABREVIATIONS 64

PART ONE

REGULATION OF BUSINESS

PART ONE-REGULATION OF BUSINESS

INTRODUCTION

1.1 There are three parts of the Partnership's Constitutional Documents which set out how the Board will be managed and controlled.

Constitutional Document	***Detail***
a) The Rules	Define the aims of and set out the powers and authority of the Partnership as vested in the Board
b) Standing Orders	Provide the detail of how the powers and authorities can be exercised and includes a Scheme of Delegation
c)Financial Regulations	Provide a framework for managing our financial affairs

1.2 If there is a conflict between these Standing Orders and any statutory provision, regulation or The Scottish Housing Regulator's Guidance having the force of statute, the latter shall prevail.

1.3 Except in circumstances where the wording of a Standing Order is clearly wrong, due to a typographical error or otherwise, the ruling of the Chair of the Board as to the meaning of these Standing Orders shall be final.

1.4 These Standing Orders shall apply and have effect from 25 June 2024.

MEMBERSHIP

MEMBERSHIP OF THE PARTNERSHIP

1.5 The Board has delegated responsibility for assessing and approving applications for new members to the Company Secretary.

1.6 Our Membership Policy outlines how to become a member of the Partnership and full details of the criteria for membership can be found in the Policy. The Policy will be reviewed regularly by the Board.

1.7 If we approve your application, you will immediately become a member of the Partnership and your name will be included in our Register of Members referred to in Rule 64 within seven working days. You will then be issued one share in the Partnership.

Register of Members

1.8 The second copy of the Register of Members referred to in Rules 64 and 65 showing the names, addresses and membership category of each Member shall be available upon request to the public during office hours at the Partnership's registered office in Stornoway and also in our Balivanich office.

1.9 At any time, the Board may require Members to provide evidence that they meet the criteria of their relevant Member Category. If the evidence is not

provided within twenty-one days, the Member may be removed from the register and notified accordingly.

1.10 It shall be the responsibility of Members to inform the Secretary in writing when they no longer meet the membership criteria and will thus no longer be Members of the Partnership.

MEETINGS OF THE MEMBERSHIP

1.11 All General Meetings other than the Annual General Meeting (AGM) shall be called Special General Meetings (SGM). All general meetings, including Special General Meetings (SGM), shall be convened in conformity with the Rules.

Annual General Meeting

1.12 The AGM of the Members of the Partnership will be held at a date and time fixed by the Board. The AGM will be advertised in the local media and it will be open for the general public to attend though only Members shall be entitled to participate in the discussions and to vote.

1.13 The order of business will be:

a) to elect a Chair of the meeting if the Chair or Vice-Chair is not present;
b) to approve as a correct record and sign the minutes of the last AGM and any extra-ordinary general meeting where the minutes have not been approved;
c) present the Chair and Chief Executive's annual reports;
d) to receive the accounts, balance sheet and auditors report;
e) the passing of a special resolution or resolution requiring special notice;
f) to appoint the external auditor;
g) to transact any other general business of the Board which has been included in the Notice calling the meeting or is otherwise competent.

Quorum for Membership Meetings

1.14 No item of business shall be transacted at an AGM or an SGM unless:

a) at least seven Members, including at least one Member from each of the Member categories, are present and entitled to vote on that item; or
b) where the membership exceeds 70 persons, at least one tenth of the membership, including at least one Member from each of the Membership categories, are present or represented by proxies, but with at least half of the quorum being present and entitled to vote on that item.

1.15 If there are insufficient Members present to form a quorum within half an hour after the time appointed for a AGM to commence, no business will be transacted and the meeting will be re-scheduled for the same day of the following week at the same time and place, unless such date is clearly unsuitable, in which case the meeting will be re-scheduled to a time and place agreed by the Secretary. Where a meeting is adjourned, at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting and indicating the general nature of business to be transacted.

THE BOARD

MEMBERSHIP OF THE BOARD

1.16 Members of the Board are elected to serve in accordance with the Partnership's Rules and the Code of Conduct.

1.17 Membership of the Board is not transferrable and shall cease on the resignation, retirement or death of a Board Member and as otherwise set out in the Rules.

Composition of the Board

1.18 The Board shall have up to fifteen Board Members inclusive of two co-opted Members.

1.19 Board Membership of the Partnership is governed by Rules 37 to 44 of the Partnership's Rules and the Partnership's Membership Policy.

1.20 Other than co-opted Members, Board Membership at all times shall be made up of four main categories, these are:

- **Tenants** comprising of up to four members of any geographical location in the Outer Hebrides
- **Community** comprising up to four members or five should there be insufficient nominations for the **Tenant** category
- **Council Board Members** comprising up to three members nominated by the Comhairle in line with Rule 40.8; and
- **Board Appointed** Members comprising of up to two members or four should there be insufficient nominations for the **Tenant** category

1.21 The Council's nominees are called **Council Board Members** and will be chosen by Comhairle Nan Eilean Siar, following satisfactory assessment that their skills, knowledge and objectivity will enhance the Board's decision making. The Comhairle must provide evidence of this assessment along with notification of who the nominees are. Council Board Members are subject to change at any time and notification must be made to the Company Secretary as soon as practicable.

1.22 The Board may appoint up to two **Board Appointed Members** if there is a need or requirement for a particular skill or experience. This can be increased to four if there are insufficient nominations received within the Tenant category (see Standing Order 1.28).

Elections and Nominations

1.23 The Tenant and Community Members are elected in line with Rules 40.1 to 40.6. Any vacancies that occur will be filled in accordance with the Casual Vacancies procedure at Standing Order 1.33.

1.24 Nominations shall be in writing, either by post or electronically and submitted on an approved form to the registered office of the Partnership not later than

fifty-six days prior to the AGM for Tenant Board Members and not later than thirty-five days prior to the AGM for Community Members. The form can be returned by post or to email address shown on the form.

1.25 A Board Member due to retire under the Rules may stand for re-election without nomination. The exception to this is where the Board Member has served for 9 years and in that instance the process outlined in Standing Order 1.27 should be followed.

1.26 Where the number of retiring Board members seeking re-election and nominations exceeds the numbers available, a ballot of the membership will be taken at the AGM.

Long Serving Members

1.27 In accordance with Rule 37.7, the Board must determine whether to let Board Members serving for a continuous period of nine years or more continue in service. Any Board Member fulfilling this criteria and who wishes to remain on the Board will be asked to complete a self-evaluation questionnaire to demonstrate their continued effectiveness, and a report will be prepared by the Company Secretary, which the Board will then assess.

1.28 In accordance with Rule 40.3, if there are fewer nominations received from Tenant Members than the number of vacant Tenant Board Member places, then the remaining vacant Tenant Board Member places may be filled as follows:

a) one Community Member who would become a Community Board Member; then
b) up to two Board Appointed Members.

1.29 Board Members shall confirm in writing that they agree with the terms of the Partnership's Code of Conduct for Board Members before they can discharge any aspect of their role as a Board Member. If such an agreement in writing is not received within fourteen days of the person's election to the position of Board Member and no good reason is given for the delay, the Board shall convene a special meeting under Rule 44.5 to have the Member removed from the Board.

Board Appointments

1.30 The Board may use up to two places to appoint Board Appointed Members in line with the skills assessment and whom the Board considers will enhance the skills, knowledge, diversity and/or objectivity of the Board and its decision-making. The appointees must be Members of the Partnership.

1.31 The annual Board skills assessment will identify areas where there are skills gaps and this will inform the Board's decision regarding the manner of identifying, selecting, and appointing a Board Appointed Member.

1.32 When appointing Board Appointed Members, the Board must determine the proposed duration of the appointment, which must be no longer than three years. A retiring Board Appointed Member may be re-appointed accordingly.

Casual Vacancy

1.33 When a vacancy arises, the Board can appoint a casual vacancy to fill the period between the date the position became vacant and the next AGM. The casual vacancy must stand down at the next AGM. Any member who replaces a Board Member in this way must come from the same category of membership as the vacancy.

Termination of Board Membership

1.34 Generally, Board Membership will cease at the AGM or at the end of a local council term but there are other circumstances where Board Membership may be terminated and they are outlined in the Table below:

Rule	Detail
39.1 to 39.4 and 43.2	Retirement by rotation at AGM End of a casual vacancy, a Board appointment or a co-opted appointment
43	Detail of what would make someone ineligible to be a Board Member *e.g. if they have any legal proceedings in any Court of Law by or against the Partnership*
44	Circumstances were someone would cease to be a Board Member *e.g. someone misses four Board meetings in a row without special leave of absence*

1.35 Any person wishing to withdraw from holding office of Board Member shall give one month's written notice to the Partnership. The Notice should be addressed to the Chair with a copy to the Secretary. On expiry of the Notice, the person shall cease to be a Board Member.

Co-opted Members

1.36 Where there is a shortage of particular skills, expertise or experience, the Board may co-opt to bring such skills to the Board, Committee or Working Group in respect of particular or general aspects of the Board's work.

1.37 To meet such a need, up to two persons may be co-opted in the following type of circumstances:

a) As a substitute for a Member who may be absent for a prolonged period on special leave;

b) To assist with a substantial, complex undertaking, for which the Board's skill base is deficient;

c) To assist with a major overhaul of an aspect of Board activities that is in crisis; or

d) As one of two Appointed Board Members in accordance with Rule 37.2.4

1.38 Such persons shall be appointed in accordance with Rule 42 and the Code of Conduct for Board Members, following a recruitment process.

Recruitment of Board Members

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

THE ROLE AND REMIT OF THE BOARD

Delegated Authority

1.40 The Board is responsible for all decisions taken and actions carried out by or on behalf of the organisation. The Board recognises that good governance depends on a clear definition and understanding of the authorities which attach to Board and staff members. To ensure there is clarity regarding decisions that only the Board can take and those that may be delegated to a Committee or an Officer, the Board has drawn up a Schedule of Decision Reserved to the Board which can be found in Part Two of the Standing Orders.

1.41 The Board has approved a Scheme of Delegated Authority included in Part 4, a Scheme of Administration to Committees and a Scheme of Financial Delegation set out in the Financial Regulations approved by the Board.

1.42 Any matters not specified in the Scheme of Delegated Authority or Scheme of Financial Delegation is reserved to Board unless the matter is urgent. See Standing Order 1.84.

1.43 Where authority is delegated to staff on financial matters this relates to operational responsibilities.

1.44 The Chief Executive is responsible to the Board for the implementation of policy and for the day to day running of all aspects of the organisation's activities. The Board, therefore, delegates authority to the Chief Executive to enable the discharge of responsibilities expeditiously, without necessarily referring to the Board. Office Bearers, who are elected Board Members appointed by Board, acting with senior staff, have authority to:

- Represent the Partnership on official business, consistent with agreed policies and procedures.
- Implement agreed emergency procedures.
- Take urgent decisions and/or action between meetings, in consultation with the Chief Executive.
- Take decisions on specific issues between meetings that have been delegated to one or more office bearers by the Board.

1.45 The Chief Executive, in consultation with senior staff, has authority to:

- Ensure the effective implementation of strategies, policies and plans, including the updating of policies for legislative and regulatory changes.
- Represent the Partnership on official business, consistent with agreed policies and procedures.

- Carry out all necessary legal and financial duties to ensure compliance with statutory and regulatory requirements.

The Board has agreed specific delegations to manage routine business matters as defined in the Scheme of Delegation at Part 4.

1.46 The Schedule of Decisions Reserved to the Board will be reviewed at the last Board meeting prior to the AGM.

Functions of the Board

1.47 The Board is responsible for a range of functions which are consistent with and complementary to Rule 45 and the Code of Conduct for Board Members. The range of functions are:

a) The direction and control of the organisation;

b) Ensuring the Board receives appropriate information and advice to carry out its duties;

c) The risks and legal responsibilities arising from its control;

d) Ensuring that the objectives of the organisation are in line with the Rules and are regularly reviewed;

e) Ensuring there is a balance of skills, experience and diversity of equality on the Board, if necessary by making use of Board appointments, co-options and casual vacancies; and

f) Decision making related to the range of subjects listed in the "Schedule of Decisions Reserved to the Board".

1.48 The core responsibilities of the Board include ensuring that the organisation:

a) Operates within the law;

b) Operates according to its rules and procedures;

c) Meets the standard laid down by the Scottish Federation of Housing Associations, The Scottish Housing Regulator and other regulatory bodies;

d) Establishes business and financial objectives;

e) Protects the assets of the organisation;

f) Recognises its duty to tenants, applicants and other service users;

g) Develops, operates and regularly reviews policies designed to achieve its objectives;

h) Approves each year's budget, exercising financial management and managing responsibly both financial and non-financial risks;

i) Oversees and exercises control over the organisation's work and services;

j) Delegates authority to and monitors the work of Committees, Working Groups and staff;

k) Is responsible for employing staff to carry out the work of the organisation and setting their terms and conditions;

l) Ensure standards of performance are set by the organisation;

m) Monitors performance against objectives and performance standards;

n) Monitors the achievements of performance targets; and

o) Is assured that the information collected is used to amend targets, policies and/or procedures as necessary.

1.49 Board Members have a high level of responsibility, and every support will be given to them to enable them to meet the expectations placed upon them. This will include clear information, comprehensive reports with legal and financial implications where appropriate, policies and procedures and training and support as required.

1.50 The Secretary will assist the Board in discharging its specific responsibilities and shall ensure that adequate information is provided at the appropriate time to the Board to enable necessary decisions to be made and approvals given.

Office Bearers

1.51 In accordance with Rule 59.1, the Partnership shall have three officer bearers: the Chair, the Vice-Chair and the Secretary. The role of the Chair and the duties relating to this post are outlined in Appendix 1. In the Chair's absence the Vice-Chair will perform the same role and duties as the Chair.

1.52 The Chief Executive, in accordance with the job description of that post, shall undertake the duties of Company Secretary listed in Rule 59.3.

1.53 If in the absence of the Chief Executive the duties of Company Secretary will be undertaken by the Director of Finance & Corporate Services.

1.54 The Board shall elect the Chair and Vice-Chair at a meeting held immediately after the AGM, and they will serve until the end of the next AGM.

1.55 Should the post of Chair or Vice-Chair become vacant during the year, the Board will elect a replacement office bearer who will serve for the remainder of that year until the next AGM.

1.56 A person may serve in the post of Chair for a maximum of five consecutive terms, and then will not be eligible for election to that post for a period of one year.

1.57 A person may serve in the post of Vice-Chair for a maximum of five consecutive terms and will then not be eligible for election to that post for a period of one year.

CONDUCT OF/AT BOARD MEETINGS

Frequency

1.58 The Board will normally convene no less than six meetings of the Board in any one calendar year. Dates of meetings will be agreed at the first Board Meeting following the AGM.

1.59 Dates of meetings may be altered, by arrangement between the Chair and Secretary.

Notice of Meetings and Agendas

1.60 The Secretary shall ensure that each meeting of the Board and its committees shall be called by written notice posted, or sent by email, and that the agenda, minutes and reports relating to each meeting shall be made available to Board Members for downloading to Board Management software or their Tablet device at least eight days before the date of the meeting.

1.61 Public notice of the time and place of meetings of the Board shall be given at least seven clear days before the meeting or, if the meeting is convened at shorter notice, as soon as possible after it has been convened. Notices will be posted at all offices from which the Partnership operates, on the Partnership's website and social media platforms.

1.62 The proceedings at any meetings of the Board shall not be invalidated by reason of any failure of delivery of any notice, any vacancy in its membership, any defect in the appointment of any Member, or any informality or defect in the calling of the meeting.

1.63 The appropriate Chair should be provided with advance notice of Agenda items and any discussions regarding the Agenda should be with the relevant advisor to the Board or Committee. In the case of the Board this will be the Chief Executive.

1.64 Depending on prevailing circumstances, and during winter months, meetings may be convened remotely using the Partnership's video conferencing facilities. The Secretary shall take all reasonable steps to ensure that all Board Members are able to access and participate in the meeting if it is being held in this manner. If meetings are due to take place in person, Board Members should make every effort to attend. If there is a legitimate reason why attendance in person is not possible the Secretary shall also ensure a video conferencing option is available.

Attendance at Board Meetings

1.65 Board Members are expected to attend Board meetings. Where four meetings in a row are missed, the Board Member will automatically cease to be a Board Member unless before the start of the fourth meeting in a row:

a) Special leave of absence has been requested, and granted in writing by the authority of the Chair; and

b) A copy of the written authorisation of special leave has been tabled at the Board meeting by the Secretary to enable the matter to be approved.

1.67 Special leave shall be granted only in very exceptional circumstances for reasons such as:

a) Family illness or bereavement of a close relative or a funeral;

b) Serious illness;

c) Absence on Board business;

d) Working/Career development training; or

e) Public transport being unavailable as a result of bad weather or technical failure

1.68 Special leave will not be granted where:

a) The Chair has reasonable doubt regarding the reasons given or the extent of those circumstances; and

b) The Member has attended fewer than half of the Board meetings in the previous two years.

1.69 If any Board Member is subject to court proceedings by the Partnership, they will automatically cease to be a Member of the Board.

Committee, Working Groups and Spokespersons

1.70 The Board will have the following standing Committees:

Committee	Meeting Frequency	Membership
Audit & Risk	Min 4 times a year	6
Development & Finance	Min 2 times a year	6
Joint Consultative	Min 1 time a year	2

1.71 All Committees, with the exception of the Joint Consultative Committee, may appoint a working group as they deem necessary, subject to the remit and terms of reference being approved by the Board.

1.72 The Board may set up working groups and the terms of reference for the remit, operation and lifespan of the working groups are contained in Part 3 of the Standing Orders.

1.73 The Board will appoint a Spokesperson for each of the following areas who will serve in that role until the AGM.

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

1.74 Where the Chair is unable to act as our Gàidhlig spokesperson the Board will appoint a Gàidhlig spokesperson to assist the Chief Executive respond to media enquiries.

1.75 The remit for the various Spokespersons is at Part 3 of the Standing Orders.

Hearing and Appeals Panels

1.76 The Board may establish hearing and appeals panels as required to hear, investigate and decide upon matters raised by breaches of the Code of Conduct of Board Members.

1.77 Where appropriate, the Board may delegate authority for agreeing the membership and remit of individual panels to the Chair or where the matter involves the Chair, to the Chief Executive or an appointed external consultant.

1.78 Following consideration of any competent matter referred to it, the Hearing/Appeals Panel will decide and report its actions to the Board. The Hearing/Appeals Panel is accountable to the Board whose decision is final.

Quorum for Board, Committees and Working Groups

1.79 For any meeting and for any item of business, a Member who is able to participate by telephone or videoconference or web link will be regarded as being present and will count towards the quorum.

1.80 Co-opted Members will not count for the purpose of determining a quorum.

1.81 Consistent with the terms of Rule 48, no item of business shall be transacted at a meeting of the Board unless at least **four** Board Members, who must represent at least two of the Board Member Categories, are present and entitled to vote on that item.

1.82 No item of business shall be transacted at a meeting of a Committee unless at least **three** Board Members are present and entitled to vote on that item, one of whom must be either a tenant or community Board Member. The exception to this is the Joint Consultative Committee and the quorum for that Committee is within its remit.

1.83 The quorum for working groups will be **three** Board Members.

1.84 If there are insufficient Members present to form a quorum within half an hour after the time appointed for the meeting to commence, no business will be transacted and the meeting will be adjourned to a time and place agreed by the Secretary and the Members who turned up for the meeting.

Matters of Urgency Outwith Board Meetings

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

Minutes of Meetings

1.86 The Secretary will ensure that a draft of a Minute will be produced within seven working days of each meeting. The draft will be forwarded to the Chair (or the office bearer who chaired the meeting) for initial checking. The final draft of the minutes will be circulated to all Board Members with the agenda and papers of the following meeting.

1.87 Only Members who were present at a meeting may move or second a motion for the approval of the Minutes as an accurate record of the meeting's proceedings. After a Minute is approved, and any agreed amendments are made to it, the Chair of that meeting shall sign it. If no Members who were

present at a meeting are available to approve the minute, e.g., following resignations or retirals, officers who were present at the meeting can confirm the Minute is an accurate record of the meeting's proceedings which will enable the Board to approve the minute.

1.88 To expedite business, the Chair of a Committee may present a report of recommendations from the Committee to the next meeting of the Board for approval, before the Committee has approved the Minute of the Committee. The Board on the motion by the Chair of the appropriate Committee, or in his absence, by any other Member of the committee, may approve recommendations presented in a report from a committee. If any matter in the report is challenged, the Board may resolve to withdraw the item so that it will be considered with the approved Minute at the next meeting, or if it is a matter of some urgency, proceed to determine the matter.

1.89 For consistency, and so that the reader can follow the Minutes, each set of Minutes of a meeting shall be drafted in conformity with a Corporate Standard for Minutes approved by the Board, and which is likely to be in the following order:

a) Minute Header and meeting details;

b) The names of Members present, participating staff and others in attendance, as well as any apologies received;

c) Any declaration of interests or conflicts of interest;

d) Number, narrative and decision relating to each agenda item including the approval of the minutes of the previous meeting

e) Major points raised in discussion

f) The names of those proposing and seconding any motion or amendments; and

g) the result of any vote, whether by show of hands or secret ballot.

1.90 Minutes may be adopted "*subject to*" the inclusion of an amendment to correct or clarify a point. Any amendment(s) required must be formally proposed, seconded and approved by a majority of Board Members present, prior to the formal adoption of the minutes.

1.91 The approved and signed Minutes of the committees shall be submitted to the next meeting of the Board to note the activities of the committee and to approve any recommendations submitted to the Board for decision.

1.92 The Secretary shall keep a register of the approved and signed Minutes of the Board and its Standing Committees as the definitive record of the Board's proceedings.

1.93 A Board Member who was not present at a particular meeting of that Board, may request clarification of a point in the minutes at the following meeting, but may not re-open the discussion on any item where a decision was made at the previous meeting.

1.94 A Board Member who is not a member of a particular committee may request clarification of a point in the respective minutes but may not re-open the discussion on any item, except where the committee has referred an item to the Board for consideration.

Disclosure of Interests

1.95 Board Members, Committees and Working Group members will be required to disclose all actual or potential interests on an annual basis in accordance with the approved Code of Conduct and Entitlements, Payments and Benefits Policy.

1.96 Where a Board Member or staff member has a direct or indirect financial interest in any contract or proposed contract or any other matter, which is to be considered, this should be disclosed to the meeting and they should leave the meeting before any discussion and will not be allowed to vote on that matter.

1.97 Any other interest (non-financial) which could influence judgement or be perceived that a Board Member or staff may be acting from personal motives (such as personal interest, kinship, friendship, membership of another organisation or other relationship should be disclosed and they should leave the meeting before any discussion or voting on that matter.

1.98 This requirement will be contained within the papers issued in advance of the meeting and highlighted as a standard agenda item at the start of all meetings of the Board, Committees and Working Groups.

1.99 In respect of any matters contained within the agenda and papers for consideration at the meeting, they will be required to declare this interest at the earliest possible opportunity.

1.100 Where an actual or potential interest has been declared, the Board Member will not receive any further papers or minutes in relation to the relevant item.

1.101 The Board Member will also be required to be excused from the meeting when the item is being considered and will take no part in any discussions in relation to the relevant item whether at a meeting or outwith the meeting.

1.102 Any exceptions to the above requirements would require the specific approval of the Board, subject always to the requirement to comply with the terms of our Rules.

1.103 Failure to comply with the disclosure of interest requirements may result in procedures being implemented to remove the Board Member from the Board or in relation to a staff member, disciplinary action may be taken.

1.104 All declarations will be recorded in the minutes of the meeting together with the action taken. The declaration will also be recorded in the Register of Interests maintained by the Governance Officer.

1.105 Board members who are also tenants of property owned or managed by HHP will not normally be considered to have a conflict of interest where the Board

is dealing with matters of general policy unless, as a result of particular circumstances applicable to a Board member, it can be reasonably considered that a conflict of interest arises for that Board member.

Openness and Transparency

1.106 There will be a presumption that all proceedings, including agendas, reports, minutes and other documents for Board are non-confidential unless otherwise agreed.

1.107 Minutes, with any confidential items omitted, may be viewed on the Partnership's website.

1.108 At the time of setting the Agenda, a decision will be made on whether a report should be taken in private due to commercial sensitivity or maintaining confidentiality in line with UK GDPR requirements.

1.109 There may be occasions where after an Agenda has been agreed there is a need to take a report in private. The report will be marked "Private" and issued as such but before the Board or a Committee agrees to take an Agenda item in private, the Board or a Committee shall consider whether to approve a motion to exclude the public and press during consideration of the item in view of the confidential nature of the business to be transacted. The motion shall specify in general terms why the item is considered to be of a confidential nature, e.g. because it relates to a disciplinary matter, a person's personal circumstances, etc. The Board, Committee, etc. shall decide by majority when an item should be confidential. Further detail relating to this subject can be found in the Openness and Confidentiality Policy.

1.110 The Board and its committees may similarly decide to exclude some or all staff from a meeting where personal or sensitive matters are to be discussed.

PROCEDURE AT BOARD MEETINGS

1.111 Except where the majority of Board Members present and voting on such matters decide otherwise at the start of the meeting:

a) the business of the meeting shall proceed in the order it appears on the Agenda;

b) no business other than that contained in the Agenda shall be discussed; and

c) no item shall be withdrawn from the Agenda.

1.112 Since the main responsibilities of the Board relate to strategic and policy matters and performance monitoring, the order of business at Board meetings shall reflect this. A Corporate Standard for Board Agendas shall be approved by the Board with detailed specifications relating to agenda matters.

Motions and Amendments

1.113 Subject to the provisions of the following paragraph, any Member of the Board who wishes to have a particular matter discussed, may submit for consideration by the Board at any ordinary meeting a motion or resolution, by giving notice thereof in writing to the Secretary at least **fourteen days** prior to the date of the meeting at which it is intended to be submitted. The Secretary shall incorporate such notice in the agenda issued with the notification of the meeting and the Member will be entitled to speak to the motion and seek a seconder. The matter may be determined at the Board meeting or referred on to another meeting for further discussion.

1.114 A motion or resolution relating to any matter directly arising from Minutes or an Agenda may be moved without prior notice having been given. If, in the opinion of the Chair of the meeting, any motion or resolution so submitted does not arise directly from the Minutes or Agenda, the Chair may require the mover to give notice thereof.

1.115 If a motion, intimation of which is specified in the notice calling the meeting, is not moved by the Member, or by some other Member on his behalf, it shall, unless postponed by leave of the Board, be considered as withdrawn and shall not be moved without further notice.

1.116 The following shall apply to motions and amendments:

a) Every amendment shall be relevant to the motion and may include a proposition that is the direct negative of the motion;

b) A motion or amendment moved but not seconded shall not be put to the meeting, but dissent may be recorded in terms of Standing Order 1.125.

c) No Member shall move or second:

i) An amendment if that Member has moved or seconded the motion;

ii) More than one amendment to a motion.

d) If a motion or amendment is withdrawn, the mover and the seconder shall, prior to formal debate commencing, be able to move or second another motion or amendment;

e) There shall be no discussion on any motion or amendment except by the mover until such motion or amendment is seconded;

f) When a motion and two or more amendments have been proposed, the Chair of the meeting shall determine in what order the motion and amendments shall be put to the meeting; and

g) Any motion or amendment proposing either expenditure or a reduction in income shall identify the source of funding to meet the additional expenditure or income foregone, and an amendment failing to identify such source shall be incompetent

1.117 Subject to the right of reply of the mover of a motion or amendment, no Member shall speak more than once or for longer than five minutes, provided always that a Member may speak to a point of order or in explanation with the consent of the Chair of the meeting.

1.118 The movers of a motion and amendments in their right of reply in terms of Standing Order 1.115 (f) and (g), shall speak for no longer than five minutes and shall confine themselves strictly to summing up, answering points made by previous speakers but shall not introduce new material.

1.119 When a motion has been made and is under debate, no other motion shall be moved except a motion:

a) To adjourn the meeting;

b) To suspend Standing Orders;

c) To exclude a Member or Officer from the meeting;

d) To exclude the press and public from the meeting;

e) To take the vote by ballot or roll call; or

f) That "the question be now put".

1.120 At the close of any speech, any Member who is not the mover or seconder of the motion or of any amendment to that motion that is before the meeting and who has not spoken on the question before the meeting, may move that the "*question be now put*". If this is seconded, the Chair of the meeting, if of the opinion that the matter has been fully discussed, shall without further debate and without speeches on the motion that the question be put, have a vote taken on that motion. If the motion is carried, the movers of the original motion and any amendments thereto shall have the right to reply in terms of Standing Order 1.117 and the question shall be put to the meeting.

Order of Debate

1.121 Every motion or amendment shall be moved and seconded, and shall, if required by the Chair of a meeting, be reduced to writing and read before being put to the meeting for approval or formal debate. No motion, to which an amendment has been moved, or amendment shall be altered or withdrawn without the consent of the mover and the seconder.

1.122 The order of debate shall be as follows:

a) The mover of the motion;

b) The movers of amendments in the order moved;

c) The seconders of the motion';

d) The seconders of the amendments in the order moved;

e) Any other Member of the Board who has not spoken in the debate;

f) The movers of the amendments, in reply to points and to sum up, in the reverse of the order in which the amendments were moved; and

g) The mover of the motion in reply to points and to sum up

1.123 The mover of a motion and any mover of an amendment have the right of reply before a vote is taken but may not introduce any new matter after this stage. After the mover of the motion has exercised his right of reply, no other Member may speak on the question unless:

a) To raise a point of order;

b) To adjourn the meeting;
c) To suspend the Standing Orders; or
d) To exclude a Member or Officer from the meeting.

1.124 Subject to the right of reply of the mover of a motion or amendment, no Member shall speak more than once or for longer than five minutes, provided always that a Member may speak to a point of order or in explanation with the consent of the Chair of the meeting.

1.125 The movers of a motion and amendments in their right of reply in terms of Standing Order 1.115 (f) shall speak for no longer than five minutes and shall confine themselves strictly to summing up, answering points made by previous speakers but shall not introduce new material.

1.126 The Chair shall decide when the resolution or motion is to be put to the vote after debate has concluded.

Entering Dissent

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

Voting/Decision

1.128 All acts of, and all questions coming and arising before the Board, shall be done and decided by a majority of the Members present and voting at that meeting of the Board. Majority agreement may be reached by a consensus without a formal vote. Where there is doubt, a formal vote shall be taken.

1.129 In the case of an equality of votes, the person presiding at the meeting, in addition to a deliberative vote, shall have a second or casting vote. Where the Chair chooses not to use his second or casting vote the matter shall be determined by lot.

1.130 Voting shall be taken by Members by a show of hands; or when the majority of Members present and entitled to vote so determines, by ballot.

1.131 Co-opted Members shall not be entitled to vote on matters affecting membership of the Partnership or on the election of Partnership office bearers.

Points of Order

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

Length of Meeting and Adjournment

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

1.134 If there is insufficient support to continue, the meeting will either:

a) be closed formally, with the remaining business being added to the agenda for the next scheduled meeting (this option will be followed if there are no matters requiring a decision before the next scheduled meeting); **OR**

b) be adjourned to a time and place agreed at the meeting to complete the business if there are matters requiring a decision before the next scheduled meeting

1.135 An adjourned meeting will be regarded as a continuation of the original meeting. All decisions etc. will be recorded as having been made on the date of the additional meeting. No business will be dealt with at the additional meeting other than the matters not reached or left unfinished at the original meeting.

1.136 A motion for the adjournment of a meeting may be made at any time, shall have precedence over all other motions and shall be put to the meeting without amendment or discussion. Unless the time and place are specified in the motion for adjournment, the adjournment shall be until the day of and before the next ordinary meeting.

Officer Advisors at Board Meetings

1.137 The Chief Executive shall establish arrangements to ensure that the appropriate level of professional advice is available at all meetings of the Board, its committees and working groups, having regard to the agenda of the particular meeting.

1.138 The Chair of a meeting may invite officers of the Board or external advisors to speak to an item of business.

1.139 The Chief Executive and Secretary shall attend all meetings of the Board and Standing Committees unless statute or the constitutional documents indicate otherwise.

1.140 The Chief Executive may, consistent with these Standing Orders, delegate such powers, responsibilities and authority to such members of staff as she may from time to time determine.

1.141 The Chief Executive, in consultation with the Chair, is responsible for the interpretation of our policies and the Chief Executive is responsible for the implementation of our policies.

Policy Safeguards

1.142 A policy approved by the Board shall be binding for at least twelve months. This means that it will not be competent to move to change or modify an

approved policy within that timescale, except where the Chair of the meeting rules that a "*material change of circumstances*" has occurred: which circumstances shall be specified in the Minutes.

1.143 Where a policy is changed or modified, it shall not affect or prejudice any action, proceedings or liability which may have been done or undertaken competently before the policy was amended.

1.144 Policies which have elements of safeguarding to protect vulnerable beneficiaries will be reviewed on an annual basis to ensure they are consistent with Office of the Scottish Charity Regulator (OSCR) guidance.

APPLICATION, VARIATION AND SUSPENSION OF STANDING ORDERS

1.145 It shall be the duty of any person who chairs meetings of the Board, committees or working groups and the Secretary or a person nominated by the Secretary, to ensure that the Standing Orders are observed.

1.146 The Partnership acknowledges that there may be occasions where it is in the best interests of the Partnership to act in a way either not governed by these Standing Orders or to act in a way not in adherence to these Standing Orders. Generally, these circumstances will be exceptional and will involve a particular issue usually arising from an emergency or some other unexpected circumstance not in keeping with the normal course of the Partnership's business. Therefore, in order to permit an item of business to be considered at a meeting, the Board or committee may, at the meeting, on a motion duly moved and seconded, suspend or dispense with any Standing Order to be specified in the motion if supported by a majority of the Members of the Board or committee present and voting.

1.147 The motion to suspend must be clearly minuted and the minute must contain details of the special circumstances giving rise to the Suspension, any conditions attaching and any time scales applying.

1.148 The Secretary may submit a written report to a meeting of the Board recommending a new Standing Order or an alteration of an existing Standing Order, which the Secretary considers to be required for the better conduct of the business of the Board.

1.149 The Standing Orders may be varied, revoked or added to at a meeting of the Board by a majority of Members present and voting provided that the agenda, for the meeting at which the proposal is to be considered, clearly states the extent of the proposed repeal, addition or amendment.

1.150 The Standing Orders shall be subject to an annual review prior to the AGM unless the Board agree to delay the review e.g. following a change to the Rules.

USE OF COMMON SEAL

1.151 The Secretary shall keep the Common Seal of the Partnership in a secure place, be responsible for its safe custody and ensure that it is only used when the Board so decides.

1.152 The Board authorises the use of the seal on the following documents:

a) The Partnership's Share Certificates;

b) Documents relating to the sale of property to tenants provided that the sale and the sale price have been calculated in accordance with the Partnership's relevant policies and procedures and the details have been approved by the Secretary;

c) Any document for the disposal of any land or property falling within the definition given in the Housing Associations Act 1985, section 9, or any statutory modification or re-enactment of that legislation;

d) Any contract, except a contract of employment, with a value greater than £500,000; and

e) Any other class or type of deed, or individual deed specifically authorised by the Board

1.153 When the seal is used, the deed or document shall be signed by the Secretary and one Member of the Board duly authorised to subscribe the deed or document on the Partnership's behalf and recorded in the register as required by Rule 63.

1.154 Each use of the seal must be recorded in the relevant register.

1.155 In cases where it is necessary that a document is sealed, the Seal shall be affixed in the presence of the Secretary and one Board Member duly authorised in accordance with Rule 63.

PART TWO

SCHEDULE OF DECISIONS RESERVED TO THE BOARD

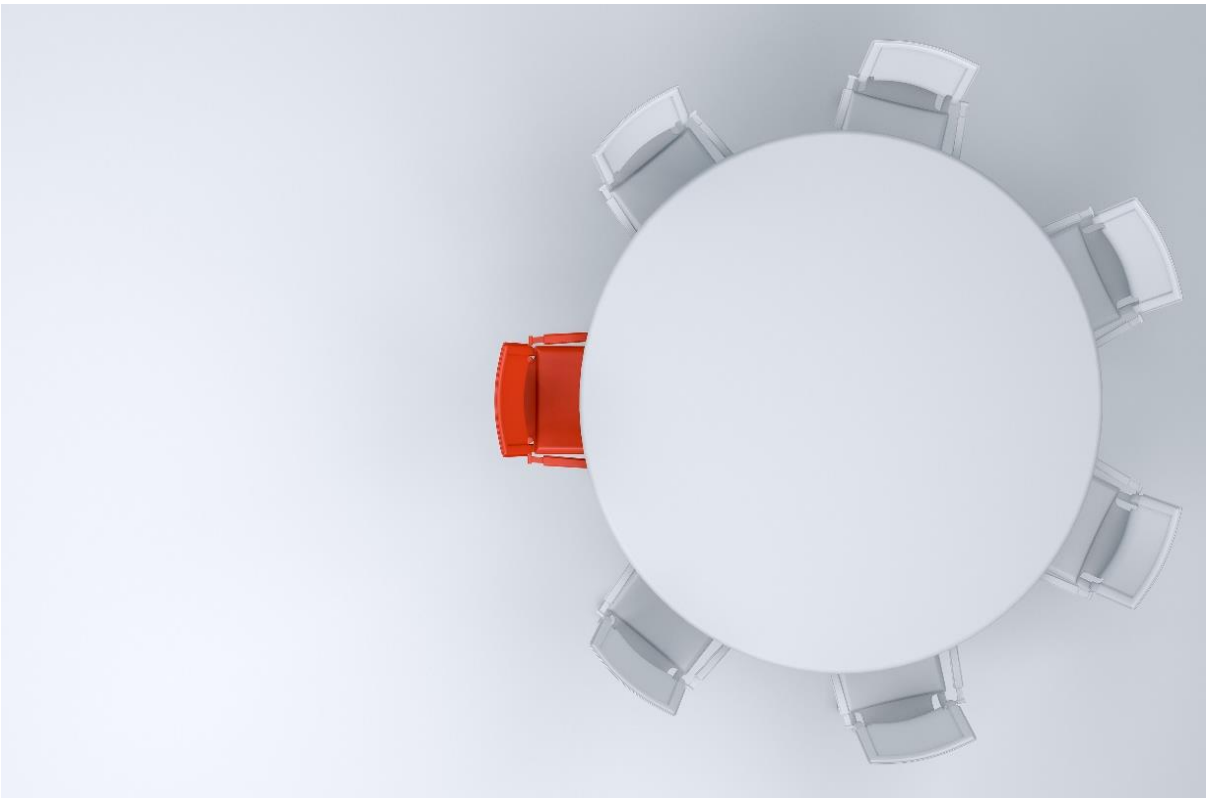
PART 2-SCHEDULE OF DECISIONS RESERVED TO THE BOARD

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

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

a) Approval and Amendment of Strategy, Business Plans and Budgets, including virements to or from a budget head to the value as defined in the Financial Regulations;
b) Approval and amendment of major updates to policies (other than amendments required by legislation or regulatory changes Standing Order 1.45);
c) Annual Rent Setting;
d) Corporate Governance or Constitutional documents including the:
    i. Rules;
    ii. Standing Orders;
    iii. Schedule of Decisions Reserved to the Board;
    iv. Scheme of Administration for Committees;
    v. Scheme of Delegation of Administrative Matters to Officers;
    vi. Financial Regulations; and
    vii. Scheme of Delegation of Financial Matters to Officers.
e) All items of capital expenditure and disposal of assets with a value in excess of £50,000, except urgent items of capital expenditure where the time scale for a decision does not allow the matter to be considered by the Board. (Such exceptions shall be dealt with under delegated powers by the Chief Executive, but only with the prior agreement of the Chair of the Board);
f) Personnel policies for all staff, including arrangements for the appointment, remuneration, appraisal, disciplining and dismissal of staff;
g) Appointment of Chief Executive and Directors;
h) Arrangements for dealing with a serious complaint against the Chief Executive;
i) Financial and performance reporting arrangements, with compliance with published standards and other key performance indicators being reported to the Board;
j) Internal Audit appointments;
k) Treasury Management Policy;
l) Service Agreements and contracts with a value greater than £100,000;
m) Review of complaints and any reports from the Ombudsman in line with Ombudsman's requirements.

n) Approval of the annual report and accounts;
o) The creation and dissolving of Committees and the referral and delegation of business to them;
p) The annual review of the "Schedule of Decisions Reserved to the Board"; and
q) Review of Board's performance and skills and individual experience of Board Members.



