

BOARD AGENDA –

10 FEBRUARY 2026

ITEM	AGENDA ITEM	ACTION	PRESENTED BY	PAGE NO
1	Attendance & Apologies	Noting	Chair	3
2	Declaration of Interest	Noting	Chair	-
3	Minutes	Approval		-
3.1.1	Minute of Meeting 18 November 2025	Approval	Chair	5
3.1.2	Note of Tenant Board Panel 13 January 2026	Noting	Chair	11
3.2	Action Sheet	Noting	Chief Executive	12
4	Date of Next Meeting 24 March 2026	Approval	Chair	-
5	Health & Safety	Noting	Director of Operations	-

ITEM	AGENDA ITEM	ACTION	PRESENTED BY	
6	Items For Decision			
6.1	Business Plan	Approval	Chief Executive	13
6.2	Rent Setting & cash Planning Limits 2026/27	Approval	Director of F&CS	148
6.3	Management Report to 31 December 2025	Approval	Director of F&CS	159
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ITEM	AGENDA ITEM	ACTION	PRESENTED BY	
7	Policies & Strategies			
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ITEM	AGENDA ITEM	ACTION	PRESENTED BY	
8	Monitoring Reports			
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8.3	Investment Report	Noting	Assets & Contracts Manager	218
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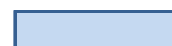
ITEM	AGENDA ITEM	ACTION	PRESENTED BY	
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MEETING GOES INTO PRIVATE SESSION				

Board Meeting Attendance 2025/26

Board Members	Notes	03-Sep-25	18-Nov-25	10-Feb-26	24-Mar-26	26-May-26	23-Jun-25	25-Aug-26
Helen Mackenzie								
Iain M Macleod								
Christina Macneil	1							
Fiona Macleod	2							
Alison MacCorquodale								
Calum Mackay								
Norman Macdonald								
Duncan Macinnes								
Valerie Russell								
Colin Gilmour								

1 Appointed as Tenant Member 3 September 2025

2 Tendered resignation on 17 November 2025



Member present at meeting



Member not present at meeting



Cancellation of travel due to weather



Unable to attend remote meeting due to technical difficulties

Leave

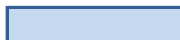
Special Leave Granted

Board Training & Conferences 2025/26

Board Members	Landlord Facilities H&S Training	One Advanced Goals	My1HS Modules
	14-Jan-26	27-Jan-26	30/01/2026
Calum Mackay			
Helen Mackenzie			
Iain M Macleod			
Christina Macneil			
Alison MacCorquodale			
Norman Macdonald			
Duncan Macinnes			
Valerie Russell			
Colin Gilmour			

SFHA Conference
SFHA Finance Conference

Helen Mackenzie
Colin Gilmour

 Member present at training

 Member not present at training

 Cancellation of travel due to weather
Unable to attend remote training due to technical difficulties

 Member not required to be present at training

Leave Special Leave Granted



HEBRIDEAN HOUSING PARTNERSHIP

Board

Minutes of Meeting held remotely via Microsoft Teams on Tuesday, 18 November 2025 at 5.30pm

PRELIMINARY ITEM																																	
ATTENDANCE & APOLOGIES																																	
1	<u>Attendance & Apologies</u> <table> <tr> <th><u>Attendees via MS Teams</u></th><th><u>Staff & Consultants in Attendance</u></th></tr> <tr> <td>Calum Mackay (Chair)</td><td>Dena Macleod (Chief Executive)</td></tr> <tr> <td>Duncan Macinnes</td><td>Donald Macleod (Director of Finance & Corporate Services)</td></tr> <tr> <td>Alison Maccorquodale</td><td>John Maciver (Director of Operations)</td></tr> <tr> <td>Iain M Macleod</td><td>Iona France (Governance Officer)</td></tr> <tr> <td>Valerie Russell</td><td>Joel Martin (Corporate Services Officer – Minute Taker)</td></tr> <tr> <td>Colin Gilmour</td><td>James Morrison (Finance Manager)</td></tr> <tr> <td>Christina Macneil</td><td>Michael Libby (Corporate Services Officer – via MS Teams)</td></tr> <tr> <td><u>Apologies received</u></td><td>Sawan Morrison (Development Manager)</td></tr> <tr> <td>Norman Macdonald</td><td>Angus Smith (Corporate Resources Manager)</td></tr> <tr> <td>Helen Mackenzie</td><td>Kelda McMichael (Scottish Housing Regulator)</td></tr> <tr> <td></td><td>Tracey Houston (Scottish Housing Regulator)</td></tr> <tr> <td></td><td>Rosi O'Neill (Scottish Housing Regulator)</td></tr> <tr> <td></td><td><u>In attendance for Public Items Only</u></td></tr> <tr> <td></td><td>Katrina Rowlands (Service Development Manager)</td></tr> <tr> <td></td><td>Angus E MacNeil (Assets & Contracts Manager)</td></tr> </table> The Chair welcomed Kelda McMichael, Tracey Houston and Rosi O'Neill from the Scottish Housing Regulator to the meeting. Following Fiona Macleod's formal resignation from the Board, the Chair thanked Fiona for her efforts during her time as a Board member and acknowledged her significant contributions to Hebridean Housing Partnership. The Chair requested permission for an additional item to be added at 7.6 and to be taken at the end of public business.	<u>Attendees via MS Teams</u>	<u>Staff & Consultants in Attendance</u>	Calum Mackay (Chair)	Dena Macleod (Chief Executive)	Duncan Macinnes	Donald Macleod (Director of Finance & Corporate Services)	Alison Maccorquodale	John Maciver (Director of Operations)	Iain M Macleod	Iona France (Governance Officer)	Valerie Russell	Joel Martin (Corporate Services Officer – Minute Taker)	Colin Gilmour	James Morrison (Finance Manager)	Christina Macneil	Michael Libby (Corporate Services Officer – via MS Teams)	<u>Apologies received</u>	Sawan Morrison (Development Manager)	Norman Macdonald	Angus Smith (Corporate Resources Manager)	Helen Mackenzie	Kelda McMichael (Scottish Housing Regulator)		Tracey Houston (Scottish Housing Regulator)		Rosi O'Neill (Scottish Housing Regulator)		<u>In attendance for Public Items Only</u>		Katrina Rowlands (Service Development Manager)		Angus E MacNeil (Assets & Contracts Manager)
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PRELIMINARY PROCEDURAL MATTERS																																	
2	<u>Declaration of Interest</u> The Chair declared an interest in item 7.6 and in the absence of the Vice Chair asked if another Board Member could chair the meeting for this item. Alison MacCorquodale agreed to chair the meeting for discussion of item 7.6.																																
3.1.1	<u>Minute of Board Meeting 2 September 2025</u> The minute of the Board meeting of 2 September 2025 was submitted and approved as a true and accurate record of the proceedings of the meeting.																																
3.1.2	<u>Minute of Board Meeting 3 September 2025</u> The minute of the Board meeting of 3 September 2025 was submitted and approved as a true and accurate record of the proceedings of the meeting.																																

3.2	<u>Action Sheet</u> The Action Sheet was noted.
4	<u>Date of Next Meeting</u> It was agreed the date of the next meeting would be 10 February 2026.
5	<u>Health & Safety</u> The Director of Operations reported near misses by two contractors and one minor injury on another site due to a slip on scaffolding; the injured person was able to continue work the same day. No other issues were highlighted.
ITEMS FOR DECISION	
6.1	<u>2026/27 Budget Strategy</u> The 2026/27 Budget Strategy was presented to the Development & Finance Committee on 17 November 2025. The Committee recommended the Board approve the Budget Strategy and timetable. The Annual Budget Strategy was largely unchanged from the Strategy which was approved by Board in November 2024. Minor amendments were made to reflect changes in inflation. The Strategy included a timetable for ensuring the Subsidiary Business Plan is approved and submitted to our funder by 31 March 2026. The Board approved the 2026/27 Budget Strategy including the Budget timetable.
6.2	<u>2026/27 Rent Options</u> The DF&CS presented this report which was scrutinised by the Development & Finance Committee on 17 November 2025. The Committee recommended two options for consultation: 1. RPI + 1% (5.5%) 2. RPI Only (4.5%) The Committee recommended approval for the September 2025 RPI Index to be used when setting the rent options for 2026/27 as the October 2025 figure would not be published until after this meeting. The Board considered the recommendations from the Committee and were content to approve them. The Board approved: a) two rent options to be included in the 2026/27 rent consultation: 1. RPI + 1% (5.5%) and 2. RPI Only (4.5%). b) to use the September 2025 RPI Index when setting the rent option for 2026/27.
6.3	<u>Development Report</u> The Development Report was presented to the Development & Finance Committee meeting on 17 November 2025. The report highlighted completion and handover of the two projects at Blackwater Phase 2 and Leverburgh. One property in Leverburgh had not yet been allocated but work was ongoing to identify a suitable applicant. A question had been posed on OneAdvanced on the additional costs at Scott Road following the planning application. The Development Manager confirmed the additional costs for ecological and peat surveys. The impact of new planning legislation and the potential for further requirements from SEPA were also brought to the attention of the Board. The Board considered the recommendation from the Committee for the acquisition of the Carloway Care Unit and were happy to approve. The Board: a) approved the acquisition of Carloway Care Unit from CNES for conversion to a social rented family home; and b) noted the updated Development Plan.

6.4	<u>Investment Programme</u> The Assets & Contracts Manager reported on the 2025/26 Investment Programme and provided an update on roofing and roughcasting in Uist and Barra and the progress on awarding of previously outstanding tenders. A question had been posed on OneAdvanced, regarding the costs of servicing air source heat pumps. The DF&CS explained that these costs were accounted for in the cyclical maintenance budget and the 30-year Business Plan. The Assets & Contracts Manager confirmed the warranty period for the heating systems had been extended from three years to seven years. The Board: a) approved the Investment Programme 2026/27 at Appendix 1; b) noted the update on the 2025/2026 Investment Programme at Appendix 2; and c) noted the update on Aids and Adaptations and the Waiting List at Appendix 3.
6.5	<u>Agenda Efficiency Report</u> The Governance Officer presented the Agenda Efficiency Report and informed the Board a full review of our Board process was undertaken to increase the effectiveness of Board Meetings and decision making. The following processes and documentation were reviewed and considered: • Board Efficiency Survey • Board Timings Survey • Standing Order Requirements • Policy Requirements • Committee Remits • Agendas from housing associations • Minutes of other housing associations The Board approved: a) 'For Noting' items on the Agenda are split into 2 categories 'For Discussion' and 'For Information Only'; and b) minutes be prepared in a more summarised format; and c) the implementation of a report summary to assist Board Members in prioritising items for discussion.
6.6	<u>Bank Mandate</u> The DF&CS presented the Bank Mandate report and explained the need to update the mandate to reflect changes in authorised signatories. The Board approved the updating of the mandate to remove Mr Angus Smith, Ms Katrina Ann Palmer, Ms Katia Petteloot and add Mr James Morrison to the list of authorised signatories.

POLICIES & STRATEGIES	
7.1	<u>ICT Security Policy</u> The Corporate Resources Manager presented the ICT Security Policy which was updated to align with the National Cyber Security Centre's Cyber Assessment Framework and to maintain high awareness of cyber risks. The Corporate Resources Manager confirmed the separation of personal and organisational data, use of accepted white lists, and ongoing monitoring by Kick. The Board approved the ICT Security Policy.
7.2	<u>Safeguarding Policy</u> The Governance Officer presented the Safeguarding Policy. This was a new Policy which offered specific guidance and outlined the process for reporting safeguarding concerns. In addition, several policies with safeguarding elements had been reviewed in line with OSCR guidance. The Board: a) approved the Safeguarding Policy; and b) noted the review of policies in respect of safeguarding.

7.3	<u>Communications Policy</u> The Corporate Services Officer presented the revised Communications Policy and highlighted the changes made following recommendations by the Board at the meeting on 2 September 2025. • clarity and/or removal of ambiguous language when outlining how staff should handle communication relating to sensitive topics (updated at paragraph 5.2); • clarity on how we respond to posts, articles and comments made about HHP on social media (updated at paragraph 6.4 & 6.5); and • reference to the Engagement Policy (updated at paragraph 10.1) The Chief Executive advised staff had attended media training on 13 November 2025 and this training would be arranged for Board Members in 2026. The Board: a) approved the Communications Policy; and b) noted the Communications Protocol.
7.4	<u>Value For Money Annual Update</u> The Finance Manager presented the Value For Money Annual Performance Report to 31 March 2025 which considered six key metrics from the Value For Money Strategy where we compare with our peer group organisations. The six key metrics were: • Reinvestment Percentage; • Gearing Percentage; • Interest Cover Percentage; • Tenant Satisfaction; and • Average Rent. After reviewing the six metrics, it was concluded that value for money was delivered for the year ended 31 March 2025. The Board noted the Annual Value For Money report.
7.5	<u>Tenant Participation Strategy Update</u> The Service Development Manager presented the Tenant Participation Strategy Update and informed the Board the Tenant Board Panel held its first introductory meeting with tenants, with a full agenda meeting scheduled for January 2026 which will enable feedback to be provided to Board in February 2026. The Chair commended the service provided by the Tenant Engagement Officer. The Service Development Manager informed Board members of recent and upcoming tenant events and noted the positive feedback received from tenants and plans for future engagement. The Board noted the Tenant Participation Strategy 2024-2028 Action Plan Update.
7.6	This Item was taken after item 8.5.
MONITORING REPORTS	
8.1	<u>Quarterly Treasury Report to 30 September 2025</u> The DF&CS presented the Treasury Management activities for the second quarter of 2025/26 and confirmed our cash balances at 30 September 2025 were £9.564M, an increase of £0.027M from the previous quarter. All covenants were forecast to be met for 2025/26, based on the newly approved covenants from RBS which now exclude spend on major repairs and investment, in calculating our Adjusted Operating Surplus. The Board noted: a) the Quarterly Report on the Analysis of Investment and Borrowing as Shown at Appendix 1; b) The outstanding loans at 30 September 2025 of £17M; and c) The cash balance at 30 September 2025 of £9.564M

8.2	<u>Business Plan Monitoring Report</u> The Governance Officer presented the Business Plan Monitoring Report and advised the Board a deep dive into our rechargeable repairs process had taken place and reported at the Audit & Risk Committee meeting held earlier in the day. The Governance Officer advised the Board, that since the writing of the Business Plan Monitoring Report, all fire safety door checks had been completed and this was reported in our October Performance Report. The Board noted the Business Plan Monitoring Report.
8.3	<u>Management Report to 30 September 2025</u> The Finance Manager presented the Management Report to 30 September 2025 and highlighted the following points: • Our new covenant agreement meant major repairs and investments were no longer deducted from operating surplus when calculating the covenant, and the new interest cover requirement was x1.5 (150%). • There was an increase of £119,000 in total debt, mainly due to timing of property invoices with local agencies, for rent due in advance. • Void repair costs were over budget, attributed to a number of properties needing significant clean and clear work before being re-let; teams were working to reduce this overspend, with some improvement in October. • Due to delays in planning and acquisition of land across several projects, the forecasted spend on Development had been reduced by £1.39M, with a corresponding reduction in forecast grant of £1.38M. The Board noted: a) the Management Report at 30 September 2025 and revised forecast out turn at 31 March 2026; and b) the total debt owed to HHP at 19 October 2025 as £938,347 and current legal action on live arrears.
8.4	<u>Board Plan & Board Calendar</u> The Governance Officer presented the Board Plan & Board Calendar for 2026 and advised that following the Development & Finance Committee meeting held on 17 November 2025, it was decided to add an additional meeting in November 2026 to discuss rent setting. The Board noted: a) the Board Plan for 2026; b) the 2026 Board Calendar; and c) the addition of an extra meeting to discuss rent setting in November 2026 to the Board Calendar.
8.5	<u>Board Development</u> The Governance Officer presented the Board Development Plan and advised Board members would be issued a Skills Analysis Questionnaire and be registered for online modules through MyHS1 training platform. The Board noted: a) a Skills Analysis questionnaire will be available shortly through MS Forms; b) the use of MyHS1.com to deliver some training modules; and c) the progress of the Board Training Plan.
7.6	<u>Operations Working Group – Decisions</u> Calum Mackay left the meeting for discussion of this item. Alison MacCorquodale chaired the meeting for discussion of this item. The Director of Operations advised the pilot which allowed furnishings and fittings to remain in properties at termination was successful. The Operations Working Group on 6 November 2025 recommended the Board adopt this approach on a permanent basis. The Director of Operations further informed the Board that following the loss of quorum during the Operations Working Group meeting, it was agreed that approval of the Cearns Community Association grant request of £315 be deferred to the Board. The Board approved: a) the revised approach to tenancy furnishings and fittings; and b) the Cearns Community Association grant request of £315.

Chairperson Mr Calum Mackay

SIGNED

DATE



Tenant Board Panel – Feedback

Location: Teams & HHP Stornoway Board Room

Date: 13 January 2026

Tenant Attendees: Gary Lamont, Donald Macleod, Donald Macdonald Rosie Wicks and Angela Brass.

Staff in Attendance Donald Macleod (Director of Finance), Katrina Rowlands (Service Development Manager), and Laura Mackenzie (Tenant Engagement Officer)

Time: 18:00

1. Rent consultation

Donald presented. Tenants were understanding of the need for rent increases and the impact they have on the work we can do. One tenant has emailed in this morning to say that following this presentation he believes we should be going for an RPI+1% increase.

2. Recharge Process

The presentation that went to A&R was shared with the panel. Tenants asked a few questions about the debt and who foots that bill. As a group they were happy with the work that HHP are doing to prevent recharges being raised in the first place and the work that is being done on debt recovery and legal action. During this discussion the South Uist tenants raised that there are some issues with tradesmen at the moment, and people are finding it easier just to walk away from their property, rather than finding someone to help with the clearance and/or minor works. They suggested increasing the handyman service to allow tenants to pay for work that is over and above what we currently provide.

3. Lettable Standards

Some discussion on our void standards and what we currently provide. Agreement that as long as we provide properties that are fit for purpose and a decoration voucher then we should not be going over and above with our standards such as replacing skirting boards etc.

4. Cost of HHP staff providing support

Katrina provided a high-level summary of our discussion at Business Planning Day. The Tenant Board Panel had quite a chat about what our Housing Officers are doing, what other services are available for us to refer to and what happens when those services have no capacity to help. Prior to this conversation some but not all of the panel were aware of how services are stretched and that there is not always a suitable referral route that will be successful. There was a bit of questioning surrounding where the costs for us supporting these tenants is coming from but ultimately, they were all in agreement that as the last line of defence then they supported HHP continuing as we are and even potentially increasing staffing levels to allow for more work. One tenant suggested additional training on welfare for the Housing Officers and another suggested reducing patches to allow the Housing Officer to maintain other services while supporting vulnerable tenants.



BOARD ACTION SHEET

ACTION POINT	MINUTE NUMBER	ACTION TO BE TAKEN	DEADLINE/ TIMESCALE	ACTION BY	PROGRESS
1	18 Nov 25 (1.0)	Letter to Fiona Macleod.	November 2025	Chief Executive	Letter from Chair sent 18 November 2025
2	18 Nov 25 (1.0)	Update Regulator's website with details of Board Member resignation	December 2025	Governance Officer	Completed
4	18 Nov 25 (7.6)	Publicise updated guidelines regarding tenancy furnishings and fittings and update Policy.	December 2025	Director of Operations	Publicised in Winter edition of Homeward.
5	18 Nov 25 (8.4)	Add additional meetings in November 2026 to Board Calendar and circulate.	December 2025	Governance Officer	Date added and calendar circulated
6	18 Nov 25 (8.5)	Register Board Members on My1HS and arrange various online training. Skills Analysis questionnaire to be issued to Board Members	31 December 2025	Governance Officer	Skills Analysis Questionnaire issued, Board Members registered on My1HS and 3 training modules assigned

BUSINESS PLAN 2026 UPDATE

Board 10 February 2026

Report by Chief Executive

Purpose of Report

- 1.1 To review and approve the 2026 Update to the Business Plan (2024/25 to 2028/29) at Appendix 1 for consultation with the Tenants Board.

Summary

- 2.1 We held a Business Planning day with managers and Board members to inform our 2026 update to the Business Plan.
- 2.2 The majority of tasks set for 2025/26 have been completed. Our only missed target was Tenant Satisfaction, which is being addressed with an action plan. There have been no material changes to the Business Plan other than an update to Risk Appetite, now reflecting a more cautious approach to communication and more ambitious approach toward development.
- 2.3 As there are no major changes we propose consulting with the Tenant Board and staff and a consultation document is at Appendix 2.
- 2.4 Long term challenges remain the population forecasts which shows a declining and aging population and the continued increases in construction costs.

Competence

- 3.1 The financial, legal or other implications arising directly from the consideration of this report are at para 8.1.

Recommendations

- 4.1 **It is recommended that the Board approve:**
- a) the draft 2026 update to the Business Plan 2024/25 to 2028/29 at Appendix 1 as the basis for the consultation document with the Tenant Board Panel with a final Plan brought to the Board in March 2026; and**
 - b) the Risk Appetite at Appendix 8 of the Business Plan.**

APPENDIX 1 Business Plan (2024/25 to 2028/29)

APPENDIX 2 Consultation Paper

Background Papers None

Writer of Report Dena Macleod

Tel: 0300 123 077

Detail

Business Plan preparation events

- 5.1 Managers and Board members met on 9 December 2025 to review the Business Plan and discuss the Risk Appetite. The Audit & Risk Committee's view on the Risk Appetite will be provided at the meeting with any proposed changes being made prior to consulting with the Tenant Board.

How we have performed in Year 2 of the Plan

- 5.2 Overall we have performed well in the tasks that were due for 2025/26. Last year an action plan was drawn up to improve the overall level of tenant satisfaction and point of service surveys are showing a high level of satisfaction.
- 5.3 Full details of our performance can be found in the Delivery Plan which is at Appendix 2 of the Business Plan.

Main changes made to the Plan

- 5.4 One new action has been added which is to seek accreditation with the National Green Standard.
- 5.5 The Risk Appetite was reviewed and updated to reflect a more cautious approach to "reputation" and "communications with tenants".
- 5.6 The Investment Plan and Development Plan have both been updated to reflect increasing costs, slippage in projects and opportunities.
- 5.7 Discussions with SSEN are progressing but full details are not yet included within the Business Plan as Dachaigh Property Solutions Board need to review and consider the proposed plans. Plans will only proceed if there is limited risk to HHP and a positive financial benefit for tenants.