PART THREE

SCHEME OF ADMINISTRATION FOR COMMITTEES

PART 3 - SCHEME OF ADMINISTRATION FOR COMMITTEES

3.1 The Scheme of Administration shall regulate:

a) The terms of reference, constitution and membership of the Committees, Community Liaison Groups, Working Groups and spokespersons etc. of the Partnership;

b) The reference of the functions of the Board to Committees, Community Liaison Groups and Working Groups, etc. for consideration, report and recommendation as appropriate;

c) The delegation to Committees to exercise functions of the Board; and

d) Such other administrative matters relating to Committees, Community Liaison Groups, Working Groups and Spokespersons, etc. as the Board may determine

3.2 Appointments as Spokespersons and to Committees and Working Groups will be made at the first Board meeting immediately following the AGM each year.

COMMITTEES, COMMUNITY LIAISON GROUPS & WORKING GROUPS

Committees

3.3 The Board shall have the following standing Committees:

Committee	Meeting Frequency	Membership
Audit & Risk	Min 4 times a year	6
Development & Finance	Min 2 times a year	6
Joint Consultative	Min 1 time a year	2

3.4 The Board shall determine the terms of reference, objectives, constitution, quorum and what matters shall be referred and delegated to the Standing or other committees. No committee or working group shall be established until their Terms of Reference are approved by the Board.

3.5 Notwithstanding that a matter has been delegated to it, a Committee may direct that, before action is taken; its recommendation shall be submitted to the Board for approval.

3.6 Where Board Members (including the Chair) are not Members of a Committee, subject to the terms of the Constitutional Documents, they shall have the right to attend and speak but not to be involved in motions, amendments or voting at such committees.

3.7 Any Committee may, with the prior approval of the Board, appoint such work group with such terms of reference, constitution, quorum and what matters shall be referred and delegated to the work group, as it deems necessary.

3.8 Committees may comprise Members of the Board and any other person who may be co-opted to serve on a Committee within the terms of their remit.

Where functions are being carried out by a Committee, their Members including those who are co-opted, are acting on behalf of the Board.

3.9 Subject to any statutory provision, regulation, or Direction by a Scottish Minister:

a) Each Committee shall give effect to any instructions of the Board, and for these purposes, an instruction shall be taken to include a decision taken by the Board against the instructions of the Committee;

b) The Board may deal with any matter included in the reference or delegation to a Committee although no report from such a Committee is before it; and

c) The Board may vary, add or restrict any reference or delegation to any Committee.

3.10 The Terms of Reference approved by the Board for Committees and shall be subject to an annual review to be completed before the AGM.

3.11 At their last meeting before the AGM, the standing committees shall consider how they have discharged their obligations having regard to their approved Terms of Reference and recommend to the Board:

a) How such discharge of obligations can be improved; and

b) How the Terms of Reference can be amended

Community Liaison Groups

3.12 If requested by local communities, we will arrange to have Community Liaison Groups set up in Stornoway, Rural Lewis, Harris, The Uists and Barra.

3.13 Community Liaison Groups will be informal meetings open to all tenants and members of the public. The Community Liaison Groups will operate within terms of their remit.

3.14 Notes of meetings will be taken and after approval by the Community Liaison Group will be made available on the Partnership's website. Any personally sensitive information will be excluded from the public note of the meeting.

Working Groups

3.15 Working Groups will be set up by the Board as required for specific tasks. The Board will approve the remit and the membership of the Working Group.

3.16 Minutes of meetings of the Working Groups will be made available to the Board through the Board Information Bulletin. Minutes of working groups will not be published on the website.

APPOINTMENT OF MEMBERS

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

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

APPOINTMENT OF CHAIR

3.19 Except as provided in Statute or in the Constitutional Documents:

a) The Chair of a Standing or other committee shall be appointed by the relevant Committee; and

b) The Chair of a Working Group should be the Chief Executive or other Head of Service.

3.20 In the absence of the Chair, or if the Chair is vacated, the Committee shall elect from its Members, a replacement Chair for the whole or part of the meeting.

3.21 The term of office of the Chair of any committee shall be until the AGM following their appointment, providing they remain Members of the Board.

QUORUM

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

3.23 The quorum for the Joint Consultative Committee is 2 members from each side, Employers and the Union.

3.24 The quorum for Working Groups will be three Board Members and Co-opted Members will count towards the quorum.

DELEGATION TO WORKING GROUPS AND HEADS OF SERVICE

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

REFERRED FUNCTION

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

DELEGATED FUNCTIONS

3.27 Subject to any statutory provision, regulation or Direction by a Scottish Minister, and subject also to the provisions of the Board's Constitutional Documents, where any function of the Board is delegated to a committee or officer, the committee or officer shall have the power to exercise the function in like manner in all respects as the Board could have exercised it had there been no delegation. However, it shall be competent for such committee or officer, in relation to any matter, instead of making a decision thereon, to make a recommendation thereon to the Board or Committee. In which event, the matter shall be decided by the Board or Committee after consideration of the officer's, or committee's recommendation.

3.28 Where a Head of Service is unable to make a decision under delegated powers due to the terms of a safeguard listed in Standing Order 4.7 of the Scheme of Delegation, the matter shall be determined instead by the appropriate committee.

CONDITIONAL DELEGATION

3.29 With the exception of those functions listed in the "Scheme of Decisions Reserved to the Board", a Standing Committee may determine matters on behalf of the Board under delegated powers where:

a) By reason of urgency there is insufficient time for the matter to be referred in accordance with the Scheme of Administration to the Board, which reasons shall be specified in the Minute of the Meeting concerned; and

b) Where a motion to approve a recommendation to bind the Board to a particular course of action is approved unanimously by the Committee; and provided always that:

i) The matter is not contentious; and

ii) No breach of a major policy position of the Board would result from the decision.

3.30 This may apply to any referred function of the Standing Committee which is not specifically reserved to the Board for example:

a) Implementing urgent Health and Safety action; or
b) Implementing urgent action recommended by an auditor

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

REPORTING TO THE BOARD

3.32 After a meeting of the Committee has approved the Minutes of the previous meeting as a correct record of proceedings, an approved copy of those Minutes shall be presented to the next ordinary meeting of the Board in accordance with Standing Order 1.86.

3.33 If there is a need to expedite business arising from a recommendation of the Committee, the Chair, or in his absence, a Member of the Committee, may present a report of such recommendations from the Committee to the next meeting of the Board for approval, notwithstanding that the minute of the Committee relating to such recommendations has not been approved by the Committee.

VARIATION OF SCHEME OF ADMINISTRATION

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

AUDIT & RISK COMMITTEE-TERMS OF REFERENCE

OBJECTIVES

The main objectives are to ensure that:

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

CONSTITUTION

1.1 The Committee shall be appointed by the Board and shall comprise six Board Members, one of whom must be either a tenant or community Board Member. At least one member of the Committee must have relevant financial or audit experience.

1.2 If additional expertise or experience is required by the Committee at any time, one additional person may be co-opted to the Committee.

1.3 The Chair of the Board is excluded from membership of the Committee.

FREQUENCY

2.1 The Committee shall meet at least quarterly on such dates and times as the Committee determines, having regard to the annual time-table of meetings set by the Board.

2.2 The Secretary, in consultation with the Committee Chair, may convene an additional meeting at any time if the Secretary or the External or Internal Auditor considers that such a meeting is necessary.

REFERRED FUNCTIONS

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

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

Function	Detail
Internal Audit	g) To ensure that the Partnership has appropriate internal audit arrangements h) Holding quarterly reviews of the operational effectiveness of the internal audit service by considering performance measures such as audit report completion times, significant recommendations implemented; customer satisfaction surveys, customer requests for assistance, staff turnover, cost of non-productive time, performance against strategic and annual plans i) Identifying and initiating Value for Money studies j) Overseeing and reviewing action taken by the Chief Executive on Internal Audit recommendations and Value for Money reports k) Reviewing and monitoring the Internal Audit Strategy and Plan, particularly by considering quarterly progress reports and comparing activity against the audit plan l) Considering briefings from internal audit on new legislation
External Audit	m) Reviewing and monitoring the External Audit strategy and plan; particularly by considering progress reports and comparing activity against the audit plan n) Overseeing and reviewing action taken by the Director of Finance & Corporate Services on External Audit recommendations and Value for Money reports o) Reviewing the External Audit management letters, in particular any relating to the certification of the Board's accounts p) Advising regarding the appointment and terms of the External Auditor
Constitutional Documents	q) Monitoring and reviewing the Rules, Standing Orders and Financial Regulations r) Monitoring and reviewing the Scheme of Delegation and the Scheme of Administration s) Monitoring and reviewing the Schedule of Decisions reserved to the Board t) Examining the circumstances on each occasion when the Standing Orders are waived
Annual Accounts	u) Reviewing schedules of losses and compensations v) Approving changes in accounting policies w) Considering annual accounts reports with a view to recommending the approval of the Annual Accounts to the Board

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

DEVELOPMENT AND FINANCE COMMITTEE-TERMS OF REFERENCE

OBJECTIVES

The main objectives are to ensure that Financial and Development matters are examined in detail and in accordance with policy and to enable swift responses where time is of the essence

CONSTITUTION

1.1 The Committee shall be appointed by the Board and shall comprise six Board Members, one of whom must be either a tenant or community Board Member. At least one member of the Committee must have relevant financial experience.

1.2 If additional expertise or experience is required by the Committee at any time, one additional person may be co-opted to the Committee.

FREQUENCY

2.1 The Committee shall meet at least twice a year or on such dates and times as the Committee determines, having regard to the annual time-table of meetings set by the Board.

2.2 The Secretary, in consultation with the Committee Chair, may convene an additional meeting at any time if the Secretary considers that such a meeting is necessary.

REFERRED FUNCTIONS

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

Function	Detail
Finance	a) To review the Budget Strategy and rent setting process, including consultation with tenants b) To review Draft Financial Statements and in particular how the partnership had performed against agreed goals and budgets c) To stress test the long term and short-term financial plans which support the Business Plan d) To contribute to and review the Value for Money Strategy (VFM) e) To consider any additional matters requested by the Board in respect of finance f) To give views based on achieving the best financial services for tenants in accordance with the requirements of the Partnership

Development	g) Consider potential sites for acquisition h) Assess and review project and site plans i) Review HHP's 5-year Development Plan and all project Financial Appraisals and make recommendations to the Board j) Represent the Partnership at opening of developments k) Consider in depth any issues that might arise whilst developments are underway l) Prepare responses for consultation relating to local and national development issues m) Consider any additional matters requested by the Board in respect of the Partnership's development service

JOINT CONSULTATIVE COMMITTEE-TERMS OF REFERENCE

OBJECTIVES

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

CONSTITUTION

1.1 There shall be an employer's side and a Union side.

1.2 The employer's side shall consist of 3 persons nominated by the Board; at least 2 of whom shall be members of the Board.

1.3 The Union side shall consist of 3 representatives of the Union who shall be members of staff and elected by the UNISON membership within the Organisation.

1.4 Each side shall confirm the names of its representatives on an annual basis and inform the other immediately of any changes in the interim period.

1.5 Each side shall make every effort to send its confirmed representatives to each meeting but substitution will be permitted on both sides where it cannot be avoided.

1.6 Staff and management will be entitled to have advisors in attendance who will have speaking rights. Except in the case of special meetings each side shall give a minimum of seven days' notice to the other side of its intention to invite such advisors to the meeting.

COMMITTEE CHAIR

2.1 The Chairperson for each meeting of the JCC shall be nominated alternately by the Union side and the Management side, or as otherwise agreed in writing by both sides.

2.2 The two sides shall jointly appoint a secretary who will be responsible for convening meetings, preparing agenda in consultation with both sides, and taking and circulating minutes. Minutes shall be subject to the agreement of the Committee and will be signed by the Chairperson of the meeting at which they are agreed.

FREQUENCY

3.1 Meetings of the JCC shall be every 6 months with a prepared agenda which shall be issued fourteen days before each meeting. The agenda shall provide for any other business of an urgent nature to be discussed.

3.2 Special meetings may be called by either the Union or the Board. Such meetings must be convened within fourteen days, unless the side requesting the meeting agrees otherwise, but always within twenty-eight days.

STATUS OF RESOLUTIONS

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

COMMUNICATIONS

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

COMMUNITY LIAISION GROUPS-TERMS OF REFERENCE

OBJECTIVES

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

CONSTITUTION

1.1 The Community Liaison Groups will be made up of tenants, members of the Partnership and residents who reside in the defined area. Board members and council representatives who reside in the area may also be part of the Group.

1.2 A quorum of 3 members is required for any business to be transacted at a meeting.

1.3 The most senior officer present from HHP will act as the Chairperson.

1.4 A note of the meeting will be taken which will record the key actions agreed at the meeting together with a note of all those present. A note of the meeting will be issued to Board Members following the meeting to enable any necessary action to be taken as soon as possible.

1.5 The Group will meet on a frequency determined by the group with a minimum of one and a maximum of four meetings a year.

1.6 Where an area would prefer to make use of a Community Council rather than set up another group, views from the Community Council on housing matters can be submitted and reviewed by the Board in the same way as Community Liaison Group minutes.

PERSONNEL WORKING GROUP REMIT & TERMS OF REFERENCE

REMIT

1.1 The Personnel Working Group's Remit is:

- To recommend to the Board how the Annual Pay Award will be carried out
- To consider recommendations from the Chief Executive for the Annual Pay Review for all staff with the exception of the Chief Executive
- To recommend to the Board an Annual Pay Award for the Chief Executive on condition the % awarded does not exceed the % offered and accepted by the staff
- To review on a regular basis the grading and salary framework to enable a robust review of the grading of all approved posts and recommend any changes to the Board
- To manage the grading appeals mechanism to deal with grading appeals
- To review when consultancy support is required and to select appropriate consultants within approved budgets
- To review the effectiveness of appraisal systems
- To review the annual plan for reviewing employee related policies
- To review the Workforce Plan

CONSTITUTION

2.1 The Personnel Working Group is made up of five Board Members appointed by the Board. To provide continuity and build up skills, the Board Members will serve for up to three years from appointment. Where vacancies occur, new members will be appointed after the AGM or at the next Board Meeting if necessary.

2.2 The Chief Executive will provide advice to the Working Group except where external expertise and knowledge is required, or a decision is required on the remuneration or terms and conditions of the Chief Executive.

2.3 Action Points will be agreed at the end of each meeting and held as a record of what was agreed at the meeting. The Action Points will be tabled at the Board Meeting following the Working Group meeting.

2.4 At the first meeting of the Working Group after the AGM a Chair of the Working Group will be appointed.

2.5 The meetings cannot proceed unless three Board Members are present.

2.6 Agenda and papers for Working Groups will be prepared at least three working days prior to the meeting.

FREQUENCY OF MEETINGS

3.1 There will be a minimum of one meeting a year.

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

OPERATIONS WORKING GROUP REMIT & TERMS OF REFERENCE

1.1 The Operations Working Group will deal with Housing Management, Asset Management, Repairs and Tenant Liaison matters which require insight and input from Board Members ahead of taking a policy or strategy to the Board for consideration.

1.2 The Remit includes:

Asset Management & Repairs

- Contribute to and review the Asset Management Strategy
- Contribute to and review the Affordable Warmth Strategy and matters pertaining to fuel poverty
- review updates to the Investment Programme prior to Board approval being requested
- consider the Procurement Framework & procurement matters pertaining to investment work prior to Board approval being requested;
- consider and review any major updates to the Repairs & Maintenance Policy, Asbestos Policy, Estate Management Policy and Gas Safety Management Policy;
- review the Grounds Maintenance & Garden Assistance Scheme prior to Board approval being requested;
- monitor progress against Scottish Housing Quality Standard (SHQS) and the Energy Efficiency Standard for Social Housing (EESSH);
- consider any additional matters requested by the Board in respect of investment in the Partnership's housing stock; and
- feed back to the Board in respect of achieving the best asset management service for tenants and the Partnership alike

Housing Management

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

Community Grants Policy

The Operations Working Group will approve grant requests made under the Community Grants Policy.

MEMBERSHIP

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

2.2 The Director of Operations will chair the Working Group and in their absence the Chief Executive will act as Chair.

2.3 Action points will be agreed at the end of each meeting and a minute will be drawn up and held as a record of what was discussed and agreed at the meeting.

2.4 Working Group meetings cannot proceed unless three Board Members are present.

2.5 Agenda will be agreed with the Company Secretary at least 7 days before the meeting and papers for Working Groups will be issued at least three working days prior to the meeting.

FREQUENCY OF MEETINGS

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

SPOKESPERSON

REMIT AND TERMS OF REFERENCE

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

Development

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

Tenant Liaison & Housing Management

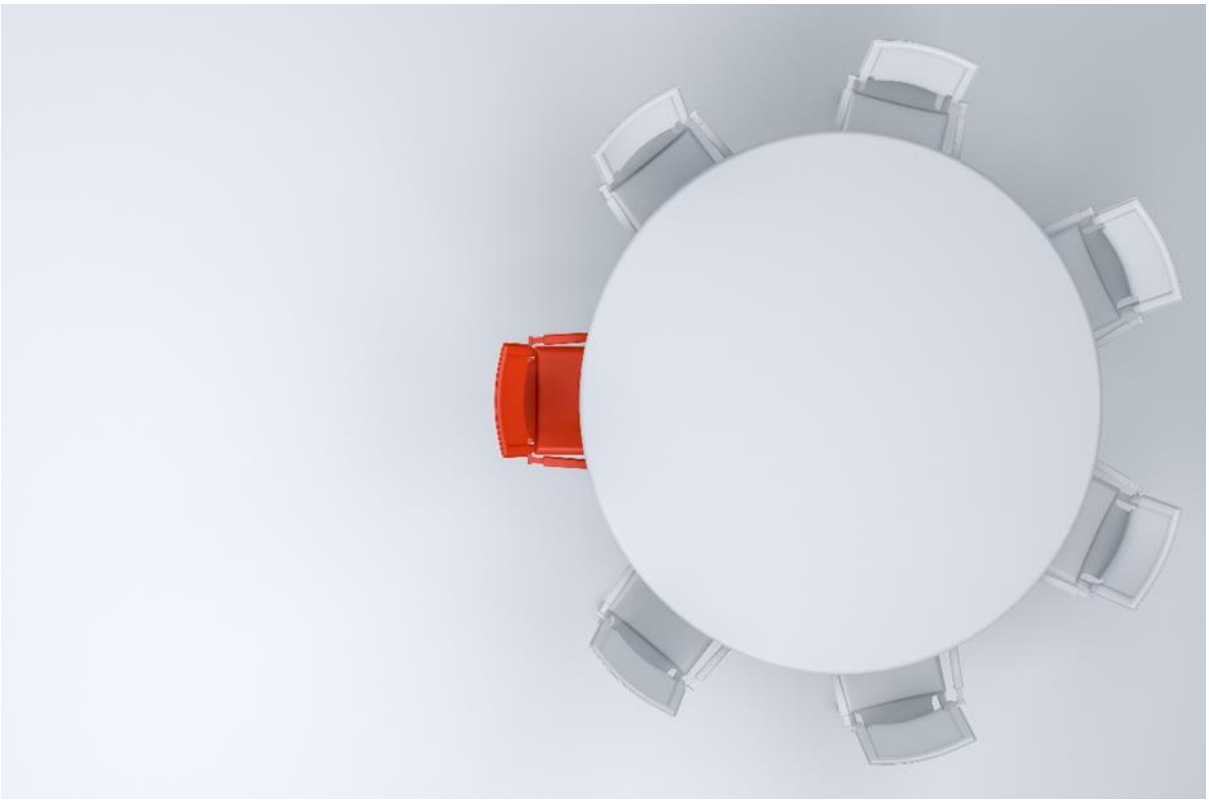
- To speak on behalf of the Board in matters pertaining to Tenant Liaison and Housing Management;
- To be familiar with the Partnership's policies and procedures regarding Tenant Liaison and Housing Management;
- To develop wider skills and knowledge with particular regard to this service area in order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

Repairs & Investment

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

Finance

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



PART FOUR

SCHEME OF DELEGATION TO OFFICERS

SCHEME OF DELEGATION

4.1 Hebridean Housing Partnership has a range of responsibilities, which require to be discharged by the Partnership's Board unless the Board specifically delegates them to a Committee or Officer.

4.2 The Chief Executive is responsible to the Board for the implementation of policy and for the day to day running of all aspects of the organisation's activities. The Board, therefore, delegates authority to the Chief Executive to enable the discharge of responsibilities expeditiously, without necessarily referring to the Board. Office Bearers, who are elected Board Members appointed by Board, acting with senior staff, have authority to:

- Represent the Partnership on official business, consistent with agreed policies and procedures.
- Implement agreed emergency procedures.
- Take urgent decisions and/or action between meetings, in consultation with the Chief Executive.
- Take decisions on specific issues between meetings that have been delegated to one or more office bearers by the Board.

4.3 The Chief Executive, in consultation with senior staff, has authority to:

- Ensure the effective implementation of strategies, policies and plans.
- Represent the Partnership on official business, consistent with agreed policies and procedures.
- Carry out all necessary legal and financial duties to ensure compliance with statutory and regulatory requirements

GENERAL

4.4 "*Heads of Service*" shall mean the Chief Executive, any Director or Head of Service, on the understanding that Heads of Service may further delegate to other officers within their service. Such further delegation shall be written and agreed with the Secretary who will maintain a register of such delegation and review it annually.

4.5 Any reference in this scheme to procedures or action under previous legislation shall be taken to include references to similar, like or equivalent procedures and action under subsequent legislation.

4.6 This "*Scheme of Delegation for Officers*" forms an integral part of the Board's Standing Orders.

SAFEGUARDS

4.7 The delegation granted in the Scheme shall be exercised only:

a) In compliance with the Board's Standing Orders, Financial Regulations and other Constitutional Documents;

b) In respect of matters that are not contentious, sensitive or complex. Where a matter appears to be contentious, sensitive or complex, prior to a decision or action being taken, the Head of Service shall consult the Chief Executive and/or the Board Chair as appropriate;

c) On the basis that the exercise of the delegated power will not result in actual expenditure exceeding, or actual income falling below, that set out in the relevant part of the budget to the extent that this could not be contained by the relevant Head of Service viring in accordance with Financial Regulations;

d) On the basis that the exercise of delegated power will not result in expenditure exceeding that set out in the relevant part of the Investment or Development Programme for the financial year in question;

e) Subject to a member of the public or, in the case of disciplinary matters, an employee being notified in writing of any rights of appeal;

f) Where it is consistent with the Board's procedures, policies, corporate standards and strategies;

g) On the basis that the exercise of the power does not result in budget growth in future years;

h) On condition that the Heads of Service shall maintain appropriate records of all decisions taken under delegated powers (with the exception of matters involving day to day management e.g. the ordering of office supplies, the granting of annual leave, etc.);

i) On condition that action (with the exception of matters involving day to day management e.g. the ordering of office supplies, the granting of annual leave, etc.) taken under delegated power shall be reported to the appropriate Committee at a frequency prescribed by the Board;

j) In the event that a matter requires determination but is in conflict with anyone or more of the above categories a) to i), the Head of Service shall refer that matter to the Board or to the relevant committee or sub-committee for decision; and

k) Any judgement regarding whether a matter is contentious, sensitive or complex shall be made on the basis of the situation that applied when the decision was taken by the Head of Service exercising the delegated power

4.8 The Director of Finance & Corporate Services, if necessary, in conjunction with the Chief Executive and after consultation with the Chair of the Board, shall have the powers to take appropriate action necessary to safeguard the interests of the Partnership.

SCHEME OF DELEGATION TO OFFICERS

Ref	Authority for	Delegated to
Employment and Employers Responsibilities		
E1	To agree staffing structure (other than Directorate) and to appoint staff subject to consultation with the Director of Finance and Corporate Services that adequate budgetary funding is available, regarding the remuneration and other terms and conditions of the post	Chief Executive
E2	To determine applications for the release of vacant posts	Chief Executive
E3	To determine the suitability of a particular post for job share, in consultation with the relevant Head of Service	Chief Executive
E4	With the agreement of the Chair of the Board, to approve the appointment of staff whose purpose is to obtain new funding and where delay would jeopardise the obtaining of such funding	Chief Executive
E5	To appoint temporary staff in the following circumstances: a) for a period not exceeding 40 weeks, in the case of an absence from work of a permanent employee taking maternity leave and where such absence would otherwise affect the functioning of the service; b) for a period not exceeding 3 months, to meet the increased requirements of seasonal or other cyclical workloads; c) for a period not exceeding 3 months, in the case of a vacancy arising within a department's establishment, where the absence of the employee undertaking the duties of the post would affect the functioning of the service; or d) for a period not exceeding 3 months, in the case of temporary absences from work of a permanent employee where such absences would otherwise affect the functioning of the service	All Heads of Service
E6	To issue Contracts of Employment	Chief Executive
E7	To determine the following in line with our Attendance & Absence Policy and Special Leave Policy: a) approval of annual leave for employees they are responsible for consistent with any standing instructions issued by the Chief Executive b) To determine applications for paid leave to employees in respect of a bereavement or	Heads of Service Managers

Ref	Authority for	Delegated to
	family illness in accordance with the Board's Scheme of Special Leave c) To grant up to one week's unpaid leave for reasons not covered by the Special Leave Policy d) To grant paid paternity leave in line with statutory allowance to an employee on the birth or adoption of a child	
E8	To determine applications for permission for employees to attend training courses and enrolment for online courses that will help them better discharge the duties of their post which are in line with the approved Training Plan, after consultation with the People Development Officer	Heads of Service
E9	To determine applications for leave with pay to employees to attend examinations related to recognised qualifications within the Training Policy	Heads of Service in line with Special Leave Policy
E10	To determine applications for leave with pay to employees to serve on a jury, subject to the deduction of the allowance received	Heads of Service in line with Special Leave Policy
E11	To approve essential overtime working in consultation with the Chief Executive and in accordance with the Board's policy on overtime working	Heads of Service (Grade A to E) Chief Executive (Grade F to H)
E12	Provided they have a relevance to the duties of the post, to authorise the attendance of: a) Employees attending as delegates at seminars, conferences, courses or meetings which are organised by recognised bodies; b) Employees invited to lecture in their professional capacity; and c) Employees attending meetings of professional bodies of which they are Members	Heads of Service
E13	To determine applications for retirement on the grounds of ill health where there is a medical certificate that the employee is considered permanently unfit to carry out the duties of the post	Chief Executive
E14	To take disciplinary action against employees in their service, including suspension and dismissal, in accordance with the Board's disciplinary procedures and guidelines and subject to prior consultation with the Chief Executive	Heads of Service Managers

Ref	Delegation	Delegated to
E15	To implement the Pay Model approved by the Board and ensure any new posts are assessed and graded in line with the Pay Model	Chief Executive
E16	To interpret conditions of service and to authorise the implementation of revised conditions of service, such as Islands Allowance and First Aid Allowance, and as approved by the Board in respect of employees of the Partnership	Chief Executive
E17	To authorise the acceleration of an employee within his salary, wage, grade (or such extended grade as may be provided for under the relevant condition of service) who, in the opinion of the employee's Head of Service, has achieved advancement within an approved career grade or who is temporarily undertaking duties at a higher level and has met the requirements of the Competency Framework	Chief Executive
E18	To determine applications for leave with pay to employees to attend meetings of Trade Unions recognised by the Board	Chief Executive
E19	Consistent with national agreements, to pay acting-up allowances to staff within the service in respect of periods during which the employee has been authorised by the Head of Service to undertake duties above the employee's current grading	Chief Executive
E20	To authorise the payment of expenses and allowances to officers and to Partnership's Directors	Director of Finance & Corporate Services
E21	To determine requests from Directors or officers for advance payment of expenses or allowances	
E22	To authorise the arrestment of wages or salaries in respect of Partnership employees	
E23	To apply for Air Discount Scheme Cards for approved Staff	Corporate Resources Officer/Corporate Services Officer
E24	To determine and approve authorised car users for the Partnership.	Director of Finance & Corporate Services
E25	To determine and approve the allocation of portable electronic devices to posts within the Partnership	

Ref	Delegation	Delegated to
Governance and Strategic Management & control		
G1	To act as the Company Secretary and carry out all duties associated with this role and as set out at Item 9.1 - 9.7	Chief Executive
G2	To authorise Board Members' expenses claims	Governance Officer
G3	To authorise returns to Scottish Housing Regulator, OSCR and FCA and any other returns relating to the Company Secretarial role	Company Secretary, Director of Finance & Corporate Services
G4	To apply for Regulator's consent where it is required	Company Secretary
G5	To oversee the Partnership's compliance with Data Protection and Freedom of Information legislation	Data Protection Officer
G6	Following consultation with the relevant Chair, to call additional meetings of the Board, committees, sub-committees, Member/officer working parties and like bodies and informal meetings of the Members of such bodies	Company Secretary
G7	To keep the Partnership's Common Seal in a secure location and ensure that it is only used when the Board so decides	Company Secretary
G8	To sign documents upon which the Seal has been used, in conjunction with one Board Member, and to record the details in the register as required by Rule 63	Company Secretary
G9	To approve Membership Applications in accordance with the Membership Policy	Company Secretary
G10	To carry out regular reviews of Board Member and Staff Disclosure of Interest Forms	Company Secretary
G11	To ensure all policies are reviewed on a 3 yearly cycle by the appropriate Manager and approve minor changes.	Company Secretary
G12	Where the Heads of Service further delegate matters listed in this Scheme to nominated officers, the Secretary shall maintain and annually review a list of the scope of such delegation and the officers to whom delegation has been granted	Company Secretary
G13	Except where otherwise referred to in the Constitutional Documents, and in consultation with the appropriate Chair, determine minor incidental matters on behalf of the Board, provided that the matter falls within the established policy position of the Board	Chief Executive

Ref	Delegation	Delegated to
G14	Where required as a matter of urgency, to submit the views of the Board, to Scottish Ministers, Central Government, Scottish Housing Regulator and other external agencies and individuals, subject to the matter being reported to the next meeting of the Board	Chief Executive
G15	To arrange, in consultation with the relevant Chair, for an external speaker to address a meeting of the Board, a Committee, working group or an informal meeting of Members of the Board, Committee or working group	Chief Executive
G15	To arrange, subject to prior consultation with the Chair of the Board, attendance by Members at seminars, conferences and like events	Governance Officer
G16	To deputise for the Chief Executive	Director of Operations
G17	With the agreement of the Chair of the Board, to approve urgent items of capital expenditure where the time scale for a decision does not allow the matter to be considered by the Board	Chief Executive
G18	To authorise official hospitality	Chief Executive

Ref	Delegation	Delegated to
Finance & Risk Management		
F1	To vire expenditure between Budget Heads in line with limits outlined in the Financial Regulations	All approved Budget Managers
F2	To authorise the payments of accounts	Chief Executive & Director of Finance & Corporate Services
F3	To determine arrangements for the payment of debts to the Partnership	Director of Finance & Corporate Services
F4	In relation to sundry debts, to select and implement appropriate methods of recovery of arrears	Director of Finance & Corporate Services
F5	To draw down and sign for cash from the Scottish Government in accordance with the Board's funding allocation	Director of Finance & Corporate Services & Finance Manager
F6	To approve applications for financial assistance from outside bodies up to a maximum of £2,500	Director of Finance & Corporate Services, Director of Operations
F7	To undertake all responsibilities under the terms of the Partnership's Fraud Policy including determining: • at what stage the Police should be contacted • the type and level of resource to be used in the investigation of suspected fraud	Director of Finance & Corporate Services
F8	In consultation with the originating Head of Service, to write off individual debts which are irrecoverable, up to a maximum of £1,500	Director of Finance & Corporate Services
F9	To effect the arrangements for the borrowing and lending of money as required by the Partnership in accordance with the Partnership's borrowing and lending policies and the CIPFA "Treasury Management in Housing Partnerships: A Code of Practice."	Director of Finance & Corporate Services
F10	To ensure compliance with the CIPFA "Treasury Management in Housing Partnerships: A Code of Practice" and to ensure compliance with the approved Treasury Management Policy Statement	
F11	To open bank accounts as required, in the name of the Hebridean Housing Partnership and in the name of Hebridean Community Housing Limited	Director of Finance & Corporate Services
F12	To apply for purchasing cards for approved users	Director of Finance & Corporate Services and Finance Manager
F13	To maintain a list of those officers, who are authorised to sign cheques and other payable orders drawn on the Partnership's accounts with commercial Banks. This "List of Authorised Signatories" will include specimen signatures and will specify the level of delegated authority for each signatory	Director of Finance & Corporate Services

Ref	Delegation	Delegated to
F14	To maintain also in the "List of Authorised Signatories" a list of authorised officers for such other purposes as are specified in the Financial Regulations	Director of Finance & Corporate Services
F15	To ensure that all discretionary fees and charges are submitted for annual review to the Board for approval before the start of the financial year	Director of Finance & Corporate Services
F16	Authorising auditors' reports, signing of cheques & other instructions to bankers, signature for tax liabilities	Director of Finance & Corporate Services
F17	To develop and implement a Corporate Risk Assessment framework	Chief Executive
F18	To arrange and review all insurance cover and negotiate all claims	Director of Finance & Corporate Services
F19	In accordance with policy, to determine the amount of allowance to be paid to tenants as a result of works carried out to their homes having regard to approved guidelines	Director of Operations
F20	Expenditure which is essential to meet any immediate and unavoidable needs created by a sudden emergency If higher than £100,000, the Board Chair should be involved; if less, the Chief Executive. The action in question and financial implications should be reported in writing to the Board and the Director of Finance & Corporate Services at the earliest opportunity. The Director authorising such expenditure must be satisfied that the expenditure will not cause a fundamental and irrevocable financial impact	Chief Executive Director of Finance & Corporate Services Director of Operations

Ref	Delegation	Delegated to
Legal		
L1	To grant wayleaves or servitudes over property owned by the Hebridean Housing Partnership	Chief Executive
L2	To authorise the transfer and appropriation of land incidental to the Board's decision to construct, alter or dispose of a building where a minister's decision is not involved	Chief Executive
L3	To institute and defend any proceedings on behalf of the Board	Chief Executive
L4	To obtain the opinion or other services of Counsel and/or other legal or financial practitioners up to a maximum cost of £10,000	Chief Executive
L5	To settle claims against the Board up to a figure of £10,000, excluding interest and judicial expenses	Chief Executive
L6	To ensure the implementation and regular revision of the Board's general policy on Health and Safety	Chief Executive
L7	To approve the award in writing of agreements and contracts	Chief Executive
L8	To dispose of heritage and lease on the basis of terms recommended by the District Valuer, subject to prior approval of the disposal by the Board	Director of Finance & Corporate Services
L9	To initiate Court Proceedings leading to Recovery of Possession of a tenancy at the Sheriff Court following Executive Team approval	Director of Operations, Area Managers

Ref	Delegation	Delegated to
Housing, Property & Development		
H1	To allocate Partnership housing	Director of Operations, Area Managers, Housing Officers (Allocations)
H2	To allocate agency housing in accordance with their Allocations Policy	Director of Operations, Area Managers, Housing Officers (Allocations)
H3	To determine applications from tenants to vacate their dwellings for a period of up to 6 months in any period of 12 months	Director of Operations, Area Managers
H4	To determine applications for transfer outwith the terms of the Partnership's allocation system in cases involving the under-occupancy of Partnership housing	Director of Operations
H5	To consider and determine applications to sub-let	Director of Operations
H6	To transfer tenants of Partnership housing in those cases where it is necessary for their houses to be vacated	Director of Operations
H7	To arrange house management transfers in compliance of the Policy on Anti-Social Behaviour and Neighbour Disputes in Housing	Director of Operations
H8	To have the day-to-day responsibility for rent arrears monitoring and recovery including the issue of Notice of Proceedings for Recovery of Possession	Director of Operations, Area Managers
H9	To implement and enforce the terms of the Partnership missive of let including repossession and eviction	Director of Operations
H10	To determine applications from tenants to alter their homes internally or externally, to erect sheds and garages, install driveways and parking areas, and to keep pets and any other appropriate permissions	Director of Operations, Area Managers
H11	To determine the amount of allowance to be paid to tenants as a result of works carried out to their homes having regard to approved guidelines	Director of Operations, Area Managers
H12	To factor property in the Outer Hebrides on behalf of local housing agencies and act as the Partnership's "responsible person" as required by the Property Factors (Scotland) Act 2011	Director of Operations
H13	To authorise and, subject to current Partnership policy and procedures, instruct repairs and minor alterations to houses	Director of Operations, Investment Manager, Assets & Contracts Manager
H14	To arrange for the execution of works in respect of Partnership houses by direct labour or by outside contractors, within approved programme and budget	Director of Operations
H15	To apply for planning permission	Director of Operations

Ref	Delegation	Delegated to
Procurement		
P1	To open tenders in the presence of another officer	Director of Finance & Corporate Services
P2	To accept a tender other than the lowest only in exceptional circumstances and upon advice from the instructing Head of Service and after prior consultation with the Chief Executive. A report giving the reasons for the acceptance of such tender shall be submitted to the next meeting of the Board	Director of Finance & Corporate Services
P3	To invite and accept tenders for house construction and improvements subject to financial provision and approved budgets	Director of Operations
P4	To approve all new acquisitions of information technology hardware and software, consistent with relevant standards as may be set from time to time by the Board in the Information & Communication Technology Strategy and Digital Transformation Strategy	Director of Finance & Corporate Services
P5	To accept tenders and award contracts provided prior approval has been received from the Board and is within budget for the plans and/or specification to which the tender or contract relates	Heads of Service

APPENDIX 1

DUTIES OF THE CHAIR

1.1 The appointment of the Chair and the procedure for chairing Board meetings will be in accordance with Rule 59.6.1 to 59.6.12.

1.2 At every meeting of the Board, including General Meetings, the Chair, if present, shall preside. If the Chair is absent from any meeting the Vice-Chair, if present, shall preside. If the Chair and Vice-Chair are both absent, the Members present at the meeting shall elect from among the non-co-opted Members, a person to act as Chair for that meeting.

1.3 The responsibilities of the Chair will be to ensure the smooth running of meeting by:

a) Preserving order;

b) Making sure those who wish to, are allowed to contribute;

c) Ensuring that sufficient opportunity and time is given to Members who wish to speak or express their views on the subject under discussion;

d) Ensuring voting procedures are in place and that these are followed;

e) Announcing votes at meetings;

f) Deciding on all matters of order, competency, relevancy and procedure except as provided in the Standing Orders;

g) Deciding between two or more Members wishing to speak;

h) Ensuring that the sense of the meeting is properly ascertained with regard to any matter which is properly before the meeting;

i) At the Chair's discretion, determining all questions for which no express provisions are made under these Standing Orders or otherwise under the Constitutional Documents;

j) Providing support for and establishing a constructive working relationship with the Chief Executive;

k) Representing the Partnership where authorised;

l) Taking all other decisions that are the responsibility of the Chair as laid down in the Rules and Code of Conduct for Board Members; and

m) Participating in training, where necessary, to enable the above responsibilities to be undertaken.

1.4 At all times, deference shall be paid to the authority of the Chair and on all points of order, the ruling of the Chair shall be final and not open to discussion.

1.5 If any Member disregards the authority of a Chair or is guilty of obstructive or offensive conduct, the Board may move to exclude the Member for the remainder of the meeting. The motion shall be put without discussion and, if it is carried, the Member shall be asked by the Chair to leave the meeting.

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

INTERPRETATIONS & ABREVIATIONS

The following interpretations and abbreviations are used in this policy:

Word	**Interpretation**
Board	The Board of Management of the Partnership
Board Member	A Member of the Board and shall include any person co-opted onto the Board.
Chief Executive	The Chief Executive of Partnership or anyone who is deputising for the Chief Executive.
Committee	A committee of the Partnership appointed by the Board shall have the same meaning as the term sub-committee used in the Rules. In the Standing Orders, the term committee shall include sub-committees unless the sense of the context indicates otherwise.
Scottish Housing Regulator	An independent regulator of RSLs and local authority housing services in Scotland established on 1 April 2011 under the Housing (Scotland) Act 2010.
Council Board Member	Shall have the same meaning as the term "Council Appointed Board Member" in the Rules.
Rules	The Rules of the Partnership incorporated under the Co-operative and Community Benefit Societies Act 2014 and registered with the Financial Conduct Authority.
Except as otherwise provided, the Standing Orders of the Board with the appropriate changes shall also be the Standing Orders of the committees of the Board.	
All references to the masculine gender in this policy shall read as equally applicable to the feminine gender	

HEBRIDEAN HOUSING PARTNERSHIP LIMITED

STANDING ORDERS

Standing Orders drawn up with reference:

Rules of the Partnership

Scottish Housing Regulator – Regulatory Framework

Code of Conduct for Board Members

Entitlements, Payments & Benefits Policy

Disclosure of Interest Policy

Membership Policy

Previous Standing Orders dated: August 2023

Presented for approval to Board: 25 June 2024

Standing Orders Approved:

Next Review Due: June 2025(annual review)

HHP is a registered society under the Co-operative and Community Benefit Societies Act 2014, Registered Number: 2644R(S),Registered Office: Creed Court, Gleann Seileach Business Park, Willowglen Road, STORNOWAY, Isle of Lewis HS1 2QP. It is a charity registered in Scotland, Charity Number:SCO35767, registered as Registered Social Landlord with the Scottish Housing Regulator, Registration Number:359 and registered as a Property Factor, Registration Number PF000183
Email: info@hebrideanhousing.co.uk
Web: www.hebrideanhousing.co.uk
Phone:0300 123 0773

hebridean housing partnership

Making our house your home

ITEM NO 6.6

REVIEW OF FINANCIAL AUTHORITIES & FINANCAL REGULATIONS

Board 25 June 2024

Report by Director of Finance & Corporate Services

Purpose of Report

1.1 The purpose of this report is to provide an update of any changes to the Financial Regulations and Financial Authorities to the Board for approval.