Funding of the Business Plan

- 6.1 All the financial plans have been updated to include change to our underlying assumptions based on the most recent forecasts on inflation and interest rates. The financial plans will be stress tested at the Development and Finance Committee which meets on 9 February 2026.
- 6.2 The Plan must be funded from within our current borrowing facility with the exception of the Development Plan. The Development Plan shows all the homes in the Comhairle's SHIP but that will require our borrowing to be increased by a further £1.65m. There will be a meeting of the Development & Finance Committee prior to the March 2026 Board meeting where full stress testing and scenario planning will be carried out.

Consultation

- 7.1 As there have been only minor changes we will only be consulting with the Tenant Board Panel and staff.
- 7.2 A draft consultation document is at Appendix 2.

8.1 Compliance Checklist

COMPLIANCE CHECKLIST	
Financial	The Business Plan is supported by 30 year financial projections, 5 year projections and the annual budget for 2026/27. The cash annual budget for 2026/27 will be agreed at this meeting. The Development Plan reflect the requirements of the Comhairle's SHIP that we are able to fund. We have not been able to provide for all the houses in the SHIP at this stage. Funding for development will be obtained as it is affordable and required. This will ensure we remain compliant with our current funding arrangements whilst allowing the time to explore affordable funding options for an increased development programme and keep our rents affordable. Our current funding facility is for £25m. We can borrow up to 91% of the value of our stock this means based on 2024 Valuation we can borrow up to £56 million.
Legal	There are no specific legal issues relating to the approval of the Business Plan
Regulatory	The Regulator's guidance on Business Planning has been followed.
Risk	The Risk Register has been updated to reflect the draft Business Plan. Our average risk score is 13.5 and taking controls and actions into account our net average score is 5.67. A draft Risk Appetite is included within the Business Plan
ESG	The Business Plan supports our ESG strategy
Equalities	The Business plan shows that we are committed to promoting equality that we value diversity and we treat people with dignity and respect. Equalities is embedded in our planning and policies.
Communication	Consultation with Tenants Board and staff



Hebridean Housing Partnership

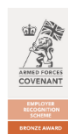
Business Plan

2024/25 to 2028/29

2026 Update

Making our
house your
home





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

Email: info@hebrideanhousing.co.uk

Web: www.hebrideanhousing.co.uk

Phone: 0300 123 0773

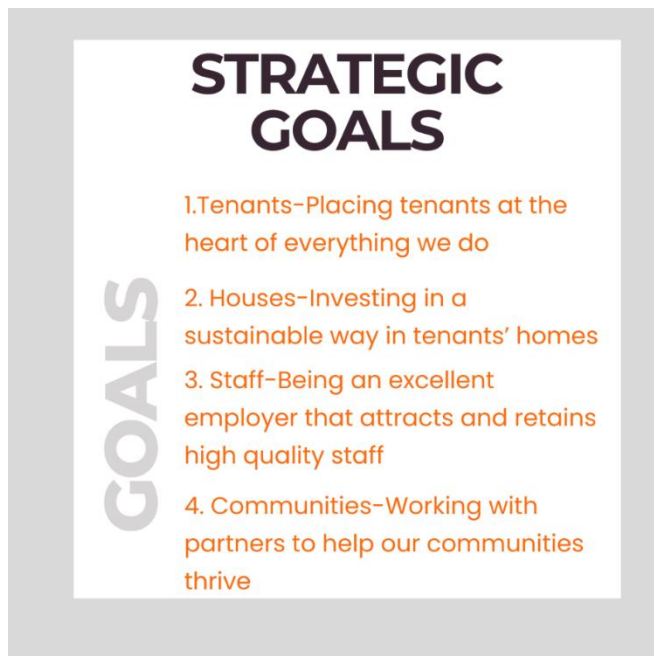
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Section 1 Executive Summary

Section 1 Executive Summary

1. The Business Plan 2024/25 to 2028/29 (2026 update) outlines our vision, core value and our Strategic Goals to be delivered in the next three financial years. Future decision making will be guided by the goals and targets in this plan.
2. The Board, staff and partners were involved in developing this plan and the vision “to provide good quality affordable homes and to secure consistently excellent housing services throughout the Outer Hebrides” is summarised in our strapline “Making our House your Home”. We plan to make it a reality by delivering on our four Strategic Goals over the next four years.
3. The plan is underpinned by detailed 5 year financial plans and 30 year long term financial projections which we submit to our Funder and the Scottish Housing Regulator.
4. We have been operating as a Registered Social Landlord (RSL) since September 2006 following a whole Stock Transfer from Comhairle Nan Eilean Siar. In 2026/27 we will mark our 20th anniversary.
5. We have improved performance since Stock Transfer in the following areas



Area	Sept 2006	Dec 2023	Dec 2024	Dec 2025
Repairs within target	91.4%	98%	99%	98%
Arrears	7.4%	3.32%	1.96%	1.42%
Voids length of time to relet	61 days	19.5 days	44 days	25 days
Void loss	2.0%	0.78%	0.46%	0.52%
New build promised in first ten years	275	391	435	435

Who We Are

6. We are a charitable RSL with a Board of a maximum of 15 of which 9 are currently filled. We have 54 members of staff, 48 FTE, who work out of two offices, Balivanich and Stornoway. Our full organisational structure is at Appendix 1.

7. In November 2023, the Board revised our 4 Strategic Goals providing a clear direction on Tenants, Houses, Staff and Communities.
8. We deliver services throughout the chain of islands that make up the Outer Hebrides, and we have 2,462 houses on 12 of the 15 inhabited islands.
9. We are a key employer and with an annual turnover of £15 million, we are a significant contributor to the economy of the islands.
10. We have a non-charitable Subsidiary, Dachaigh Property Solutions Ltd, which has been dormant but with opportunities to provide accommodation for renewable workers, we hope that will change over the coming year.

Operating Environment

11. Every year it feels as though the world is becoming a bit smaller, particularly as the key challenges facing the world are also on our doorstep. Three of those challenges are population, climate change and technological change.
12. The UK population continues to grow and age which brings its own problems, particularly around the balance of food resources and health care. The shortages of skills and labour force are one result of an aging population, with talk now of raising the retirement age to 71 in the UK within the next 15 to 20 years.
13. There is no getting away from accepting that the change in climate is affecting our islands, particularly with rising sea levels and coastal erosion.
14. The goal of the UK Government to reach Net-Zero by 2050 is under threat with funding for necessary works being reduced. In the last 4 years, we have benefited from £3.2million of Scottish Government funding. This allowed us to accelerate our air source heating programme to replace more storage and infrared heating systems. and undertake external wall insulation works.
15. Technological change is happening quicker than ever and it is costly to keep up but may be more costly to fall too far behind. Technology is giving us the opportunity to review and reshape how we deliver our services.
16. Our biggest challenges in the Outer Hebrides going forward remain:
 - Aging and declining population
 - Climate change
 - Keeping rents affordable with the cost of living crisis
 - Delivery of our Development Plan with the substantial increase in the build cost
 - Delivery of the requirements of Rapid Re-housing
 - Skills shortages

What We Want To Deliver

17. As a key business in the Outer Hebrides, we want to have a positive impact on our communities and the neighbourhoods our tenants live in. We believe the best way to do this is to look after our tenants, our properties and our staff within the resources available to us so that we can provide services for the long term.
18. We will strive to keep our rents affordable, and balance that with meeting the standards set by the Scottish Government and also delivering new homes. It is a fine balance, as the cost of bringing all our homes up to the new Net-Zero standard, is likely to be substantial.
19. Our houses meet the Scottish Housing Quality Standard (SHQS) excluding a few exceptions and abeyances.
20. A new tenant portal was launched in May 2024. Tenants can now manage their tenancy online with the ability to apply for a house, view real time rent balance information, raise repairs requests and manage other key aspects of their tenancy
21. We plan to deliver a further 180 new homes during the lifetime of this Plan, and will work with renewable infrastructure developers to explore options for assisting with their accommodation requirements during the construction period. We have completed 78 homes for social rent and plan to deliver 102 homes by 31 March 2029.
22. We have included a number of new actions to take account of the feedback we have received so far from tenants and other stakeholders.

Funding Our Plans

23. We have a funding facility of £25 million in place with the Royal Bank of Scotland (RBS), which should enable the delivery of our Strategic Goals.
24. We will be investing £44 million over the next five years in our existing stock and new build which supports our local economy.
25. Options are being explored for the use of our Subsidiary, Dachaigh Property Solutions Ltd to deliver accommodation of renewables work and whether we can deliver efficiency savings by redesigning costly service areas.
26. The Board remains committed to a strategy of growth but are fully aware of the significant challenges we face as a business and a community, including the cost of living crisis and the worrying results of the 2022 census showing a 5% reduction in Outer Hebrides population. Mid 2024 estimates show a population of 26,020 which is down 0.1% from 2023.

27. Good governance is essential to our success both short and long term. During 2026 we will work with the Tenant Board Panel to identify how to encourage more tenants to join the Board.

Risk

28. Risk Appetite is set annually. We are committed to being proactive in efforts to contain and minimise the risks faced by the business. Risk Management is a balance between our appetite for risk and our ability to manage risk. Overall responsibility for risk management lies with the Board supported by Audit & Risk Committee and the Executive Team.

29. We have a less ambitious approach to Reputation and Communicating with our tenants and we are more open to increasing our Development Programme beyond our current commitments.

30. We manage our Risk Register using an online system. The Register was fully reviewed and has 18 Risks, with a total net average risk score of 5.22 which is slightly lower than last year's score of 5.67.

Section 2 Who We Are



Section 2 Who We Are

Brief History

1. We were set up as Hebridean Housing Partnership (HHP) in September 2006 as a Registered Social Landlord (RSL) to own and manage the housing stock being transferred from our local authority, Comhairle Nan Eilean Siar.
2. We prepared a 30 year Business Plan showing tenants how and where we would invest and what the average rents were likely to be for the 30 years.
3. In April 2007 we took on the stock of the five locally based RSL's (305) which brought our stock figure to 2,086.
4. In the majority of areas we have out-performed our Business Plan demonstrating the value of the decision taken by the Comhairle in 2002 to explore the benefits of housing Stock Transfer. It is good to be able to look back with confidence that the decision has been beneficial for tenants and for the islands as a whole.
5. As we move into our 21st year of operation we are no longer a new untested organisation, we are well established with a good track record on delivery and an important contributor to the local economy with an appetite to learn from our mistakes to become a top housing provider in Scotland.

Our Vision

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

Our Structure

8. We exist to provide affordable social housing throughout the Outer Hebrides. To do this in the most effective and beneficial way to the islands we are set up as a charitable, not for profit Housing Association governed by a Board of volunteers.
9. We are registered under the Co-operative and Community Benefit Societies Act 2014.
10. Membership of HHP is open to all members of the community who are over 16 years of age and meet the membership criteria. Currently there are 83 members.