Summary

2.1 The Financial Regulations and Financial Authorities are required to be reviewed on an annual basis.

2.2 The Financial Regulations and Authorities have been updated to clarify when and to whom overtime will be paid.

Competence

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

Recommendations

4.1 **It is recommended that the Board note the review of the Financial Regulations & Financial Authorities at Appendix 1 & 2 respectively.**

APPENDIX 1:	Financial Regulations	
APPENDIX 2:	Financial Authorities	
Background Papers:	HHP Rules & Standing Orders	
Writer of Report:	Donald Macleod	0300 123 0773

Iona France

20 May 2024

5.1 Compliance Section

COMPLIANCE CHECKLIST	
Financial	There are no financial implications arising from the implementation of the recommendations.
Legal	This report ensures compliance with Part 2 of our Standing Orders.
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	Governance of the Partnership is critical to its long-term viability. The Board requires the skills, knowledge and diversity to provide capable leadership, control and constructive challenge to achieve the RSL's purpose, and helps to mitigate the risk of not delivering good tenant outcomes or manage the Partnership's affairs. Governance is highlighted on our Risk Register with a residual risk rating of 6 considered low.
ESG	Reviewing our Financial Regulations regularly ensures compliance with our ESG Strategy.
Equalities	There are no Equalities considerations arising directly from the consideration of this report.
Communication	Our Financial Regulations are published on our website.

APPENDIX 1

Financial Regulations

JUNE 2023

HEBRIDEAN HOUSING PARTNERSHIP |

INTRODUCTION **2**

STATEMENT OF PRINCIPLES **3**

FINANCIAL MANAGEMENT **4**

FINANCIAL PLANNING & CONTROL OF EXPENDITURE **7**

RISK MANAGEMENT & CONTROL OF RESOURCES **10**

SYSTEMS & PROCEDURES **16**

INTERPRETATIONS & ABBREVIATIONS **31**

INTRODUCTION

WHY DO WE HAVE FINANCIAL REGULATIONS

1.1.1 To conduct its business effectively, a housing association needs to ensure that it has sound financial management systems in place and that they are strictly adhered to. Part of this process is the establishment of financial regulations which set the financial policies of the association.

STATUS OF FINANCIAL REGULATIONS

1.2.1 This document sets out the Financial Regulations which form part of our Constitutional Documents and provide a framework for managing our financial affairs.

1.2.2 The Financial Regulations apply to the Partnership and any subsidiary undertakings. The relationship between the various parts of the constitution is at Appendix 1.

1.2.3 Compliance with the Financial Regulations is compulsory for all our employees. It is the duty of the Chief Executive or delegated nominee(s) to ensure that these Regulations are adhered to. Such delegation may be explicit or may be implicit in the nature of the employee's title or job description.

1.2.4 All Board members and employees have a responsibility to take reasonable action for the security of the assets under their control, and for ensuring the use of these resources is legal, properly authorised and provides value for money.

1.2.5 All employees shall be supplied with, and formally acknowledge receipt of, a copy of these Regulations and any changes to them. It shall be the duty of each employee to observe them within the scope of their job description.

1.2.6 The Audit & Risk Committee shall review the Regulations at least annually.

1.2.7 Detailed financial procedures set out how the Regulations will be implemented and are in a separate manual. It is the Director of Finance & Corporate Services' responsibility to prepare and maintain the financial procedures and make them available to all employees and Board Members.

STATEMENT OF PRINCIPLES

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

THE PRINCIPLES

2.2.1 We expect our members and employees to exercise high standards in financial management and administration and we aim to stimulate openness and a climate of frankness that will be supported through policies and regulations, such as the Whistleblowing Policy.

2.2.2 Our core value as a business is Integrity and this is upheld through a competency framework which outlines the requirements of each role.

2.2.2 The importance of planning, monitoring and controlling the use of resources is vital and we will make arrangements for these activities to be undertaken effectively.

2.2.3 Issues of probity will be dealt with effectively and we will work to meet our duty to maintain proper accounts and related records.

2.2.4 Value for money is at the core of how we conduct our financial affairs.

2.2.5 Compliance with statutory requirements, accounting standards and appropriate codes of practice will be inherent in all our financial arrangements.

2.2.6 We are mindful of the need for consistent standards in financial administration and management across all our operations. In particular, we expect officers to consult with and use all the expertise in financial matters that it has available in house and act on advice from such sources.

2.2.7 Our assets and resources must be protected from loss, damage and theft.

2.2.8 Identifying and quantifying risks is of key importance and arrangements must be made to reduce, eliminate or insure against them as appropriate.

2.2.9 We will ensure that the payment and collection of monies is accurate, appropriate and timely.

FINANCIAL MANAGEMENT

THE BOARD

3.1.1 The Board has ultimate responsibility for our finances. Its financial responsibilities are to:

Ensure

a) we are solvent;

b) we safeguard our assets;

c) the effective and efficient use of resources;

d) the compliance with the Scottish Housing Regulators performance standards including the annual publication of our Assurance Statement.

e) financial control systems are in place and are working effectively and that a statement of assurance is produced by the internal audit provider annually;

f) compliance with the regulatory body's code of audit practice;

g) compliance with financial covenants set up Funders

Approve

h) our strategic plans;

i) budgets and annual financial statements; and

Recommend

j) to the Annual General Meeting the appointment of the external auditors.

COMMITTEE STRUCTURE

3.2.1 The Board exercises some of its responsibility through three subordinate committees. These are the Audit and Risk Committee, Development & Finance and the Joint Consultative Committee. General authority is not delegated to a Committee, but specific authority is delegated in particular areas as defined in the Standing Orders. However, no decision made by a Committee of the Board is binding on HHP unless it is acting within its specifically delegated powers. The Terms of Reference for the Committees is contained within the Standing Orders Part 3.

BOARD MEMBER

3.3.1 The duty of Board members is to HHP, its tenants, its employees and more generally where it is in receipt of public funds – to the community at large. All Board Members should therefore satisfy themselves that they have sufficient access to all relevant information and are sufficiently informed to be able to

make properly informed decisions. The Director of Finance & Corporate Services will ensure that regular management reports are made available to all Board Members.

RESPONSIBLE OFFICERS

The Chief Executive

3.4.1 The Chief Executive is responsible for the operational management of the association's affairs. The Chief Executive must assist the Board in determining its strategic goals and promote the achievement of such goals through the deployment of the association's resources.

The Company Secretary

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

The Director of Finance & Corporate Services

3.6.1 The Director of Finance & Corporate Services is responsible for promoting and maintaining high standards of financial conduct and for reporting any actual or potential breaches of the law or maladministration and for ensuring that the procedures for recording and reporting key decisions are operating effectively.

3.6.2 The Director of Finance & Corporate Services is responsible for reporting to the Chief Executive if he considers that any proposal, decision or course of action will involve incurring unlawful expenditure or is likely to cause a loss or deficiency, or if the Partnership is about to enter an item of account unlawfully. If the item in question relates to the Chief Executive, the Board and External Auditor will be advised accordingly.

3.6.3 The Director of Finance & Corporate Services has the responsibility for the proper administration of the financial affairs including:

a) ensuring that all reports detail fully the resource implications of any course of action recommended to the Board or its Committees;

b) presenting management reports to the Board on a timely basis;

c) maintaining an efficient system of financial operations and controls;

d) preparing the annual accounts, liaising with the Partnership's Auditors in respect of the year end audit and giving the final presentation of such accounts to the Annual General Meeting;

e) managing the day to day running of our finances;

f) safeguarding our assets;

g) responsibility for long term financial planning;

h) ensuring the requirements of the Financial Conduct Authority (FCA) are observed concerning the requirements of the Partnership to keep proper books and records;

i) reviewing the Financial Regulations on behalf of the Board at least annually;

j) maintaining statutory records;

k) preparing appraisals for major investment and development decisions;

l) ensuring that medium and long term financial plans and annual investment and revenue budgets are prepared;

m) providing professional advice to the Board on all matters relating to financial policies and procedures including treasury management; and

n) Setting and monitoring compliance with financial management standards and procedures.

Money Laundering Reporting Officer

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

General

3.8.1 Heads of Service are responsible for accountability and control of employees and the security, custody and control of all other resources including plant, buildings, materials, cash and stores relating to their spheres of responsibility.

ACCOUNTING

3.9.1 All accounting procedures and records of the Partnership and its Officers shall be approved by the Director of Finance & Corporate Services in accordance with requirements of statutory agencies, authorities and the needs of the services. No change to existing accounting procedures may be made without prior consultation with the Director of Finance & Corporate Services.

3.9.2 The Director of Finance & Corporate Services or the Finance Manager must examine and certify where required any submission or claim for payment of grant by a Government Department or funding from any other body. Officers responsible for the administration of such grants, funds and spending associated with them must ensure compliance with the conditions of the grant/funding.

3.9.3 All formal accounts and accounting records shall be compiled under the direction of the Director of Finance & Corporate Services.

FINANCIAL PLANNING & CONTROL OF EXPENDITURE

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

BUDGET PREPARATION

4.2.1 The budget must be prepared in a form agreed by the Board and must be in line with our Strategic Goals and Business Plan. When the budget is presented to the Board it will come with recommendations from the Development & Finance Committee on its acceptability and on its impact on overall finances.

4.2.2 The budget is to be prepared according to the requirements defined in the detailed financial procedures. Once approved, the budget is to be used as the basis for authority to incur expenditure and for comparison with actual monthly and quarterly results. The approval for each officer to incur expenditure is defined in the detailed financial procedures and may be amended from time to time by the Board.

4.2.3 When the budget has been approved, the Director of Finance & Corporate Services shall allocate various amounts to delegated budget managers, in accordance with their responsibilities, and shall notify such employees of the budgeted amounts. All references to individual responsibilities within these Financial Regulations assume that authority is restricted to these amounts.

4.2.4 The Director of Finance & Corporate Services will prepare and present budgets to the Board for:

a) Income & Expenditure

b) Investment

c) Development

d) Non-Housing investment

4.2.5 The introduction of new items after the Budget has been approved (where such items exceed the virement delegation in place for directors at Appendix 3) requires the advance approval of the Board.

4.2.6 The Board must approve any slippage greater than 12 months for Investment and Development.

BUDGETARY CONTROL

4.3.1 Significant variations in actual income and expenditure against budget are to be reported and explained at each meeting of the Board by the Director of Finance & Corporate Services. Any variations will be explained and reflected in the forecast out-turn presented to the Board.

4.3.2 The inclusion of items in approved budgets or investment programmes shall constitute authority to incur such expenditure (within delegations as outlined in the Standing Orders & Financial Authorities) unless the Board shall have placed a reservation on any such item or items. Expenditure on any such reserved items may be incurred only when and to the extent that such reservation has been removed. Such reservations shall only be removed when the Board has approved full details and costs of the item.

4.3.3 Budget managers are responsible for ensuring that expenditure does not exceed the allocated budget and must identify pressures on their own budgets at a stage which allows the position to be addressed (i.e. during the financial year rather than at the end). Budget holders must not authorise expenditure which will create or increase an overspend on that budget.

4.3.4 When considering the adoption of a new policy or a variation to an existing policy, the Board must ensure it is fully apprised of the costs involved. Heads of Service are responsible for ensuring that the Board are provided with all cost information pertinent to the policy.

4.3.5 Significant budget variations should be reported to the Director of Finance & Corporate Services by the relevant budget manager. Anticipated variations should be incorporated in the reporting process. It is the responsibility of Heads of Service to provide timely, accurate and reasonable explanations for variances to be included in the month end management report.

4.3.6 With regard to Investment and Development programmes, actual spend will be monitored against budget and reported at each meeting of the Board as part of the regular management accounts report.

4.3.7 Actual and forecast expenditure and progress on tender awards and projects within the Investment and Development programme will be reported to the Board. Detailed reports including post development completion reports will be provided to the Development & Finance Committee.

4.3.8 The Director of Finance & Corporate Services will prepare a year end report on performance against budget and make recommendations to the Board on any budgets which should be carried forward into the next financial year.

BORROWING

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

RESERVES

4.5.1 It is the responsibility of the Director of Finance & Corporate Services to provide the Board with a written report on the levels of reserves that are considered prudent. This advice is to be based on an annual risk assessment of the Partnership.

VIREMENTS

4.6.1 Where a virement represents a major change in policy or exceeds the delegation levels outlined at Appendix 3, the Head of Service needs to prepare a report for the Board to seek approval for the policy change and the associated virement.

4.6.2 Where a virement involves an adjustment to Salary budgets, the Head of Service needs to seek approval from the Chief Executive before being processed.

4.6.3 For development projects, virements which allocate budget within the project will not require to be approved by Board as there is no change being made to the total budget.

4.6.4 All other virements should be approved by the Head of Service and forwarded to the Finance Manager using the approved Virement Form with the appropriate approvals required.

4.6.5 Virements should be prepared timely and in advance of any committed spend. It is noted that some virements are reactive e.g., following a large insurance type event. In these circumstances, virements should be requested as soon as the budget manager becomes aware of the need to amend budget and, where appropriate, be presented for approval at the next meeting of the Board.

4.6.6 The Director of Finance & Corporate Services (or in his absence the Chief Executive) shall have the authority to approve virements to an amount as specified in the detailed financial procedures.

RISK MANAGEMENT & CONTROL OF RESOURCES

5.1.1 The Board is responsible for approving our Risk Management Strategy, the Audit and Risk committee is responsible for reviewing the overall effectiveness of the strategy.

5.1.2 The Chief Executive, in conjunction with Directors is responsible for preparing the risk management policy statement and for promoting it throughout the organisation and updating it.

5.1.3 The general controls for risk management are:-

- Procedures are in place to identify, assess, prevent or contain material known risks and these procedures are operating effectively throughout the organisation;
- A monitoring process is in place to review the effectiveness of risk reduction strategies and the operation of these controls;
- Managers know which risks they are responsible for managing and are provided with relevant information;
- Provision is made for any losses that might result from the risks that remain;
- Claims are investigated within a given time scale;
- Acceptable levels of risk are determined and insured against where appropriate;
- Business continuity plans are in place in the event of a disaster that results in significant loss or damage to our resources.

INTERNAL CONTROL

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

SYSTEMS OF INTERNAL CONTROL

5.3.1 The Director of Finance & Corporate Services is responsible for advising and implementing on effective systems of internal control. These arrangements need to ensure compliance with all applicable statutes and regulations, and other relevant statements of best practice.

5.3.2 The Director of Finance & Corporate Services will prepare an annual statement on the effectiveness of the Partnership's system of internal control. The statement will be published as part of the Annual Statement of Accounts and will be approved by the Audit Committee.

SEGREGATION OF DUTIES

5.4.1 To ensure proper segregation of duties exist:

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

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

YEAR END AND RETENTION OF RECORDS

5.5.1 HHP's financial year shall be from 1 April to 31 March.

5.5.2 Accounting and other records must be retained for periods that comply with relevant legal requirements and the detailed standards in Paragraph 5.5.3.

5.5.3 Records must be retained for periods specified by Internal Audit, which will ensure the Partnership's compliance with VAT and other law. The following periods provide a broad indication only:

- All records associated with grant funding and the transfer agreement must be retained for longer periods if required by the funding body;
- Expenditure record (e.g. orders, invoices) should be retained for 5 years plus the current year;
- Income records (receipts, debtors invoices) should generally be retained for 6 years plus the current year.

TREASURY MANAGEMENT (INVESTMENT & BORROWINGS)

5.6.1 The Board adopts the key recommendations of CIPFA's Treasury Management in the Public Services: Code of Practice (the Code), as described in Section 4 of that Code.

5.6.2 Accordingly, the Board will create and maintain, as the cornerstones for effective treasury management:

- a treasury management policy statement, stating the policies and objectives of its treasury management activities;

  Suitable treasury management practices (TMPs), setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

5.6.3 The content of the policy statement and TMPs will follow the recommendations contained in Sections 6 and 7 of the Code, subject only to amendment where necessary to reflect the particular circumstances of this organisation. Such amendments will not result in the organisation materially deviating from the Code's key recommendations.

5.6.4 The Board will receive reports on its treasury management policies, practices and activities, including, as a minimum, an annual strategy and plan in advance of the year, and an annual report after its close, in the form prescribed in its TMPs.

5.6.5 The Board delegates responsibility for the execution and administration of treasury management decisions to the Director of Finance & Corporate Services who will act in accordance with the organisation's policy statement and TMPs and, if the Director of Finance & Corporate Services is a CIPFA member, CIPFA's Standard of Professional Practice on Treasury Management

INSURANCE

5.7.1 The Corporate Resources Manager must effect all insurance cover and negotiate all claims (within their delegation) in consultation with other Officers where necessary.

5.7.2 Each Head of Service shall ensure prompt notification to the Corporate Resources Manager of all new risks, properties, or vehicles which require to be insured and of any alterations affecting existing insurance policies.

5.7.3 Each Head of Service shall ensure that they notify the Corporate Resources Manager of any loss, liability or damage or any event likely to lead to a claim; and in instances of criminality, inform the Police and obtain the relevant crime reference number, unless otherwise decided by an identified officer.

5.7.4 All appropriate officers of the Partnership must be included in a suitable fidelity guarantee insurance policy.

5.7.5 The Director of Finance & Corporate Services must annually, or at any such lesser period as he may consider necessary, review all insurances and report to the Board in consultation with other Heads of Service as appropriate.

SECURITY PROCEDURES

5.8.1 Each Head of Service is responsible for maintaining proper security at all times for all buildings, stock, stores, furniture, equipment, cash, etc. under his control. He must consult the Chief Executive in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.

5.8.2 Maximum limits for cash holdings must be agreed with the Director of Finance & Corporate Services and shall not be exceeded without his express permission.

5.8.3 Keys to safes or other similar containers are securely stored in a locked drawer; the loss of any such keys must be reported to the Director of Finance & Corporate Services forthwith. Keys must not be passed to any Officer who is not authorised to access the safe.

PAYMENTS & BENEFITS

5.9.1 All financial activities conducted by the organisation will conform to the requirements of the Entitlements, Payments and Benefits Policy which restricts

the types of direct and indirect financial benefits which may be awarded to employees and Board members and describes the actions which must be taken in the event of a potential breach.

5.9.2 All Officers and Board members should be aware of the requirements of the Entitlements, Payments and Benefits Policy and further information or advice can be provided on request by the Director of Finance & Corporate Services.

5.9.3 The basic requirements of the Policy are that a registered social landlord must not make a payment or grant a benefit to an officer or employee (current) of the landlord; a person who has been an officer or employee within the last 12 months (recent); a close relative of an officer or employee (current or recent); a business trading for profit of which a person falling within one of the previous categories is a principal proprietor or in the management of which such a person is directly concerned, except in the following cases:

a) payments made or benefits granted to an officer or employee under a contract of employment;

b) payment of expenses to an officer who does not have a contract of employment;

c) where a tenancy has been granted to a person who later became an officer or employee of the organisation (or a close relative thereof), the grant to that tenant of a new tenancy for the same or another house; or

d) payments made or benefits granted with the approval of Scottish Ministers.

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

5.9.10 Heads of Service may approve overtime working, in consultation with the Chief Executive for Grades A to E. The Chief Executive will approve overtime working for Grades F to H.

5.9.11 Overtime must be authorised in advance and will only be paid in exceptional circumstances.

EXTERNAL AUDIT

5.10.1 We will appoint external auditors as required by statute, and in a way consistent with the requirements of the current guidance issued by the Scottish Housing Regulator.

5.10.2 Preparation of annual accounts is to commence immediately after the end of each financial year and draft accounts are to be prepared for consideration by the auditors and by the Board no later than three months after the year-end.

5.10.3 The Director of Finance & Corporate Services is responsible for drawing up a timetable for final accounts purposes which will be agreed with the auditors.

5.10.4 The draft accounts and audit management letter will be reviewed by the Audit and Risk Committee. On their recommendation, the draft accounts will be submitted to the Board for approval, and subsequently for adoption at the Annual General Meeting.

5.10.5 Final audited and signed accounts are to be submitted to the Scottish Housing Regulator within the timescales set by the regulator.

5.10.6 The external auditors should be given the opportunity, at least once each year, to meet the Audit and Risk Committee without any officials being present, to discuss issues that may have arisen during their work or highlight areas of concern.

5.10.7 Each year, the Audit and Risk Committee will review the effectiveness of external audit and, provided the External Auditor's work is of a sufficiently high standard and reasonably priced, the Committee shall recommend that they be re-appointed at the Partnership's AGM. In addition, the Audit and Risk Committee will carry out a comprehensive review of the service provided every three years. A competitive tendering exercise will be held at least every seven years for the appointment of an External Auditor for the Partnership.

INTERNAL AUDIT

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

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

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

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

a) enter at all reasonable times any Partnership premises or land;

b) access all records, documents and correspondence relating to any financial and other transactions of the Partnership;

c) require and receive such explanations as are necessary concerning any matter under examination; and

d) require any employee of the Partnership to produce cash, stores or any other Partnership property under his/her control.

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

5.11.6 If the suspected irregularity potentially involves:

a) the Director of Finance & Corporate Services or the Director of Operations, the Chief Executive shall be informed; or

b) The Chief Executive, the Chair of the Audit and Risk Committee, or failing that the Chair of the Board shall be informed.

SYSTEMS & PROCEDURES

GENERAL CONTROLS

6.1 The general controls for systems and procedures are:

a) Performance is communicated to the appropriate managers on accurate, complete and timely basis;

b) Early warning is provided on deviations from targets, plans and budgets and management action is taken; and

c) Operating systems and procedures are secure.

EXPENDITURE

Purchasing Arrangements

6.2.1 Delegated Budget Managers must ensure and be able to demonstrate that the Partnership obtains value for money in purchasing activity and that purchasing accords with service priorities.

6.2.2 The most effective purchasing arrangements should be used. In case of routine purchasing this should be undertaken through the Corporate Resources Team except:

a) transactions excluded by agreement with the Director of Finance & Corporate Services and the Delegated Budget Manager concerned; or

b) small items which may be purchased through petty cash.

6.2.3 Where any purchasing or services involves tendering or contracts these arrangements must conform to the requirements set out in the procurement policy.

6.2.4 The Finance Manager must ensure that e-business/purchasing processes maintain the security and integrity for transacting business electronically and must approve the introduction of such systems.

Orders of Work, Goods and Services

6.2.5 All orders, requests for works, instructions to vary works contracts or to vary individual orders, and the entering into of contracts, must be carried out according to the detailed requirements of the procurement policy. The procurement policy is available on our intranet/SharePoint to all employees.

6.2.6 Official orders must be in a form approved by the Director of Finance & Corporate Services and must be signed or otherwise authorised only by approved officers.

6.2.7 Official orders must be issued for all work, goods or services to be supplied to HHP except for:

- supplies of public utility services;
- for periodical payments such as rent or rates;
- for payments set by statute or other regulations (including home loss and disturbance payments);
- for petty cash purchases; or
- such other exceptions as the Director of Finance & Corporate Services may approve in advance.

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

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

Orders under Procurement (Other Services)

6.2.9 One written quotation must be requested for individual orders up to an amount up to £1,999.99. The details of the quotation must be documented and held on file.

6.2.10 Two written quotations must be requested for individual orders which are estimated to be in the region of £2,000-£9,999.99. If a quotation other than the lowest is accepted, a written report must be made to the next meeting of the Board justifying this course of action. Where orders are awarded on a combined quality and price assessment, it is understood that the lowest price may not always be the one which will be accepted, and this will not need to be presented to Board.

6.2.11 Individual orders which are estimated to commit the Board to a cost in excess of £10,000 must be dealt with under the Procurement Policy and its detailed tendering procedures. Results of tenders should be referred to the Board or one of its committees. This regulation does not apply to the renewal of annual maintenance agreements previously agreed by the Board.

Orders under Procurement (Building Works)

6.2.12 All investment works are subject to a robust tender process with tenders for lots being returned as per the Board approved Investment Framework.

6.2.13 Repairs & Maintenance works are outsourced to a repairs contractor. The appointment of the contractor follows a robust, full tender process and the Board is regularly updated as to the performance of the contractor against agreed contractual performance targets.

6.2.14 The methods of procurement and appropriate limits for development contracts and consultants are outlined at Appendix 2.

Orders under Procurement Frameworks

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

General

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

Contracts

6.2.17 Where contracts provide for payment to be made by instalments, the Budget Manager will ensure that an approved purchase order is in place to reflect the staging of payments on each contract between the Partnership and the contractor.

6.2.18 Payments to contractors on account of contracts shall be made only in accordance with agreed expenditure authorisation procedures.

6.2.19 Subject to the provisions of investment/development contracts, in each case every variation shall be authorised in writing by the:

a) Director of Operations or any other officer nominated by him in writing for the purpose; or

b) consultant engaged by the Partnership when an outside consultant is appointed.

6.2.20 Any such variation shall be reported to the Board on a quarterly basis. If the variation creates an overspend, the procedure in relation to authorising overspends must be followed (see paragraph 4.3.2).

6.2.21 The final certificates of completion of any contract shall not be issued until the Director of Operations or external consultant has produced to the Partnership a detailed statement of account and all relevant documents, if required.

6.2.22 Where completion of a contract is delayed beyond the contract period, it shall be the duty of the Director of Operations to consider and, where appropriate, to take action in respect of any claim for liquidated damages.

6.2.23 All officers and consultants shall have regard to the requirements of the relevant regulatory body and government departments in respect of matters relating to such contracts.

Payments of Accounts

6.3.1 The procedures for making all payments shall be in a form specified by the Director of Finance & Corporate Services.

6.3.2 Apart from petty cash and other payments from advance accounts, the normal method of payment of money due from the Partnership must be by cheque, electronic payment (Bankline or Credit Card), BACS or CHAPS transfers drawn on the Partnership's bank account by signatories duly authorised by the Board.

6.3.3 The names of Officers authorised to sign orders and invoices will be maintained in a register along with a specimen signature by the Director of Finance & Corporate Services. Any changes to the register must be requested in writing. Employees authorised to issue an order are responsible for examining, verifying and certifying the related invoice(s) and similarly for any other payment vouchers or accounts arising from his/her department. Such certification must be in writing by the Officer.

6.3.4 Payment will only be made by the Director of Finance & Corporate Services against invoices which have been certified for payment by the appropriate head of department or budget holder. Certification of an invoice should involve at least two officers in the process and will ensure that:

a) the goods have been received, examined and approved with regard to quality and quantity, or that services rendered or work done is satisfactory;

b) where appropriate, it is matched to the order;

c) invoice details (quantity, price, discount) are correct;

d) the invoice is arithmetically correct;

e) the invoice has not previously been passed for payment;

f) where appropriate, an entry has been made on a stores record or departmental inventory;

g) VAT issues have been complied with where they apply; and

appropriate coding advice is provided. This coding advice must be one of the codes included in the budget holder's area of responsibility and must correspond with the types of goods or service described on the invoice.

6.3.5 Once accounts have been correctly certified, they must be passed promptly to the Director of Finance & Corporate Services who must examine them to the extent that he considers necessary, for which purpose the Director of Finance & Corporate Services is entitled to make such enquiries and to receive such information and explanations as he may require.

6.3.6 The Chief Executive and each Director must, six weeks after the financial year end, agree with the Director of Finance & Corporate Services all outstanding expenditure in relation to the previous financial year.

6.3.7 Responsibility for the authorisation of an account lies ultimately with the Officer who signs the payment authorisation. The Officers who have the authority to

approve payment for either goods or services within the approved revenue budget are specified in the detailed financial procedures.

6.3.8 Cheque or Banks Automated Clearing System (BACS) payments – all invoices should be paid within agreed payment terms and such terms are recorded in our Finance System against each supplier. The general rule is that properly authorised invoices are paid once goods have been certified as received and no later than 30 days of receipt by the Finance Department. This is subject to variations as agreed with the individual supplier of goods and services and as set out in the Partnership's detailed financial procedures.

6.3.9 No individual or employee of the Partnership shall act as the first signatory or certify transactions for any payments to themselves or their immediate families or to their companies or companies of their immediate families.

6.3.10 The use of direct debits as a payment method requires the prior approval of the Director of Finance & Corporate Services or Finance Manager.

6.3.11 Officers of the Partnership must not prepare supplier's invoices. If it is necessary for an officer to amend an invoice, that fact and the reason therefore shall be shown on the invoice and the amendment must conform to the Value Added Tax regulations.

6.3.12 Override procedure - If a payment has to be made more quickly than the general rule and is not covered by the exceptions, then the date of payment must be marked on the certified invoice and addressed to the Resources Department duly marked for special treatment.

Petty Cash

6.4.1 Petty cash will be controlled through the Imprest system. Detailed guidance will be issued by the Financial Accountant and is contained in the Partnership's financial procedures.

6.4.2 At the end of the financial year, a certificate of the balances held should be completed by the member of employees responsible for the float and countersigned by the head of department.

Company Credit Cards

6.5.1 The Director of Finance & Corporate Services will make arrangements for the administration of "company credit cards" and will issue them where the circumstances require.

6.5.2 Directors are responsible for ensuring that "company" credit cards used in their Department are only held by appropriate employees and are used strictly in compliance with the specific guidance issued by the Director of Finance & Corporate Services.

Expenditure Authorisations

6.6.1 The Board has approved the following procedures for the authorisation of expenditure commitments and invoices for payment. Levels of authority range

from department employees to the Board, and it is important for good internal control of the Partnership's expenditure that all employees have a working knowledge of the content. It is the responsibility of each Director to ensure that all of their employees affected are fully aware of their own authority levels and limits.

6.6.2 The following important points shall be observed in the authorisation procedure and followed carefully:

a) three separate procedures involved in incurring expenditure:

- Taking on the commitment to spend;
- Approving the invoice after goods or services received;
- The actual transfer of funds to creditors.

b) evidence of approval and authority must be kept.

c) the person approving the invoice will be expected to be satisfied that prior approval of the original order or instruction was given, at the appropriate level, in cases where such prior approval is required.

d) payments to suppliers, etc. will not be made if substantiated only by statements. If an invoice has been mislaid, a copy must be obtained from the supplier.

e) the cost code must be in accordance with the approved budget heading and not changed because another original budget head is being used in order to "vire" expenditure.

f) approval of invoices must include a check of the calculations.

6.6.3 The Director of Finance & Corporate Services shall maintain a register of authorised signatories including limits. Any changes to the authorities to sign must be notified to the Director of Finance & Corporate Services immediately. Heads of Service must supply the Director of Finance & Corporate Services with specimen signatures of those authorised to certify invoices for payment.

6.6.4 Where changes to the authorisation schedule are required ahead of the annual review of financial regulations and procedures, the Director of Finance & Corporate Services shall instruct, or confirm, changes in writing to Heads of Service, and other appropriate employees and Board Members.

6.6.5 Authorisations can be obtained through e-signatures, e-mail, system authorisations or physical signatures in accordance with the delegations permitted in the Financial Authorisations.

INCOME & BANKING

Banking Arrangements

6.7.1 The Board is responsible for the appointment of our bankers. Should there be an occasion where the banking arrangements are deemed to no longer meet our requirements, the Board shall be provided with a report outlining why this is the case and banking services will be re-tendered through a competitive tendering process.

6.7.2 Bank accounts held by HHP are specified in the detailed financial procedures. Only the Director of Finance & Corporate Services may open or close a bank account for dealing with HHP's funds. All bank accounts shall be in the name of "Hebridean Housing Partnership" or its Subsidiary "HHP Community Housing". The Finance Manager is responsible for ensuring that all bank accounts are subject to regular reconciliation and independent review and that large or unusual items are investigated as appropriate.

6.7.3 All arrangements with HHP's bankers shall be made by or under arrangements approved by the Director of Finance & Corporate Services, who shall be authorised to operate such banking accounts, as he may consider necessary.

6.7.4 All cheques, electronic payments (Bankline or Credit Card), BACS or CHAPS shall be ordered only on the authority of the Director of Finance & Corporate Services who shall make proper arrangements for their safe custody. Cheques on HHP's banking accounts shall bear the signature of identified Officers or Board Members as authorised by the Board. Details of authorised persons and the Partnership's cheque mandate can be found in the Partnership's detailed financial procedures.

Income

6.8.1 The Board is responsible for approving the level of rents, lettings and other charges, as determined by procedures approved by the Finance & Development Committee.

6.8.2 The collection of money due shall be under the supervision of the appropriate Director within procedures defined by the Director of Finance & Corporate Services. The relevant Director will ensure that the procedures are followed and that adequate arrangements are in place to ensure safe custody of monies to our premises or bankers.

6.8.3 All Officers shall furnish the Finance Manager with such particulars in connection with work done, goods supplied or services rendered and of all other amounts due as may be required by them to record correctly all sums due and to ensure that accounts are rendered within seven days for the recovery of income due.

6.8.4 Safeguards against loss of income are in place as follows:

a) prompt claiming of all Local Authority, Scottish Government or other public body grants, subsidies and allowances;

b) prompt reviews of rent. Increases must be implemented at the appropriate time, as agreed by the Board;

c) prompt action against all debtors and the institution of recovery proceedings, except where the contrary is approved by the Board, or in case of rent and tenants charges, by the Director of Operations;

d) comprehensive accounting procedure and internal controls for all income sources;

e) appropriate investment in stock to ensure minimal rent loss through voids.

6.8.5 All receipt forms, books, tickets and other such items shall be ordered and supplied by the Finance Manager, who shall approve the arrangements for their control.

6.8.6 All money received by an employee on behalf of HHP shall, without delay, be paid to the Director of Finance & Corporate Services or, as he may direct, to the appropriate bank account or transmitted directly to any other body or person entitled thereto. No deduction may be made from such money except to the extent that the Director of Finance & Corporate Services may specifically authorise. Each employee who so banks money shall enter on the paying-in slip a reference to the related debt. The detailed financial procedures set out the exact procedures to be followed with regard to the receipt of cash, cheques and postal orders.

6.8.7 Every transfer of money from one employee to another will be evidenced in the records by the signature of the receiving employee.

6.8.8 Any income due shall only be written off as a bad debt under procedures outlined in our Debt Management policy.

6.8.9 Donations of cash or other items must be recorded and a written acknowledgement sent to the donor by the Chief Executive.

6.8.10 All incoming post shall be opened in the presence of two members of employees and any remittances shall be recorded in a register. This register shall be done monthly and independently checked to bankings. All income shall be banked weekly unless the cash held in the safe will exceed £4,000 and receipts given for all payments by cash or postal order.

6.8.11 Personal cheques must not be cashed nor must IOU's be accepted out of monies held on behalf of the Partnership.

6.8.12 The Finance Manager shall ensure that:

a) debtors' invoices are raised promptly in respect of income due to us;

b) debtors' accounts are raised on official invoices;

c) swift and effective action is taken to collect overdue debts in accordance with formal procedures (detailed in the financial procedures):

d) outstanding debts are monitored and reports are prepared for managers.

6.8.13 A limit is imposed on the cash amount received in settlement for the payment for goods and services of £5,000 in any one transaction. This limit is required to ensure that the Partnership complies with the Money Laundering Regulations.

6.8.14 The Director of Finance & Corporate Services is responsible for implementing credit arrangements and indicating a period in which different types of invoice must be paid, and for implementing procedures and instructions for the allocation of sums received to individual constituent elements of tenants' rent accounts.

Control of Cash, Stock, etc.

6.9.1 Cash floats and balances kept by us are specified in the detailed financial procedures. All such floats must be maintained on the Imprest system and reimbursement will be authorised by the Financial Manager.

6.9.2 We will maintain inventories of various items as defined in the detailed financial procedures.

6.9.3 A register of documents of title (deeds, share certificates, building society books, etc.) must be kept and the documents stored in a secure place such as a locked safe. Access to the documents will be restricted to the Chief Executive, Director of Finance & Corporate Services, Governance Officer, Auditors and the Partnership's solicitors.

6.9.4 Computer records shall be maintained in line with the Partnership's Information and Communication Technology Policy [ICT] to ensure information held on personal computers and servers is secure. Backups must be stored securely off site.

Writing off Irrecoverable Items of Income

6.9.5 HHP will write off all established bad debts as soon as possible in order not to distort the rent arrears and other bad debts position. Consideration must be given as to whether or not the present abode of former tenants in arrears is known to establish whether the doubtful debts are collectable or not.

6.9.6 Before any income is written off in the financial records, the approval of the Director of Finance & Corporate Services must be obtained for write-offs up to an agreed amount as specified in the detailed financial procedures and the approval of the Board for all write-offs above the agreed amount. Any write-offs must be made in accordance with the authorisation levels specified in the detailed financial procedures.

6.9.7 Records of debts written off in the financial records will be retained by the Director of Finance & Corporate Services for a period of not less than ten years, for use in the event of a debt becoming recoverable again in the future.

SALARIES AND WAGES

Salaries, Wages and Pensions

6.10.1 Salaries paid to permanent employees must be on the basis of the appointment as agreed by the Board.

6.10.2 All employees are paid on a set day each month as specified in the Partnership's Terms and Conditions of Employment.

6.10.3 All payments shall be made by the Director of Finance & Corporate Services.

6.10.4 Appointment of all employees must be made in accordance with the regulations of the Partnership and the approved establishments, grades and rates of pay.

6.10.5 All partnership employees will be appointed to the salary scales approved by the Board and in accordance with appropriate conditions of service.

6.10.6 All-time records and other pay documents must be in a form prescribed or approved by the Director of Finance & Corporate Services.

6.10.7 Each Head of Service is responsible for ensuring that the Director of Finance & Corporate Services and the Chief Executive's Personal Assistant are notified as soon as possible and in the form prescribed by them, of all matters affecting the payment of such benefits, and in particular:

a) appointments, resignations, dismissals, suspensions, secondments and transfers;

b) absences from duty for sickness or other reason, apart from approved leave;

c) changes in remuneration, other than normal increments, and pay awards and arrangements of general application;

d) information necessary to maintain records of service for superannuation, income tax, national insurance, etc.

6.10.8 All casual and part-time employees must be included on the payroll.

6.10.9 Overtime and temporary recruitment of employees must be approved as prescribed in the expenditure authorisations schedule.

6.10.10 The Director of Finance & Corporate Services is responsible for keeping all records relating to payroll including those of a statutory nature. Administration of payroll process will be carried out by a member of the Finance Team with the Director of Finance & Corporate Services carrying out verification checks.

Travel and Subsistence

6.11.1 All claims for payment of mileage allowances, subsistence allowances, travelling and incidental expenses must be submitted, duly certified by a Head of Service in a form approved by the Director of Finance & Corporate Services, to him.

6.11.2 The certification by the Head of Service shall be taken to mean that the certifying Officer is satisfied that the journeys were authorised, the expenses properly and necessarily incurred and that the allowances are properly payable by the Partnership.

TAXATION

6.12.1 Compliance with taxation rules is important for the Partnership to meet its legal requirements and avoid unnecessary costs. Failure to comply with tax legislation can result in penalties and interest payments or may lead to the overpayment or under-recovery of taxes.

6.12.2 Heads of Service must ensure all employees are aware of the various tax regimes that impact on their areas of operational activity and ensure they are compliant with legislation governing tax and the detailed standards below.

VAT standards

6.12.3 Officers should be aware of the Partnership's VAT guidance, available from the Finance Manager and where to access primary reference documents for VAT related matters.

6.12.4 VAT must be paid and recovered within the time constraints laid down by H.M. Revenue and Customs.

6.12.5 Officers are responsible for obtaining and issuing proper tax documents (e.g. invoices, receipts) to ensure compliance with VAT law and to facilitate full recovery on expenditure.

Other Tax Standards

6.12.6 Guidance on taxation matters, other than VAT will be issued from time to time by the Director of Finance & Corporate Services.

6.12.7 Officers responsible for issuing or payment of invoices must give consideration to the impact of various taxes. Particular attention should be paid to the correct treatment of employment taxes and VAT

6.12.8 In instances of doubt over the correct treatment of taxation officers should consult the appropriate employees of the Resources Department

a) PAYE and National Insurance - Director of Finance & Corporate Services

b) VAT and other taxation - Financial Manager or Director of Finance & Corporate Services

FIXED ASSETS

Fixed Asset Register

6.13.1 A fixed asset register shall be maintained, recording an adequate description of furniture, fittings and equipment, plant and machinery and other capital equipment owned by the Partnership, and the form in which the fixed asset register shall be kept shall be determined by the Director of Finance & Corporate Services. The Chief Executive and each Director will be responsible for items within their areas, with an updated copy being provided annually to the Director of Finance & Corporate Services in line with the closing of accounts timetable.