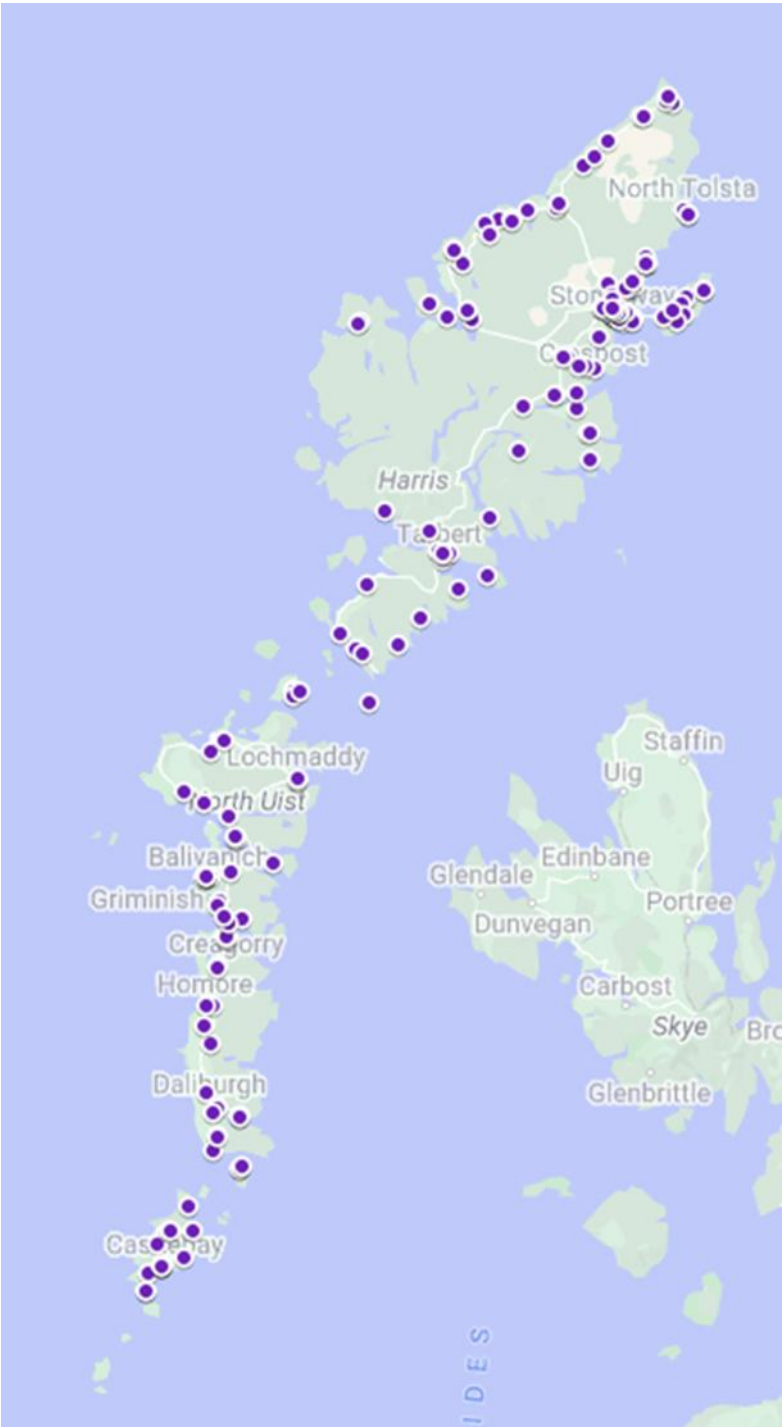
VISION
to provide great
homes and deliver
excellent services
throughout the
Outer Hebrides

11. We are regulated by the Scottish Housing Regulator, Registration Number 359. As the main Registered Social Landlord (RSL) in the Outer Hebrides we are categorised as having 'systemic importance' and have medium engagement with the Regulator. We are registered with OSCR the Scottish Charity Regulator.
12. We were awarded Rural Housing Body status in September 2023 which allows us to apply a rural housing burden on any houses we sell ensuring they are kept within the affordable housing sector. In May 2025 we received Living Pension accreditation and in July 2025 we were awarded the Bronze Award from the Defence Employer Recognition Scheme (Armed Forces Covenant).

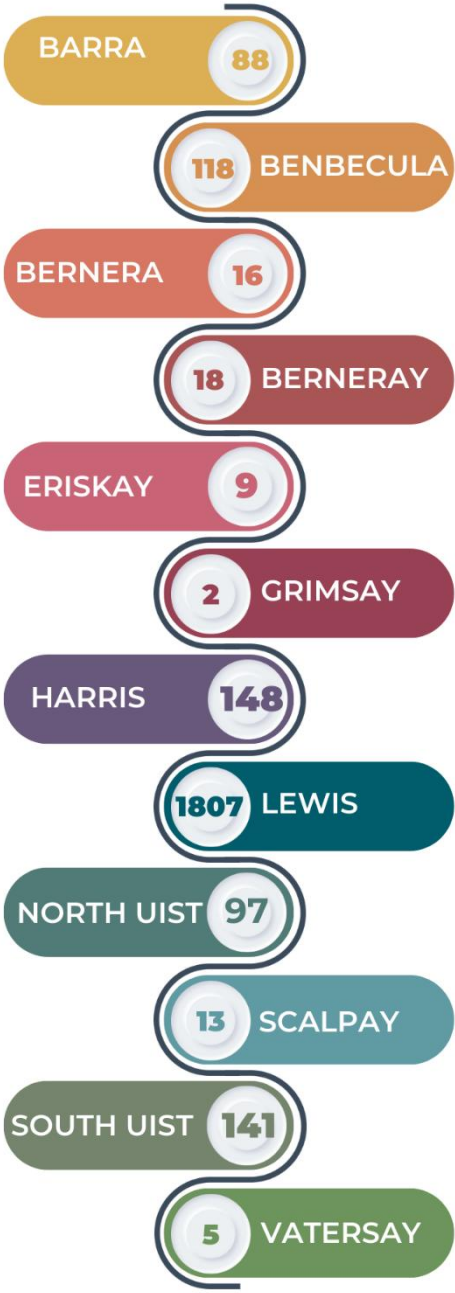
Our Service Area

13. We deliver services throughout the chain of islands that make up the Outer Hebrides. The island chain is over 130 miles long and has 15 inhabited islands. We have 2,462 homes on 12 of those islands. The islands, known for their wild beauty are connected by causeways and ferries which we are dependent on.
14. Our services are provided from two offices, one in Stornoway and the other in Balivanich. Currently the Stornoway office is responsible for 1,823 homes in Lewis and the Balivanich office is responsible for the other 639 homes.
15. We are a key employer and economic contributor in the islands with an annual turnover for 2025/26 at over £15 million.

16. The following map shows where our houses are:

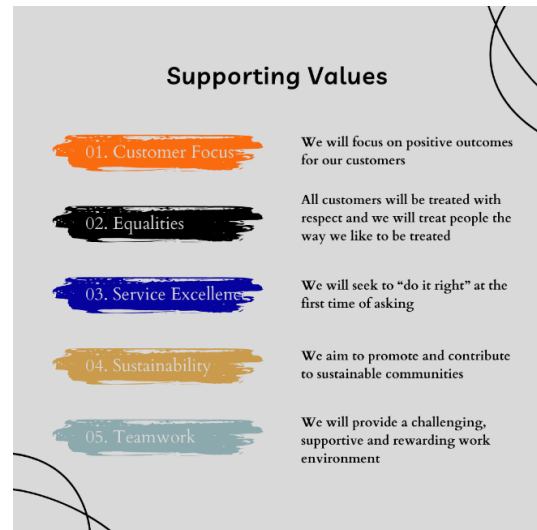
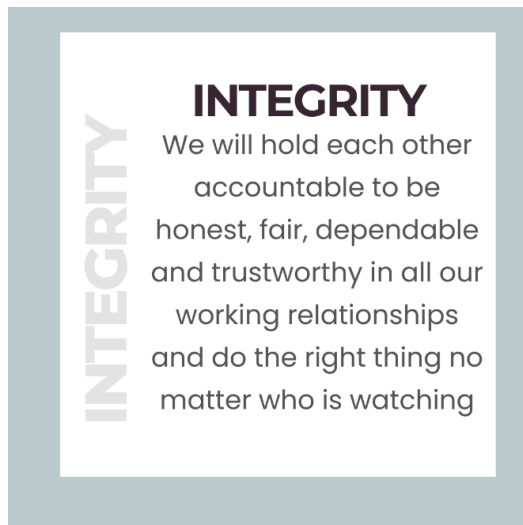


ISLANDS



Our Values

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



Our Goals

18. We have four Strategic Goals:



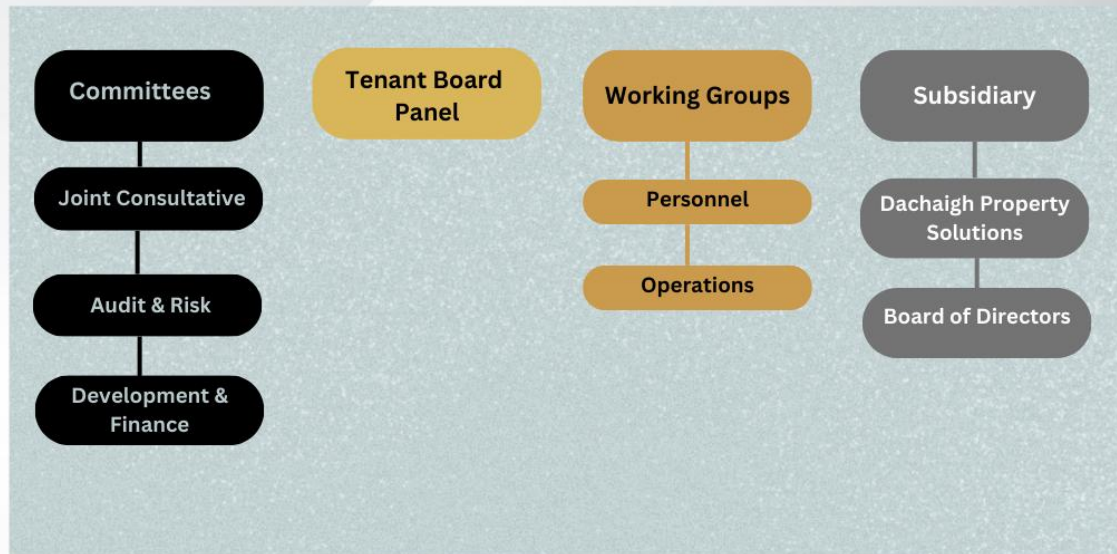
Governance

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



21. The minimum number of Board Members required to continue operation is seven and our quorum is four.
22. Details of our current Board Members can be found at - <https://www.hebrideanhousing.co.uk/about/>
23. All Board Members must sign our Code of Conduct before they can take up their role on the Board. By signing the Code of Conduct the Board Members are confirming they will abide by the requirements. A copy of the Code of Conduct can be found on our website - [Code-of-conduct-for-Board-Members-November-2024.pdf](#)
24. The Board's Standing Orders govern how the Board does business including the use of Committees and Working Groups. There are currently three Committees - Audit & Risk, Development & Finance and Joint Consultative. There are two Working Groups - Personnel and Operations.
25. The Board is supported by the Chief Executive, the Director of Operations and the Director of Finance & Corporate Services.
26. We have recently established a Tenant Board Panel which is scheduled to meet 6 times a year prior to Board meetings.