6.13.2 Each Head of Service shall be responsible to the Director of Finance & Corporate Services for maintaining an annual check of all items on the fixed asset register for taking action in relation to surpluses and deficiencies and noting in the fixed asset register accordingly. The Director of Finance & Corporate Services must be notified of these changes.

6.13.3 The Partnership's property must not be removed other than in the ordinary course of the Partnership's business, or used other than for the Partnership's purposes except in accordance with specific directions issued by the Director concerned.

6.13.4 Equipment in housing schemes must be separately identified and recorded in the Asset Register.

Inventories

6.14.1 Inventories shall be maintained by the appropriate Director and Chief Executive, recording an adequate description of furniture, fittings and equipment, plant and machinery and other small items of equipment used up during developments. The form in which the inventories shall be kept shall be determined by the Director of Finance & Corporate Services.

6.14.2 Each Head of Service shall be responsible to the Director of Finance & Corporate Services for maintaining an annual check of all items on the inventory in line with the closing of accounts timetable, for taking action in relation to surplus or deficiencies and noting on the inventory accordingly.

6.14.3 The Partnership's property must not be removed from its normal location other than in accordance with the ordinary course of the Partnership's business or used other than for the Partnership's purposes except in accordance with specific directions issued by the Director concerned.

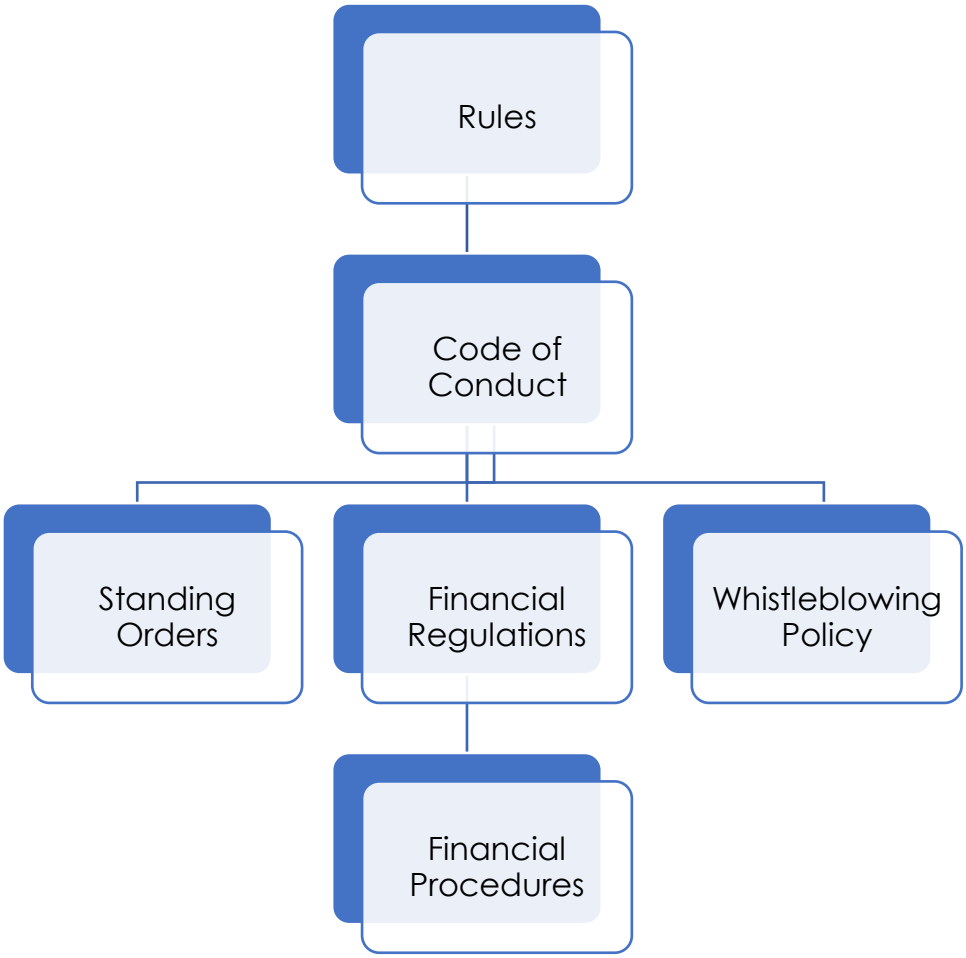
6.14.4 Each Head of Service must be responsible for the care and custody of the stocks and stores under his/her control, and for the maintenance of the relevant inventories.

6.14.5 Significant stock losses & losses on the disposal of components ahead of their natural replacement must be reported to the Board.

6.14.6 Scheme inventories must be separately identified and recorded.

APPENDIX 1

RELATIONSHIP WITH CONSTITUTION



APPENDIX 2

PROCUREMENT ARRANGEMENTS

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

PROCUREMENT THRESHOLDS (FROM 1 FEBRUARY 2021)

Value of Purchase (excluding VAT)	**Minimum Requirement**
Up to £1,999.99	1 written quotation
£2,000 - £9,999.99	Either 2 independent written quotations or quotation(s) obtained through using the PCS Quick Quote facility
£10,000 – Scottish Procurement Threshold	Formal Tender process or quotation(s) obtained through using the PCS Quick Quote facility
Supplies threshold and above	Full UK Find a Tender Service (FTS) tendering procedures

APPENDIX 3

VIREMENTS

Overriding Principles:

a) no virement should cause a breach of our financial covenants

b) all overspends must be funded by savings or increased income

		Limit	Approved by
1	Where an item of expenditure and associated income (E.g., Rent / Internal fees) has to be delayed for legitimate reasons that results in slippage of less than 12 months	None	Director of Finance & Corporate Services
2)	Saving or overspend on Supervision & Management budget (excluding depreciation, amortisation and year end pension actuarial adjustments)	£10,000	Budget Manager
		£20,000	Director of Finance & Corporate Services & Chief Executive
3)	Saving or overspend on a repairs & maintenance budget	£20,000	Budget Manager
		£50,000	Director of Operations or Director of Finance & Corporate Services
4)	Saving or overspend on investment, development or fixed asset budget	£50,000	Budget Manager
		£100,000	Director of Operations or Director of Finance & Corporate Services
5	Savings or overspend on employee expenses	£5,000	Budget Manager
		£20,000	Chief Executive

INTERPRETATIONS & ABREVIATIONS

The following interpretations and abbreviations are used in this policy:

Word	**Interpretation**
Board	Means the Board of the Hebridean Housing Partnership
Board Members	All Members of the Board including co-opted Members
Chair	Chairperson of the Board of Management of the Partnership
Chief Executive	The Chief Executive of Partnership or anyone who is deputising for the Chief Executive.
Committee	A committee of the Partnership appointed by the Board shall have the same meaning as the term sub-committee used in the Rules. In the Standing Orders, the term committee shall include sub-committees unless the sense of the context indicates otherwise.
Scottish Housing Regulator	An independent regulator of RSLs and local authority housing services in Scotland established on 1 April 2011 under the Housing (Scotland) Act 2010.
Local Connection	Means having a main or principal residence or principal place of business or operation in the Outer Hebrides and having lived or operated in the Outer Hebrides for a period of three consecutive years.
Rules	The Rules of the Partnership incorporated under the Industrial and Provident Societies Acts and registered with the Financial Services Authority.
The Partnership	Hebridean Housing Partnership
Heads of Service	A Director, Head of Executive Office or the Chief Executive
Delegated Budget Manager	Member of employees with responsibility for managing specific budgets
Standing Orders	Standing Orders of the Partnership which detail how the business of the Partnership will be conducted in practice.
Significant Variation	Where actual cost/income differs to budget by greater than 10% and over £5K
All references to the masculine gender in this policy shall read as equally applicable to the feminine gender	

APPENDIX 2

Financial Authorities				
		Approval of Expenditure Commitment (within budget)	**Approval for payment**	**Maximum Value**
Staff Appointments, Salaries, Staff & Board Costs				
A. Salary Payments including: - All regular salaries; - Temporary Staff; - Salary Awards & Increments	Within terms of Recruitment Policy, Coporate Pay Policy & Identified Budget	Chief Executive & Directors	(Salary Payments) Chief Executive & Directors	Payments are made through our payroll provider with costs billed monthly and approved under bank authorisations
Overtime	Overtime must be authorised in advance and only in exceptional circumstances	Heads of Service (Grade A to E) Chief Executive (Grade F to H)	Heads of Service (Grade A to E) Chief Executive (Grade F to H)	
B. Travelling, entertainment and other expenses, Expense Form	Within Policy and PAID TO:			
	Chief Executive & Directors	Chief Executive	Director of Finance & Corprate Services, Finance Manager	£5,000.00
	Managers	Chief Executive & Directors	Director of Finance & Corprate Services, Chief Executive	£5,000.00
	Other Staff	Managers	Managers	£1,000.00
C. Board Members Expenses	See Separate Policy	Board	Chief Exective, Director of Finance & Corprate Services & Governance Officer	£5,000.00
D. Board Members Training	Training & Development Officer	Board	Governance Officer	£2,000.00

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

Financial Approval Matrix				
Role	**Requisition Item**	**Requisition Approval**	**Invoice Item**	**Invoice Approval**
Requisitioners				
Housing Assistant	£1,000,000.00	£0.00	£0.00	£0.00
Corporate Resources Officer	£1,000,000.00	£0.00	£0.00	£0.00
Corporate Resources Officer	£1,000,000.00	£0.00	£0.00	£0.00
Tenant Engagement Officer	£1,000,000.00	£0.00	£0.00	£0.00
Housing Assistant	£1,000,000.00	£0.00	£0.00	£0.00
Housing Assistant	£1,000,000.00	£0.00	£0.00	£0.00
Admin Officer	£1,000,000.00	£0.00	£0.00	£0.00
Corporate Services Officer	£1,000,000.00	£0.00	£0.00	£0.00
Corporate Services Officer	£1,000,000.00	£0.00	£0.00	£0.00
Invoice Inputers				
Debt Management Officer	£ -	£ -	£1,000,000.00	£ -
Debt Management Officer	£ -	£ -	£1,000,000.00	£ -
Financial Accountant	£ -	£ -	£1,000,000.00	£ -
Finance Assistant	£ -	£ -	£1,000,000.00	£ -
Authorisors				
People Development Officer	£ -	£1,000.00	£ -	£1,000.00
Personal Assistant	£ -	£1,000.00	£ -	£1,000.00
Area Manager	£ -	£1,000.00	£ -	£1,000.00
Service Development Manager	£ -	£1,000.00	£ -	£1,000.00
Governance Officer	£ -	£1,000.00	£ -	£1,000.00
Area Manager	£ -	£1,000.00	£ -	£1,000.00
Assets & Contracts Manager	£ -	£50,000.00	£ -	£50,000.00
Corporate Resources Manager	£ -	£50,000.00	£ -	£50,000.00
Digital Transformation Manager	£ -	£50,000.00	£ -	£50,000.00
Finance Manager	£ -	£50,000.00	£ -	£50,000.00
Development Manager	£ -	£50,000.00	£ -	£50,000.00
Investment Manager	£ -	£50,000.00	£ -	£50,000.00
Director of Finance & Corporate Services	£ -	£100,000.00	£ -	£100,000.00
Director of Operations	£ -	£100,000.00	£ -	£100,000.00
Chief Executive	£ -	£1,000,000.00	£ -	£1,000,000.00

DISPOSAL OF ASSETS

Board 25 June 2024

Report by Director of Operations

Purpose of Report

1.1 The report proposes that the garage at 61 Garrabost, Point, be disposed of. The report further proposes that 6 garage sites currently recorded as assets be removed from our housing management database although the land remains within our ownership.

Summary

2.1 The garage at 61 Garrabost, Point, is in poor condition, and it is therefore proposed that it is declared surplus to requirements and placed on the open market for sale. The garage is semi-detached to another garage which is in private ownership. It is not considered to be cost effective to carry out improvement works. The current tenant has been using the garage on an informal basis but their Scottish Secure Tenancy Agreement does not include use of the garage. Officers have advised the tenant that there is a proposal being made to dispose of the garage.

2.2 Following a review of garage sites, it has been identified that there are 6 garage sites which are listed as live assets on our systems but which are not in use and have not been let for some considerable period of time. They are not considered to be viable for letting primarily in view of their location on the sites and associated access issues. In 5 of the 6 sites there is in fact no existing base in place. Details of each of the sites are provided in the report and it is proposed that these be removed from our systems as individual garage sites but shown as land owned by HHP.

Competence

3.1 The compliance issues relating to this report are at section 8.1 of the report.

Recommendations

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

a) the disposal of 61 Garrabost, Point, on the open market, subject to any relevant consents being obtained; and

b) the removal of the garage site plots 2, 3, 4, 5 and 6 Perceval Road (East End) and plot 13 at Perceval Road South (West End) from the housing management database but note that the land remains in our ownership.

Report Details

Asset Management Strategy

5.1 The Asset Management Strategy includes an action to review the future of garages and garage sites.

61 Garrabost, Point.

6.1 The garage is semi – detached to a privately owned garage. It is not serviced and requires significant expenditure. There is no alternative use identified for it. Appendix 1 provides photographs.

6.2 The roof would require timber renewal, sheeted with profile sheet metal and new fascia and gutters would be required.

6.3 The render would require cleaning and painting although this is not essential.

6.4 The garage doors and opening mechanisms have reached their lifespan and require replacement.

Garage Plots, Perceval Road and Perceval Road South.

7.1 Plot 13 at Perceval Road South and plots 2, 3, 4, 5 and 6 at Perceval Road (East End) are currently vacant and have been for several years. They are all showing as current assets on CX. However, only Garage Site 13 Perceval Road South (West End) and Garage Site 3 Perceval Road South (East End) are accruing a void loss. Details of each of the sites are provided below. The plots are not serviced.

GARAGE SITE	VOID DATE	DISPOSAL REASON
Garage Site 13, Perceval Road South (West End)	21 December 2015	There is no shed or garage base on this site to allow a structure to be sited. This plot has not been used for a considerable amount of time. If a garage or shed was sited on this plot, existing garage site tenants would have access issues due to its position. It is treated as a void currently.
Garage Site 2, Perceval Road South (East End)	Predates HHP – no date available	Since stock transfer, this garage site has not been let. Access is constrained and there is no demand for garage sites in this area.
Garage Site 3, Perceval Road South (East End)	1 April 2014	This site was last used in 2012. There is no obvious base for this plot. There is no demand for garage sites in this area. It is treated as a void at present.
Garage Sites 4,5 6, Perceval Road South (East End)	Predates HHP – no date available	There are no bases for these plots. The letting of these garage site pre-dates HHP and they have not been used or let by HHP.

APPENDIX 1: Photographs of garage 61 Garrabost

APPENDIX 2: Financial cost of works

Background Papers: Risk Register, Asset Management Strategy

Writer of Report: Angus MacNeil Tel: 0300 123

8.1 Compliance Checklist

COMPLIANCE CHECKLIST	
Financial	The financial implications arising directly from the consideration of this report are detailed at Appendix 2. Upgrading the garage at 61 Garrabost is not considered to represent value for money. The upgrading work would total £8.8k. The disposal of the garage sites will result in a £647 reduction in non-dwelling rents in 2024/25.
Legal	The Asset Management Strategy reflects our legal duties as a landlord and draws heavily on guidance from the Scottish Housing Regulator. There are no implications under the Stock Transfer Agreement.
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 is a Health and Safety risk highlighted in the Risk Register that is relevant. This includes accidents which could occur if the condition of an asset continues to deteriorate. The register has a residual risk of 15 which is considered a high risk. The garage property has not been identified as having Asbestos Materials.
ESG	There is no ESG impact arising from the consideration of this report.
Equalities	We are committed to promoting equality, diversity and inclusion. There are no equalities implications arising from the approval of this report.
Communication	Following approval of this report, the tenant at 61Garrabost will be advised and arrangements will be made to market the garage property.

Garage, 61 Garrabost, Isle of Lewis, HS2 0PW

Front elevation – no gutters, fascias require renewal, door requires replacement.

Front/ Side elevation – Fascias require replacement.

Rear Elevation – fascia requires replacement, gutter to be installed.

Generally – roofing requires replacement of timbers and recovering. All masonry requires powerwash and painterwork.

No Internal services.

Property is not adjoined to HHP house at 61 Garrabost. Semi detatched with privately owned garage belonging to the adjacent property (former Nurses Cottage).

Financial Cost of reinstatement works

		Garage 61 Garrabost
Component – future replacement	**Replacement year**	**Costs (incl VAT)**
Roofing (including guttering, fascia)	2024	£6k
Render	2024	
Painterwork		£1k
Garage Door	2024	£1.8k
Total Cost		**£8.8k**
Rental income – per week (Gross)		**7.15**
Per year (53 weeks)		**£378.95**

ITEM NO 6.8

ICT HOSTING & SUPPORT– EXTENSION OF CONTRACT

Board 25 June 2024

Report by Director of Finance & Corporate Services

Purpose of Report

1.1 To obtain approval for the extension of the ICT Data-Hosting and Support contract.

Summary

2.1 We own our own ICT infrastructure but use external companies to host and support this infrastructure. This service is provided on a 24/7/365 basis.

2.2 We tendered for our hosting requirements in May 2018. This covered hosting and associated support for a four-year period from October 2018, with the option to extend the contract by two years and then a further 2 years (up to a maximum contract length of 8 years).

2.3 The tender was awarded to Kick ICT (Previously known as Castle).

2.4 We invoked the first 2-year support extension in June 2022 and propose invoking the final 2-year extension to enable Kick to continuing providing support until 30 September 2026.

2.5 Kick have provided a good service (as outlined in Appendix 1) and have supported us through significant change in the ICT landscape and markets.

Competence

3.1 The compliance issues relating to this report are at section 6.1 of the report.

Recommendations

4.1 **It is recommended that the Board approve the extension of the current ICT Hosting & Support contract from 1 October 2024 to 30 September 2026.**

APPENDIX 1:	KICK Performance April 2023 – March 2024	
Background Papers:	None	
Writer of Report:	Angus M Smith	Tel: 0300 123 0773

Angus M Smith 10-Jun-2024

Report Details

5.1 From October 2022 we entered into the first Kick 2-year Hosting and Support contract extension period.

5.2 The plan at that time was to use the first year of that extension to allow HHP to be supported whilst we worked out a new cost-effective hosting solution, and to then to have a second still-supported year to implement it.

5.3 The infrastructure and setup we now have is significantly more complex than the one we built in 2018/19. There are more inter-application and internal and external interdependencies.

5.4 Some of challenges which need to be addressed related to the increasing move to cloud-based software (including Microsoft 365); the move away from perpetual software licensing to subscription-based delivery; the integration of hybrid working; and the continued rollout of Cx, our Housing Management Software.

5.5 Cybercrime is an ever present risk and we continually review our security protocols to minimise this risk. The recent events at Comhairle nan Eilean Siar have highlighted this.

5.6 Moving to a new support provider is not a trivial exercise, as we would need to move our existing infrastructure to a new hosting provider (without downtime or business impact), and that new provider will need to understand our needs and complexities from day 1 of the new contract.

5.7 We are still involved in developing and rolling out aspects of our Cx Housing Management system, and requiring staff resource on ICT related issues such as data management/storage and moves away from our application delivery systems.

5.8 Planning, testing, implementing and providing training for this new hosting plan, whist at the same time requiring a possible migration and handover to a new support provider, and then continuing to meet the other ICT resourcing needs that are required would be difficult, complex, and a risk to the organization that we would want to avoid.

5.9 We therefore would wish to take advantage of this final hosting support extension period with Kick to allow us to:

a) Allow some time for the new Housing System and its various elements to bed in;

b) To complete work on other ICT support areas (particularly in relation to security)

c) Through the ICT and Digital Transformation Strategies to develop our future ICT business needs; and

d) To then allow us to develop a plan for our future hosting requirements.

5.10 Once that is completed and bedded in, we will then be in a position to undertake a new support tender exercise.

5.11 As stated, our plan had been to develop a new hosting plan in 2023. During that year we spent significant time, studying the market and emerging trends and good practice. With both Kick and Microsoft, we analysed our systems and evaluated our readiness to move to alternative delivery solutions.

5.12 This assessment of our systems identified a number of areas which required to be addressed as Microsoft have fundamentally changed their own products, functionality, or their licencing & support.

5.13 Over the last 8 months we have had to find acceptable resolutions that will satisfy and deliver our business needs over the next 5-year period, and that will link into the requirements of a new and revised ICT strategy.

5.14 The changes, threats and issues identified at paras. 5.3 – 5.7 have required new thinking and specific new solutions to be created in relation to:

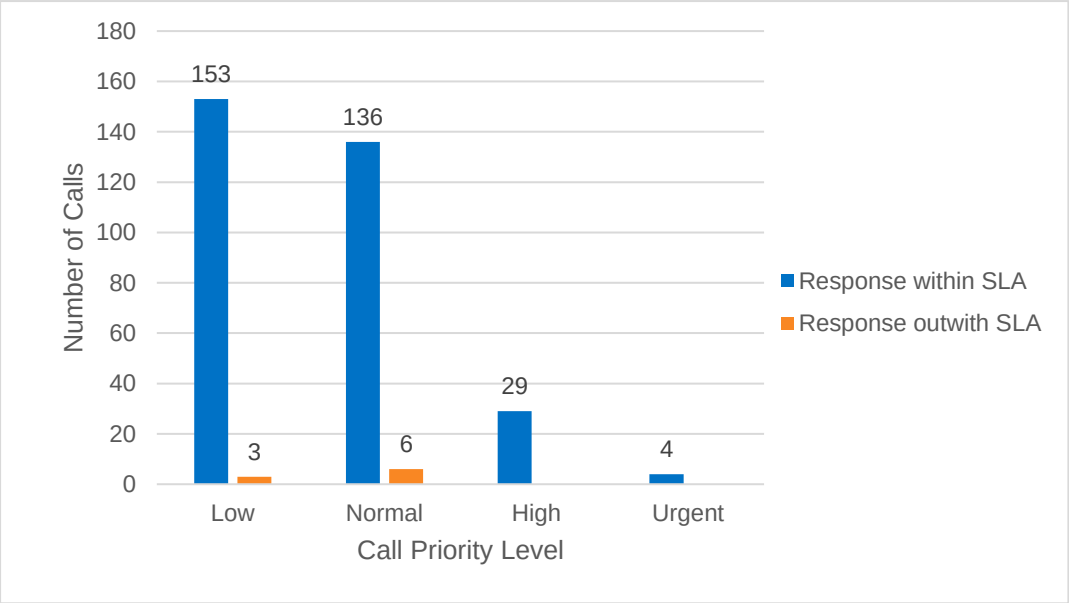
a) Data Storage and Backup
b) Application delivery methods
c) A new Server Virtualisation platform (VMWare or Hyper-V)
d) Business Continuity and Offsite storage
e) Upgrading of Server Operating System base
f) New Antivirus and Malware systems
g) Separation of CX Live and Test systems
h) Upgrade of Sage Finance System
i) Onboarding of Laptops and other Devices onto Intune
j) Changes to Firewall and other security systems

5.15 The final analysis and costed hosting plan will be considered at Managers Team meeting and by Executive Team before being brought to the Board for approval in August 2024.

6.1 Compliance Checklist

COMPLIANCE CHECKLIST	
Financial	Annual Hosting and ICT support costs of £10K and £24K respectively are provided for in 2024/25 budgets. An assessment of new hardware and software requirements will be presented as a separate report, coming to Board in August 2024.
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	Data Security and Integrity is highlighted on our Risk Register with a residual risk of 6 which is considered low.
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	Communication with KICK to formally extend the contract for the 2 year period, and further discussion on hosting requirements and implementation will be carried out with staff and partners.

Appendix 1



Kick Performance April 2023 to March 2024

SLA Response Times to Support calls (by Priority Level)

Key

Call Priority	Definition
Urgent	A system down, creating organizational wide problems.
High	A system down, only affecting small numbers of staff, but of critical business importance.
Normal	System issue, affecting only one person, and not significantly affecting business delivery.
Low	Setup and systems administration – usually relating to advice, guidance, patching and configuration (non-urgent).

Our servers were up for over 99% of the period, although specific systems and software suffered limited and compartmentalized downtime (amounting to less than 1% of total availability),

hebridean housing partnership

Making our house your home

ITEM NO 7.1

CORPORATE PAY POLICY

Board 25 June 2024

Report by Chief Executive

Purpose of Report

1.1 To present an updated Corporate Pay Policy for approval following the conclusion of the salary benchmarking exercise.

Summary

2.1 The Board agreed to a number of recommendations from the salary benchmarking exercise which have been incorporated into a revised Corporate Pay Policy at Appendix 1.

2.2 The section on equal pay has been updated to incorporate a formal annual equal pay review. This change has been discussed and agreed with Unison.

2.3 Grading Guidance has been updated to take into account the changes as a result of the Living Wage. Terms and Conditions have also been updated.

2.4 Paragraph 3.7 of the policy has been updated to clarify when and to whom overtime will be paid.

Competence

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

Recommendations

4.1 **It is recommended that the Board approve the updated Corporate Pay Policy at Appendix 1.**

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

Dena Macleod 07-May-24

5.1 Compliance Section

COMPLIANCE CHECKLIST	
Financial	There are no financial implications arising from the recommendations to this report being implemented
Legal	The approval and amendment of strategies is a matter reserved to the Board. The Board has referred the following function to the Audit & Risk Committee: • Monitoring and reviewing policies and procedures relating to the Board's system of internal control, risk evaluation and corporate governance. • Making arrangements to identify, review, evaluate and manage risks • Considering quarterly presentation on the evaluation of key business risks
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	Having a Corporate Pay Policy should reduce the risk of grievances around Pay and equal pay claims.
ESG	Reviewing the Corporate Pay Policy regularly ensures compliance with our ESG Strategy.
Equalities	An Equal Pay exercise has been carried out for 2024 and did not highlight any issues of inequality. The report will be considered by the Personnel Working Group.
Communication	The policy will be issued to staff for information and placed in our online Employment Handbook.

APPENDIX 1

CORPORATE PAY POLICY

APPROVED BY HHP BOARD:
EFFECTIVE DATE: June 2024

hhp | hebridean housing partnership

TABLE OF CONTENTS

INTRODUCTION 2

AIMS 2

PAY STRUCTURE 2

EQUAL PAY 4

PAY PROTECTION 5

MONITORING AND REVIEW OF POLICY 8

APPENDIX 1 – GRADES AT 1 APRIL 2024 9

APPENDIX 2 MULTI YEAR AGREEMENTS 10

INTERPRETATIONS & ABBREVIATIONS 11

INTRODUCTION

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

a) Enables an organisation to attract and retain employees of the calibre needed to achieve the objectives of the organisation;

b) Is competitive with local and business sector market; and

c) Is affordable, particularly in terms of the impact on total costs and viability.

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

a) Rewards effort;

b) Recognises contribution;

c) Acknowledges internal differentials;

d) Is competitive; and

e) Enables them to maintain a reasonable standard of living.

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

AIMS

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

PAY STRUCTURE

Grades

3.1 The grading structure which came into effect on 1 April 2019 was reviewed and amended in March 2024. The structure is used for all posts in the organisation with the exception of the Chief Executive as the Chief Executive salary scale is set by the Board.

3.2 Staff will progress through the points in their band following confirmation from their line manager that satisfactory progress has been made during the full year and

necessary qualifications (where applicable) have been achieved. Increments will be awarded 1 October each year.

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

3.4 New posts will be evaluated using the Grading Guidance which was prepared following the Job Evaluation exercise in 2019.

3.5 The payscales are at Appendix 1 and will be updated annually following the cost of living review.

Benchmarking

3.6 Salaries will be benchmarked every three years, with the next review due to be completed by March 2027.

Overtime

3.7 Overtime must be authorised in advance and will only be paid in exceptional circumstances.

Pay Award

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

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

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

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

Scottish Government Living Wage

3.12 All staff will be paid at least a minimum hourly rate of the Scottish Government Living Wage. This includes Modern Apprentices.

Temporary Staff

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

Jury Service

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

EQUAL PAY

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

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

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

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

4.5 Our objectives are to:

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

b) Take appropriate remedial action;

4.6 We will:

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

b) present a report to the Personnel Working Group with the outcomes of the annual equal pay review;

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

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

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

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

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

PAY PROTECTION

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

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

Conditions of Eligibility

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

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

1) restructuring or organisational change;

2) redundancy; or

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

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

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

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

5.4 Pay protection will not apply where:

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

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

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

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

The Scope of Pay Protection

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

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

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

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

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

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

The Protection Period

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

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

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

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

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

Support For Employees Whose Pay Is Protected

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

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

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

Future Pay Increases

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

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

Pensions

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

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

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

MONITORING AND REVIEW OF POLICY

6.1 This policy will be fully reviewed every three years and the pay scales at Appendix 1

APPENDIX 1 – GRADES AT 1 APRIL 2024

			01 April 2024	Notes
H4	H	4	*£76,284*	
H3	H	3	*£73,741*	
H2	H	2	*£71,279*	
H1	H	1	*£68,910*	
G4	G	4	£63,570	
G3	G	3	£61,454	
G2	G	2	£59,400	
G1	G	1	£57,426	
F5	F	5	£50,856	
F4	F	4	£48,954	
F3	F	3	£47,113	
F2	F	2	£45,343	
F1	F	1	£43,644	
E5	E	5	£40,685	
E4	E	4	£39,159	
E3	E	3	£37,694	
E2	E	2	£36,280	
E1	E	1	£34,918	
D5	D	5	£33,056	
D4	D	4	£31,815	
D3	D	3	£30,625	
D2	D	2	£30,005	
D1	D	1	£28,683	
C4	C	4	£28,276	
C3	C	3	£27,462	
C2	C	2	£26,445	
C1	C	1	£25,428	
B4	B	4	£23,902	
B3	B	3	£23,394	
B2	B	2	£22,885	
B1	B	1	£22,377	
A1	A	Living Wage	£21,840	(i)

NOTES

(i) to be increased in line with Govt Announcements

APPENDIX 2 MULTI YEAR AGREEMENTS

NONE IN PLACE AT PRESENT – 8 MAY 2024

INTERPRETATIONS & ABBREVIATIONS

The following interpretation and abbreviations are used in this policy:

WORD	INTERPRETATION
HHP or Partnership	Hebridean Housing Partnership
Board	Means the Board of the Hebridean Housing Partnership
Board Members	All Members of the Board including Co-opted Members and Area Committee Members
Close relative and/or Member of the family	A person is a close relative or a member of the family if: 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.
EOC	Equal Opportunities Commission
All references to the masculine gender in this policy shall read as equally applicable to the feminine gender	

If there is 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 7.2

RISK MANAGEMENT STRATEGY

Board 25 June 2024

Report by Chief Executive

Purpose of Report

1.1 To review the 2024 review of the effectiveness of our Risk Management Strategy.

Summary

2.1 In accordance with the Strategy, an annual review of the effectiveness of our Risk Management Strategy was carried out by the Executive Team and can be found at Appendix 1.

2.2 There will be a full review of the Strategy in 2025.

Competence

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

Recommendations

4.1 **It is recommended that the Board note the 2024 review of the effectiveness of the Risk Management Strategy.**

APPENDIX 1	2024 Risk Management Strategy Review	
Background Papers	None	
Writer of Report	Dena Macleod	Tel: 0300 123 0773

Dena Macleod 07-May-24

5.1 Compliance Section

COMPLIANCE CHECKLIST	
Financial	There are no financial implications arising from the recommendations to this report being implemented.
Legal	The approval and amendment of strategies is a matter reserved to the Board. The Board has referred the following function to the Audit & Risk Committee: • Monitoring and reviewing policies and procedures relating to the Board's system of internal control, risk evaluation and corporate governance • Making arrangements to identify, review, evaluate and manage risks • Considering quarterly presentation on the evaluation of key business risks
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	A Risk Management Strategy is critical to our long-term viability. Reviewing and updating the Strategy regularly ensures a solid foundation for good governance and mitigates the risk of poor governance.
ESG	The ESG Strategy requires that we regularly evaluate and update all risks to the organisation through our risk register. The Risk Register is reviewed monthly and the annual review of the Strategy provides additional assurance that risks are being effectively identified and managed.
Equalities	Nothing was highlighted in the review which will affect our commitment to promoting equality, diversity and inclusion.
Communication	The report was discussed at Executive Team and at Managers meeting prior to being considered by the Board.

Risk Management

Strategy Effectiveness 2024

Ref	Section	Effectiveness	Actions
2	Aims	Effective no change required	None
3	Essential elements		None
4	Key Aspects		None
5	Planning		None
6	Risk Categories		None
7	Prioritising Risk		
8	Governance		None
9	Risk-Co-ordinator	Effective	This is to be moved in the Corporate Service Officers Job Description
10	Reports	Effective	
11	Risk Capacity	Effective	Include 2025 review in overall Business Plan Review

I can confirm that Executive Team reviewed the Strategy against the last 12 months of operation and the results and actions are as above.

Dena Macleod, Chief Executive 7 May 2024

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) STRATEGY ANNUAL REVIEW

Board 25 June 2024

Report by Chief Executive

Purpose of Report

1.1 To review our annual performance against the Environmental, Social and Governance (ESG) Strategy.

Summary

ESG Strategy

2.1 The ESG Strategy is a systematic approach for identifying and assessing how effective we are in running our business (Governance), managing our impact on the environment (Environmental) and on the communities in which we operate (Social). It allows us to demonstrate our sustainability as an organisation and inform our corporate decision-making in line with our overall vision.

2.2 A review of our annual performance is attached at Appendix 1.

2.3 Our measurement against the Sustainable Reporting Standard for Social Housing is attached at Appendix 2.

2.4 Our Action plans for 2024/25 are attached at Appendix 3.

Competence

3.1 The compliance issues relating to this report are at section 7.1 of the report.

Recommendations

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

a) note the ESG 2023/24 annual review at Appendix 1;

b) note the 2023/24 measurement of performance at Appendix 2; and

c) approve the ESG 2024/25 action plans at Appendix 3.

APPENDIX 1:	ESG Review 2023/24	
APPENDIX 2:	ESG SRS 2023/24	
APPENDIX 3:	ESG 2024/25 Action Plans	
Background Papers:	None	
Writer of Report:	Peter O'Donnell	Tel: 0300 123 0773

Report Details

ESG Changes

5.1 The ESG Strategy was developed to show how we undertake our business activities in a sustainable manner. The overall aim was to provide a robust framework within which informed decisions could be made that ensure sustainability is at the core of our business and that the outcomes from our activities are delivered in a sustainable manner that provides positive outcomes for our tenants and the wider community in which we operate.

5.2 Climate change is still one of the biggest challenges within the Outer Hebrides and has deteriorated since the ESG Strategy was put in place with global temperatures increasing and more global events than ever causing heat waves, floods and crop failures.

5.3 The goal of the UK Government to reach Net-Zero by 2050 is under threat with funding being reduced.

5.4 The Scottish Government has scrapped the target of 75% reduction in greenhouse gas emissions by 2030 although it still intends to meet net zero by 2045, which is extremely ambitious.

5.5 The Scottish Government is consulting on a new Social Housing Net Zero Standard (SHNZS) which will replace the Energy Efficiency Standard for Social Housing.

ESG Overall Performance

5.6 A summary of our ESG performance during 2023/24 is captured in the ESG Review document at Appendix 1.

ESG Measurement

5.7 We have not signed up to the Sustainable Reporting Standard for Social Housing but it remains an example of best practice and should be used as a measurement tool to demonstrate our progress.

5.8 A summary of our SRS measurement is attached at Appendix 2.

ESG Action Plans

5.9 Annual ESG Action plans should be prepared by each section to show our business-wide commitment to the Strategy. They should align with ESG themes or the SRS measurements.

5.10 Action plans for 2024-25 are attached at Appendix 3.

9.1 Compliance Checklist

COMPLIANCE CHECKLIST	
Financial	There are no financial implications arising from ESG Strategy. All ESG actions require to be approved to ensure they are either delivered within current budgets, use externally sourced funding or realise savings from the proposed change.
Legal	The 'Climate Change (Emissions Reduction Targets) (Scotland) Act 2019 was passed by the Scottish Parliament on the 26th September 2019 detailing new carbon emission reduction targets for Scotland.
Regulatory	The Regulatory Standards Checklist has been completed and there is nothing in this report which would breach these standards.
Risk	There are a number of risks highlighted in the Risk Register concerning • The risk of failing to meet the Climate Change (Emissions Reduction Targets) (Scotland) Act 2019 will have an adverse impact on our islands and our organisaton. • Climate change is recognised as a top priority risk in our risk register. It Is not only recognized on its own but is embedded within other top priorities such as changing demographics; supply chain issues and affordability. It is evident in other priorities such as governance; transport links; service delivery and health and safety.
ESG	This report and Action plan ensures ESG considerations are factored into every aspect of the organisation.
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, action plans will be implemented and monitored.

Hebridean Housing Partnership

2023/24

ESG ANNUAL REVIEW

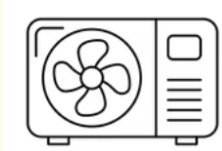
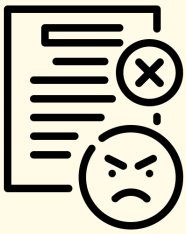
Environmental	Social	Governance

OUR ESG APPROACH

The Environmental, Social and Governance (ESG) Strategy is a systematic approach for identifying and assessing how we run ourselves effectively (Governance) and how we manage our impact on the environment (Environmental) and on the communities in which we operate (Social). It allows us to demonstrate our sustainability as an organisation and guide our corporate decision-making in line with our overall vision.

To measure our ESG performance we will use the Sustainability Reporting Standard for Social Housing (SRS) by Sustainability for Housing and The Good Economy as best practise. The SRS provides a wide range of quantitative and qualitative criteria across 12 ESG themes which we can report against on an annual basis. This will provide us with the opportunity to transparently demonstrate our progress in a clear and consistent manner, and understand our progress as part of wider international sustainability efforts.

ESG 2023-24 highlights

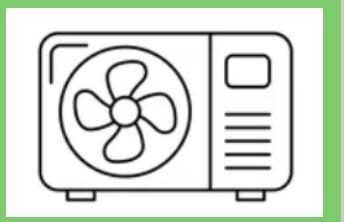
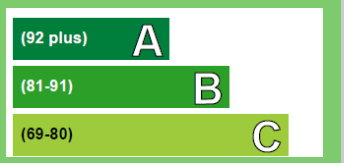
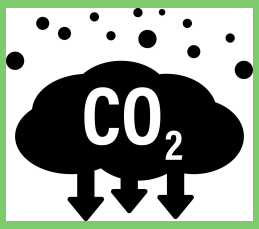
57 energy efficient new homes built	126 new heat pumps installed	1366 of homes at Band C or above	Completed 93% of Stage 2 complaints within timescale	£4000 to local charities
				

100% gas boilers serviced within MOT date	50 new flats with extra care completed	£40K of fuel vouchers from SFHA distributed to tenants	over 6100 electric miles from our EV	346 households shared nearly £25k of Co-op vouchers

Environment

Net Zero Funding

This year we received £950k from the Scottish Government's Social Housing Net Zero Fund enabling the installation of 126 air source heat pumps. Heat pumps are classed as zero emissions heating and will help us meet the new Net Zero targets due to be set by the Scottish Government. The average carbon saving from each installation is 3.1 tonnes which equates to almost 400 tonnes of carbon dioxide saved per year from these homes by switching to air source heat pumps.

 Heat pumps in 1536 HHP homes	 Average SAP 73 for heat pumps	 3.1 tonnes of carbon dioxide saved	Tackling Fuel Poverty

This year we also responded to the Scottish Government's Social Housing Net Zero Standard. The proposals include introducing a fabric efficiency rating equivalent to the current bands C to B to be met by 2033. If the standard was introduced this year, 73% of our stock would pass.

Other proposals include a change to the EPC certification system to take account of the new fabric rating, ventilation strategies to ensure air quality within homes and the installation of clean heating systems (non-fossil fuel) in all homes by 2045. We currently have 80% of our stock with clean heating systems and will report on proposals for fossil fuels in 2024-25.

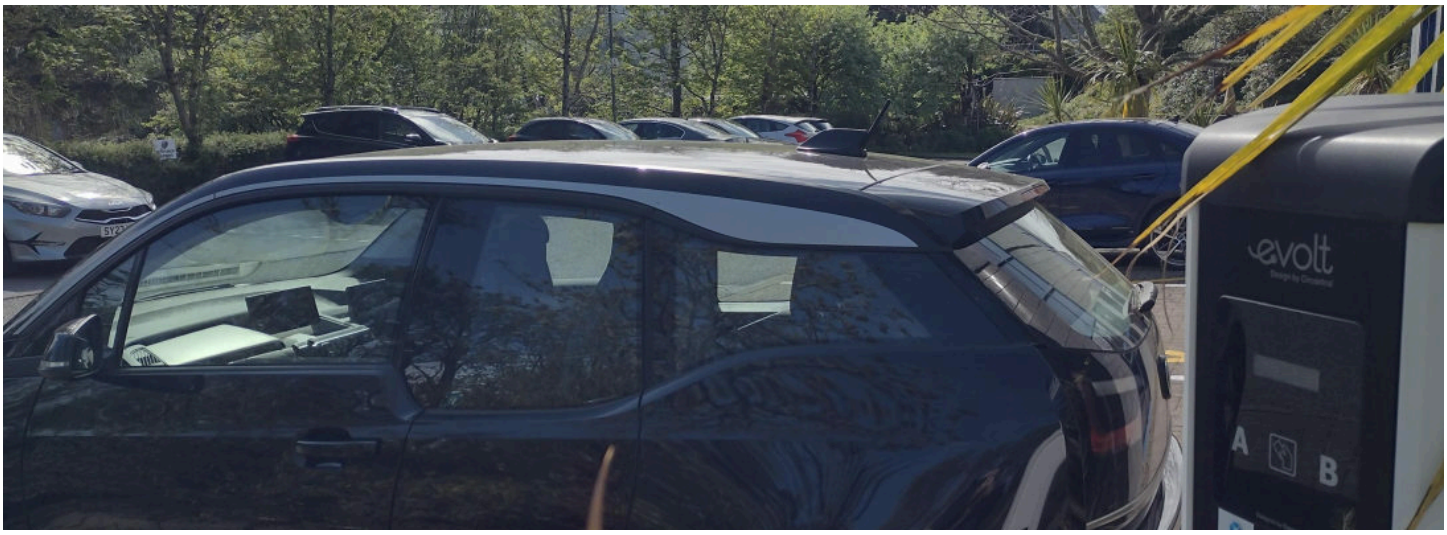
In January we concluded our external wall insulation programme where we transformed 15 Swedish timber houses and 8 Scan system timber houses across the islands. As well as saving tenants energy and reducing carbon, the works transformed the appearance of the houses much to the delight of the tenants. The works also received £330k from the Scottish Government's Social Housing Net Zero Fund.

Waste Reduction and Recycling

Air source heat pumps are not the only way we help to improve our relationship with the planet. Each year we cut areas of grass equivalent to hundreds of football pitches but what do we do with all that grass?

In Rural Lewis, Harris, Uist and Barra we mulch the grass and leave the finely cut shreds to be blown back into the grass to feed the soil. Not only is this method sustainable but there is no need to collect the cuttings and dispose of them elsewhere.

In Stornoway we collect the grass cuttings and take them to the Creed Park Waste Management Facility to process in their Anaerobic Digester. The compost product from the digester is used in civil engineering landscaping and for landfill restoration. The biogas produced during the anaerobic digestion process is used to generate electrical energy and to heat the digester via a combined heat and power (CHP) biogas engine.



Electric Vehicles

This year we covered over 6100 miles with our EV in Stornoway. We are now committed to purchasing a long range EV for our team in Uist and will look to boost our zero emissions mileage through making our Stornoway EV charger available to staff and visitors.

Development

Through our development work we have delivered on our promise to build new affordable, efficient homes for the tenants of the Outer Hebrides with 56 new builds and one conversion in 2023-24.

This year we completed the 50 flats at Bremner Court in Stornoway and renovated the former care facility at Eireastaidh. In Barra, 6 houses at Cleat Road End were handed over. The average SAP for Bremner Court was 83 whereas the Barra houses all scored 88.

Housing for Varying Needs

This year we contributed to the Scottish Government consultation on a review of the Housing for Varying Needs design guide which seeks to future proof new build homes. The guide has not been updated since 1998 and now needs to take into account changes in technology, our ageing population and their changing needs, lessons from COVID 19 and improving accessibility for standard, wheelchair and ambulant disabled users.

Social

Bremner Court

Our new development at Bremner Court is a 50 flat housing with extra care facility which is located adjacent to the Comhairle's Taigh Shiphoirt Care Home and our own Sinclair Avenue development. It was designed to support the health and wellbeing of our tenants with additional needs in a bespoke environment. In particular the courtyards provide sheltered, attractive, useable garden and recreation space

The development received an award from SURF, Scotland's Regeneration Forum, where the judges recognised "the research and frontline engagement" of the design which has resulted in "personalised spaces for the delighted tenants and much improved working environments for staff, leading to healthier and happier lives and a real positive addition for the wider island provision."

The Housing with Extra Care flats has an allocation panel with presence from both HHP and Health & Social Care to identify residents and their care needs through to allocation and relocation. Regularly scheduled meetings will allow all partners to ensure the residents changing needs are addressed timeously.

The development also provides a new home for Faire, the Western Isles Community Alarm Service, Cycling Without Age and Alzheimer Scotland who provide day care services in Stornoway.

Fuel Vouchers

Many of the environmental and social aims are interlinked. For example, ensuring our homes are as energy efficient as possible both reduces the emissions from those homes and reduces tenants' bills, making the homes more affordable. Despite this there are still tenants who struggle and need additional support due to a number of other factors such as the current cost of electricity.

To meet this need we are always seeking additional funding to help our tenants. particularly over the colder winter months when energy bills can increase sharply, especially for those on pre-payment meters. This year we were successful in our funding bid to the SFHA and distributed £40k of fuel vouchers to help our tenants meet the cost of heating their homes.

We also provided £25k to tenants in Co-op vouchers to help with fuel costs. This included payments to tenants whilst repairs were being carried out on their heating system. The vouchers covered the energy cost of temporary heaters.

Complaints

We continue to make complaints a high priority to ensure our customers receive a high quality service. This year we received 99 complaints of which 93% were completed within SPSO timescales. 15% where upheld. 3 complaints were taken to the SPSO but none were progressed.

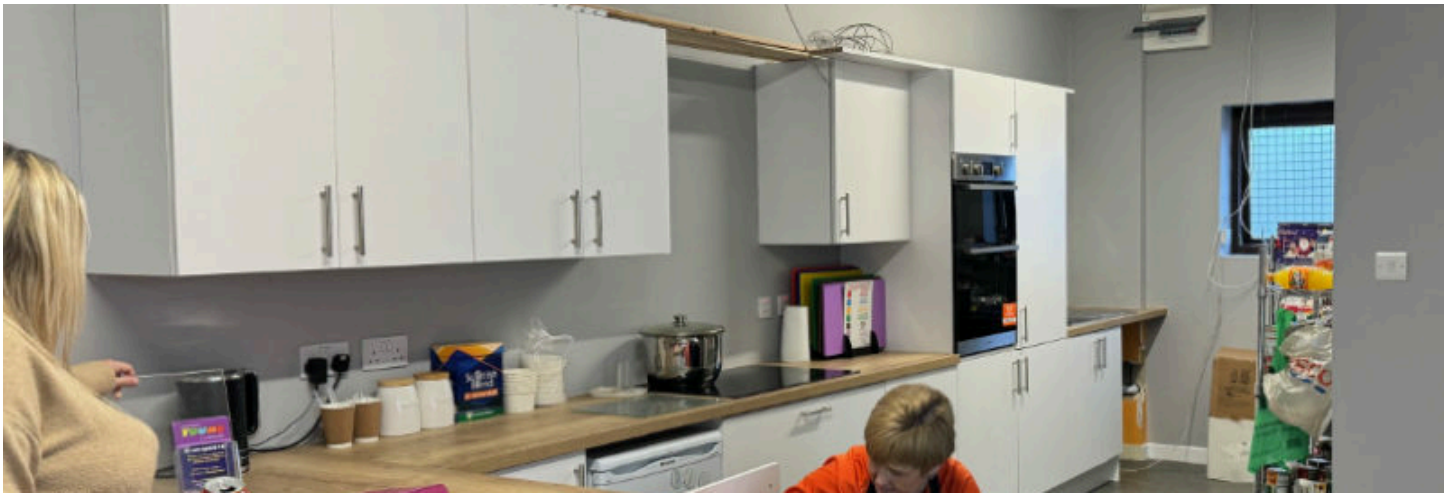
Charity Presentations

Each year donations are made to charities chosen by staff. This year £1000 cheques were handed out to Stornoway PHAB Club, Macmillan Cancer Support, Caraidean Uibhist and Autism Eilean Siar.

On 8 December 2023 Chair, Gordon Macleod joined by Chief Executive Dena Macleod presented a cheque for £1000 to representatives of Autism Eilean Siar (pictured above), during which we were given some background on their organisation and some insight into how the monies would be used.

Autism Eilean Siar is a local parent-led charity set up to support anyone living in the Western Isles who is affected by autism or additional support needs. Parent/Carer support drop-ins and meeting are held monthly. Activities and events are organised for children and for adults affected by autism, outings are arranged to help aid socialisation.

HHP are committed to continuing to assist other locally-based charitable organisations and thank all the chosen charities for the work they do throughout our communities.



Other initiatives

Throughout the year we provided support to other agencies and projects such as he Community Fridge located within the Cearns Community Shop which is supported through a peppercorn rent to ensure its continued success in delivering to those in need within the Stornoway North area.

Governance

As an organisation, we need to have robust measures in place to ensure we govern ourselves as effectively as possible in order to deliver our objectives. To do this, we are:

- Ensuring governing body members have the relevant skills, experience and knowledge
- Supporting the health and wellbeing of our staff
- Complying with legislative and regulatory requirements

Business Plan

In preparation for the new 4 year Business Plan we held a Business Planning Day with staff, Board members and Community partners. The focus of the meeting was to analyse the opportunities and challenges facing HHP and our islands and how we can then contribute to shaping the future. Emphasis was placed on the 4 strategic goals set by our Board which follow the themes set out by our ESG strategy:

- Placing tenants at the heart of everything we do
- Investing in a sustainable way in tenants' homes
- Being an excellent employer that attracts and retains high quality staff
- Working with partners to help our communities thrive

Policies

During the year we updated the following policies to support the health and wellbeing of staff:

- New & Expectant Mothers
- Lone Working
- Flexible Working
- Engagement
- Special Leave
- Workforce Strategy
- Adoption Leave
- Parental Leave
- Stress Management
- Fair Work First

ESG: A look forward

ESG Action plans for all sections will deliver results in all aspects of our Business. These plans will be approved by our Board in June and monitored through our Managers monthly meetings. They will be reported quarterly to monitor progress.

Environmental	• Install 106 new air source heat pumps through SHNZF • Increase electrical mileage by purchase of Uist EV vehicle • Develop our Net Zero Strategy
Social	• Support placemaking through Community Benefit • Seek funding to support those struggling with energy bills • Complete our first Equal Opportunities Outdoor and Inclusion Day
Governance	• Wellbeing Strategy • Culture Audit • Carbon assessment

Hebridean Housing Partnership

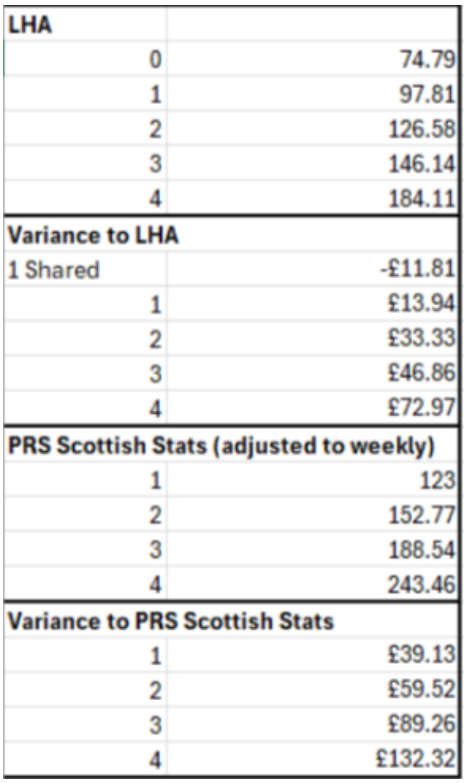
2023/24

SUSTAINABILITY REPORT

Sustainability Reporting Standard for Social Housing

Our measurement of ESG performance will follow the Sustainability Reporting Standard for Social Housing (SRS) by Sustainability for Housing and The Good Economy. The SRS provides a wide range of quantitative and qualitative criteria across 12 ESG themes which we should report against on an annual basis as it is an example of best practise.

This will provide us with the opportunity to transparently demonstrate our progress in a clear and consistent manner, and understand our progress as part of wider international sustainability efforts.

Theme	Criteria	Description	Performance
Affordability and Security	C1	For properties that are subject to the rent regulation regime, report against one or more Affordability Metric: 1) Rent compared to Median private rental sector (PRS) rent across the Local Authority 2) Rent compared to Local Housing Allowance (LHA)	 **LHA** 0 74.79 1 97.81 2 126.58 3 146.14 4 184.11 **Variance to LHA** 1 Shared -£11.81 1 £13.94 2 £33.33 3 £46.86 4 £72.97 **PRS Scottish Stats (adjusted to weekly)** 1 123 2 152.77 3 188.54 4 243.46 **Variance to PRS Scottish Stats** 1 £39.13 2 £59.52 3 £89.26 4 £132.32
Affordability and Security	C2	Share, and number, of existing homes (owned and managed) completed before the last financial year allocated to:	General Needs: 2326 HWEC: 50 Managed: 3
Affordability and Security	C3	Share, and number, of new homes (owned and managed) that were completed in the last financial year, allocated to:	General Needs: 7 HWEC: 50
Affordability and Security	C4	How is the housing provider trying to reduce the effect of fuel poverty on its residents?	94% compliant with EESSH and on track to meet Net Zero standards
Affordability and Security	C5	What % of rental homes have at least a 3 year tenancy agreement?	Scottish Secure Tenancies with only 9 Short Secure Tenancies in place
Building Safety and Quality	C6	What % of homes with a gas appliance have an in-date, accredited gas safety check?	100%
Building Safety and Quality	C7	What % of flatted buildings have an in-date and compliant Fire Risk Assessment?	All 3 storey + flatted properties have up to date compliant FRA's

Theme	Criteria	Description	Performance
Building Safety and Quality	C8	What % of homes meet the Social Housing Quality Standard?	92.9%
Resident Voice	C9	What arrangements are in place to enable tenants to hold management to account for provision of services?	Tenant Participation (TP) Strategy Tenant Engagement Officer
Resident Voice	C10	How does the housing provider measure Tenant Satisfaction and how has Tenant Satisfaction changed over the last 3 years?	2021 – 86% Tenant Satisfaction Survey carried out every 3 years. BP target of 88% for 2024
Resident Voice	C11	In the last 12 months, how many complaints have been upheld by the Ombudsman. How have these complaints resulted in change of practice within the housing provider?	3 complaints progressed to SPSO 0 were upheld by SPSO
Resident Voice	C12	What support services does the housing provider offer to its tenants. How successful are these services in improving outcomes?	We recieved funding from SFHA and have provided £40,000 of cash vouchers to 394 tenants to assist with energy costs.
Placemaking	C13	Provide examples or case studies of where the housing provider has been engaged in placemaking or place-shaping activities.	Blackwater development includes works to link to adjacent scheme and playpark. Community benefit used to improve and enhance the existing playpark Working together with Playpark Community Group
Climate Change	C14	Distribution of EPC ratings of existing homes (those completed before the last financial year).	A - 0.5% B - 8.5% C - 64% D - 26% E - 1%

Theme	Criteria	Description	Performance
Climate Change	C15	Distribution of EPC ratings of new homes (those completed in the last financial year)	B - 98% C - 2%
Climate Change	C16	Scope 1, Scope 2 and Scope 3 greenhouse gas emissions.	No information available
Climate Change	C17	What energy efficiency actions has the housing provider undertaken in the last 12 months?	Installed 137 new air source heat pumps Installed 1 heat network serving 50 flats Concluded External Wall Insulation works to 23 Swedish Timber homes
Climate Change	C18	How is the housing provider mitigating the following climate risks: - Increased food risk - Increased risk of homes overheating	No information being gathered at present
Climate Change	C19	Does the housing provider give residents information about correct ventilation, heating, recycling etc? Please describe	Heating guides available for all heating types. Top tips for air source heating
Ecology	C20	How is the housing provider increasing Green Space and promoting Biodiversity on or near homes?	Goathill project includes large green space, re-introduction of the Seaforth Well and a newly planted wild meadow
Ecology	C21	Does the housing provider have a strategy to actively manage and reduce all pollutants? If so, how does the housing provider target and measure performance?	Strategy to be in place by 2028

Theme	Criteria	Description	Performance
Resource Management	C22	Does the housing provider have a strategy to use or increase the use of responsibly sourced materials for all building works? If so, how does the housing provider target and measure performance?	Investment and Framework contracts have sustainability as part of the scoring requirements. The weighting is 10% of overall scoring.
Resource Management	C23	Does the housing provider have a strategy for waste management incorporating building materials? If so, how does the housing provider target and measure performance?	Strategy to be in place by 2028
Resource Management	C24	Does the housing provider have a strategy for good water management? If so, how does the housing provider target and measure performance?	We know the impact that flooding and other extreme weather events has on our buildings. Strategy to be in place by 2028
Structure and Governance	C25	Is the housing provider registered with the national regulator of social housing?	Registered Social Landlord with the Scottish Housing Regulator Registration Number: 359 Registered Property Factor
Structure and Governance	C26	What is the most recent regulatory grading/status?	HHP is a systemically important landlord regulated by the Scottish Housing Regulator and has a "Compliant" regulatory status for 2023/24
Structure and Governance	C27	Which Code of Governance does the housing provider follow, if any?	We comply with the Scottish Housing Regulator's Standards of Governance and Financial Management

Theme	Criteria	Description	Performance
Structure and Governance	C28	Is the housing provider Not-For-Profit? If not, who is the largest shareholder, what is their % of economic ownership and what % of voting rights do they control?	We are Not-For-Profit
Structure and Governance	C29	Explain how the housing provider's board manages exceptional risk.	Risk Management Strategy which includes Risk Appetite and Risk Register Business continuity Plan
Structure and Governance	C30	Has the housing provider been subject to any adverse regulatory findings in the last 12 months (data protection breaches, bribery, money laundering, HSE breaches etc) - that resulted in enforcement or other equivalent action?	No
Board and Trustees	C31	What are the demographics of the board?	Men: 8 Women: 4 Disability: 2 Age: Ranging from 38 to 74 years of age
Board and Trustees	C32	What % of the board and management team have turned over in the last two years? Add commentary if useful.	Board: 18% Executive Team: 0% Management: 0%
Board and Trustees	C33	Is there a maximum tenure for a board member? If so, what is it?	9 years but can be extended by assessment
Board and Trustees	C34	What % of the board are non-executive directors?	100%

Theme	Criteria	Description	Performance
Board and Trustees	C35	Number of board members on the Audit Committee with recent and relevant financial experience.	1
Board and Trustees	C36	Are there any current executives on the Remuneration Committee	The Chief Executive will provide advice to the Working Group except where external expertise and knowledge is required, or a decision is required on the remuneration or terms and conditions of the Chief Executive.
Board and Trustees	C37	Has a succession plan been provided to the board in the last 12 months?	No
Board and Trustees	C38	For how many years has the housing provider's current external audit partner been responsible for auditing the accounts?	5 Years
Board and Trustees	C39	When was the last independently-run, board-effectiveness review?	2021/22
Board and Trustees	C40	Are the roles of the chair of the board and CEO held by two different people?	Yes
Board and Trustees	C41	How does the housing provider handle conflicts of interest at the board?	There is a Code of Conduct for Board Members All Members must declare any interests and these are held and published in a Register of Interests, which Members must keep updated. During meetings, Members must declare any interest in a matter and are required to leave the

			meeting while the matter is discussed. Any interests declared during a meeting are recorded in the minutes.
Theme	**Criteria**	**Description**	**Performance**
Staff Wellbeing	C42	Does the housing provider pay the Real Living Wage?	We pay the Real Living Wage
Staff Wellbeing	C43	What is the median gender pay gap?	Draft information available, being validated.
Staff Wellbeing	C44	What is the CEO:median-worker pay ratio?	Draft information available, being validated.
Staff Wellbeing	C45	How does the housing provider support the physical and mental health of their staff?	Alongside a suite of health policies staff have access to an occupational health specialist.
Staff Wellbeing	C46	What is the average number of sick days (both long and short term) taken per employee?	Short-term: 4.4 days Long-term: 34.7 days
Supply Chain	C47	How is Social Value creation considered when procuring goods and services?	Social value created through community benefit requirements Social Value Report due by 2026
Supply Chain	C48	How is Environmental impact considered when procuring goods and services?	Investment and Framework contracts have sustainability as part of the scoring requirements. The weighting is 10% of overall scoring

ESG STRATEGY SECTION ACTION PLANS 2024-25

Environmental	Social	Governance

CUSTOMER SERVICES

THEME	TYPE of CRITERIA	CRITERIA	MEASUREMENT	TARGET
T3	Resident Voice	What arrangements are in place to enable the residents to hold management to account for provision of services?	Number of complaints received and upheld.	Less than 35% upheld.
T3	Resident Voice	What arrangements are in place to enable the residents to hold management to account for provision of services?	Number of complaints responded to within SPSO target timescales.	100% to be responded to on time.
T3	Resident Voice	How does the Housing Provider measure Resident Satisfaction and how has Resident Satisfaction changed over the last three years?	Overall satisfaction measured during the 3-yearly tenant satisfaction survey. To be carried out in 2024/25.	88% overall satisfaction.
T3	Resident Voice	How does the Housing Provider measure Resident Satisfaction and how has Resident Satisfaction changed over the last three years?	Point of service satisfaction survey for the repairs service.	>90% satisfaction with the repairs service.
T5	Resident Voice	In the last 12 months, how many complaints have been upheld by the Ombudsman? How have these complaints (or others) resulted in change of practice within the Housing Provider?	Number of complaints that have gone to the Ombudsman and they have upheld the complaint.	Zero complaints to be upheld by the SPSO.
T4	Resident Support	What support does the Housing Provider offer to its residents? How successful are these?	Equal Adventure outings to get tenants outside and to give them a chance to voice their	Hold a minimum of 2 Equal Adventure outings.

THEME	TYPE of CRITERIA	CRITERIA	MEASUREMENT	TARGET
		services in improving outcomes?	opinions in a different setting.	
T4	Resident Support	What support does the Housing Provider offer to its residents? How successful are these services in improving outcomes?	Support engagement via Community Grant Applications for improving local areas.	Assist with 3 Community Grant Applications.
T4	Resident Support	What support does the Housing Provider offer to its residents? How successful are these services in improving outcomes?	Seek out funding to provide tenants with additional financial support.	Assist 250 tenants with fuel vouchers.
T4	Resident Support	What support does the Housing Provider offer to its residents? How successful are these services in improving outcomes?	Housing Officer & Tenant Engagement drop ins being trialled in Cearns.	Hold 6 drop ins at the Resource Centre in 2024/25.
T4	Resident Support	Provide examples or case studies of where the Housing Provider has engaged in placemaking or placeshaping activities.	Attendance at tenant/resident meetings.	Tenant Engagement Officer to attend 80% of resident meetings invited to.
T4	Resident Support	Provide examples or case studies of where the Housing Provider has engaged in placemaking or placeshaping activities.	Tenant Events with partners.	Hold a tenant event in Stornoway, Uist and Barra with relevant partners in attendance.

REPAIRS SERVICE

THEME	TYPE of CRITERIA	CRITERIA	MEASUREMENT	TARGET
T2	Building Safety and Quality	What % of homes with a gas appliance have an in-date, accredited gas safety check?	Number of gas appliances houses serviced within MOT date.	100%
T2	Building Safety and Quality	What % of buildings have an in-date and compliant Fire Risk Assessment?	3 storey flats and above with compliant FRA.	100%
T2	Building Safety and Quality	What % of homes have an up-to-date Domestic Electrical Condition Report or Domestic Installation Certificate.	Measured through ARC.	100%
T3	Resident Voice	We will engage with our tenants through surveys to evaluate satisfaction with our repair services.	Tenant Satisfaction Surveys.	10% collection 95% satisfaction
T5	Placemaking	Use community benefit to enhance communities.	Repair and Maintenance contract.	3 scheme enhancements 5 apprenticeships
T6	Climate Change	We will use EPC environmental impact ratings from our existing and future EPC's to measure carbon dioxide emissions from our housing.	Collect data from all new EPC's and add to database.	60% of stock
T6	Climate Change	We will ensure sustainability is embedded within all contract documentation.	Forms part of Repairs framework scoring.	In place
T6	Climate Change	Reduce waste and increase the use of recycled materials	Forms part of Repairs framework scoring.	In place
T7	Ecology	We will take a more sustainable approach to grounds maintenance and	Contract specification.	In place

THEME	TYPE of CRITERIA	CRITERIA	MEASUREMENT	TARGET
		introduce tree planting and biodiversity where possible. Mulching		
T8	Resource Management	Regularly review standard specifications having regard to the environmental impact of individual products and materials.	Specification reviewed and signed off by Director.	November 2024
T12	Supply Chain Management	Review procurement practices to maximise local sourcing of materials and the reduction of transport (energy) costs, where this is compatible with other objectives.	Repairs and Maintenance Contract: 6 monthly review.	Successful review
T12	Supply Chain Management	Work with our contractor base to reduce waste and increase the use of recycled materials.	Repairs and Maintenance Contract: 6 monthly review.	Successful review

INVESTMENT

THEME	TYPE of CRITERIA	CRITERIA	MEASUREMENT	TARGET
T2	Building Safety and Quality	What % of homes with a gas appliance have an in-date, accredited gas safety check?	Number of gas appliances houses serviced within MOT date.	100%
T2	Building Safety and Quality	What % of buildings have met EESSH?	Measured through ARC.	100% (excl. exemptions)
T2	Building Safety and Quality	What % of homes meet the SHQS standard?	Measured through ARC.	100% (excl. exemptions)
T3	Resident Voice	We will engage with our tenants through surveys to evaluate satisfaction with our services.	Tenant Satisfaction Surveys.	30% returns 9/10 performance
T4	Resident Support	We will provide tenants with guides on how to use their heat pump efficiently. We will provide tenants with guides on how to use their ventilation fans and understand ventilation in general to avoid damp and mould.	Number of guides issues. Number of guides issues.	
T5	Placemaking	Use community benefit to enhance communities.	Investment contracts.	3 schemes per year
T2	Climate Change	We will continue to support the installation of low emissions heating systems and insulation in line with the Scottish Government's Heat in Buildings strategy to create affordable homes and eradicate fuel poverty leaving tenants in a better financial position.	Number of air source heat pumps installed. Number of other electric heating systems installed.	106 9

THEME	TYPE of CRITERIA	CRITERIA	MEASUREMENT	TARGET
T6	Climate Change	We will develop an EESSH2 strategy which will compliment and align with the objectives of this strategy and the Scottish Governments Heat in Buildings strategy.	Strategy in place EESSH2 being replaced by new net zero standard.	December 2024
T6	Climate Change	We will ensure sustainability is embedded within all contract documentation.	Forms part of investment framework scoring.	In place
T8	Resource Management	Regularly review standard specifications having regard to the environmental impact of individual products and materials.	Specification reviewed and signed off by Director.	November 2024
T12	Supply Chain Management	Review procurement practices to maximise local sourcing of materials and the reduction of transport (energy) costs, where this is compatible with other objectives.	Contract Performance Management Review.	Successful review
T12	Supply Chain Management	Work with our contractor base to reduce waste and increase the use of recycled materials	Contract Performance Management Review	Successful review

GOVERNANCE

THEME	TYPE of CRITERIA	CRITERIA	MEASUREMENT	TARGET
T8	Resource Management	Modernise our means of service delivery through the introduction of our Digital Transformation strategy along with our new Housing Management system.		
T9	Structure and Governance	Commit to embed sustainable practices in all we do.	ESG impacts considered at each Policy review.	100%
T9	Structure and Governance	Take account of equalities and human rights issues in our decisions, policy making and day to day service delivery.	Equalities, Diversity and Human Rights Impact Assessment carried out at each Policy review.	100%
T10	Board and Trustees	Raise Board awareness of energy efficiency and how to pass on benefits to customers.		
T10	Board and Trustees	Encourage the commitment of our Board to embed sustainable practices in all we do.	Include ESG considerations in all Board reports.	100%
T10	Board and Trustees	We will annually evaluate the diversity of our Board to ensure it is not discriminatory in selection.	Collect equalities data from Board Members on an annual basis.	100%
T11	Staff Wellbeing	Have a strategic and holistic approach to workplace and tenant wellbeing.	Develop a Wellbeing Strategy.	August 2024

CORPORATE SERVICES

	THEME	TYPE of CRITERIA	CRITERIA	MEASUREMENT	TARGET
T6	Climate Change		We will identify our organisational carbon footprint and then take the appropriate steps for reduction and produce and implement a Carbon Management Plan which will be externally audited/accredited.	Stornoway Office: Carbon Footprint - 10.51 $kgCO_2$ per m^2 per year (567m^2) = 5959.2 $kgCO_2$ Uist Office: Carbon Reduction Plan 2023-25 Replacement of External Lighting (to LED) Replacement of Internal Lighting (to LED) Upgrading of Heating Management to Smart Control Renewal of Electricity Contracts to be from Renewable Sources; Investigation of alternative Energy Sources; Reduction in Office Printing	Carried out in June 23; to be redone in June 24 (Methodology to be reviewed) Plans to be developed for new Office Completed – Sept 23 Planned – August 24 Completed – March 24 Planned – July 24 Planned – June 24 50% Reduction.
T6	Climate Change		We will use EPC environmental impact ratings to measure carbon dioxide	EPC certification sought	Completed

THEME	TYPE of CRITERIA	CRITERIA	MEASUREMENT	TARGET
		emissions from our offices.		
T6	Climate Change	We will expand on our current electric vehicle provision.	Extend Electric Car and Charging capacity to Uist Office.	Planned – June 24 25% Reduction in carbon miles claimed by staff members
T6	Climate Change	Ensure that the organisation has a clearly articulated strategy in place to support ongoing sustainability	See Procurement Strategy.	To be Reviewed in Q1 25
T8	Resource Management	Modernise our means of service delivery through the introduction of mobile working.	See ICT and Digital Transformation Strategies	Mobile Working – November 24 New Hosted Service Delivery Platform in Place by June 25
T8	Resource Management	When making purchasing decisions we will consider environmentally friendly choices, i.e. those products with a low adverse environmental impact.	Purchasing procedures have been changed to prioritise fewer deliveries rather than faster delivery.	Completed – Jan 24
T9	Structure and Governance	Ensure that the organisation remains on a stable financial footing.	Management Reports delivered by 10th of each month. Covenant Compliance reviewed monthly. 30 Year business plan reviewed annually. Rents kept at an affordable level.	Achieved Achieved Achieved Achieved

	THEME	TYPE of CRITERIA	CRITERIA	MEASUREMENT	TARGET
T12	Supply Chain Management		Promote ethical and collaborative procurement.	See Procurement Strategy. [Fair Work First (FWF)] principles adopted in relevant tendering processes from March 22.	To use existing Public Sector Framework agreements wherever possible. To Procure through Public Contracts Scotland wherever possible. To Complete development of new SPD for HHP procurement – Sept 24.
T12	Supply Chain Management		Use purchasing power to support local economy and enterprises.	See Procurement Strategy.	Target of 90% procurement from local Suppliers.

HOUSING SERVICES

THEME	TYPE of CRITERIA	CRITERIA	MEASUREMENT	TARGET
T1	Affordability and Security	Through a 'multi-agency' approach, we will identify vulnerable tenancies at an early stage to ensure support and advice and maximise tenant's income as a priority to help meet rent payments and avoid debt.	Rent arrears process to be followed. Signposting vulnerable tenants to relevant agencies such as Social Work, CAB, CNES Financial Inclusion Officer and local JCP.	Rent arrears <2 %
T1	Affordability and Security	Publicise and support the availability of additional advice and practical services aimed at sustaining tenancies.	SLA with Penumbra who support tenants with vulnerabilities and require day to day assistance.	Service start date September 2024.
T3	Resident Voice	We will have a rigorous approach to tackling anti-social behaviour and resolve 90% of cases with the agreed timescales.	Work collaboratively with agencies involved in anti-social behaviour. Feed in to and attend Anti-social behaviour subgroup meetings lead by Police Scotland.	Aim to achieve closure of 90% of opened cases within 3 months.
T3	Resident Voice	We will also engage with our tenants through surveys to evaluate satisfaction with our services.	Questionnaire - Number of new tenants who are satisfied with the process and quality of their new home.	% of completed questionnaires where the standard of decoration and property is either 'good' or 'very good'.
T4	Resident Support	Using our Digital Transformation strategy along with our new Housing Management system, we will bring benefits	Introduction and advertisement of the tenant portal.	Sign up > 80%

THEME	TYPE of CRITERIA	CRITERIA	MEASUREMENT	TARGET
		to tenants by allowing self-service to the majority of our services.		
T5	Placemaking	Develop estate action plans to improve the attractiveness of our estates.	Estate inspections carried out annually. Any issues rectified with tenant engagement.	Carry out 100% of estate inspection annually.

NEW BUILD

THEME	TYPE of CRITERIA	CRITERIA	MEASUREMENT	TARGET
T2	Building Safety and Quality	We will continue to support the installation of low emissions heating systems and insulation in line with the Scottish Governments Heat in Buildings strategy to create affordable homes and eradicate fuel poverty leaving tenants in a better financial position.	Percentage of new build homes with low emission heating systems installed.	100%
T2	Building Safety and Quality	We will evaluate green technology e.g. Air Source Heat Pumps, Sun Amp & other water heating technology, LED lighting, energy generating/storing technology including Solar Panels, smart heating controls and electric vehicle charging points.	Review effectiveness.	Report Required
T3	Resident Voice	We will also engage with our tenants through an end of defect survey to evaluate satisfaction with our new build homes.	End of Defect survey provided to tenants.	30%
T5	Placemaking	Ensure placemaking at the heart of all new build developments through	Percentage of new build sites with proactive	100%

THEME	TYPE of CRITERIA	CRITERIA	MEASUREMENT	TARGET
		proactive engagement with planning department.	planning engagement.	
T5	Placemaking	Embed active travel measures into new build developments through provision of footpaths, bus stations etc.	Percentage of new build sites with active travel infrastructure.	100%
T6	Climate Change	Ensure there is a clear case for peat excavation for new build sites to ensure peat is dealt with to reduce carbon emissions.	Percentage of sites requiring a peat management plan where relevant.	100%
T6	Climate Change	All new homes will be built to a minimum of Silver aspect level 1 standard as defined by the Scottish Building Standards that promotes sustainable standards for keeping a home warm. (This standard is currently under review)	Percentage of new build achieving Sliver Aspect Level 1	95%
T7	Ecology	We will take a more sustainable approach to grounds maintenance and introduce biodiversity (planting, wild flower meadows) and other green (permeable pavements, tree planting) and blue (SUDS, swales) infrastructure that is sympathetic to the local environment where possible.	Percentage of new build schemes that provide blue and green infrastructure.	100%
T8	Resource Management	Review delivery of new build programme through modern methods of construction (MMC) and increase in offsite manufacturing	Review ability to integrate MMC.	Report Required

THEME	TYPE of CRITERIA	CRITERIA	MEASUREMENT	TARGET
T8	Resource Management	Regularly review standard specifications having regard to the environmental impact and longevity of individual products and materials from learnings from the investment programme, repairs and cyclical maintenance programmes. (e.g. UPVC windows and kitchens exceeding lifespans)	HHP Specification review	Before every new build tender
T12	Supply Chain Management	Review procurement practices to maximise local sourcing of materials and the reduction of transport (energy) costs, where this is compatible with other objectives	Keep register of consultants and sub-contractors.	Register to be updated through monthly site meetings.

DRAFT ASSET MANAGEMENT STRATEGY 2024-2029

Board 25 June 2024

Report by Director of Operations

Purpose of Report

1.1 To seek approval of the draft Asset Management Strategy 2024-2029 for consultation.

Summary

Asset Management

2.1 The Asset Management Strategy is based on our Stock Condition Survey and is set within the framework of our Business Plan and 30-year financial projections. It has a focus on ensuring the safety of tenants and compliance with our legal and regulatory responsibilities while seeking to maintain and enhance the value of properties.

2.2 The Strategy is structured on guidance and principles set out by the Scottish Housing Regulator. This includes their guidance on ensuring damp and mould issues within homes are effectively managed. Guidance is awaited from the Scottish Government on their new Net Zero targets and the strategy reflects the latest information available on how this target might be structured.

2.3 We will be consulting on the Strategy with tenants and other stakeholders.

Competence

3.1 The compliance issues relating to this report are at section 6.1 of the report.

Recommendations

4.1 **It is recommended that the Board approve the Asset Management Strategy at Appendix 1 for consultation.**

APPENDIX 1:	Asset Management Strategy 2024 - 2029	
Background Papers:	Risk Register	
Writer of Report:	Angus MacNeil	Tel: 0300 123 0773

Report Details

Asset Management Strategy

5.1 There is a clear expectation from the Scottish Housing Regulator that RSLs will have a clear and robust strategy for managing their housing stock and other assets, with a whole organisation approach using informed data, and being able to set clear directions using outcomes from the data, whilst working to standards defined in legislation. Asset Management also relates to the well-being of tenants and communities as well as providing good quality, affordable housing.

5.2 The Asset Management Strategy sets out our plans for the housing stock within the business plan framework and the wider strategic environment. The strategy recognises the need for an ongoing review of our housing stock to identify any areas or groups of houses where further assessment is required as to their long-term viability. This will form the basis for considering options for such stock and includes an understanding of the need and demand for housing in all areas.

5.3 The Strategy has been developed around the following key drivers:

- Ensuring the safety of tenants and compliance with all legal and regulatory duties including managing damp and mould issues effectively;
- Developing a framework to enable an assessment of the extent to which the assets meet current and future needs;
- The ongoing development of a comprehensive Asset Management Database to inform and manage investment decisions and to manage programme delivery and performance;
- The need to maintain the housing stock at Scottish Housing Quality Standard (SHQS) level and to address exemptions and abeyances;
- Pursuit of the Net Zero targets when these are finalised;
- Ensuring that investment in the housing stock results in a continuing sustainable product which meets the needs and aspirations of our customers; and
- Working with partners to contribute to the wellbeing of communities throughout the Outer Hebrides

5.4 Progress on the strategy and action plan will be reviewed annually and updates reported to Board.

6.1 Compliance Checklist

COMPLIANCE CHECKLIST	
Financial	There are no new financial implications arising from the Asset Management Strategy in this report. The Strategy is based on the financial framework as set out in the Business Plan and 30-year financial projections as agreed by Board in March 2024. The Asset Management Strategy and Business Plan are integrally linked in this way.
Legal	Standing Order outline the responsibilities of the Board and this includes ensuring that the organisation: 6.1 Operates within the law; and 6.2 Meets the standards laid down by The Scottish Housing Regulator. The Asset Management Strategy reflects HHP's legal duties as a landlord and draws heavily on guidance from the Scottish Housing Regulator.
Regulatory	The regulatory standards checklist has been completed and there is nothing in the report which would breach the standards.
Risk	There are no specific risks associated with the report. However, the Asset Management Strategy is part of HHP's overall approach to risk and seeks to ensure that the housing stock is managed prudently and efficiently in the long term. Audit work will be commissioned regularly to ensure compliance with our Health and Safety responsibilities as a landlord. The Strategy seeks to make the most of our assets, primarily as places to live; but also as assets on which the organisation is built. Decisions made based on poor asset management may result in wasted resources and other often long-term inefficiencies. There are further relevant risks highlighted in the Risk Register concerning the health of the local economy, climate change and affordability for tenants.
ESG	Reviewing our Asset Management Strategy regularly ensures compliance with our ESG Strategy.
Equalities	There are no Equalities considerations arising directly from the consideration of this report.
Communication	Our Asset Management Strategy is published on our website.