HHP-Board



27. We have struggled to attract our full complement of Tenant Board Members over the past 7 years with only one of the four places filled at present. Our Rules allow Community Members to take up any vacant Tenant places if we have no interest from Tenants. Currently 3 places are available.
28. Our Tenant Engagement Officer is working to encourage tenants to get involved at Board level but the preference appears to be to engage in a more informal setting, such as drop ins and the newly established Tenant Board Panel. There have been two Tenant Board Panel meetings with 5 tenant members representing Lewis, South Uist and Barra. Our Tenant Engagement Officer is working with Housing Officers to identify tenants from other island areas.
29. Our Board meetings are held in person in the summer months and online for the remainder of the year, this is to ensure maximum attendance.
30. The Board is responsible for the overall strategic direction of HHP, they want to be a Board that knows the times we live in and have the boldness to make decisions for the good of current and future tenants and our communities.
31. Our Board Members are assessed annually to ensure the Board has the relevant knowledge and experience required for effective governance and to identify any skills gaps.
32. We carried out a skills review in January 2026 and the Board Training Plan will ensure any gaps identified are addressed so that Board Members are able to contribute effectively to making the best decision for our tenants.
33. We have reviewed our Board recruitment process and prepared a Succession Plan.

Subsidiary

34. HHP Community Ltd was set up in 2010 when there was the potential of taking over the ownership of some turbines sited near our estates. Following an in depth review the project did not go ahead. The Subsidiary has been dormant since 2015. In 2025 the Subsidiary was renamed Dachaigh Property Solutions Ltd and a Business Plan is being prepared to demonstrate how we can provide accommodation for the renewables sector.

Tenant Organisations

35. Our Tenant Engagement Officer (TEO) regularly attends tenants' and residents' groups such as Manor & Castle Residents Association and the Cearns Community Association. Our TEO has also supported groups to apply for Community Grants, with four successful applications receiving a total of £6,932 in 2025.

Staff

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

Apprenticeships

40. We employed our first Modern Apprentice in 2019 and since then we have developed a Modern Apprentice programme. We work closely with the Training & Skills Team at the Comhairle and they have provided invaluable support to our Apprentices. We are also members of the Local Employability Partnership.
41. In 2025 we employed our first Graduate Apprentice-Building Surveyor which is line with our Workforce Plan.

Terms & Conditions

42. Our Pay & Grading system was reviewed and updated in 2019 and benchmarking is carried out every three years to ensure pay scales remain appropriate. The next benchmarking will be commissioned in 2027.
43. We signed a Collective Agreement with Unison in 2019 and we are in the second year of a three year pay agreement.
44. We are a Living Wage and Living Pension Employer and this applies to all our posts including our Modern Apprentices.
45. A Fair Work Statement has been signed with Unison and is available on our website <https://www.hebrideanhousing.co.uk/?s=Fair+Work+Statement>

Training & Development

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

RESOURCES

Teams



FINANCE

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

CORPORATE RESOURCES

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



DIGITAL TRANSFORMATION

- Delivery of Digital Transformation Strategy



EXECUTIVE OFFICE

EXECUTIVE OFFICE

- Company Secretarial support
- Training
- Performance reporting
- HR



OPERATIONS

Teams



CUSTOMER SERVICES

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

HOUSING SERVICES LEWIS

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



HOUSING SERVICES UIST

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



PROPERTY SERVICES

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

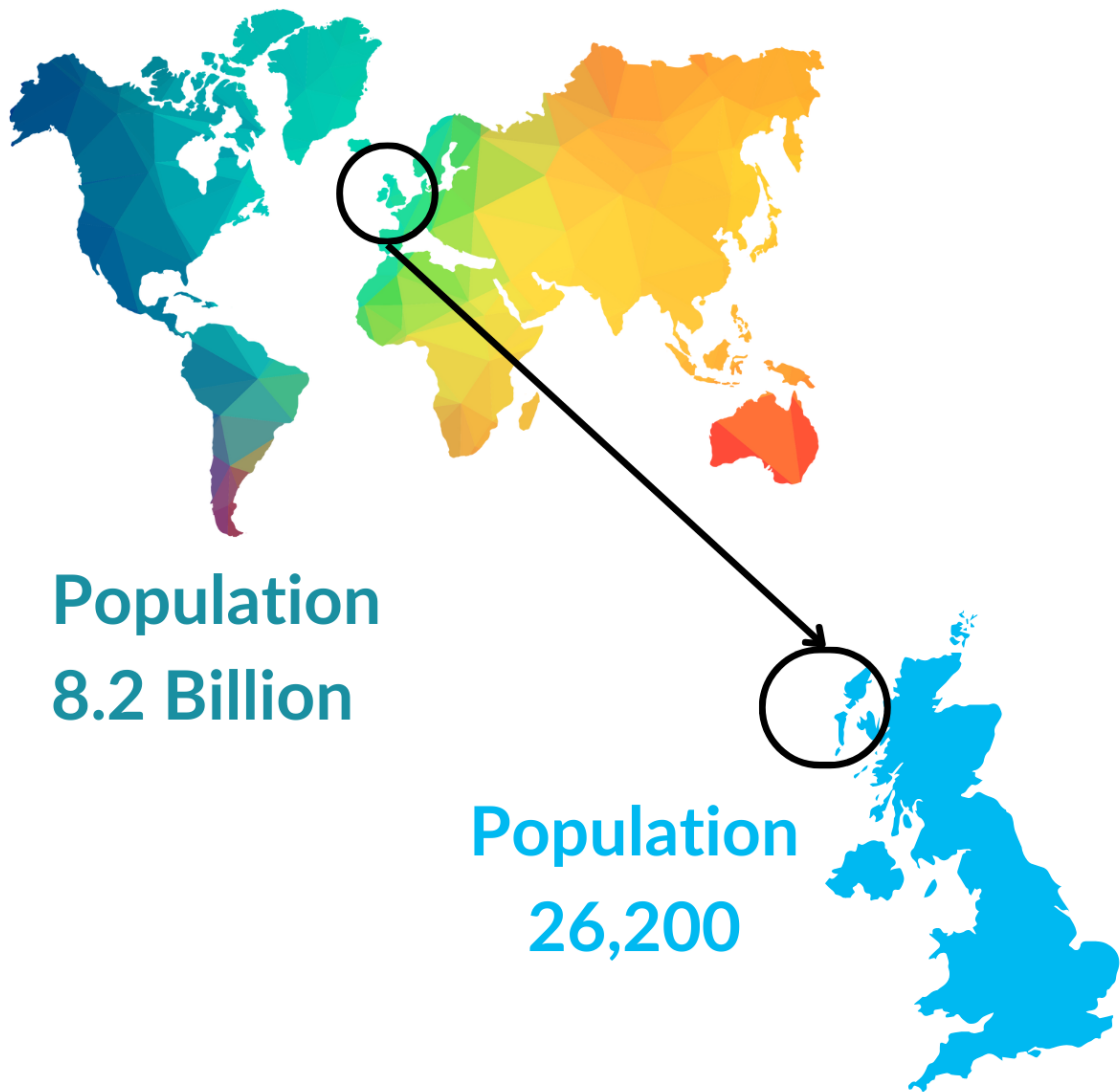


DEVELOPMENT

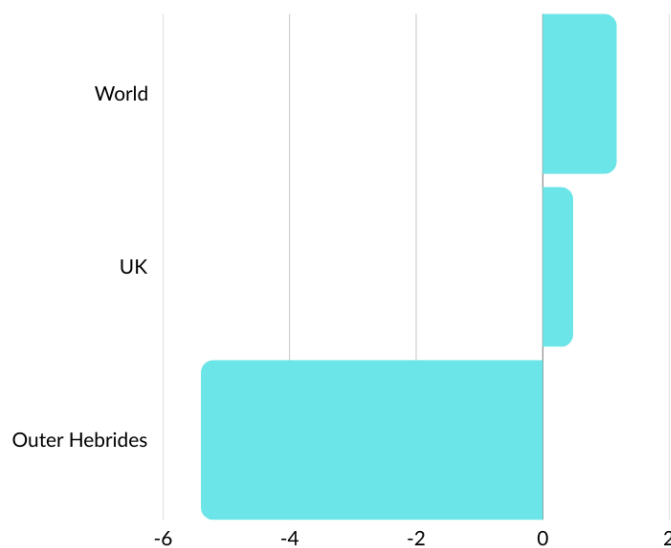
- Manage delivery of new build programme including grant claims
- Liaise with Scottish Government



Section 3 Operating Environment



Population Growth Rates



Section 3 Operating Environment

Global

1. We are part of something much bigger than our little islands in the northwest of Scotland. What happens in the world affects us and what we do impacts the world we live in. The world is facing enormous challenges affecting everyone. But there is hope as The United Nations Secretary General said in his 2025 message “even in the darkest days, I have seen hope power change”.
2. The three significant world challenges that have the most impact on us are population, climate change and the pace of technological change.

Population

3. The current world population is over 8.2 billion. The UN Report on World Population Prospects 2024 expects the population to grow over the coming 50 to 60 years reaching a peak of 10.3 billion in mid-2100 and by the end of the century it will have reduced to 10.2 billion. By 2054 life expectancy is forecast to increase from 73.3 to 77.4 years.
4. A growing population requires more resources e.g. homes, jobs, energy and food. In an ideal world the demand for each of these things would balance out e.g. more homes should increase the number of jobs available, however this is not the case. Imbalance leads to injustice which expresses itself most clearly in poverty levels.
5. Nearly every country is struggling to provide the number of houses to support its population. The key points from the World Economic Forum 2024 on the world’s spiralling housing crisis estimated that the number of people affected by homelessness will rise from 1.6 billion in 2024 to 3 billion by 2030. To meet the housing need 96,000 new homes per day would be required.
6. An aging population will require more health care and support but if there is insufficient working population this will become a major crisis. In some countries this is already the case.
7. Due to war the population is also being forced to move from their homes and seek refuge in other countries which brings serious challenges for them and the countries they are fleeing to.

Climate Change

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

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

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

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



Technology

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

United Kingdom

Political

14. Ramifications of Brexit still haunt us with only a slight reprieve in the cost of living increase. Supply chains are being clogged up inflating the cost of many of the key components for house building.
15. There will be Scottish and local elections throughout the lifetime of this plan which will undoubtedly impact on some of what we hope to do.

7 May 2026
Scottish

6 May 2027
Local

Climate Change

16. Climate change is being felt with increased storms, flooding and the erosion of coastlines, with the cost of insurances rising as a consequence.
17. The UK Government is committed to reaching Net-Zero by 2050 - that's only 24 years away! Carbon budgets which place a restriction on the total amount of Greenhouse gases the UK can emit over a five year period are set 10 years ahead. The budgets relevant to this plan are 2023-27 (1.950 million tonnes) and 2028-32 (1.725 million tonnes). Support has been provided to switch to renewable heating but the feeling is that if we are to make a real difference, more needs to be done to support the insulation of homes to reduce emissions and provide a reliable infrastructure for green active transport. It is important that laws and provision of support take account of the very different nature of providing services in the rural areas so they are not left behind.
18. We are on the way to reaching Net-Zero but not as far along the road as we need to be.

Population

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

Economy

20. We are still not out of the cost of living crisis that followed Covid-19 with projections that it will be 2026 before inflation (CPI) is brought back to the target of 2%. The drop from a high of 11.1% in October 2022 to 3.4% in December 2025 was a welcome relief but the reduction is not being translated into the cost of building a new home.
21. The Bank of England has warned that the UK is still at risk of facing a recession due to the slow down in manufacturing and concerns about stagflation.
22. Unemployment rose to 5% at the end of 2025 and the average annual pay growth for 2025 will reduce to between 3% - 4.5% from a median of 6% in 2024.

23. Increased borrowing costs and rent controls could see the private rental sector shrink or rents rise as owners are unable to afford the substantial increase in mortgage costs.
24. If the private rental sector shrinks this could place an even greater burden on social landlords to provide more homes.

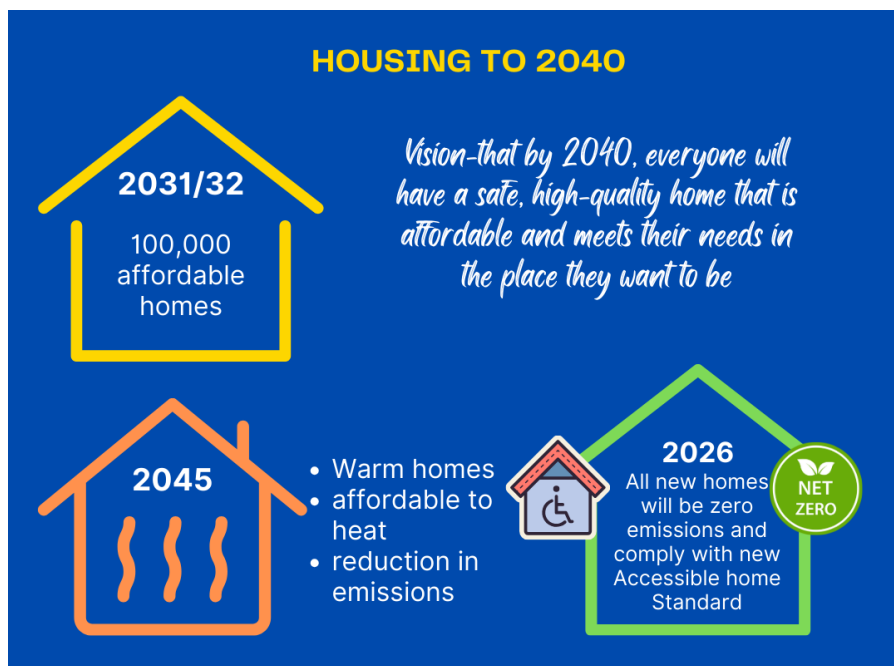
Scotland

Climate Change in Scotland

25. In April 2024 the Scottish Government confirmed that the annual and interim targets for cutting Greenhouse gas emissions would be replaced by a similar system used by the UK and Welsh Governments, namely Carbon Budgets. The change was made in recognition of the previous targets for 2030 being out of reach.
26. The Scottish Government's "Climate Change - National Adaptation Plan 2024 to 2029" has five outcomes
- Infrastructure Resilience
 - Natural Environment
 - Community Support
 - Economic Adaptation
 - Public Awareness

Housing to 2040

27. In 2021 the Scottish Government issued 'Housing to 2040' outlining their vision for housing. Since then 'Housing Emergencies' have been declared by the Scottish Government and a number of local authorities. During 2024/25 the affordable housing budget was significantly reduced due to budgetary pressures, but this has now been re-instated for 2025/26. There is a real challenge delivering a long term strategy if there isn't long term finance to support it.



Population

28. Scotland has an aging population and similar to the rest of the UK is struggling to provide the skilled labour to support the Health & Care sector, Construction, Accommodation and Food Services.
29. The National Records of Scotland's mid-year population estimates for 2024 showed a population of 5.550 million which is an increase of 0.7%. Migration remains the main driver for the increase in population.
30. The population demographics show that the percentage of the population that is over 65 has grown from 12.3% in 1971 to 20.5% in 2024.

Poverty

31. ONS reported in April 2025 that average monthly earnings grew by 4.6% in Scotland compared to 5.3% in the rest of the UK outside London. The employment rate in the Highlands, Islands and Northeast was at 76% for year ending December 2023 which is above the Scottish average. The median gross weekly earnings for full-time employees in Scotland was £774, in the Outer Hebrides it was £763 and in the UK £767.
32. JRF produced a report in October 2024 "Poverty in Scotland 2024".



Poverty in Scotland 2024 | Joseph Rowntree Foundation

Our social security system should ensure that everyone in our country is free from want. Yet it is not currently up to the task. Austerity and welfare reform have bitten viciously in many ways across Scotland and the wider UK. The outcomes are writ large in this report and across the plethora of evidence of increased destitution and hardship. Almost 4 million people across the UK experience destitution, including 1 million children (Fitzpatrick et al., 2023) and survey after survey highlights how many people are going without essentials.

33. The biggest cost that families usually face is housing, and the report highlights the contribution the provision of affordable homes is making to reducing poverty. The number of people experiencing in-work poverty has reduced from one in three in 2014 to one in five in 2023.
34. There is a responsibility on HHP to keep rents affordable whilst making sure as an employer we are not contributing to the increased poverty levels in Scotland.
35. Rent arrears in Scotland were at their highest in 2022/23 but the SHR report for 2025 shows there has been a slight reduction in rent arrears from 6.7% to 6.2% (LA's 8.6%, RSL's 4.1%).

Homelessness

36. In December 2023 Shelter reported that there was a growing 'systemic failure' in council services for homelessness with 14 out of the 32 Councils admitting they did not always fully comply with their statutory duties to the homeless.

37. Councils which have declared a ‘Housing Emergency’ are attributing the core problem to the continued reduction in public sector funding. Another common thread is the reduction in private sector lets due to houses being used for holiday lets. In rural areas this is exacerbated by second homes which are only occupied for a short time during the year. The Scottish Government declared a national housing emergency on 15 May 2024.
38. Homeless applications dropped from 41,054 to 40,688 in 2024/25 (1%) and there were 10,180 children in temporary accommodation which is decrease of 180 from September 2024. There has been no reduction in the length of time people spend in temporary accommodation. [Scottish Government: Homelessness in Scotland 2024/25]

Outer Hebrides

39. Visit Scotland describes the Outer Hebrides as;
“A group of islands that sit off the west coast of Scotland, each with its own unique way of life. The Hebridean islands offer powder-white beaches, wild Atlantic waves, diverse wildlife and vibrant Gaelic culture”.
- A great place to visit and a great place to live but a place that faces the same challenges as the rest of the world and some unique to the islands.
40. The ONS report that out of the 14 measures available for the Outer Hebrides 7 were better than the median and 1 was worse.

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

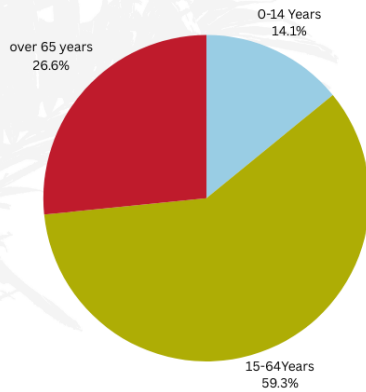
Population

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

2022 SCOTLAND CENSUS *Na h-Eileann Siar*

DEMOGRAPHICS

AGES GROUP



SEX



50.3% FEMALE | 49.7% MALE

CHANGE SINCE 2011

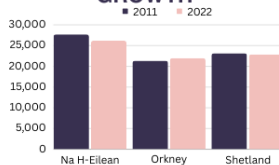
5%

DECREASE
NA H-EILEAN SIAR

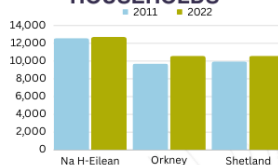
3%

INCREASE
SCOTLAND

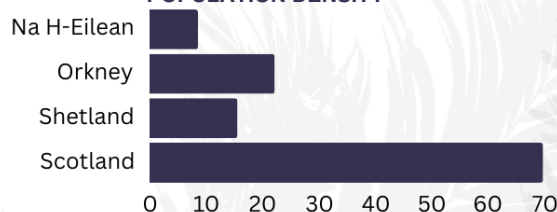
GROWTH



HOUSEHOLDS



POPULATION DENSITY



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

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

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

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

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

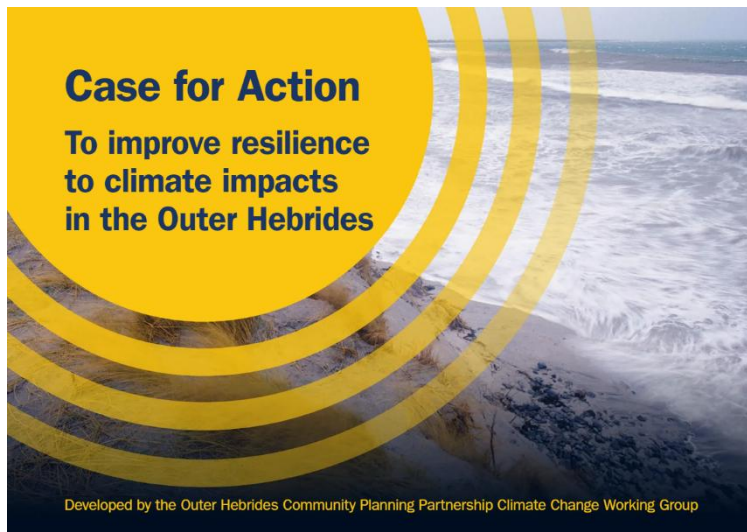
47. Population may be declining but the number of households has gone up but only slightly in comparison with Orkney and Shetland.

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

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

Climate Change

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

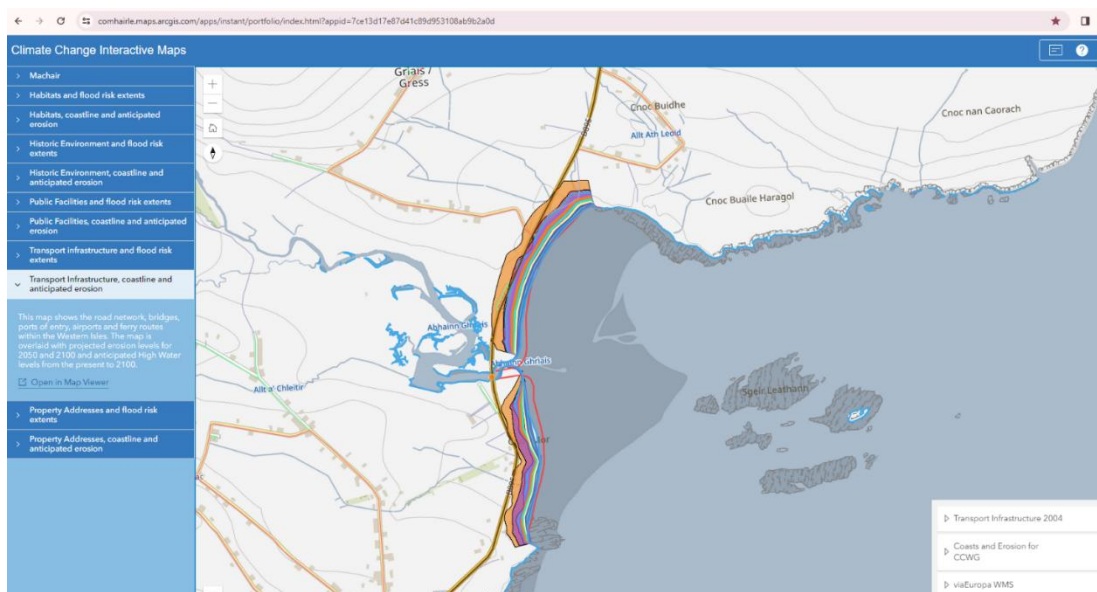


52. Climate Hebrides CIC was formed in 2022 as part of the Case for Action and they have developed the Outer Hebrides Climate Hub. We became a member of Climate Hebrides CIC in 2024. The first Outer Hebrides Climate Conference was held in October 2024 bringing together partners with a

commitment to delivering on the Case for Action. A second successful conference was held in September 2025.