APPENDIX 1

Asset Management Strategy (2024-2029)

APPROVED BY HHP BOARD:
EFFECTIVE DATE:

hhp | hebridean housing partnership

TABLE OF CONTENTS

INTRODUCTION ..... **Error! Bookmark not defined.**

STRATEGIC AIMS ..... **Error! Bookmark not defined.**

THE 10 STRAND APPROACH 6

STRAND 1 - STRATEGIC CONTEXT - A WHOLE ORGANISATION APPROACH 6

STRAND 2 - UNDERSTANDING CUSTOMERS 8

STRAND 3 - RISK BASED AND PROPORTIONATE 11

STRAND 4 - GOOD INFORMATION 11

STRAND 5 - JOINED UP PLANNING 14

STRAND 6 - LOOKING AFTER CORE STOCK 14

STRAND 7 - COMPLIANCE WITH STANDARDS 26

STRAND 8 - DEALING WITH "CAUSE FOR CONCERN STOCK" 28

STRAND 10 - VALUE FOR MONEY 29

FUTURE REVIEW AND MONITORING FRAMEWORK OF THE STRATEGY **Error! Bookmark not defined.**

INTERPRETATIONS & ABBREVIATIONS ..... **Error! Bookmark not defined.**

INTRODUCTION

1.1 This Strategy sets out our plans for the management of our assets from 2024 – 2028 and how this contributes to the delivery of our vision '**to provide good quality affordable homes and to deliver consistently excellent housing services across the Outer Hebrides**'. It builds on our previous Strategy 2020-24 and continues to utilise the 10 strand approach identified by the Scottish Housing Regulator (SHR) to structure our planning.

1.2 The Strategy also takes account of the SHR guidance on Integrated Asset Management published in 2023. This set out 5 principles which it is recommended that RSLs take cognizance of and which are reflected throughout this strategy. The guidance and these principles are available at:
https://www.housingregulator.gov.scot/for-landlords/advisory-guidance/recommended-practice/integrated-asset-management/

1.3 In particular, this Strategy places emphasis on tenant safety and meeting all our duties on tenant and resident safety and that assurance on compliance is provided to our Board. In addition, it recognises the challenges of the journey towards Net Zero and we await the publication of the detailed requirements from the Scottish Government. However, we have made good progress towards the anticipated standard and in particular we have installed clean heating systems in two thirds of our housing stock.

1.4 The Strategy is integrally linked with our Business Plan 2024 – 2029 and 30-year financial projections and is heavily influenced by the wider strategic environment in which we operate. It is developed within the financial resources within the Business Plan which can be summarised as follows:

- Major investment in homes of around £4.5M per annum to maintain homes at the Scottish Housing Quality Standard (SHQS) and to work towards delivery of the anticipated new Net Zero standards. These are in turn informed by our Stock Condition Survey findings completed in 2024.
- Annual and Cyclical Planned Maintenance programmes of £1.4M per annum which includes provision for statutory duties on elements such as gas servicing, fire door inspections, legionella inspections and electrical testing.
- Reactive repairs and void property repairs of £2.3M per annum.

1.5 The inter-relationship between new build and the needs of the existing stock is recognised. The new build Programme provides an opportunity to replace stock which has a limited future life span but equally we cannot focus investment on new build at the expense of the needs of the current housing stock.

STRATEGIC GOALS

2.1 SHR guidance notes the importance of a whole organisation approach to asset management and that all parts of our operation influence the strategy. Good asset management requires this ownership right across the business. It is not just about the 'property professionals'.

2.2 There are a number of key aims, linked to our strategic goals which the Strategy seeks to achieve and deliver over the Strategy period.

These key aims are:

Protecting Tenants and Assets

- Ensure a central focus on tenant safety and that our Board have assurance on compliance with requirements including action on damp and mould.
- Ensure effective property management through a combination of reactive and empty homes repairs, planned maintenance and investment programmes
- Engage with owners to promote and encourage participation in works and the regular maintenance of common blocks where appropriate
- The need to maintain the housing stock at Scottish Housing Quality Standard (SHQS) level and to address exemptions and abeyances.
- The pursuit of the Net Zero standard for Social Housing once this is finalised and reducing the environmental impact of our homes and services.
- Ensuring effective action is taken to address cause for concern stock

Comprehensive Asset Information

- Ensure that a comprehensive asset database is in place that informs planning and decision making
- Develop and refine an approach to assess the long-term viability of stock

- Continually review sustainability and demand and reflect these in investment decisions

Integrated with the 30 Year Business Plan

- Ensure that the Asset Management Strategy and Business Plans are integrally linked
- Provide effective financial planning information in relation to investment in housing stock and related assets and in pursuit of value for money.
- Provide robust information for risk, sensitivity analysis and options appraisal in relation to the future management of the stock
- Ensure that investment in the housing stock provides a sustainable product which also meet the aspirations of our customer

Customer and Partner Engagement and Consultation

- Enable customers to contribute to and inform decisions relating to the investment in the housing stock
- Manage customer expectation, maximise satisfaction and provide opportunities for customer choice
- Work with partners to contribute to the wellbeing of communities throughout the Outer Hebrides

2.3 Progress will be monitored via the Action Plan at Appendix 1 with an annual update being provided to the Board.

LINKS TO STRATEGIC PRIORITIES

2.4 In the wider context the Comhairle's Local Housing Strategy (LHS) sets out the broad strategic context in which we are operating. The LHS expired in 2022 and a new strategy is currently anticipated to be completed towards the end of 2024. As a key partner we are involved in the shaping the final LHS. We are also committed to working in partnership with other local agencies and recognise a robust Community Planning Partnership being essential to meeting the challenges facing our communities.

2.5 In particular we recognize the challenges facing our islands through our aging and decreasing population and are committed to working with partners to address these.

2.6 This includes working closely with the Integrated Health and Social Care Service and we are supporting them to meet the current and future care needs of the Outer Hebrides. Our new 50 flat Housing with Extra Care provides accommodation to meet the needs of our most vulnerable people and we have plans to replicate this model in Barra.

2.7 A number of internal Policies sit alongside the Strategy and provide detail on operational processes and delivery mechanisms. These are detailed at Appendix 1.

ASSET PROFILE

3.1 We own 2376 homes across the Outer Hebrides. The island chain measures around 120 miles from Barra in the South to the Butt of Lewis in the North and there are small schemes of houses in most communities. The geography and scattered nature of the stock present additional challenges in delivering services and in the management and maintenance of properties.

3.2 The table below shows the distribution of the housing stock by island, property type and size.

Table 1 – Housing stock by island and number of apartments

Type of Stock/ Apartment	1	2	3	4	5	Grand Total
Lewis						
General Needs	8	509	639	444	45	1645
Wheelchair Adapted		62	29	10	10	111
Harris						
General Needs		44	56	46	3	149
Wheelchair Adapted				1		1
Uist						
General Needs		92	116	151	10	369
Wheelchair Adapted			5	2	1	8
Barra						
General Needs		29	32	30	2	93
Grand Total	**8**	**736**	**877**	**684**	**71**	**2376**

Table 2 – All stock by property type and number of bedrooms

Property/ Number of Bedrooms	0	1	2	3	4	5	6	Non-Housing	Grand Total
Housing									
House		118	446	607	46	6	2		1225
Bungalow		365	230	45	3	1			644
Flat		29	17						46
Tenement Flat		141	137	1					279
Maisonette			2	2	2				6
4 in a block		21	11	16					48
Bedsit	8								8
Wheelchair adapted		62	34	13	10	1			120
Garage								38	38
Garage Site								62	62
Commercial Unit - Office								3	3
Commercial Unit - Shop								2	2
Commercial Unit - Community Facility								2	2
Store								1	1
Grand Total	**8**	**736**	**877**	**684**	**61**	**8**	**2**	**108**	**2484**

3.3 The majority of the stock is terraced or semi-detached at over 75%, which presents further challenges particularly in relation to the extent of the surrounding environment with large amounts of infrastructure requiring maintenance such as fencing, pathways and common areas.

OUR 10 STRAND APPROACH

STRAND 1 – STRATEGIC CONTEXT – A WHOLE ORGANISATION APPROACH

4.1 Our Board are responsible for directing and approving asset improvement and investment plans. A key consideration in terms of planning is the need to balance these plans with the impact on rent levels. The Board prepare long term plans to deliver on their vision. The investment needs of the stock, as identified by our 2023/24 Stock Condition Survey, is one of the key drivers of the Business Plan. A further survey will be carried out in 2028/29.

4.2 Good asset management is core business and spans everyone in the organisation. The Board Business Planning sessions consider the relationships between the local economy, demographic change, housing need and demand and the potential changes in the client base for our homes. Locational issues and the different influences and pressures in different parts of the Hebrides are further key concerns.

4.3 The long-term downward trend in population within the Outer Hebrides particularly for the younger age groups is a continuing and growing concern and is an issue which the Board being monitored closely. The challenge is illustrated by data provided by NHS Western Isles. Table 3 below shows that there has been a sizeable drop in birthrate and a far higher negative natural change in the last 5 years than previously projected by the NRS

Table 3 – Natural Population Change 2018-2023

Year	Births	Deaths	Actual Natural Change
2018	206	356	-150
2019	200	349	-149
2020	193	355	-172
2021	181	392	-211
2022	182	434	-252
2023 (5 months)	74	177	-103
	1,026	**2,063**	**-1,037**

4.4 The 5-year average of births registered for the 5 years before 2018 was 299.5. There has been a sustained drop in birth rates of nearly 21% in only 5 years. The wards with the largest deductions over and above the projected reduction in natural changes in 2022 were North and South Uist, Point and North Stornoway.

4.5 The birth to death ratio in total was 0.42 for the Western Isles in both 2022 and 2023 compared to the Scottish Average of 0.75. Without net positive inward migration of younger and working age people, the population needs will become unsustainable.

4.6 Our islands are expecting to see a 6% drop in population by 2028, one of the biggest population decreases in Scotland. Working age population is set to decrease by 6% by 2028 and in contrast the over 75s with the greatest levels of co-morbidity is set to rise by 25%. The population changes will result in a year-on-year reduction in the available workforce to nurse, care and attend to the most vulnerable of people whose numbers are increasing year on year. The Health and Social Care services are already feeling the effect of these changes, with high levels of vacancies and difficulty in recruitment in all areas and specialities. The interconnector and the potential of offshore renewables is likely to require additional housing and we are working with CnES and Scottish Government to ensure these projects leave a housing legacy.

4.7 These demographic trends are a key context for decisions taken during the period of this Strategy.

4.8 These are issues which are covered more fully in the Business Plan and have obvious implications for asset management.

4.9 There is also a trend within the islands for population to move away from the most remote rural areas and concentrate in the larger population centres. This is an issue which we wish to explore further and will seek to see addressed in the Local Housing Strategy.

4.10 We are also aware of the connections between quality services, attractive and safe estates and housing demand. The importance of, for example, our Repairs, Estate Management and Allocation services being complimentary and coordinated is recognised and that these combine to ensure that areas are attractive to live in.

STRAND 2 – UNDERSTANDING CUSTOMERS

5.1 Understanding customer's needs, their views on their homes and their aspirations are key considerations as we plan for the future. We recruited a Tenant Engagement Officer

to develop and improve communication channels with tenants and to build their involvement and participation in service planning and in decision making processes. We will continue to involve tenants in the procurement of investment and repairs & maintenance contracts and in reviewing and revising specifications for these services.

5.2 Our tenant satisfaction survey is being carried out in the summer of 2024 and is an important element in developing our understanding of tenants view and needs. We seek tenants' views on a wide range of issues including aspects of their homes, which they would like to see improved or enhanced. We use this information to inform our service and investment planning and we will track changes and trends over time to assess whether tenants aspirations are being met.

5.3 As an example of this responsiveness to tenants, we are in the process of replacing around 200 infra-red heating systems following significant concerns being raised regarding affordability and the effectiveness of the systems in heating their home.

Fuel Poverty

5.4 Fuel poverty remains a huge challenge for households in the Outer Hebrides and has deteriorated significantly since our 2020 strategy due to the cost of living crisis. While we had made progress between our stock condition survey in 2013 (61% of tenants in fuel poverty) and our 2017 survey (48.3%) the levels of fuel poverty have now increased although prices are now beginning to reduce from their peak. There are 3 main drivers in fuel poverty:

- Household income and ability to pay for domestic energy;
- The cost of energy; and
- The energy efficiency of individual properties

We can directly impact the last of these and will continue to invest in our own housing stock to improve energy efficiency and to work towards the new Net Zero standard. Keeping rents affordable is also very important in easing the pressure on household budgets,

5.5 We will work with partners such as Tighean Innse Gall and the Citizens Advice Bureau to reduce fuel poverty e.g. work on fuel debt, income maximisation and by encouraging utility switching (although the impact of switching is currently limited).

5.6 We remain committed to working with other Highland landlords to lobby Scottish and UK Governments to recognise the unique challenges in the Highlands and Islands.

Tenant Feedback

5.12 Feedback is sought on an ongoing basis on key issues such as repairs, investment works, allocations and gas servicing to assist in service planning and delivery. Systems to obtain feedback will be developed further as we begin to develop the potential of our new CX IT system.

5.13 We provide information to tenants about our investment programme, repairs service and planned and cyclical maintenance systems in a variety of ways including:

- The 5 year programme 'green book'
- The Homeward Newsletter
- Our website
- Leaflets and further letters and guidance

5.14 We will explore the variety of engagement methods within the framework of our Tenant Participation Strategy to identify what works best for tenants and to provide opportunities which suit them. For example, we will use focus groups, tenant panels and encourage local 'tenant voices'. We will also engage with Registered Tenant Organizations (RTO's) and work to increase the number of RTOs where there is interest from tenants.

5.15 The Housing (Scotland) Act 2014 details specific areas where tenant consultation is a statutory requirement. This includes the standard of service in relation to housing management and repairs and maintenance and we continue to work to provide opportunities for customers to be involved in ways that suit them.

5.16 On a more practical level, we provide tenants with choice as we replace kitchens and bathrooms in their homes and seek to meet their aspirations as far as possible.

STRAND 3 – RISK BASED AND PROPORTIONATE

6.1 We have a comprehensive approach to managing risk which covers all business areas. The Risk Register is reviewed and updated on a regular basis by Managers, and at Audit and Risk Committee and Board. Measures to control and mitigate risk are detailed in the Risk Register.

6.2 The major risks identified are common to all RSL's such as climate change, the costs of construction and materials and the affordability of rents linked to high inflation and the cost of living crisis facing tenants. Other risks are more specific to HHP such as the demographic challenges facing the Outer Hebrides with a decreasing and aging population.

6.3 Particular risks in the register, which are relevant to this strategy, include supply chain challenges, lack of skilled workforce, the impact of severe weather events, and regulatory and legislative changes. Measures have been put in place to mitigate each of these. If considered necessary, we will consider a level of self-insurance to mitigate against the cost of insurance cover.

6.4 In addition, the Board agree a Risk Appetite on an annual basis.

STRAND 4 – GOOD INFORMATION

7.1 An up to date, comprehensive and reliable information base is a fundamental part of good asset management and forward planning. It enables the Board to take informed decisions based on asset performance and enables analysis on performance, value for money and the value that homes are bringing to the business.

7.2 We have completed an independent Stock Condition Surveys in 2023/2024 which was carried out by the John Martin Partnership and will carry out a further survey in 2028. This information is a key driver in our investment and business planning. The key findings from the stock condition survey are:

- Life cycle projections across a 30-year planning period indicates a need for investment of £223.1M gross.
- Catch-up repairs were limited and no specific renewal provision was required.

- The 5-year investment programme 2024 to 2029 has been prepared taking account of the survey data and the expected requirements of the new NetZero standard.

7.3 We implemented a new integrated Housing Management IT system (CX) during 2023/24. The asset management module is expected to be fully implemented by March 2025. It will hold data on all properties, enable forward planning and provide life cycle costings for the stock. It will also provide functionality to assist in the management of our investment programmes including the procurement process and contract management and enable Improvement works to be updated to the database on completion of works.

7.4 The asset management module will be developed as the source of original data, which then informs all other modules including our Asset Register and Business Planning tool.

7.5 We will update cloned information on an ongoing basis where this is appropriate and as noted we will carry out a Stock Condition Survey during the span of this strategy.

7.6 We are intending to develop dynamic connections between the database and our customer interface systems. For example this will provide improved repairs diagnosis as information will be drawn from the database and pre-populated into repairs orders.

7.7 We will categorise assets to determine whether they are adding value to the business. Progress on developing tools to facilitate this has been slow as we have prioritised resource on implementing our new CX system. This approach will capture information across our operation including condition data, construction type/age and data concerning allocations, demand and refusals and length of void periods.

7.8 Stock will be categorised into:

- Core Stock
    - Stock in good condition and where there is no concern over its ability to continue to meet quality standards in the longer term. There will also be a reasonable demand for vacancies and no long-term voids.

- Under Review
    - Where the houses may not continue to meet appropriate standards in the longer term, primarily due to their construction type. This will also include properties where demand is a concern and long-term voids are common
- Non – Core Stock
    - This would be stock considered for disposal or demolition/re-provisioning. This would be stock which had been reviewed and where properties were not considered to be a positive asset either because of their physical characteristics or because there was no viable demand for the houses.

7.9 The Director of Finance & Corporate Services will undertake a financial evaluation of assets which are identified for review. This will include:

- Annual Rental Income Assumptions
- Key Component Replacement Requirements – this would cover any additional cost implications beyond what is already modelled in our 30-year plans.
- Management Cost Assumptions – this represents the cost of overheads associated with managing the property.
- Routine/Planned Maintenance assumptions – this would cover all maintenance requirements.

7.10 Recommendations on assets which are not considered to be positive contributors to the business will be brought to the Development and Finance Committee for consideration.

7.11 Our Board agreed in June 2022 that houses will be considered for disposal where at least two of the following criteria are met.

- It is not traditional or timber frame construction
- It is not part of an existing scheme historically built as social housing
- It requires significant investment to maintain the SDHQS standard and energy efficiency standards and it is not considered to be cost effective to carry out the works
- It is considered to be difficult to let with little or no waiting list demand

STRAND 5 – JOINED UP PLANNING

8.1 The Regulator's Guidance states that a strategic asset management approach needs to complement, not duplicate, other strategies and plans. This is especially true of the relationship between the Asset Management Strategy and the Business Plan.

8.2 Our Asset Management Strategy sets out our plans for the housing stock and this is set within the Business Plan framework and the wider strategic environment.

8.3 The Business Plan includes maintaining homes at the SHQS, pursuing the new Net Zero standard while recognising the pressure on rents and contributing positively to our communities by looking after our tenants, staff and homes.

8.4 We have a 30-year Financial Planning model which enables risks to be examined and the impact on the business quantified. This in turn informs Asset Management Planning and the Business Plan which always establishes the financial framework for the management of assets.

STRAND 6 – LOOKING AFTER CORE STOCK

9.1 We are committed to delivering a high-quality maintenance and investment service that ensures tenant safety, protects our assets and meets tenant expectations. The Strategy aims to further strengthen the focus on planned and cyclical programmes and thereby seek a reduction in responsive work.

9.2 The housing stock currently has 105 fails, 75 relating to infra red heating works 30 electrical inspections which are recorded as failures as the inspection reports identify some recommended actions. These are being addressed in 2024/25. There are a number of exemptions and abeyances, and we will address these where possible as opportunities arise. However, there are some situations such as smaller kitchens where the requirements cannot be achieved and others where the participation of owners is required and is not presently forthcoming.

9.3 The Housing Repairs Policy describes the arrangements for making sure that properties are well maintained and kept in good and safe condition. The Policy details our

commitment to our customers in terms of service and explains customer and landlord responsibilities. The repair and maintenance service has 3 main components:

- Responsive Repairs;
- Void Repairs; and
- Planned and Cyclic Maintenance programmes.

Repairs and Maintenance

9.4 Responsive repairs are repairs that arise through wear and tear or as a result of damage to the property, including weather. They are generally low in value and usually tenant driven, which makes them more difficult to plan for.

9.5 In common with other RSLs our responsive repairs budgets continue to be under pressure and this is an ongoing challenge. Drivers of this pressure include increasing demand on services partly due to regulatory changes, staff and material cost rises and energy costs while rent rises are being minimised. We will work to limit the level of responsive repairs while being mindful of tenant service and our statutory obligations. Challenges identified in the previous strategy with Air Source Heating Systems continue to be monitored but have stabilised as the technology develops. Some of these issues have been due to technical matters while others are user related.

9.6 Repairs being issued are monitored on a daily basis. Our maintenance contractors' engineers are required to report issues and recommendations for further inspection or instruction where these are identified. Specifications are also kept under review to identify items where changes may be required in our investment and new build programmes.

9.7 There continues to be a focus on a 'right first time' approach and on working with contractors to maximise efficient working and productivity levels.

9.8 Our current Repairs and Maintenance contract with FES FM expires in March 2027. The initial contract period was for 5 years with an option to extend for two + two year period. We have exercised the first of these extensions. We will evaluate options for the second contract extension during the period of this strategy.

Void Repairs

9.10 Rental income is crucial to the business and the importance of letting houses quickly is a priority for allocation and property teams and for our contractor to achieve this. We will continue to seek improvements in performance. Turnover of stock is relatively low and averages around 9% per annum. This is consistent with other RSL's and is not currently an area of concern.

9.11 The Partnership has a Housing Letting Standard that all houses must meet prior to letting. This standard was reviewed as part of the Repairs and Planned Maintenance Procurement process and all houses will be:

- safe
- secure
- clean
- in a good state of repair

9.12 In addition, gas safety checks will be carried out prior to re-let. Safety certificates will be provided when our registered gas engineer has carried out the appropriate tests to ensure the system is in good order. All properties with gas heating oil or solid fuel systems will have at least one carbon monoxide detector fitted.

9.13 EPC's (Energy Performance Certificates) are also produced on each void. The information gained from this provides data which informs future investment works.

9.14 Satisfaction with the condition of properties at relet was 86% for 2023/24. We have previously reviewed standards with a tenant scrutiny group and some changes were made to processes. We will review this further with tenants and examine options for further improving satisfaction.

9.15 This will include the requirement for tenants to remove any fittings and floor coverings which they have provided with a view to minimising waste and aiding ingoing tenants. We will also consider the implications of investment works such as heating and kitchens being installed when properties are vacant.

Planned and Cyclical Maintenance

9.15 We operate a five-year planned maintenance cycle to ensure stock is maintained in good condition. This focuses on the external fabric of properties and on health and safety issues. We also deliver annual cyclical maintenance programme including statutory servicing and testing to ensure systems are operational and free from defects.

Investment Works

9.16 The Board have agreed a 5-year investment programme for the period 2024 – 2029, which is based on the 2023/24 Stock Condition Survey and our information on the stock. This is built into the Business Plan and is subject to annual review through the budget setting process. Tenants will be advised of the plan and of the works intended to be carried out to their individual homes up until 2029. Over £21.9M will be invested in the housing stock through the investment programme during the period of this Strategy as shown in tables 4 & 5 below.

Table 4 – Planned Investment expenditure

Investment Year	**£**	
2024/25	£	3,530,200
2025/26	£	4,475,200
2026/27	£	4,834,800
2027/28	£	4,181,800
2028/29	£	4,967,000
Grand Total	**£**	**21,989,000**

Table 5 – 5 Year Planned Investment Works

Investment Works/ Financial Year	2024/25	2025/26	2026/27	2027/28	2028/29	Grand Total
Bathroom & Shower	£ 9,300	£ 423,724	£ 738,908	£ 699,474	£ 418,844	£ 2,290,250
Kitchen		£ 290,284	£ 253,791	£ 258,867	£ 161,361	£ 964,303
Heating		£ 317,750	£ 115,360	£ 252,143	£ 171,457	£ 856,710
Heating 2nd time	£ 1,697,400	£ 791,683	£ 856,957	£ 1,496,049	£ 1,251,638	£ 6,093,727
Roofing (Gutters and downpipes)	£ 371,250	£ 984,555	£ 978,496	£ 709,152	£ 1,778,869	£ 4,822,322
Roughcast	£ 158,950	£ 497,831	£ 544,753	£ 256,812	£ 386,612	£ 1,844,958
Windows	£ 713,300	£ 902,396	£ 1,088,901	£ 187,415	£ 462,815	£ 3,354,827
Fire Doors						£ -
Environmental		£ 191,977	£ 165,635	£ 180,887	£ 170,404	£ 708,903
Gas Heating						£ -
Insulation	£ 360,000					£ 360,000
Smoke detectors		£ 25,000	£ 42,000	£ 91,000	£ 115,000	£ 273,000
Electrical Works - rewire	£ 220,000	£ 50,000	£ 50,000	£ 50,000	£ 50,000	£ 420,000
Grand Total	**£ 3,530,200**	**£ 4,475,200**	**£ 4,834,801**	**£ 4,181,799**	**£ 4,967,000**	**£ 21,989,000**

Note

The 5-year programme is subject to adjustment following the unsuccessful grant application for heating in 2024/25. Year 1 has been approved in May 2024. Years 2 to 5 will be updated and taken to Board in August for approval and will be reflected in the final Asset Management Strategy.

9.17 We have a four-year framework contract in place for the delivery of this investment programme which expires in March 2027. We will review options for the future delivery of investment works taking account of the lessons learned from the current framework. During this framework period, work will continue with contractors to improve delivery and the customer experience when major works are being carried out in their homes.

9.18 There are a number of significant benefits associated with an effective investment strategy which we will continue to pursue:

- More efficient and effective procurement of work leading to cost savings
- Material specification to limit maintenance issues
- Tenant satisfaction is enhanced through long term planning and therefore known replacement dates
- Owner participation is improved due to longer lead-in times which will assist with participation
- Once in place the strategy can be reviewed to reflect changing investment priorities, statutory and health and safety requirements, and improved product lifecycles and the contracting market

9.19 Effective planned maintenance and capital investment programmes should reduce the level of responsive repair. However, there are limits to this as some individual components will almost inevitably fail within their expected lifespan.

Energy Efficiency

10.1 The Scottish Government have consulted on the Energy Efficiency Standard for Social Housing (EESSH2) which requires landlords to improve the energy efficiency of social housing in Scotland. This supports the Scottish Government's vision of warm, high quality, affordable, low carbon homes and a housing sector that helps to establish a successful low carbon economy across Scotland.

10.2 The results of this consultation and the proposed revised standard are currently awaited. However, it is expected that a new Net Zero Standard for social housing will be established. This is likely, from the information provided to date, to have 2 components. A requirement for a clean heating system to be installed by a target date and secondly a target for the energy needed to heat a home. Once this standard is finalised, we will

need to determine the implications. The current breakdown of heating systems and the energy performance of homes is detailed in the table below:

Table 6 - Heating type numbers and EPC scores

Heating Type	Number within stock	Average EPC
Air Source Heating	1528	72.8
Ground source Heating	8	69.8
Quantum	24	72.9
THTC/E10	241	68.6
Infrared	90	54.3
Gas	437	75
Solid Fuel	44	64.5
Oil/LPG	4	58.3

10.4 We will continue to pursue measures to further improve the efficiency of harder to treat homes including the provision of External Wall insulation where appropriate.

10.6 We believe that Total Heating Total Control (THTC) storage heating systems are a significant contributor to fuel poverty and the problems that tenants can experience with condensation and mould growth. These systems pose challenges for many tenants in terms of both controllability and affordability.

10.7 We currently have 241 THTC systems within the stock and aspire to replace all of them over the period of this Strategy. We will pursue any available funding options to enable this.

Climate Change

11.1 Climate change predictions indicate major impacts on our people, assets, infrastructure, environment and ecosystems. Many of our tenants live in low lying coastal areas accessed via causeways and increasingly being threatened by coastal erosion. Biodiversity, landscapes and clean beaches attract tourism which in turn support employment and demand for housing. Climate change poses a huge threat to all of these. We must understand this threat more fully and plan with other agencies on how we can mitigate the risks.

11.2 The Scottish Government have declared a Climate Emergency and the Community Planning Partnership have established a Climate Emergency Working Group to review and develop local actions and targets around climate issues.

11.3 Within the Housing sector actions can be taken. The UK social housing sector accounts for around 17% of all homes and as such bears a significant responsibility for reducing our national CO2 emissions. Importantly, we also have a responsibility to ensure that new and existing homes are adapted to meet the forthcoming impacts of climate change.

11.4 The transition to a low carbon Scotland will require significant lifestyle changes for most people, impacting on the ways we get around, how we heat our homes, buy our food, and the goods we consume. This will mean a major cultural shift over the coming years.

11.5 Our Environmental, Social and Governance Strategy sets out our overall approach and action plan to address these challenges. This involves our roles as a landlord, developer and as a business. The Asset Management Strategy is a key part of this. During this strategy period we will take action to meet these challenges and will consider and pursue the following:

a) Energy Efficiency of Homes – we will continue to increase energy efficient ratings of assets focusing on the building and fabric, low carbon and renewable technologies. We will explore modern methods of construction to minimise carbon emissions both in the construction and supply chains.

b) Reduction of waste to landfill – We will work with contractors to maximise recycling and will promote programmes and activities for our staff and tenants to prevent and reduce food waste and encourage composting.

c) Green spaces – Open areas will be assessed to establish green spaces and to implement tree planting where possible within new and existing stock.

d) Electric Vehicles – We will promote the use of electric vehicles by contractors and suppliers and we will continue to consider the need and practicalities of providing electric car charging points in new developments and in existing estates. We have

already purchased an electric vehicle for staff use to lower carbon emissions during travel on estate visits and inspections.

e) Climate Resilience – The existing stock will be assessed for flood risk as sea levels rise. We will also take account of these risks when carrying out feasibility studies for new developments.

f) We will actively pursue external funding to enhance our actions on energy efficiency and our climate change response.

Estate Management

12.1 We are committed to ensuring that our housing schemes provide an attractive and safe environment in which to live. Strong partnership working with communities and other agencies is an important element of this. We work closely with agencies such as Cleansing, Environmental Health, Criminal Justice and the Police to address issues as they arise and take a pro-active approach through partnerships.

12.2 An annual estate management inspection programme is in place to review the condition of estates and their environment and to identify issues that require attention. These inspections help to maintain the external appearance of properties and the wider environment within housing schemes. Involvement from tenants and residents in this process is very important and are working to facilitate this. However, the large number of small schemes makes this challenging.

12.3 This inspection programme aims to compliment investment and planned maintenance programmes to protect the investment made. We will strive to ensure that data from estate management visits informs these programmes.

Adaptations

13.1 We have been successful in obtaining significant grant funding from the Scottish Government over recent years for the installation of aids and adaptations. £1.5M has been invested over the last 5 years providing huge benefit to tenants and improving their quality of life. The need within the tenant population reflects the age profile of the islands. Many of our tenants have been assisted to remain in their own homes through this investment.

13.2 Individual tenant's needs are assessed by the Occupational Therapy Service of the Western Isles Health Board with whom we work closely. They provide recommendations on the work required and prioritise works based on risk.

13.3 Adaptation works represent a significant investment on behalf of elderly and disabled residents and a number of fully adapted properties have also been built through our development programme.

13.4 To ensure best value properties which have been adapted will be allocated to individuals or families with appropriate needs, if possible. The Housing Allocation Policy facilitates this process.

Land and Open Spaces

14.1 We own some areas of land and open space. These may have development value for housing or for other forms of development and it is intended that these be reviewed on a regular basis. There may also be some potential for community use such as allotments and these options will be explored as opportunity arises.

14.2 We have partnered with the Comhairle to deliver grounds maintenance work for areas for which we have responsibility through the Comhairle contract for the period 2021 to 2026. Other areas of land which we own are maintained by the Comhairle in accordance with the provisions of the stock transfer agreement.

14.3 In addition, we continue to provide a Garden Assistance Scheme to approximately 75 tenants who meet the qualifying criteria. They are helped through the summer period of April to September.

Unadopted Infrastructure

15.1 We own roads, paths and septic tanks which have ongoing maintenance implications. Some of these will also have a shared responsibility with owners. We will pursue adoption of septic tanks where this is appropriate and are currently pursuing this for 3 of the septic tanks. In the meantime, we have introduced a charge for septic tanks and will maintain these in good working order.

15.2 We are exploring ways of mapping our housing areas and the condition of surrounding infrastructure and the extent of shared responsibility with other owners. This will be a resource heavy undertaking.

Previous Right to Buy

16.1 The impact of mixed tenure in our housing areas because of Right to Buy sales is not a major concern in terms of works to properties, as much of the housing stock is terraced or semi-detached. However, there are a number of properties where we have an interest in the co-operation and participation of owners in investment, planned and cyclical programmes.

16.2 There are a significant number of properties that have been categorised as abeyances under the SHQS as it has not been possible to secure the agreement of all owners for the work. These are primarily related to installation of controlled door entry systems. We will review these abeyances on an annual basis throughout the period of this strategy to ascertain if they can be addressed.

16.3 We will engage with owners as necessary in the day-to-day maintenance of the common parts of their block, through a combination of reactive and cyclical work.

16.4 Historically, the lack of defined cyclical or planned work and the reliance on reactive repairs meant that owners were being asked to participate in an unstructured and ad hoc manner. We have developed a more structured approach to common repairs and will continue to build on this and to attempt to obtain the 'buy-in' of owners to repair work, particularly where this could be detrimental to the long-term condition of the property. We will also review options to require owners to participate and consider the financial implications of cost recovery.

16.5 We will explore the potential to consolidate ownership of properties. This would involve the purchase of properties where we are a majority owner in blocks or the disposal of properties where we are a minority owner. This would enable us to ensure that properties within our ownership were adequately maintained and that tenants did not suffer detriment due to unwillingness of owners to participate in improvement works. This will be explored with the Comhairle and Scottish Government.

16.6 Corrective conveyancing will be carried out as issues are identified which need to be addressed and there will be some costs associated with this.

Factoring

17.1 We provide a factoring service to properties and are registered as a property factor. The service provided to the great majority of properties factored is limited to grounds maintenance of common areas within housing schemes. This has a very low financial value.

17.2 We do provide a more traditional factoring service to a small number of shared equity and shared ownership properties. We will work to improve the service and information we provide and the transparency of charges.

Garages

18.1 We own a small number of garages and garage sites throughout the island areas as shown in Table 7. The garages are single vehicle size. Garage sites are unserviced plots on which the lessees construct their own units in line with local authority planning requirements.

Table 7 - Garage and garage sites

Garage	**Nr**
Lewis	23
Uist	14
Barra	1
Land (Garage Site)	
Lewis	62
Grand Total	**100**

18.2 These assets will be assessed to determine whether they provide value to the business. Alternative uses will be examined such as new build development or use as open space or other community use.

STRAND 7 – COMPLIANCE WITH STANDARDS

Planned and Cyclical Maintenance

19.1 Our approach to planned and cyclical maintenance will be to comply with statutory requirements and to protect the Health and Safety of tenants. Cyclical maintenance covers the regular maintenance of elements of a property including mechanical and electrical systems.

19.2 Cyclical maintenance programmes are in place as follows:

- Annual gas servicing
- Annual Fire Safety Installations
- 5-year Electrical Testing
- 10-year smoke and Carbon Monoxide alarms replacement
- Communal door entry system
- Annual Communal lighting
- Portable Appliance Testing
- Septic tank cleaning
- Annual skew inspections
- 5 year planned programme of external fabric repairs and maintenance. One fifth of the stock is inspected annually

19.3 We commissioned an audit from the ACS Risk Group in November 2022 on our responsibilities as a Landlord for Health and Safety. Following this, we amended and updated our policies and further developed our inspection and testing regimes. A further audit is due to be carried out in November 2024.

The following programmes are in place:

- Electrical Safety inspections
    - A 5-year cyclical programme has been established in addition to testing carried out during investment works such as kitchen, bathroom and heating refurbishments
- Fire Safety
    - Fire Safety in Housing Stock and Common Areas - we have installed additional smoke, heat and CO detectors in residential properties in accordance with our legislative requirements. Expiry dates on detectors are recorded on our asset database. All new detectors installed are required to have a 10-year lifespan.
    - Emergency lighting in common parts is checked annually and replaced if necessary.
    - Fire doors to flats leading onto common areas undergo annual inspection and will be replaced where necessary.
- Water Systems and Legionella
    - Risk assessments are undertaken on a sample of the stock. These will be tested further if necessary.
    - Additional work is undertaken on voids to reduce legionella risks.
    - Advice to tenants will be published regularly in the Homeward newsletter.
- Play Park Safety
    - Annual safety inspections and servicing are undertaken.
    - Weekly inspections are also undertaken.

19.4 Our 5-year planned maintenance programme focuses on work to maintain the fabric of properties and their environment and seeks to take a preventative approach to avoid the need for reactive works. The work is identified following a full external inspection of each property. Priority is given to health and safety risks, maintaining the external fabric of homes and particularly roofs, render, rainwater goods and access paths. Repair works to fencing and more cosmetic work including painting is carried out as resources permit.

Asbestos

20.1 We will ensure that any asbestos located within the housing stock is managed in accordance with the requirements of the Control of Asbestos Regulations 2012. Technical staff have received Asbestos Awareness and Sampling training and this will be refreshed during the period of the Strategy. The Asbestos Register will be held within our CX system. Provision has been made within our Planned Maintenance budgets for sampling works and these are now ongoing.

20.2 Refurbishment asbestos surveys are required for investment works and these are carried out on each contract by the successful contractor.

20.3 We will review and update the information and advice provided to tenants on a regular basis.

Gas Installations

21.1 Annual safety checks are carried out on all of our properties that have a gas supply. We audit our processes and the quality of work through an external agency. Currently this is carried out on a 2 yearly basis. We will continue to review the frequency of the audits at this juncture.

21.2 The audit provides an assessment of the quality of work undertaken by contractors by sampling recently completed jobs and verifying the works have been undertaken correctly.

21.3 Our contractors have their own internal QA systems and we will review the results of these as they are completed.

21.4 Audit work will also be carried out to check internal policies and procedures to ensure they are fully compliant with our statutory obligations.

STRAND 8 – DEALING WITH "CAUSE FOR CONCERN STOCK"

22.1 The majority of our housing stock is traditionally built or timber frame and is low rise. Over 75% of the stock is semi-detached or terraced housing. Consequently, there is little concern about properties for purely technical reasons. We are, however, aware that

assets can become liabilities and we will therefore continue to monitor the performance of the stock both in terms of its physical condition and also in the wider social and environmental context.

22.2 We will consider the inter-relationship between new build and the existing stock in each area and whether our development programme provides an opportunity to replace stock that has a limited future life span or where demand is a serious concern.

22.3 Low demand is a continuing concern mainly in the most rural areas. There is some evidence of this having eased over the last 18-24 months with fewer properties taking several weeks or longer to let because of a lack of demand. Demand for housing is a key consideration for us and patterns and trends will be tracked and an annual report presented to our Board.

22.4 There is also some centralisation of population in the larger population centres, particularly around Stornoway, but also to a smaller extent in Tarbert, Balivanich and Castlebay and the implications of a further concentration of development in these areas needs to be considered in the wider strategic planning framework.

22.5 As noted previously we work closely with the Comhairle and seek to influence the development of housing and other strategies. A new Local Housing Strategy is being prepared for 2024 - 2029 and we continue to emphasise the need for the Comhairle's Housing Strategy to be aligned with other corporate strategies and associated actions. In addition, we will continue to work with the Health & Social Care Service and Community Planning Partnership to examine these issues and to consider policy responses to them.

STRAND 9 – NEW DEVELOPMENT

23.1 We will work with the Comhairle on meeting needs and our Board have a clear aspiration to continue to provide new housing across the islands where there is evidence to support this. However, they are also aware of the need to take a long-term view on development and to ensure that this represents benefit to HHP. The most recent Housing Needs Assessment carried out by the Comhairle gives an indicative need for

new social housing of around 10 units per year over the next 5-10 years and our current development plan provides a greater number than this.

23.2 The level of grant funding from the Scottish Government to support new social housing over the period of this strategy is expected to reduce from the very high levels provided since 2018. Levels are likely to be more aligned with historical norms although confirmation of funding is not expected before the end of 2024.

23.3 Our promise at Transfer was to build 250 houses by 31 March 2016. By March 2024 we had built over 650 with a further 80 in progress. As the key delivery partner of the Comhairle's strategic plans for affordable housing, we have put resources in place to enable the delivery of 178 houses within the SHIP up to 2028/29. There are some developments in the SHIP over that time which we anticipate will be progressed through private developers under the Partnership Support for Regeneration programme.

23.4 Following a long-term trend of reducing waiting lists, these stabilised and have now increased over the last 3 years. The reasons for this are not clear but are likely to be, in part, due to increased mortgage rates but may also be influenced by our new build programmes. However, our population is aging, household sizes are reducing and levels of dementia in particular are projected to increase significantly. These challenges and trends must be carefully considered as decisions are taken on future development. Our Board will be carefully considering these trends and the implications for the business of continuing to increase housing supply when demand and population are falling.

23.5 The renewable energy projects which will be developed in the islands over the next ten years present an opportunity to address some of the economic and population challenges which we face. However, these projects also have significant implications in terms of accommodation needs both during construction and beyond. We are members of the Renewable Energy Major Development Forum Accommodation Group and will work with partners to address the challenges which arise from these projects and to seek to maximise the benefit from the opportunity that they present.

23.6 There is an obvious tension between the Comhairle's aspiration to build new houses in rural areas when public services are being withdrawn. The financial risk associated with this currently sits with us. We believe that it is imperative that all agencies work collaboratively to share risks and to deliver on such aspirations.

23.7 We will review the need and potential for other housing options such as mid-market rent and will continue to provide home ownership opportunity initiatives where there is demand through schemes such as the Governments Shared Equity Scheme.