53. An extract from the Comhairle's mapping tool below shows the forecast for Gress where rising sea levels could take out the main road from Stornoway to Gress and Tolsta. The website can be found at

<https://storymaps.arcgis.com/stories/82f26e8ece054334a436d0c803841577>



Homelessness

54. The number of homeless presentations to the Comhairle has remained relatively steady over the last several years. There were 139 presentations in 2024/25 which was an decrease of 11 from the previous year. The main reason for homelessness was disputes within households (44%) and 30% of these involved some form of abuse. 75% of applications were made by single person households.

Islands (Scotland) Act 2018

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

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

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

Islands Growth Deal

57. This is a Deal funded by the UK and Scottish Government and is a ten-year package of investment intended to increase economic growth and the number of sustainable jobs across Shetland, Orkney and the Outer Hebrides. The total value of the Islands Growth Deal is £100million. The UK and Scottish Governments will each invest £50million over 10 years, subject to approval of full business cases for each project. The Islands Growth Deal projects are supported by a wide range of partners from across the public, private and academic sectors who together will seek to invest up to a further £293million to deliver these projects. There is £33.3million being invested within each island group.

Community Regeneration Partnership

58. The UK Government announced a package of support for the Outer Hebrides in 2025 of £20 million of which £3.5 million has been allocated to create a Housing Investment Fund for local housing needs.

Key Stakeholders & Partners

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

Tenants and Future Tenants

60. Our key stakeholders are our tenants and future tenants. The provision of landlord services which are of the highest quality and at affordable levels will provide security for our tenants and ensure our long-term future.
61. We welcome participation from our tenants through tenants' groups and through membership of HHP. Our Tenant Engagement Officer is working with tenants to ensure the opportunities to participate are relevant and accessible.

Outer Hebrides Community Planning Partnership

62. We recognise the value that interaction with other agencies brings particularly in delivering better value for our communities through the delivery of services which are joined up. Key to engagement with partners is the work of the Outer Hebrides Community Planning Partnership (OHCPP). There had been good progress in joining up services across the Outer Hebrides which stalled during Covid-19 and unfortunately has not recovered.
63. We are members of the OHCPP and we will seek to maximise our contribution to OHCPP and also get support from our partners.
64. In November 2018 the OHCPP approved the OHCPP Partnership Agreement 2018-2027 which takes into consideration the changes to community planning and obligations on partners arising from the Community Empowerment (Scotland) Act 2015. The structure was reviewed in 2021 and approved by the OHCPP in November 2022. There are now four new priority groups:
- Climate Change
 - Poverty
 - Community Justice Partnership
 - Children and Young People's Planning Partnership
- The Local Outcome Improvement Plan (LOIP) is due to be updated during 2026 and as part of our commitment to partnership working we will ensure staff attend and participate in the LOIP Working Group.
65. We also work closely with Police Scotland and the Scottish Fire & Rescue Service to develop preventative measures for the benefit of our tenants.
66. We have signed up to the Armed Forces Covenant which supports individuals involved in the Armed Forces, ensuring they are not disadvantaged in the provision of housing and employment. In July 2025 we were awarded the Armed Forces Bronze Award and it is our intention to progress to the Silver Award when eligible.

67. There has been a rise in requests from employers, primarily public agencies for accommodation for employees. The demand is expected to increase due to difficulties in on-island recruitment. We have supported this by providing accommodation under our Allocations Policy provisions on key workers. A further 3 key workers were housed through this provision in 2024/25 and over 30 have been accommodated since the policy was introduced in 2021.

Comhairle

68. The Comhairle as the Strategic Housing Authority is a key partner and we work with them to support the development and implementation of the Local Housing Strategy (LHS) which delivers key housing priorities for the Outer Hebrides. The draft LHS is currently out for consultation and is due to be approved in March 2026.

69. We are members of the Homelessness Task Force and the Stornoway Vision Group which are led by the Comhairle.

70. We are members of the Accommodation Subgroup of the Renewable Energy Major Development Forum and are exploring with partners the role that we can play in meeting the accommodation needs of the workforce.

Highlands & Islands Enterprise

71. We are an RSL and a business that makes a significant contribution to our local economy whose contribution sustains jobs both directly, in the construction sector, and indirectly through the local supply chain. As a business we value the support of the Highlands & Islands Enterprise Area Team.

72. We have been working on a number of projects throughout the islands including the move to new office premises at the Eabhal Business Park in Balivanich and enjoy a positive relationship with the local Team.

Highland & Islands Regional Economic Partnership

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

Poverty Partners

74. There are hidden pockets of poverty and deprivation in the Outer Hebrides. Problems include growing isolation of older people, addiction, alcoholism, lack of literacy skills

and unemployment. We work with the following partners to try and alleviate poverty and deprivation.



75. We work with partners through the CPP Anti-Poverty Group to share information and coordinate action. This included work in 2025 to continue lobbying on fuel prices and action to address child and fuel poverty. We were successful in obtaining funding from the Island Cost Crisis Emergency Fund which enable us to support tenants in need through fuel vouchers.

[Western Isles Health Board](#)

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

77. We have assisted WIHB in getting public health information out to our tenants along with our regular Newsletter,

[Membership Forums](#)

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

[Scottish Government](#)

79. Our main contact with the Scottish Government is with More Homes Division based in Inverness. We have worked closely with the Inverness team and they have an invaluable understanding of the challenges being faced in rural and island areas. They have gone the extra mile to enable developments to proceed within the Government's guidance for Value for Money.

80. The Scottish Government have committed to end rough sleeping and homelessness. We are working to assist and support the Comhairle in the delivery of their Rapid Re-housing Transition Plan. We let 52% (61% in 2023/24) of vacancies in Stornoway to homeless applicants in 2024/25 against a target of 50%. This included 22 one bedroom properties which is 75% of one bedroom vacancies. Our target was 25 properties. Overall 39% of vacancies were let to Comhairle nominees.
81. Our challenge in contributing to the Scottish Government's Housing to 2040 will be balancing the cost of meeting ever increasing building standards whilst keeping our rents affordable and not exacerbating fuel poverty for our tenants.

More Homes Scotland

82. In January 2026 the First Minister announced the creation of a new housing agency called "More Homes Scotland" which is intended to accelerate delivery across all tenures. It is expected to start operating from 2027/28 and be fully functional in 2028/29 (depending on the outcome of the Scottish elections in May 2026).

Scottish Housing Regulator

83. HHP is a systemically important landlord regulated by the Scottish Housing Regulator (SHR) and has a "Compliant" regulatory status for 2025/26. The Regulator reviews the risks and challenges faced by the business and progress against the Business Plan. We provide financial and other information as required, including 30 year and 5 year financial projections. A meeting takes place annually with our Regulation Manager, to discuss and review the financial projections and matters highlighted in the Regulation Plan for the financial year.
84. Every May, an Annual Return on the Charter (ARC) is submitted to the SHR that reports to tenants on the standards and outcomes set out in the Scottish Social Housing Charter. It covers seven sections that include equalities, tenant satisfaction, customer/landlord relationship, housing quality, neighbourhood, access to housing and support, getting good value from rents and service charges, and other customers.
85. SHR reviewed the indicators during 2024 and they have removed some indicators and introduced a few new ones. From 1 April 2025 we began to report on our performance in responding to reports of damp and mould.
86. We submit an Assurance Statement annually in October to confirm we comply with SHR's Regulatory Framework. The framework re-affirms the Regulator's position on statutory and advisory guidance. We aim to comply with both unless there is a practical reason not to do so.
87. Our 2025 Assurance Statement provided assurance of compliance with our duties in relation to tenant and resident safety. The Statement further confirmed we had

completed our assessment into the potential presence of RAAC in our stock and confirmed that none has been identified.

Our 2025 Assurance Statement can be found on our website at the following link: [Annual-Assurance-Statement-unsigned.pdf](#)

Contractors and Developers

88. We cannot deliver our Investment or Development Plans without contractors and developers. We aim to invest in ways that benefit the local economy. Contractors build new homes and maintain existing ones with a focus on quality as demonstrated by feedback from tenants and communities.
89. Our contractors are a key point of contact with our tenants both in reactive repairs and in our investment and maintenance works. We work closely with them to ensure that the customer experience is first class. Our tenants are also involved in this process and scrutiny work has been carried out by tenants on reactive repairs and re-letting standards and processes. We will refresh this work as part of our aspiration to continually improve on what we do. In addition to this, we test customer experiences with all work through point of service surveys and through our major satisfaction surveys. These show high levels of satisfaction with 96% of tenants surveyed in 2024/25 stating they were happy with the repair carried out in their home.

Lender

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

Section 4 Where We Are

Section 4 Where we are

Introduction

1. We are almost at the end of our second year of the Plan and whilst we didn't have the turbulence of BREXIT and a pandemic to contend with we are still feeling the consequences particularly in construction costs and the reduction in public funding.
2. We have delivered on 87% of the year two plan.
3. Nothing stands still and almost every day we are dealing with change of one kind or another. We have taken the opportunity to learn lessons, particularly not taking people or circumstance for granted along with the value of balancing risk taking and prudence.

How we delivered

4. The Board are briefed at every meeting on the progress of the Delivery Plan for the Measures of Success and Actions for 2025/26. The current report shows progress to 31 December 2025 and can be found at Appendix 2.
5. On the regular performance measures such as void loss, repairs and rent arrears, delivery is on target. The majority of actions due for completion by 31 March 2026 are also on target. Overall, we are delivering but sadly this was not reflected in the results of the Tenant Satisfaction Survey carried out in the summer of 2024 with a drop in overall satisfaction to 83%. The results were a big disappointment, particularly as our performance reports show that our performance is very strong and consistent. Progress is being made on the action plan to address the issues identified. This includes the implementation of a digital portal, the establishment of a tenant panel, a series of more local tenant drop in sessions during 2026 and the development of our Facebook presence. A plan of action has been prepared to address issues raised during the survey.

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

6. Areas where performance is better than it was in 2024/25 are:
 - Void Performance
 - Current Rent Arrears
 - Gross Rent Arrears
 - Review of COT's (recycling)
7. Nine of the eleven tasks are on track to complete by 31 March 2026. One area we have struggled with is in the recruitment of tenant board members. We will see if we can encourage more tenants to stand as board members this year before we take the decision to review our constitution to ensure it remains appropriate.