23.8 Where development is undertaken, we will consider new innovations, modern methods of construction and energy efficiency and green initiatives. The impacts of poor housing on issues such as health, poverty and children's attainment are well known. Consequently, the benefits that high quality housing can provide to the well-being and health of our population is important for us to consider when determining our future approach to development.

STRAND 10 – VALUE FOR MONEY

24.1 We have a Value for Money strategy. We review our asset management systems and processes to seek efficiencies and to improve our services.

24.2 We also recognise that procurement practices present an opportunity to improve value for money. As previously noted, we will consider whether to exercise the 2 year extension option on our Repair and Maintenance contract during this strategy period. We will however continue to build on our long term partnership with FES to deliver improvements for tenants and to increase the efficiency of service delivery. The commitment to provide opportunities for our young people through apprenticeships and training will be maintained during the duration of this contract.

24.3 Local communities and charities have benefited through our contractual community benefit requirements and our encouragement of contractors to maximise their contribution to the wider community. These benefits have included monetary

contributions and work in kind and we will continue to deliver such opportunities through our contracts.

24.4 We will assess the investment we are making and review the extent to which this is delivering value, particularly in the context of component life spans and repair and maintenance requirements. Our current 4-year investment framework contract ends in March 2026. We will review our approach to the delivery of investment works during the first 18 months of this strategy and will build on the lessons learnt from the current arrangements.

24.5 As noted earlier in the strategy, we are developing a model which will enable us to assess the contribution that groups of houses make to the business and to identify properties or areas which require more detailed attention or investigation. This would seek to capture both physical and social factors and will identify priorities for action and intervention.

24.6 Our investment delivers social value far beyond our immediate role and responsibility to our tenants. This investment is an important contributor to creating sustainable communities and to supporting the local economy. Over the next five years, through our Repairs, Investment and Development Programmes, we will continue to make a major contribution to the local economy, supporting jobs, local suppliers and communities. We will engage with HACT to explore how we capture and measure the additional value which we bring to our islands.

24.7 We anticipate spending a total of £74M over the lifetime of this strategy whilst providing a level of certainty for local contractors, enabling them in turn to provide apprenticeship opportunities for young people. This will also allow them to live in the Outer Hebrides whilst gaining valuable skills for the future.

FUTURE REVIEW AND MONITORING FRAMEWORK OF THE STRATEGY

25.1 The Strategy and associated Action Plan will be reviewed annually and updated as required in conjunction with the Business Plan and Risk Register.

25.2 An Action Plan for the delivery of the Strategy is set out at Appendix 2. Progress on this will be reported annually to the Board and will be used as an ongoing monitoring tool by managers.

APPENDIX 1

SUPPORTING POLICIES AND STRATEGIES

The Asset Management Strategy is supported by the following:

- Repairs Policy
- Procurement Policy
- Investment Programme
- Asbestos Policy
- Gas Safety Policy
- Water Management and Legionella Policy
- Fire Safety Policy
- Electrical Safety Policy
- Play Area Policy
- Estate Management Policy
- Development Policy
- Special Needs Policy
- Allocations Policy
- Rental & Service Charge Policy
- Environmental Social and Governance Strategy
- Financial Regulations
- Annual Financing Strategy

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
SAP	Standard Assessment Procedures
SHQS	Scottish Housing Quality Standard
EESSH	Energy Efficient Standard in Social Housing
Regulator	Scottish Housing Regulator
SHIP	Scottish Housing Investment Plan
All references to the masculine gender in this policy shall read as equally applicable to the feminine gender	

ASSET MANAGEMENT STRATEGY – ACTION PLAN

REF	ACTION	RESPONSIBLE	TIMESCALE	PROGRESS
	PROTECT CORE STOCK			
1	Address SHQS abeyances and exemptions • Replace all solid fuel heating systems • Continue engagement with owners	Investment Manager Investment Manager	March 2025 Annually	Abeyances being addressed as opportunities arise. Solid fuel systems complete excluding refusals. These are kept under review and enforcement may be considered as an option. Enforcement may be required in lead up to EESSH 2, Climate Change and net zero targets. Opportunities offered to owners on works when possible.
2	Potential to consolidate stock	Asset & Contract Manager	March 2025	Review assets and opportunities to purchase properties where HHP are a majority owner of blocks or disposal where a minority owner
	PROCUREMENT			
3	Determine procurement routes for investment programme and repairs and maintenance post 2027	Asset & Contract Manager	November 2025	Report on procurement options post 2027
	ENERGY EFFICIENCY AND FUEL POVERTY			

REF	ACTION	RESPONSIBLE	TIMESCALE	PROGRESS
4	Investigate and pursue replacement of all THTC systems within housing stock by end of strategy period	Director of Operations	March 2025	Carbon Infrastructure Transition Programme application expected to be approved. Formal notification awaited. Currently 243 systems remain.
5	Monitor new and emerging solutions to improve energy efficiency	Investment Manager	Annually	Ongoing monitoring including any information sharing with members of other organisations or renewables industry.
6	Heating system replacement on former refusals at Voids	Investment Manager	Annually	Review scope of Investment programme to include heating system replacement where previously refused by former tenant subject to Board approval and budget availability
7	Dampness and Condensation	Investment Manager	Weekly	Inspection and monitoring of identified cases. Addressing building related issues and administering advice and guidance.
	LAND AND UNADOPTED INFRASTRUCTURE			
8	Review land assets on regular basis and consider potential uses including disposal	Asset & Contract Manager	Annually	At acquisition, land is considered for its capacity and any cost effectiveness. Any land with additional capacity is identified and is considered for inclusion in the SHIP.
9	Survey unadopted roads and footpaths and assess maintenance needs, cost	Asset & Contract Manager	November 2025	Unadopted Infrastructure surveys being prepared. Some data will be

REF	ACTION	RESPONSIBLE	TIMESCALE	PROGRESS
	implications and shared ownership responsibilities			collected via Stock Condition Survey but further resource may be required. Surveys will cover • Roads • Footpaths • Kerbing • Drains/ covers • Parking • Lighting
10	Review effectiveness and specification of grounds maintenance arrangements with CNES	Asset & Contract Manager	March 2025	CnES retendered works and contract awarded. Contract expires 2026
	'CAUSE FOR CONCERN' STOCK			
11	Transition the model for assessing the value of properties to the business from Active H to Cx Review stock and classify as: • Core Stock • Under Review • Non-core Stock	Director of Operations/Asset & Contract Manager	March 2025	Modelling tool to continue development during full implementation of Cx Repairs and Planned maintenance. CX Planned Maintenance delays have stunted development of the asset management capabilities within the system. When PM is live, CX will give a real time update on all compliance, responsive and investment works which can interlink with SHQS and EEESH reporting to give a 360 view on asset management.

hebridean housing partnership

Making our house your home

ITEM NO 7.5

VALUE FOR MONEY ANNUAL PERFORMANCE REPORT TO 31 MARCH 2024

Board 25 June 2024

Report by Director of Finance & Corporate Services

Purpose of Report

1.1 To provide the board with a view on the Value for Money metrics and how we compare with our peer group.

Summary

2.1 The board approved a VFM strategy in March 2022 which identified 6 metrics which would be presented to the Board annually to provide a measure of Value for Money.

2.2 The 6 metrics together with a comparison with our peer group can be found at appendix 1.

2.3 In reviewing the metrics our overall conclusion is that we have delivered value for money for the year ended 31 March 24.

Competence

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

Recommendations

4.1 **It is recommended that the Board note the Annual Value For Money Report up to 31 March 2024 at Appendix 1.**

APPENDIX1:	Value for Money Report for Year ended 31 March 2024	
Background Papers:	None	
Writer of Report:	Donald Macleod	Tel: 0300 123 0773

James Morrison 12-Jun-24

5.1 Compliance Section

COMPLIANCE CHECKLIST	
Financial	There are no financial costs arising directly from the consideration of this report. As stewards of public monies it is vital that we demonstrate efficiencies that the funds entrusted to us have been used for delivering our Business Plan objectives in an effective and efficient manner.
Legal	The standing orders code of Governance requires, all elected, appointed and co-opted members of our Governing Body and its committees to adhere to seven principles, which are: • Selflessness; • Openness; • Honesty; • Objectivity; • Integrity; • Accountability; and • Leadership.
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	There are no risks arising directly from the consideration of this report.
ESG	There are no ESG considerations arising directly from the consideration of this report.
Equalities	There are no Equalities considerations arising directly from the consideration of this report.
Communication	An annual update will be provided to Board.

hebridean housing partnership

Appendix 1

Value for Money Report for Year Ended 31 March 2024

2024 Value For Money Metrics

Metric	Definition	Value	Commentary
Reinvestment Percentage	An efficiency measurement that looks at the investment in properties (existing stock plus new supply as a percentage of the value of total properties held	2.19%	The value of the investment programme was similar to 2022/23. However, due to the completion of some significant developments, the value of properties held increased resulting in a lower reinvestment percentage in 2023/24.
Gearing Percentage	An efficiency measure that assesses the degree of dependence on debt finance and may be viewed as a key indicator of capacity for growth	11%	The Gearing percentage stayed within similar levels to 2022/23 due to the level of debt remaining the same between the two years.
Interest Cover Percentage	An efficiency measure that is a key indicator for liquidity and investment capacity. By excluding the charges for depreciation and amortisation but including capitalised major repairs.	520%	Interest Cover percentage increased from 2022/23 and was well within the funders requirement of 110%.
Tenant Satisfaction Score	Based on the point of service survey conducted to gain an understanding of how well we are performing from a tenants perspective.	86	Remains unchanged compared to 2022/23 as Surveys are undertaken every 3 years.
Average Rent	Average unit rent	£94.04	An increase of 7% largely due to 50 units at Bremner Court being completed in addition to a 6% rent increase.

**We can only report on HHP information until our peer group have published their Annual Return on the Charter and Financial Statements for year ended 31 March 2024*

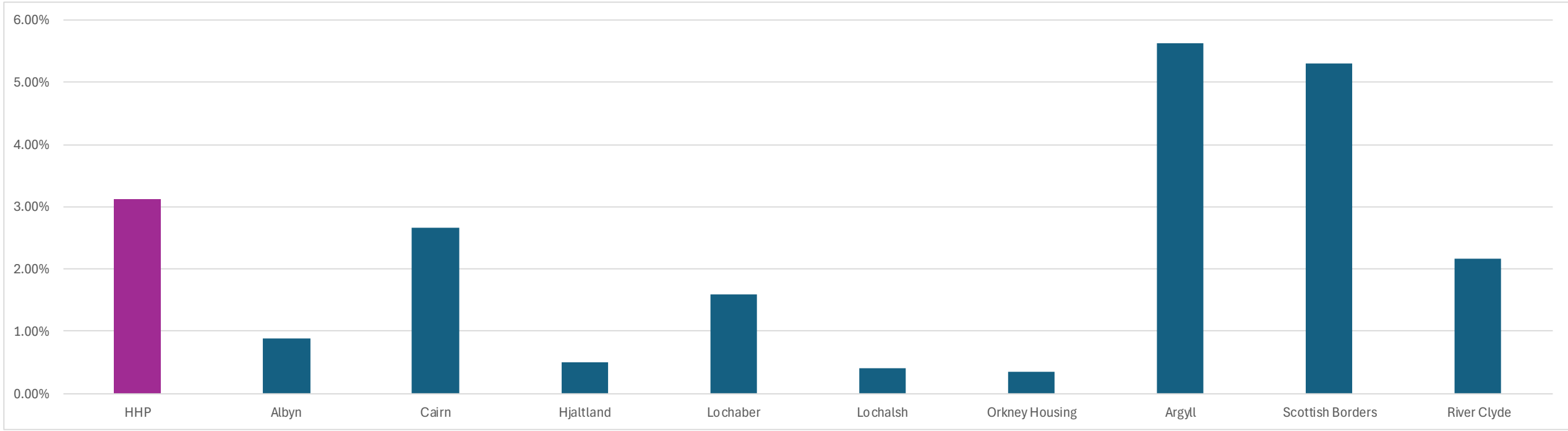
Rent Increases for 24/25

HHP	Albyn	Cairn	Hjaltland	Lochaber	Lochalsh	Orkney Housing	Argyll	Scottish Borders	River Clyde	Commentary on Performance
5.1%	7.7%	5.6%	6.0%	7.5%	7.7%	7.5%	6.0%	6.0%	6.7%	We had the lowest Rent Increase within our peer group.

The above metrics demonstrate we have achieved Value For Money for the year ended 31 March 2024

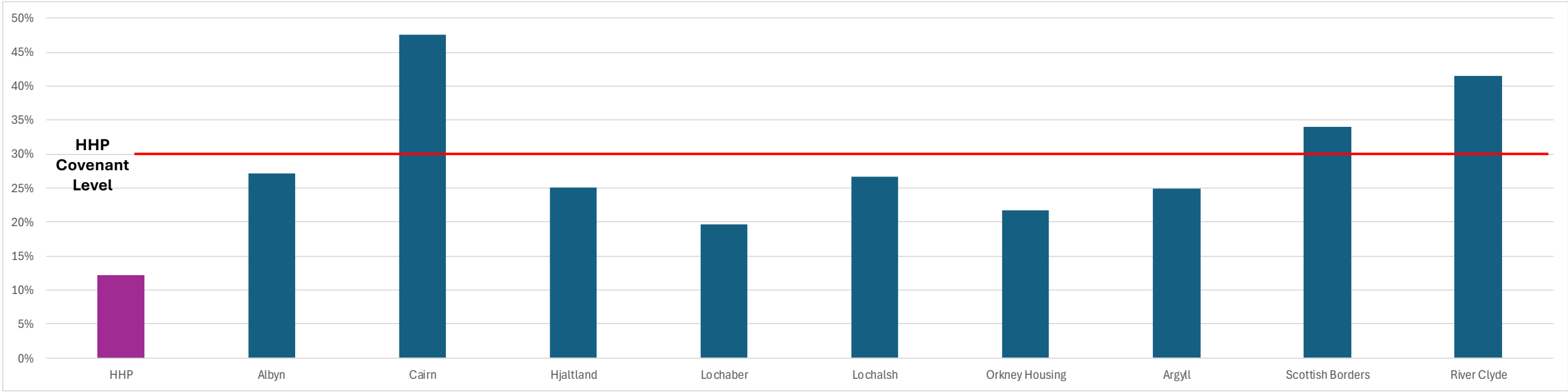
31 March 2023 Reinvestment Percentage Peer Comparison

Definition	HHP	Albyn	Cairn	Hjaltland	Lochaber	Lochalsh	Orkney Housing	Argyll	Scottish Borders	River Clyde	Commentary on Performance
An efficiency measurement that looks at the investment in properties (existing stock plus new supply as a percentage of the value of total properties held	3.13%	0.89%	2.67%	0.51%	1.60%	0.41%	0.35%	5.63%	5.30%	2.17%	At 3%, only two other RSLs have reinvested more in their stock. A number of LSVT RSLs are still working their way through planned maintenance work deferred through covid.



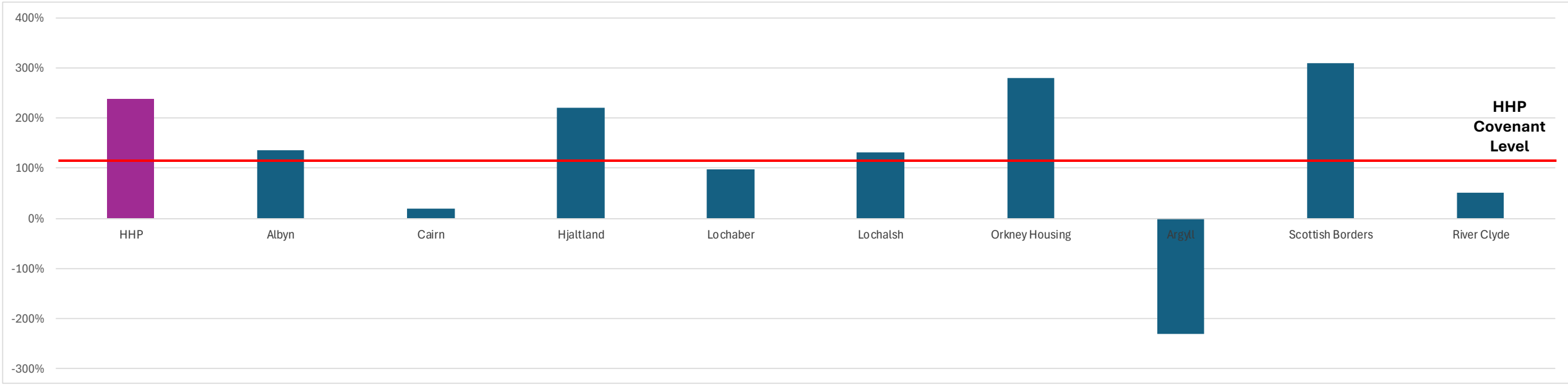
31 March 2023 Gearing Percentage Peer Comparison

Definition	HHP	Albyn	Cairn	Hjaltland	Lochaber	Lochalsh	Orkney Housing	Argyll	Scottish Borders	River Clyde	Commentary on Performance
An efficiency measure that assesses the degree of dependence on debt finance and may be viewed as a key indicator of capacity for growth	12%	27%	48%	25%	20%	27%	22%	25%	34%	41%	HHP have the lowest gearing percentage of our peer group. As a result, we will be charged less interest than our peer group which allows more of our rental income to be reinvested into our homes.



31 March 2023 Interest Cover Percentage Peer Comparison

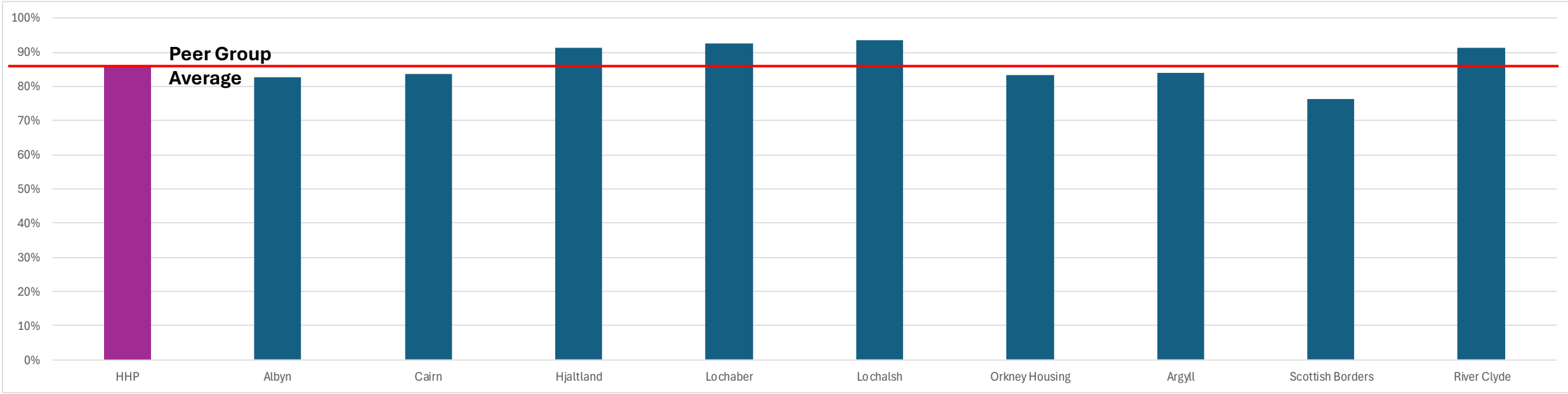
Definition	HHP	Albyn	Cairn	Hjaltland	Lochaber	Lochalsh	Orkney Housing	Argyll	Scottish Borders	River Clyde	Commentary on Performance
An efficiency measure that is a key indicator for liquidity and investment capacity. By excluding the charges for depreciation and amortisation but including capitalised major repairs.	239%	135%	19%	222%	98%	132%	279%	-231%	309%	51%	HHP are in the top half of our peer group for interest cover and we have an interest cover covenant with our funders which requires us to meet a minimum threshold of 110%.



*With Committed Planned Maintenance Costs being delayed due to covid – some RSLs may have alternative covenants in place.

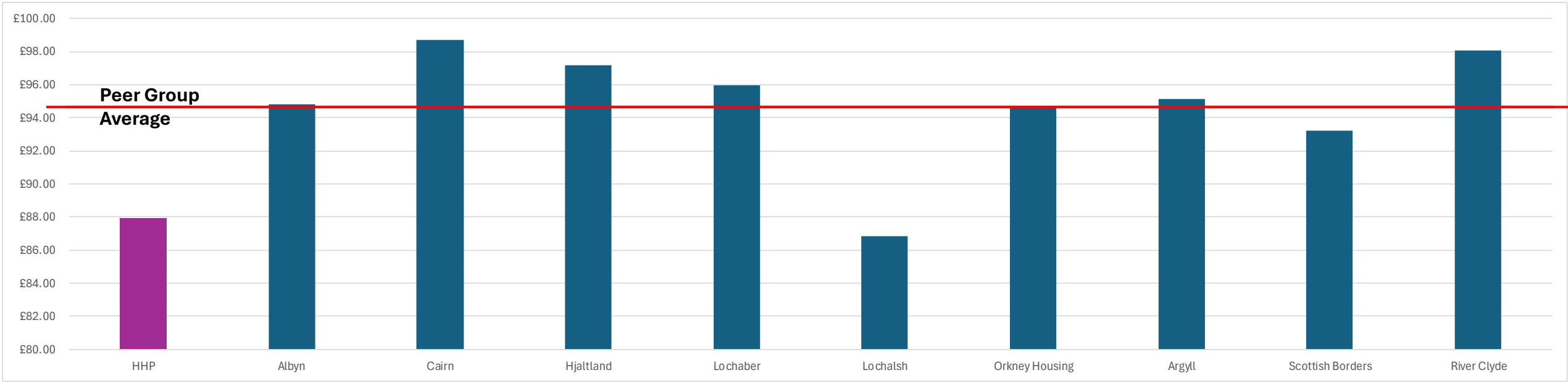
31 March 2023 Tenant Satisfaction Score Peer Comparison

Definition	HHP	Albyn	Cairn	Hjaltland	Lochaber	Lochalsh	Orkney Housing	Argyll	Scottish Borders	River Clyde	Commentary on Performance
Based on the point of service survey conducted to gain an understanding of how well we are performing from a tenants perspective.	86%	83%	84%	91%	92%	93%	83%	84%	76%	91%	HHP are in the middle of our peer group which is our worst performing metric with all our other metrics performing well. The last survey was completed in 2021, a new survey is being conducted this summer which will give us an updated view on how our tenants view our performance.



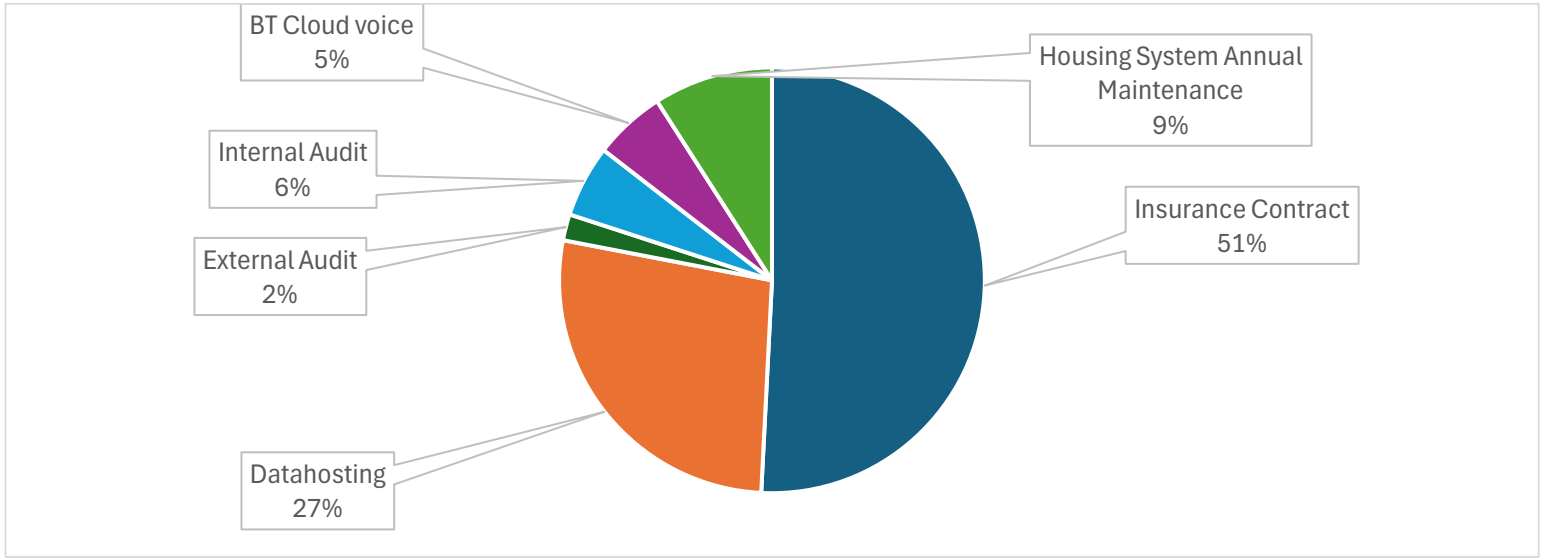
31 March 2023 Average Rent Peer Comparison

Definition	HHP	Albyn	Cairn	Hjaltland	Lochaber	Lochalsh	Orkney Housing	Argyll	Scottish Borders	River Clyde	Commentary on Performance
Average unit rent	£ 87.95	£ 94.82	£98.71	£ 97.17	£ 95.98	£ 86.85	£ 94.71	£ 95.12	£ 93.24	£ 98.06	HHP have the second lowest average rent within our peer group which reflects our aim to keep rents affordable.



Efficiency Savings

Area	Savings Amount (Annual)	Savings Reinvested into 30 Year Plan?	Type of Efficiency	Commentary
Insurance Contract	£ 56,000	Yes	Procurement	Through the retendering exercise in July 2022, we were able to renew on a like for like basis on our policy
Datahosting	£ 30,000	Yes	Procurement	Datahosting provision was rentendered in 2019, the outcome resulted in a solution which involved the acquisition of new Server hardware to be located in the Datacentre. This efficiency saving is principally driven by savings on licence costs
External Audit	£ 2,190	Yes	Procurement	Through the retendering exercise in August 2019, annual savings on both Internal and External audit services were realised
Internal Audit	£ 6,030	Yes	Procurement	Through the retendering exercise in August 2019, annual savings on both Internal and External audit services were realised
BT Cloud voice	£ 6,000	Yes	Operational	Transition from traditional phone lines to cloud telephony
Housing System Annual Maintenance	£ 10,000	Yes	Procurement/Operational	Through the retendering exercise in March 2021, we were able to reduce annual costs
	£ 110,220			
Future Savings Anticipated				
CX Efficiencies	TBD			Full efficiencies to be presented to board in November 2024



2023/24 Cost Pressures

Line	Heading	Budget Overrun at 31 March 24 £	Commentary on Performance
1	Responsive Repairs	12,571	Response Repairs showed signs of overspend in the first half of 2023/24 with the average cost of repairs being high. However, spend reduced in the second half of the year resulting in a smaller than expected overspend against initial budget
2	Void Repairs	136,929	An increase in the amount of tenancies requiring significant clean & clear costs resulted in a large overspend against initial budget
3	Estate Management (Welfare)	13,152	The number of cases related to the welfare of our tenants increased during the year which contributed to the increase on initial budget. Penumbra pilot project expected to begin in 24/25 with a view to prevention.
4	Insurance Repairs	185,216	An increase in the number of weather related events particularly during the winter months resulted in an overspend against initial budget

hebridean housing partnership

Making our house your home

ITEM NO 8.1

QUARTERLY TREASURY REPORT TO 31 MARCH 2024

Board 25 June 2024

Report by Director of Finance & Corporate Services

Purpose of Report

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

Summary

2.1 The quarterly Analysis of Investment and Borrowing report required by the Treasury Management Policy is at Appendix 1.

2.2 Financial covenants were met for 2023/24.

Competence

3.1 Financial and legal constraints arising from the recommendation to this report being implemented are detailed at 6.1.

Recommendations

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

a) quarterly report on the Analysis of Investment and Borrowing as shown at Appendix 1;

b) outstanding loans at 31 March 2024 of £17M; and

c) cash balance at 31 March 2024 of £9.574M.

APPENDIX 1:	Analysis of Investment and Borrowings	
APPENDIX 2:	Quarterly Income and Expenditure Profile	
Background Papers	None	
Writer of Report	James Morrison	Tel: 0300 123 0773

James Morrison 23-May-24

Report Details

Fourth Quarter Treasury Update

5.1 The fourth quarter of the year saw £5.388M expenditure of which £1.527M related to new build.

5.2 The income for the fourth quarter was £4.630M and comprised Rental Income (64%), Government Grants including new build (24.5%), bank interest (2.5%) and Other Income (9%).

5.3 In this quarter there was no change in total borrowing (£17M drawn).

5.4 Appendix 2 summarises the income and expenditure profiles for the fourth quarter.

5.5 The cash balances at 31 March 2024 decreased quarter on quarter by £0.754M to £9.574M due to the increase in investment spend in the fourth quarter.

5.6 All covenants were complied with for 2023/24.

6.1 Compliance Checklist

COMPLIANCE CHECKLIST	
Financial	This report deals entirely with the cash resources utilised over the fourth quarter of 2023/24.
Legal	Rule 19.1 to 20.1 details the Partnership's borrowing powers. The effecting of borrowing and lending money is in accordance with the Partnership's borrowing and lending policies and CIPFA's "Treasury Management in Housing Partnerships: A Code of Practice" and has been delegated to the Director of Finance & Corporate Services. The Treasury Management Policy requires that as a minimum a quarterly report is provided to the Board in the form "Analysis of Investment and Borrowing". The Treasury Management Policy requires that if the cash balances exceed £4M the funds should be spread over no fewer than four interest bearing accounts. The cash balances are in a special interest account with Royal Bank of Scotland (RBOS). The remainder is held in the current accounts with the RBOS. The Treasury Management Policy states that we "will ensure at least 50% of net debt is to be hedged (either through entering into fixed rates or using another acceptable instrument) at any one time and so a maximum of 50% of forecast net debt exposed to the risk of rising interest rates".
Regulatory	The Regulatory Standards Checklist has been completed and there is nothing in this report which would breach these standards.
Risk	There are a number of risks highlighted in the Risk Register in relation to Treasury Management. The risk scored as "high" is the impact of increases in the interest rate and inflation rate and this has been addressed in Appendix 1. The COVID-19 pandemic and war in Ukraine has resulted in turmoil in the financial markets. The increase in the bank interest rates mean that there will be an increased cost with respect to any variable loans held. There will also be an increase in interest received on deposit accounts. Interest rate risk is managed through hedging the proportion of debt between Fixed and Variable. We are in a strong hedging position with only £1.5M of current debt drawn on a variable basis.

COMPLIANCE CHECKLIST	
ESG	There is an 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	There are no communications required following the consideration of this report.

31MAR24 ANALYSIS OF INVESTMENTS AND BORROWINGS

INVESTMENTS

	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Average
DEPOSIT ACCOUNTS	**£000's**	£000's	£000's	£000's	£000's	£000's
Royal Bank	**4,250**	4,250	5,450	5,450	6,250	5,130
CWS	**0**	0	0	0	0	0
BOS	**15**	18	19	21	24	19
Santander	**86**	88	89	89	90	88
Total Deposit	**4,351**	4,356	5,558	5,561	6,365	5,238
CURRENT ACCOUNTS						
General Account	**1,359**	**2,934**	**2,404**	**2,479**	**915**	2,018
Standing Order	**750**	**750**	**750**	**750**	**750**	750
Direct Debit	**750**	**750**	**750**	**750**	**750**	750
Office/Cash	**750**	**750**	**750**	**750**	**754**	751
Property Factoring	**33**	**34**	**36**	**39**	**40**	36
Total current	**3,642**	5,218	4,690	4,767	3,209	4,305
Total	**7,993**	9,574	10,248	10,328	9,574	9,544

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

The cash held at the Royal Bank is split between 5 operational accounts totalling £3.209M. 5 deposit accounts held with the 4 banks shown above total £6.365M.

BORROWINGS

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

Interest Rates

The Interest Rate that applies to the Partnership is SONIA plus an agreed margin. SONIA is the Sterling Overnight Index Average and replaces LIBOR (London Inter Bank Offer Rate). SONIA was 5.19% at 31 March 2024.

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

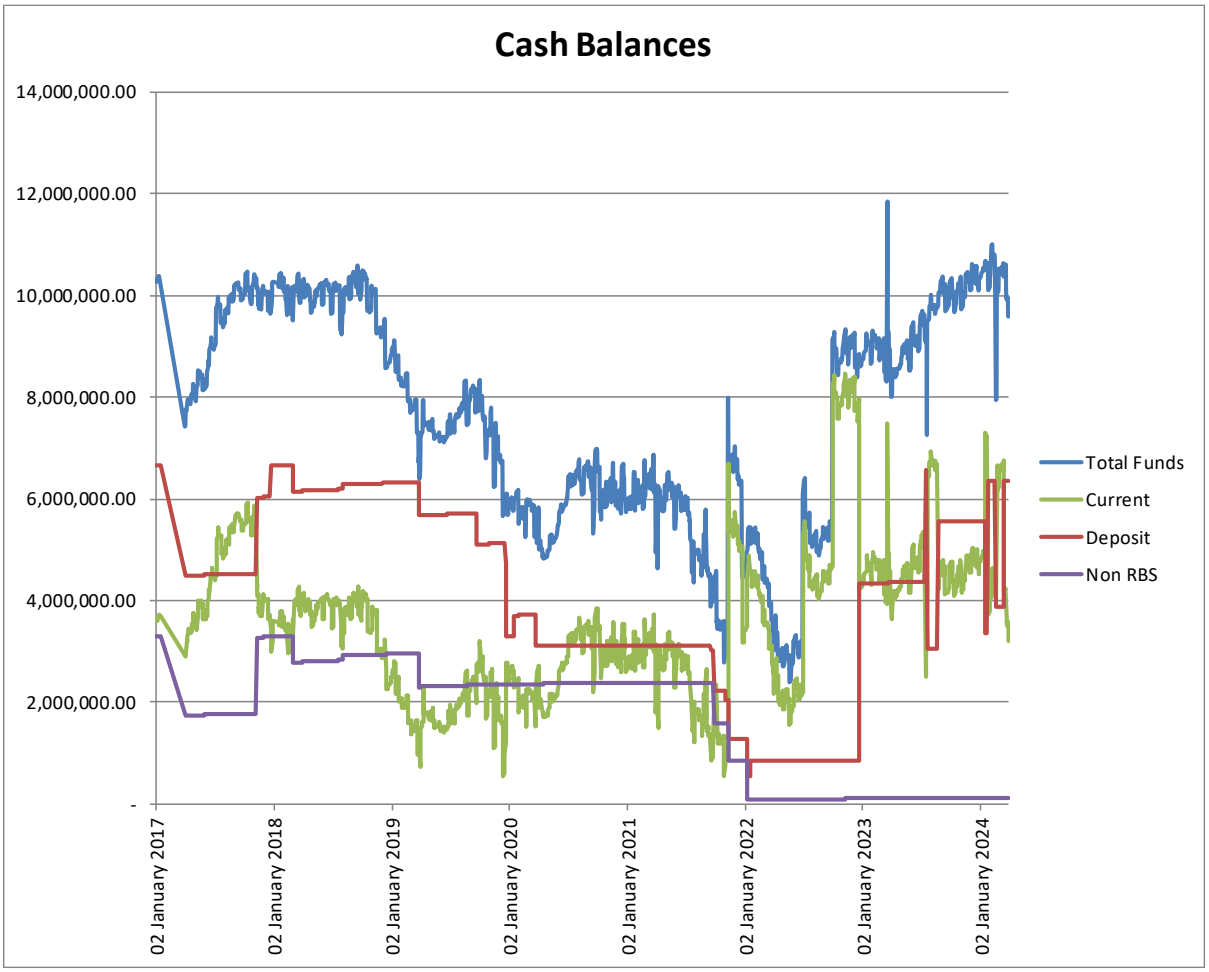
Borrowings	**Mar-23**	**Jun-23**	**Sep-23**	**Dec-23**	**Mar-24**	**Average**
	£000's	£000's	£000's	£000's	£000's	£000's
Facilities arranged	25,000	25,000	25,000	25,000	25,000	25,000
Loans outstanding	17,000	17,000	17,000	17,000	17,000	17,000
Variable/Fixed analysis-amounts						
Variable amount	1,500	1,500	1,500	1,500	1,500	1,500
Fixed amount	15,500	15,500	15,500	15,500	15,500	15,500
Other Hedging	-	-	-	-	-	-
	17,000	17,000	17,000	17,000	17,000	17,000
Variable/Fixed analysis-Percentages						
Variable	8.82%	8.82%	8.82%	8.82%	8.82%	8.82%
Fixed	91.18%	91.18%	91.18%	91.18%	91.18%	91.18%
Other Hedging Products						
	100%	100%	100%	100%	100%	100%
Lenders amounts						
Core Facility (RBS)	17,000	17,000	17,000	17,000	17,000	17,000
Other Borrowings	-	-	-	-	-	-
	17,000	17,000	17,000	17,000	17,000	17,000

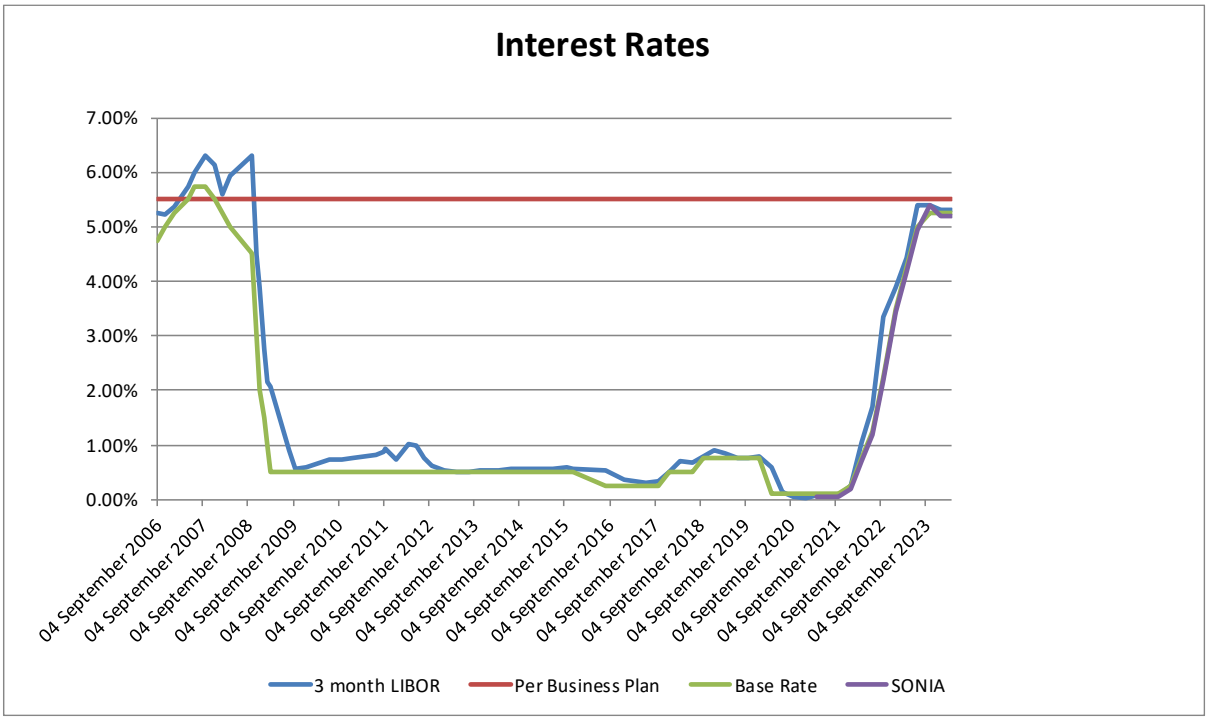
Average cost of borrowing

Amount £000's	**Type**	**Annual Cost**
15,500.00	Fixed	572,198
1,500.00	Variable	132,260
17,000.00		704,458
Average cost of funds		4.14%

Anticipated level of borrowing over next 5 years

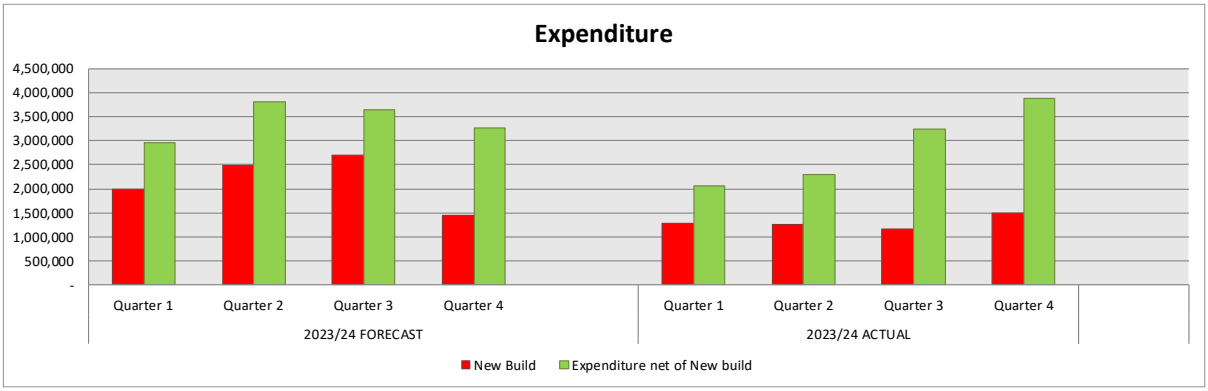
Year	2023/24 Est £m	AFS Forecast £m	Variance £m
2023/24	17.000	17.000	-
2024/25	17.000	17.000	-
2025/26	18.000	18.000	-
2026/27	19.500	19.500	-
2027/28	19.500	19.500	-




Interest Rates
7.00%
6.00%
5.00%
4.00%
3.00%
2.00%
1.00%
0.00%
04 September 2006
04 September 2007
04 September 2008
04 September 2009
04 September 2010
04 September 2011
04 September 2012
04 September 2013
04 September 2014
04 September 2015
04 September 2016
04 September 2017
04 September 2018
04 September 2019
04 September 2020
04 September 2021
04 September 2022
04 September 2023
3 month LIBOR
Per Business Plan
Base Rate
SONIA

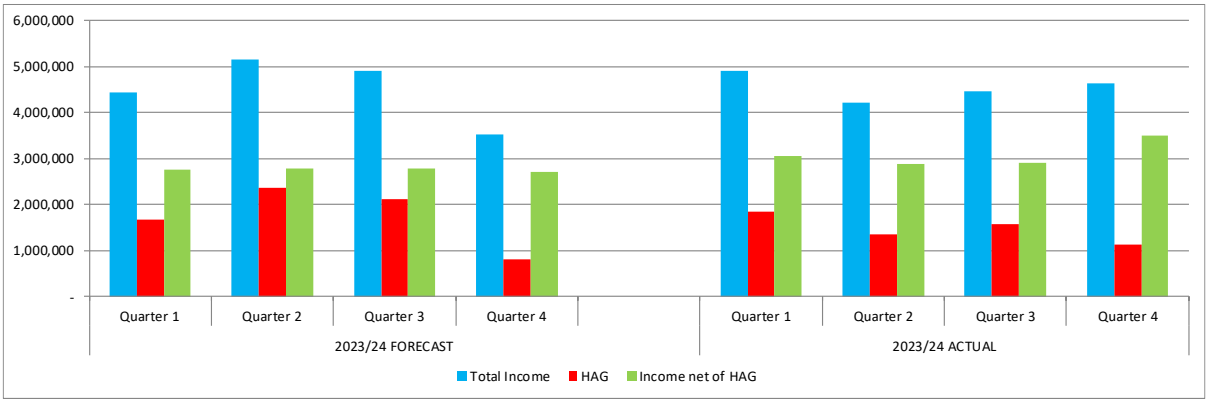
31MAR24 ANALYSIS OF INCOME AND EXPENDITURE PROFILES

EXPENDITURE



Overall, the expenditure for the fourth quarter (Q4) of 2023/24 is £0.696M higher compared to forecast. Expenditure net of new build for Q4 is £0.631M above forecast as some works forecast to be completed in Q3 were carried out in the last quarter (mainly the completion of the infrared heating replacement programme).

INCOME



Total Income for the fourth quarter of 2023/24 is £1.108M higher than the original forecast mainly due to delays in the development program resulting in HAG originally forecast to be received earlier in the year being received in fourth quarter (£325K). Income net of HAG is £782K above forecast due to additional interest received in Q3 coupled with delay damages at Goathill and insurance recoveries.

hebridean housing partnership

Making our house your home

ITEM NO 8.2

MANAGEMENT REPORT TO 31 MAY 2024

Board 25 June 2024

Report by Director of Finance & Corporate Services

Purpose of Report

1.1 To present the Management Report for the month ended 31 May 2024 to the Board for review.

Summary

2.1 The Management Report, at Appendix 1, shows that financial covenants will be met for the year ended 31 March 2025 with a headroom forecast of £839K.

2.2 Investment spend has reduced as a result of the unsuccessful net zero application to Scottish Government. This has had a negative impact on Supervision & Management costs as the reduction in Clerk of Works fees has resulted in a £91.6K increase in costs. All remaining work is anticipated to be tendered by the end of June and further funding opportunities will be monitored throughout the year.

2.3 The Resource Planning Assumption (RPA) confirmed by Scottish Government is less than assumed in the development budget and therefore the plan has been revised with a reduction in the forecast of Cost and Grant.

Recommendations

3.1 **It is recommended that the Board note the Management Report at 31 May 2024 and revised forecast out turn at 31 March 2025 as at Appendix 1.**

APPENDIX 1	Management Report to 31 May 2024	
Background Papers	None	
Writer of Report	James Morrison	Tel: 0300 123 0773

James Morrison 11-JUN-24

4.1 Compliance Section

COMPLIANCE CHECKLIST	
Financial	The board approved budgets for 2024/25 in March 2024, which projected a surplus for the year of £1.40M. The current forecasted out-turn surplus is £1.39M
Legal	The following Partnership rules are applicable: *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.

Management Report 2024/25

To 31 May 2024

hebridean housing partnership

INTRODUCTION

The Summary Management Report to 31 May 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

SECTION 1: HIGH LEVEL SUMMARY

	INDICATOR	STATUS	COMMENT
INCOME	FINANCIAL COVENANTS		Covenants are forecasted to be met for the full year.
	FORECASTED SURPLUS		
	RENTAL INCOME		
	GRANT INCOME		
	DEVELOPMENT GRANTS		Due to a £2.029M reduction in Scottish Government grants we will be unable to deliver our development plan this year
	OTHER INCOME		
EXPENDITURE	DEVELOPMENT COSTS		Due to a £2.029M reduction in Scottish Government grants we will be unable to deliver our development plan this year
	INVESTMENT		As we were unsuccessful in our bid to secure net zero funds from Scottish Government (£1.018M), works have been postponed until next year to cover the requirements of the infra red heating replacement.
	REPAIRS & MAINTENANCE		Voids costs will be monitored over the following months.
	MANAGEMENT COSTS		Supervision & Management costs have increased by £91.6K. This increase is mainly driven by the reduction in internal fee income due to the unsuccessful Net Zero Fund Grant application.
	INTEREST		

	No Issues - On Track
	Requires Monitoring
	Issues

STATEMENT OF COMPREHENSIVE INCOME

Line	Heading	CURRENT YEAR BUDGET Initial Budget £	Revised Budget £	ACTUAL to 31-May-24 £	BUDGET REMAINING Revised Budget £	Revised Budget %	FORECAST OUT-TURN Over/ (under) £	at 31-Mar-25 £
1	Dwelling rents (net)	11,658,470	11,658,470	2,018,094	9,640,376	83%	11,435	11,669,905
2	Non Dwelling rents (net)	18,630	18,630	8,779	9,851	53%	-	18,630
3	Profit/(Loss) on Disposal of Assets	(45,000)	(45,000)	(385)	(44,615)	99%	-	(45,000)
4	Grant Funding	610,000	610,000	81,158	528,842	87%	-	610,000
5	Other Income	205,500	205,500	35,646	169,854	83%	-	205,500
6	**TOTAL INCOME**	12,447,600	12,447,600	2,143,292	10,304,308	83%	11,435	12,459,035
7	Supervision & Management	3,165,000	3,256,613	553,681	2,702,932	83%	-	3,256,613
8	Response Repairs	2,008,820	1,998,820	298,401	1,700,419	85%	-	1,998,820
9	Estate Works	139,300	139,300	9,780	129,520	93%	-	139,300
10	Planned/Cyclical Maintenance	1,431,080	1,431,080	87,019	1,344,061	94%	-	1,431,080
11	**Total Operating Expenditure**	6,744,200	6,825,813	948,880	5,876,932	86%	-	6,825,813
12	Operating Surplus/(Deficit)	5,703,400	5,621,787	1,194,412	4,427,376	79%	11,435	5,633,222
13	Interest received	90,750	90,750	10,349	80,401	89%	-	90,750
14	Interest paid	1,136,000	1,136,000	119,367	1,016,633	89%	(5,469)	1,130,531
15	Surplus/(Deficit)	4,658,150	4,576,537	1,085,394	3,491,144	76%	16,904	4,593,441
16	Depreciation	4,844,700	4,844,700	798,010	4,046,690	84%	-	4,844,700
17	Grant Amortisation	(1,588,610)	(1,638,610)	(321,270)	(1,317,340)	80%	-	(1,638,610)
18	Surplus/(Deficit)	1,402,060	1,370,447	608,655	761,794	56%	16,904	1,387,351
	CAPITAL INVESTMENT							
19	Housing Investment Programme	3,650,200	3,650,200	16,106	3,634,094	100%	-	3,650,200
20	Non Housing Investment	9,040	9,040	-	9,040	100%	-	9,040
21	Development Programme	2,047,200	2,047,200	47,282	1,999,918	98%	(170,206)	1,876,994
22		5,706,440	5,706,440	63,388	5,643,052	99%	(170,206)	5,536,234

Commentary on Performance

Income

There have been a low number of voids in the first two months of the year which has resulted in the improvement on budget of £11K and as a result, the forecast has been reduced.

An underspend of £3K on Grant Funding to date can be attributed to timing of RHI receipts. An application for Aids & Adaptations has been submitted and the result of this may increase the forecast for Grant Funding.

Expenditure

Supervision & Management costs have increased by £91.6K. This increase is mainly driven by the reduction in internal fee income due to the unsuccessful Net Zero Fund Grant application.

A £5K saving has been recognised on Interest Paid as a result of a reduction in the SONIA rate on our variable rate loan.

Capital Investment

The RPA confirmed by Scottish Government is less than assumed in the budget and therefore works cannot progress as originally planned with a reduction in the forecast.

STATEMENT OF FINANCIAL POSITION

Line	Heading	Notes	31-May-24 £	30-Apr-24 £	31-Mar-24 £
	Fixed Assets				
1	Tangible assets-social housing	1	132,176,058	132,529,380	*132,986,858*
2	Development & Investment Programme		4,997	23,883	-
3	Tangible assets - property, plant and equipment	1	919,083	930,239	*941,393*
4	Landbank		696,343	696,343	*696,343*
5	Investments		2	2	*2*
6	**Total Fixed Assets**		133,796,484	134,179,847	*134,624,596*
	Current Assets				
7	Stock		24,456	24,456	*24,456*
8	Trade and other debtors due within one year	2	368,697	1,083,781	*1,927,773*
9	Debtors due after more than one year		168,529	170,946	*173,364*
10	Short-term deposits	3	5,867,388	3,366,245	*6,365,141*
11	Cash at bank and in hand	4	4,967,289	6,594,617	*3,301,061*
12	Loan to subsiduary		18,626	18,626	18,626
13	**Total Current Assets**		11,414,985	11,258,670	*11,810,421*
14	**Creditors: amounts falling due within one year**		(1,468,637)	(1,357,025)	*(2,980,523)*
15	**Net current assets**		9,946,348	9,901,645	*8,829,898*
16	**Total assets less current liabilities**		143,742,832	144,081,492	143,454,493
17	**Creditors:** amounts falling due after more than one year		(22,583,954)	(22,583,000)	*(22,583,000)*
18	Deferred capital grants		(75,113,229)	(75,273,865)	*(75,434,502)*
19	Pension Liability		-		-
20	**Net Assets**		**46,045,649**	**46,224,628**	***45,436,991***
	Capital and Reserves				
21	Share Capital		87	87	*87*
22	Revenue Reserve		46,045,562	46,224,541	*45,436,904*
23	**Total Capital and Reserves**		**46,045,649**	**46,224,628**	***45,436,991***

Commentary on Performance

Note 1 (Tangible Assets) A decrease of £356K from March'24 is due to higher depreciation on our assets than the amount of works capitalised in the first two months of the year.

Note 2 (Trade and other debtors due within one year) Reduction of £715K from April. This is due to the timing of four weekly benefit payments, the receipt of the Reasonable Cost Contribution from Scottish Water for Goathill as well as receipts for invoices raised on Account Property rents.

Note 3 (Short Term Deposits) £3M drawdown was received from short term deposits in April, with £2.5M moved to deposit in May.

Note 4 (Cash at Bank and in Hand) £1.63M reduction month on month is a result of £2.5M being put on deposit in addition to low spend during April and May due to minimal investment and development spend.

Covenants are forecast to be met for the full year with Interest cover forecast at 191% and gearing of 10%.

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	£ 717,673	£ 2,427,132
2	Add back Depreciation	£ 798,010	£ 4,844,700
3	Add back Profit/(Loss) on sale of LIFT properties	£ -	£ -
4	Deduct Capitalised Investment (inc OT)	(£ 16,106)	(£ 3,650,200)
5	Deduct Pension Contributions	£ -	£ -
6	Deduct Amortisation	(£ 321,270)	(£ 1,638,610)
7	Adjusted Operating Surplus	£ 1,178,306	£ 1,983,022
8	Interest Payable	£ 119,367	£ 1,130,531
9	Interest Receivable	£ 10,349	£ 90,750
10	Net Interest Payable	£ 109,018	£ 1,039,781
11	Covenant for 23/24	110%	110%
12	Adjusted Operating Surplus as percentage of Net interest Payable	1081%	191%
13	Headroom	£ 1,058,386	£ 839,263
14	Historic Cost of Properties	£ 161,097,471	£ 164,841,722
15	Financial Indebtedness	£ 17,000,000	£ 17,000,000
16	Gearing Covenant for 23/24	30%	30%
17	Gearing	11%	10%

FINANCIAL RATIOS

Key Ratios

	Current	Forecast	2023/24
Current Ratio	7.66	4.71	3.96
(Current Assets/Current Liabilities)			
Net Debt Per Unit			
Borrowing/ stock units	£7,098.12	£7,001.65	£7,121.91
Voids%	0.43%	0.91%	0.62%
Voids as % of Rental Income Due			
Bad Debts %	0.05%	2.00%	0.38%
Bad Debts written off as % of Rental Income Due			
Staff Cost/Turnover %	18.39%	21.86%	19.91%

CASH FLOW FORECAST 2024/25

The below cash flow shows the anticipated cash position as at 31 May 2024 and a forecast for the remainder of the 24/25 Financial Year:

Monthly Cash Flow Forecast

Year Ended 31-Mar-25	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	29/02/2025 Month 11	31-Mar-25 Month 12	Total
Cash on Hand at beginning of month	6,611,039	5,046,873	5,139,745	5,673,161	5,658,702	5,339,829	5,090,040	5,224,851	4,702,324	4,673,776	4,155,210	3,139,217
Cash Receipts												
Rent	1,180,027	791,844	1,289,239	975,094	791,844	1,289,239	975,094	791,844	1,289,239	975,094	791,844	12,446,448
Sale of Assets	(36,367)	-	-	-	-	-	-	-	-	-	-	41,458
Grant Income	417,523	534,250	663,670	534,250	534,250	883,570	1,201,550	483,250	542,670	440,350	222,450	7,505,290
Bank Interest	924	58,750	-	-	-	30,000	-	-	1,000	-	1,000	122,874
Insurance Claims	237	-	-	-	-	-	-	-	-	-	-	8,657
Other income	118,970	-	-	-	-	-	-	-	-	-	-	170,618
Transfer from Deposit	-	-	-	-	-	-	-	-	-	-	-	3,000,000
												-
Loan/Other cash injection	-	-	-	-	-	-	-	-	-	-	-	-
Total	1,681,313	1,384,844	1,952,909	1,509,344	1,326,094	2,202,809	2,176,644	1,275,094	1,832,909	1,415,444	1,015,294	23,295,346
Total Cash Available	8,292,353	6,431,717	7,092,654	7,182,505	6,984,796	7,542,638	7,266,684	6,499,945	6,535,233	6,089,220	5,170,504	
Cash Paid Out												
Payroll	207,802	219,440	219,440	219,440	219,440	221,145	222,850	222,850	222,850	222,850	222,850	2,620,712
Management Costs	31,621	62,760	78,450	62,760	62,760	378,450	62,760	62,760	78,450	62,760	62,760	1,104,930
Repairs	10,931	206,394	206,394	206,394	206,394	206,394	206,394	399,028	399,028	399,028	401,028	3,502,231
Investment	24,277	51,138	417,639	537,639	401,883	808,889	293,259	58,553	354,309	292,802	139,779	4,024,277
Development	468,112	499,070	496,570	496,570	499,070	836,470	1,255,570	758,070	805,570	955,570	863,070	8,396,332
Total	742,743	1,038,802	1,418,493	1,522,803	1,389,547	2,451,348	2,040,833	1,501,261	1,860,207	1,933,010	1,689,487	19,648,481
Cash Paid Out (Non P & L)												
Loan Interest	-	249,920	-	-	249,920	-	-	295,360	-	-	340,800	1,193,810
Capital Purchase	-	2,500	-	-	4,500	-	-	-	-	-	-	7,000
Refunds	2,737	750	1,000	1,000	1,000	1,250	1,000	1,000	1,250	1,000	1,000	16,286
Transfer to Deposit Account	2,500,000	-	-	-	-	-	-	-	-	-	-	2,500,000
Total	2,502,737	253,170	1,000	1,000	255,420	1,250	1,000	296,360	1,250	1,000	341,800	3,717,096
Total Cash Paid out	3,245,480	1,291,972	1,419,493	1,523,803	1,644,967	2,452,598	2,041,833	1,797,621	1,861,457	1,934,010	2,031,287	
Cash Position at End of Month	5,046,873	5,139,745	5,673,161	5,658,702	5,339,829	5,090,040	5,224,851	4,702,324	4,673,776	4,155,210	3,139,217	-
Deposit Acct At end of Month	5,865,019	5,865,019	5,865,019	5,865,019	5,865,019	5,865,019	5,865,019	5,865,019	5,865,019	5,865,019	5,865,019	
Total Funds Available	10,911,892	11,004,764	11,538,180	11,523,721	11,204,848	10,955,059	11,089,870	10,567,343	10,538,795	10,020,229	9,004,236	

STOCK LEVELS 2024/25

The below shows the current stock level position as at 31 May 2024:

Property Stock

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

	Units in Management		Units under Development	
	2025	2024	2025	2024
Unimproved				
New Build	603	595	72	80
Improved	1,774	1,774	-	-
General Needs Housing	2,377	2,369	72	80
Shared Ownership Accommodation	3	3	-	-
Supported Housing Accommodation	15	15	-	-
Total Housing Stock	2,395	2,387	72	80
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 8 since 31 March 2024 due to 8 new units at Ionad Dotair Macleod.

INVESTMENT PROGRAMME

Board 25 June 2024

Report by Director of Operations

Purpose of Report

1.1 To provide an update on the 2024/25 Investment Programme.

Summary

2024/25 Investment Programme

2.1 The Investment Framework contract is being used for the delivery of the programme. Heating and window programmes have been awarded and surveys are in progress. The remainder of the programme is being procured during June 2024. The table at 4.1 shows the stages of procurement for all the works.

2.2 The Investment Programme was amended and approved by Board on 21 May 2024 following our unsuccessful application to the Social Housing Net Zero Heat Fund.

2.3 A separate application to the Social Housing Net Zero Heat Fund was submitted in January 2024 for External Wall Insulation to 30 properties. The outcome of this bid is not yet known. If this is unsuccessful, the programme will need to be further revised. A further update on this application will be provided at the Board.

Aids and Adaptations 2024/25

2.4 The application window for grant funding opened much later than normal with a significantly reduced budget. A bid was submitted prior to the deadline of 12 June 24. An initial budget of £120K was set up to enable work on referrals to continue into 2024/25 and it is expected that these will be claimed once the funding award is known.

2.5 In view of the delay and uncertainty, referrals are now being placed on a waiting list and reviewed on a case-by-case basis to ascertain the urgency before any decision is made to progress works.

Recommendations

4.1 **It is recommended that the Board note the progress on the 2024/25 Investment Programme.**

Background Papers: Risk Register

Writer of Report: Angus MacNeil Tel: 0300 123 0773

Angus E MacNeil 22-May-24

Report Details

2024/25 Investment Programme

4.1 The position of each contract Lot is set out 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	Awarded - Alex Murray (Construction) Ltd	July	November
Lot 1B - Windows & Doors	Tender to be issued	August	October
Lot 2A - Heating – Infra red	Awarded - FES FM Ltd	May	August
Lot 2B - Heating – Infra red replacement	Awarded - Alex Murray (Construction) Ltd	June	September
Lot 5A – Roughcast and Roofing	Tender to be issued	July	October
Lot 5B – Roofing	Tender to be issued	August	December
Lot 5C - Roughcast	Tender to be issued	August	December
Lot 6 - Electrical	Out to tender	June	January
Lot 8 - Occupational Therapy	Out to tender	June	March
Energy Efficiency (External Wall Insulation) – Scotland Excel framework	TBC		
Uist & Barra			
Lot 9a - Windows & Doors	Awarded - FES FM Ltd	July	September
Lot 10 - Heating	Awarded - Alex Murray (Construction) Ltd	June	October
Lot 16 - Occupational Therapy	Out to tender	June	March
Energy Efficiency (External Wall Insulation) – Scotland Excel framework	TBC		

Programme Progress

4.2 The window replacement at St Barr's Crescent was carried forward from 2023/24 and has now been completed.

4.3 Infrared heating and window replacement – survey works are progressing across lots awarded to date.

4.4 There are no issues being reported with the supply chain at present. Site start dates are based on lead in times for the manufacture and supply of components.

4.5 Applications to the Social Housing Net Zero Heat Fund will continue as further application opportunities arise. If these applications are successful, we will re-evaluate postponed works to reinstate them to the programme where possible.

Aids and Adaptations position

5.1 The current position on General Adaptations is detailed in the table below.

5.2 An application for Grant funding has now been submitted to the Scottish Government. Until the outcome is known, referrals are being placed on a waiting list and only those assessed as the highest priority by the OT Service are being progressed.

Occupational Therapy Referrals	**2024/25**
Number of Properties	31
Number of Referrals **received** (some properties have more than one referral)	32
Number of tasks on Referrals **received** (a referral can have multiple tasks)	63
Number of referrals **completed**	11
Number of Referral tasks **completed**	19
Number of Referral tasks awaiting action – under review case-by case	14
Total Spend/ Committed	**£55.5K**
Grant Allocation – General Adaptations	**-**
Total Budget	**£120K**

5.3 The outstanding referrals consist of:

- Wet room/bathroom alterations – 4
- Low threshold door - 1
- Sundries, handrails, grabrails etc. – 9

6.1 Compliance Checklist

COMPLIANCE CHECKLIST	
Financial	The revised programme for the 2024/25 period is within the business plan cash planning limits of £3.53m. A decision is awaited on the application for grant funding for external wall insulation. Aids and adaptations are being reviewed case-by-case until the grant position is known.
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. Finalised guidance on new Net Zero targets for social housing is awaited.

ESG	This report is consistent with the ESG strategy on this agenda. A number of actions are being progressed through our investment programme. These include: Social o Ensuring Building Safety and Quality and maintaining Scottish Housing Quality Standard o Resident Voice – Tenant satisfaction is measured and tenants are consulted on works. o Placemaking – sustainability embedded into contract. Environmental o Climate Change – install low emission heating systems and seek to reduce waste and maximise sustainability, and recycling. o Resource Management - regularly review standard specifications having regard to the environmental impact of individual products and materials. Governance o Board awareness of energy efficiency and how to pass benefits to customers.
Equalities	We are committed to promoting equality, diversity and inclusion. The are no equalities implications arising from the approval of this report.
Communication	Tenants will be kept advised of programmes and timescales for works. Satisfaction surveys will be carried out on completion.

DEVELOPMENT REPORT

Board 25 June 2024

Report by Chief Executive

Purpose of Report

1.1 To provide a progress update on our 5 Year Development Plan (2024-29).

Summary

2.1 Appendix 1 provides a summary of progress against the last Business plan 2019-2024.

2.2 Appendices 2 & 3 provide details of progress on the new Development Plan for 2024 – 2029 with 5% of planned houses completed and 47% on site or due to go on site.

2.3 Appendix 4 shows projects that are currently under construction including the site plans for Leverburgh.

2.4 The site at Lochmaddy in April 2024 was completed and was well received by all tenants.

2.5 The first 33 homes in Blackwater are programmed for handover in October 2024 with full completion due in February 2026.

2.6 The contractor has submitted the building warrant for Leverburgh and is aiming to start on site in July 2024.

2.7 Barra Phase 2 was tendered with a closing date of 6 June 2024. An update will be provided at Board.

Competence

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

Recommendations

4.1 **It is recommended that the Board note the Development Plan update.**

APPENDIX 1:	2019-2024 New Build Overview	
APPENDIX 2:	Development Plan 2024-2029 Summary	
APPENDIX 3:	Development Plan Progress	
APPENDIX 4:	Projects under construction 2024	
Background Papers:	Development Risk Threshold	
Writer of Report:	Sawan Morrison	Tel: 0300 123 0773

Report Details

Development Plan – Looking Back

5.1 Appendix 1 shows a map of the Outer Hebrides with all the sites that were developed in the last 5 years showcasing our ongoing commitment to building across the Outer Hebrides.

5.2 263 homes were completed over this period across 20 projects, including the provision of a new Housing with Extra Care facility and 37 homes for purchase through the Shared Equity scheme.

Development Plan 2024-29

6.1 Good progress is being made on the delivery of the new Development Plan approved in March 2024 with 5% of the planned homes completed and a further 47% currently on site. Full details of all the developments can be found in Appendix 2 & 3. Images of the current construction projects can be found in Appendix 4.

Development 2024/25

6.1 The main points to note for developments on site or identified for 2024/25 are:

- **Lochmaddy** - This site of 8 homes for rent were completed in April 2024. The official opening will be held during the summer.
- **Blackwater** - contractor is still on schedule to complete 33 homes in October 2024. Adaptation requirements are being progressed where appropriate.
- **Leverburgh** - Alex Murray Construction have submitted the building warrant application and are due on site in July 2024.

Future Plans

7.1 Appendix 3 summarises work being done on projects for future years and includes the levels of demand in the area. The following update to be noted:

- **Barra Phase 2** – Following the tender return on 6 June 2024, we have had one tender submission that will go through the scoring process and cost negotiation. Due to the cost, this project will require a Scottish Government technical assessment. We will provide an update to Board in August 2024.

- **Scott Road** – A planning application is being prepared and is expected to be submitted in August 2024. This will include creating an opportunity for further development following community support for this. Agreements are being progressed with landowners.

- We are awaiting the landowner response regarding the acquisition of the site at **Great Bernera**.

- **Grimsay** - TIG have been instructed to prepare and lodge a planning application which will then enable decrofting and site acquisition to be progressed.

- The draft masterplan for **Melbost West** has been submitted to Planning and we will progress to public consultation following planning feedback. The Masterplan sets out a development framework for the whole site and provides the basis for future planning applications. It seeks to identify challenges and constraints as well as ensuring compliance with the CNES development brief for the site with placemaking at the heart. This site could provide an opportunity for legacy development from the proposed renewable projects. The site is not currently named in the SHIP for development, but it would be prudent to take it to a stage where it could be developed at fairly short notice if the need arose.

- **Gravir, South Lochs** - The Board agreed in February to progress the site to tender. The timing will be co-ordinated with the Barra tender. However, there is a change of landowner representation, and it is not clear as to whether this will affect their decision making.

- We are awaiting the finalised feasibility study for **Seaview, Knock**. Initial indications are positive. This site is identified in the SHIP for 2025/26.

8.1 Competence Checklist

COMPLIANCE CHECKLIST	
Financial	The budget for development in 2024/25 is £10.6M of expenditure, £8.584M Scottish Government (SG) Grant resulting in a private finance requirement of £2.05M. Details of the projected out-turn for the year are in the Management Report on this agenda. The RPA for 2024/25 has been confirmed at £6.56m which is £2.2m less than we had assumed for budgetary and SHIP purposes. Some works originally planned for 2024/25 will now need to be re-profiled into future years once we receive confirmation of the 2025/26 RPA (expected late 2024).
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 indicated weak demand in all areas and particularly in the most rural locations. However, waiting list demand has increased since then. 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: • 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); • 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:

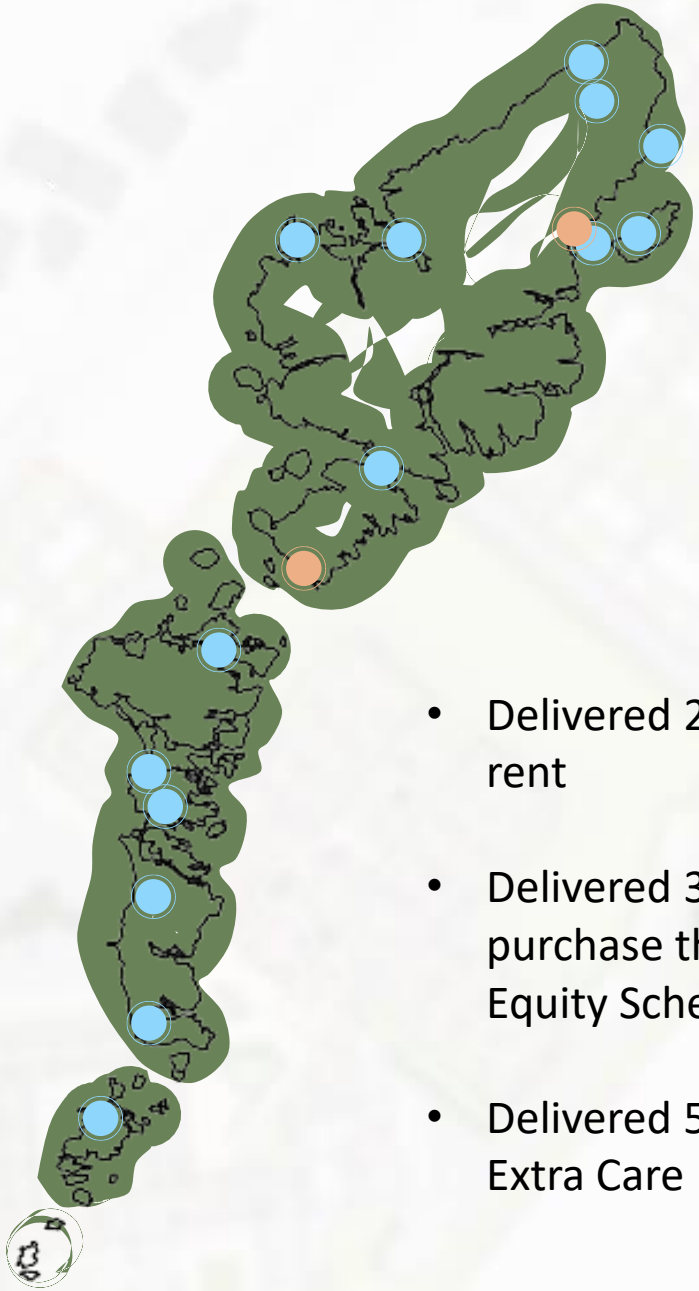
COMPLIANCE CHECKLIST	
	• The commissioning of a planning application at Scott Road without the necessary agreements and servitudes being finalised with the landowners which is mitigated by us having broad agreements in place. Should formal agreements not be achieved then the costs incurred to progress 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. An agreement to mitigate this risk in South Harris following the Leverburgh development being completed is being negotiated with CNES Cost risk for progressing with projects without land purchase: • Gravir, South Lochs - £24,138 (Cost to take project to tender) • Scott Road, Harris - £48,735 (Cost to reach full planning permission for 24 units). • Grimsay, North Uist - £25,749 (Cost to reach full planning permission for 8 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	The official opening for the Lochmaddy site is being arranged.

APPENDIX 1

2019-2024 New Build Overview

Complete

On Site



- Delivered 236 homes for social rent
- Delivered 37 homes for purchase through Shared Equity Scheme
- Delivered 50 Housing with Extra Care Facility

Development Performance – 5 Year Development Plan 2024-2029 (Approved March 2024)

	RENT	NSSE	HWEC	TOTAL	% of Plan	Comments
Completed 2024/25	8	0	0	**8**	5%	Lochmaddy completed in April 2024
On Site	84	0	0	**84**	47%	-
Planned for 2024-2029	76	0	10	**86**	48%	-
	168	**0**	**10**	**178**		

Table 1.2 - 5 Year Development Plan Summary (Approved March 2024)

Type	Area	Location	Total Units	Stage	2024/25	2025/26	2026/27	2027/28	2028/29
RENT	Stornoway	Blackwater	72	On Site - changes to phasing	33	26	13		
RENT	Uist	Lochmaddy Former Hospital	8	On Site - handover in April 2024	8				
RENT	Harris	South Harris - Leverburgh	12	Building warrant submitted		12			
RENT	Rural Lewis	Rural Lewis- Bernera	4	Awaiting landowner discussion		4			
RENT	Uist	North Uist - Grimsay	8	Planning permission WIP		8			
RENT	Barra	Cleat Road- Phase 2	6	Tender in progress		6			
RENT	Rural Lewis	Point (Knock)	4	Awaiting full feasibility study			4		
RENT	Rural Lewis	Rural Lewis- Gravir	4	Timing to be reviewed			4		
RENT	Uist	Benbecula Low Flyer	4	To progress alongside Grimsay tender			4		
RENT	Harris	Scott Road	24	Planning permission WIP				24	
HWEC	Barra	Barra HWEC	10	Initial Assessment				10	
RENT	Uist	South Uist	6	Land to be determined				6	
RENT	Rural Lewis	Cross Skigersta Road	4	Developer led - planning in place.				4	
RENT	Stornoway	Stornoway Periphery	12	Land to be determined					12
		Total Units	**178**		**41**	**56**	**25**	**44**	**12**

Table 1.3 – Additional Units in CNES SHIP December 2023

The following are the units identified in the SHIP (December 2023) that are not in our development plan

Type	Area	Location	Total Units	Stage	2024/25	2025/26	2026/27	2027/28	2028/29
RENT	Stornoway	RAF Site - Stornoway	28	Additional SHIP Units		14	14		
RENT	Uist	North Uist	6	Additional SHIP Units				6	
RENT	Rural Lewis	RURAL LEWIS	12	Additional SHIP Units				12	
RENT	Uist	South Uist	6	Additional SHIP Units				6	
RENT	Barra	Barra	6	Additional SHIP Units					6
RENT	Uist	South Uist	6	Additional SHIP Units					6
RENT	Stornoway	Stornoway Periphery	14	Additional SHIP Units					14
RENT	Rural Lewis	Rural Lewis	6	Additional SHIP Units					6
RENT	Uist	Benbecula	4	Additional SHIP Units					4
		Total Units	**88**		**0**	**14**	**14**	**24**	**36**

PROJECT UPDATES **APPENDIX 3**

Table 4.1 Current Development Projects 2024/25

Scheme	Area	Units	Stage	Expected Handover	Comments by exception
Lochmaddy	Uist	8	Completed	Apr-24	Breedon availability for the final tarring delayed handover to April 2024.
Blackwater	Stornoway	72	On Site	Feb-26	An amended phasing proposal has been accepted showing 33 homes completed in October 2024.
Leverburgh	Harris	12	Building Warrant	Sept-25	The contractor has submitted building warrant and is due to go on site in July 2024.

Table 4.2 Future Development Projects

YEAR	Scheme	Area	Units	Demand (Transfer/Waiting)*	Comments by exception
2025/26	Rural Lewis – Bernera	Rural Lewis	4	1/6	Awaiting land owner decision on land availability for purchase following Board approval to progress.
	Grimsay, 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	Tendering in progress.
2026/27	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.
	Gravir	Rural Lewis	4	1/5	Board agreed to take this site to tender. Awaiting landowner contact and timing to be reviewed.
	Benbecula – Low Flyer	Uist	4	13/31	To be tendered alongside the site at Grimsay.

PROJECT UPDATES

APPENDIX 3

YEAR	Scheme	Area	Units	Demand (Transfer/Waiting)*	Comments by exception
2027/28	Scott Rd	Harris	24	5/36	Planning application instructed.
	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.
	South Uist	Uist	6	6/14	A previous potential site offered by a local has now been rescinded citing issues with getting neighbour agreements. A second potential site is being looked at Iochdar.
	Cross Skigersta Road	Rural Lewis	4	1/21	This site currently has planning permission and is a developer led site.
2028/29	Stornoway Regeneration	Stornoway	12	96/224	Site to be determined. We currently have a site at Melbost West undergoing masterplanning which has been submitted to planning for approval.

*demand figures as at 1 January 2024.

BUSINESS PLAN MONITORING REPORT

Board 25 June 2024

Report by Chief Executive

Purpose of Report

1.1 To present the revised Business Plan Monitoring Report for information only.

Summary

2.1 Following the Business Plan approval in March 2024 a revised Business Plan Monitoring Report with new KPI's will be presented to the Board on a quarterly basis.

2.2 The revised Business Plan Monitoring Report is at Appendix 1. This report shows the KPIs that are collected monthly and is for information only.

2.3 Going forward the report will show quarterly statistics to allow Board Members to monitor performance against targets.

Competence

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

Recommendations

4.1 **It is recommended that the Board note the revised Business Plan Monitoring Report at Appendix 1.**

APPENDIX 1:	Business Plan Monitoring Report	
Background Papers:	None	
Writer of Report:	Iona France	Tel: 0300 123 0773

5.1 Compliance Checklist

COMPLIANCE CHECKLIST	
Financial	The 5-year Business Plan is supported by 30 year financial projections, 5 year projections and the detailed annual budget for 2024/25. The detailed annual budget for 2024/25 was approved in March 2024
Legal	There are no specific legal issues relating to the Delivery Plan progress 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
Risk	Reviewing progress on the Delivery Plan on a quarterly basis reduces the risk of the Strategic Goals not being delivered
ESG	Reviewing progress on the Delivery Plan on a quarterly basis ensures compliance with our ESG Strategy
Equalities	We are committed to promoting equality, diversity and inclusion. The are no equalities implications arising from the approval of this report.
Communication	There are no communication requirements.

Lifeblood KPI's

APPENDIX 1

Reported to Board	Score	Comments on Performance	KPI that feed into this one	May-24	Target	Green	Amber	Red
Income		Rent Arrears and Void Loss are both below target	Rent Arrears (Expected) as a % of Debit	1.67%	**2%**	2% to 3%	3% to 4%	>4%
			Void Loss	0.02%	**<1%**	1 to 1.5%	2%	>2%
			Average Relet times	21.57 days	**<29 days**	29 to 31 days	32 to 35 days	>35 days
Service Delivery		Repairs Performance is within target in all categories	Repairs % within target	99.70%	**95%**	95% or higher	<95%	<90%
			Emergency Repairs Average time to complete	2.29	**< 4hours**	< 4hours	4 to 6 hours	>6 hours
			Repairs Average time to complete by category	2.63	**<5 days**	<5 days	5 to 6 days	>7days
Satisfaction		Satisfaction with Standard of Decoration and Standard of Property is high at 94%	Allocations	94%	**100%**	>85%	85% to 75%	<75%
			Investment tenant satisfaction	n/a	**100%**	>90%	90% to 85%	<85%
Health & Safety		H&S Checks on target to be completed by March 24	Gas Servicing completed within 12 months	0.68%	**100%**	100%	<100%	<90%
			Electrical Checks (number of properties in a year)	10%	**100%**	>95%	95% to 90%	<90%
			RIDDOR events	0	**Zero**	1 to 2	3 to 5	>5
Business Continunity		There were 3 FOI requests in May 2024	Notifiable events completed on time	n/a	**100%**	>95%	95% to 90%	<90%
			FOI/Data Access dealt within timescales	100%	**100%**	>95%	95% to 90%	<90%
People			Turnover rates	0%	**<10%**	<10%	10 to 15%	>15%
			Sickness rates	2.97	**7 days**	<8 days	8 to 10 days	>10 days
			Complaints about staff	0	**<5**	<5	5 to 7	>7
			Diciplinary action	0	**Zero**	1 to 2	2 to 5	>5
			Grievances	0	**Zero**	1 to 2	2 to 5	>5
			% of staff with CIOH level 2 or above	16%	**24%**	24% to 13%	13% to 10%	<10%
BP Actions		On Target	% of 2024/25 actions on target for completion	n/a	**100%**	>95%	95% to 90%	<90%