8. The pilot project with Penumbra is underway although there were some initial delays. An initial report has been provided to our Board. Further reports will be provided as the project continues to bed in and engage with tenants.

GOAL TWO: Investing in a sustainable way in tenants homes

9. Good progress has been made on all of the actions with the exception of 140 tenants who have refused new heating systems. As agreed, we replaced infra-red heating by 31 March 2025, except where 18 tenants refused. With the exception of refusals, we are also on track to have renewable heating systems installed in all off-gas houses by 31 March 2026.
10. Despite the numerous challenges, we are on track with our Development Plan.

GOAL THREE: Being an excellent employer that attracts and retains high quality staff

11. All the actions for 2025/26 will be completed by 31 March 2026, and apart from ‘filling vacancies on first attempt’ we are meeting all our performance targets.

GOAL FOUR: Working with our partners to help our communities thrive

12. All targets and actions will be met by 31 March 2026 with the exception of *“Improve the % of tenants satisfied with the landlord’s contribution to the area they live in by 2%”*. Our target was 83% but the survey showed only 70% of the tenants asked were satisfied. We are exploring the reason for the drop in satisfaction but initial indications are that part of the reason is we are being judged on areas that are actually the responsibility of the Comhairle to maintain and reducing budgets are impacting their maintenance schedule.

Corporate Services

13. All tasks on target to be met by 31 March 2026 with the exception of ‘*benchmarking core services*’ which had some delays. An initial benchmarking report for Tenant Satisfaction Survey processes will be prepared in March 2026.

Operating Environment

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

- OHCPP's Climate Change working group presented maps showing what will happen in the Outer Hebrides if no preventative action is taken, roads are underwater and coast lines are eroded.

16. We want to make a lasting impact on our communities because we owe it to future generations. There is so much need screaming at us from all directions at present such as population decline and demographics showing an older non-working population, but even if by some miracle we were able to address those issues within the next four years, they could become irrelevant if we don't deal with the big overarching issue of what is happening to our climate.

17. We need to know our carbon footprint, we need to know that the actions we are taking are having a positive contribution, not just to satisfy the Governments requirements but so that there will be a legacy to leave those who want to make the Outer Hebrides their home.

18. The Comhairle's LHS was approved for consultation in December 2025 and it is hoped it will be approved by March 2026. The key challenges emerging at present are population decline, fuel poverty rurality & infrastructure and housing supply (including affordability, quality, connectivity and health & wellbeing).

19. The Strategic Priorities are

- Supply
- Quality & Efficiency
- Homelessness
- Independent Living
- Community Strength

20. Assessing our operating environment, from global to local, it would be easy to feel overwhelmed and almost paralyzed by the size of the problems facing us, but there is hope and encouragement from knowing that we are not alone in these challenges-this means with a greater number of minds working to address the problem there should be a greater chance of finding solutions.

21. We can't improve if we choose to keep doing things the way we have always done them, so even changing a few things in the right direction will make a difference.

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

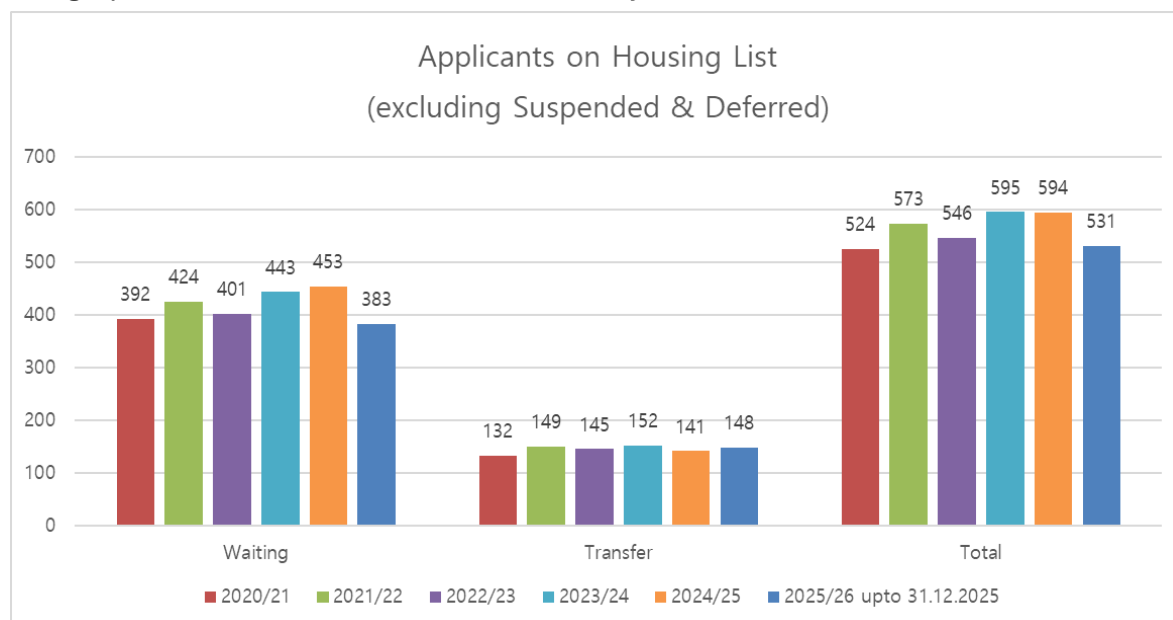
Our Business

23. Our business is providing homes for those in need at an affordable rent and the key factors to remaining financially viable are:

- a) a healthy demand for our homes
- b) keeping our homes at a high-quality standard
- c) being efficient in the way we deliver services
- d) reviewing opportunities to grow

Demand

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



Standard of Homes

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

Efficiency in Service Delivery

26. We have a Value for Money Strategy which has delivered around £100k savings in the past year which have been invested back into the organisation and helps to keep the rents affordable.

Reviewing Opportunities to Grow

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

Skills Base

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

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

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

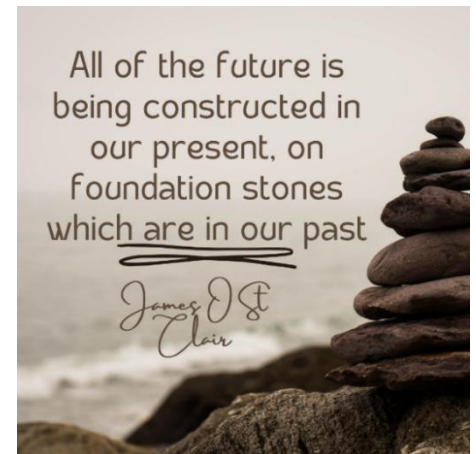
Business Planning Day

31. The Board and Management Team met on 9 December 2025 to review the proposed changes to the Delivery Plan and update the Risk Appetite. The Board met with youth representatives on 14 January 2025 to hear their views which have been incorporated into the Plan.

Partner Considerations

32. Our partners asked the Board to take the following into account:

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



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



Strategic Analysis and Key Issues

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

SWOT Analysis

35. The 2024 SWOT Analysis was reviewed with no changes, knowledgeable staff and their relationships with our tenants have been identified as our main strength. Good relationships both within the organisation and with tenants were highlighted. Our stock is largely in good condition, and our investment and new build programmes enhance this.

36. Our weaknesses include: attracting new Board Member, perception there are too many managers and spend on estate aesthetics.

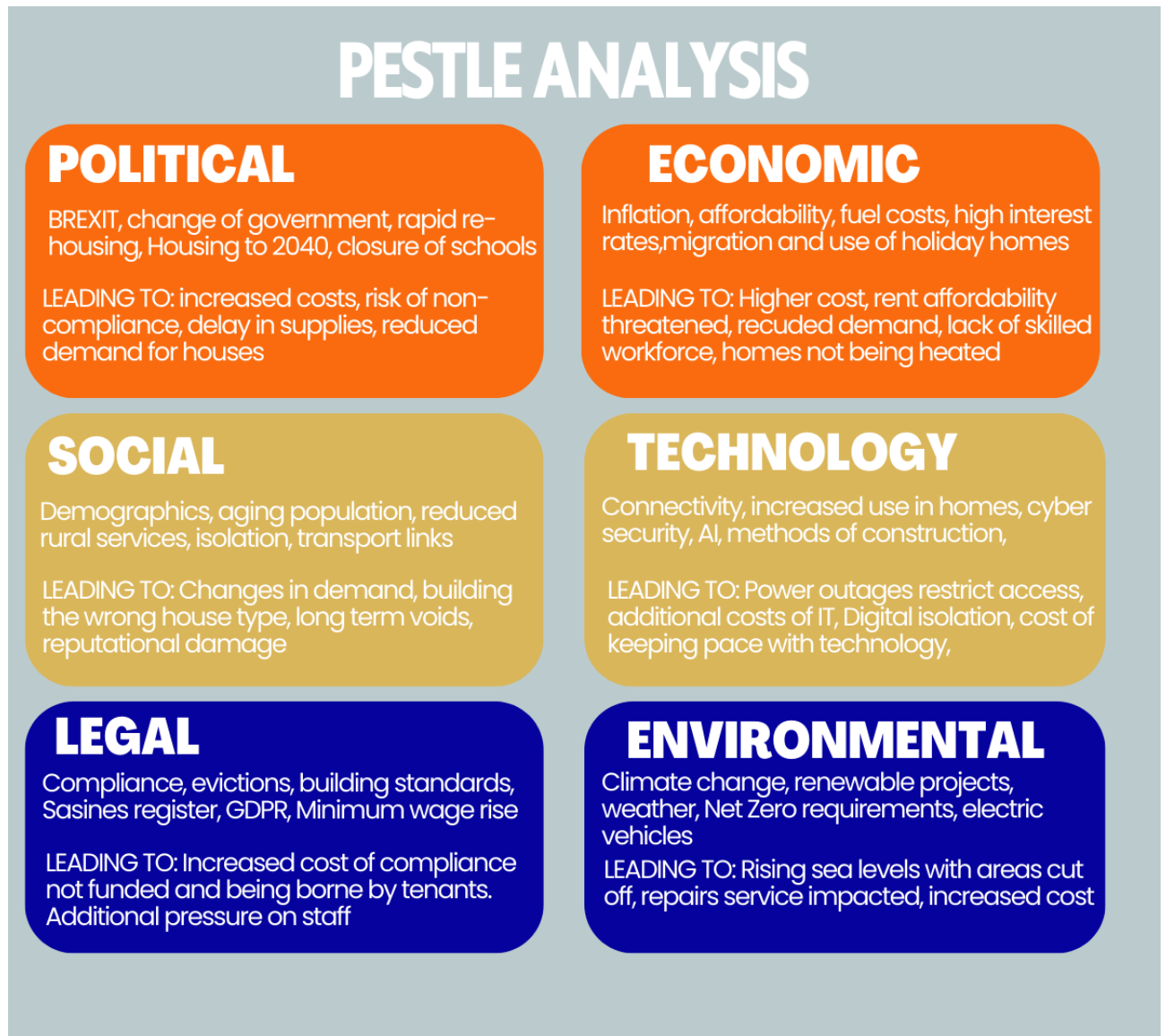
37. Working with other agencies, including community groups, Penumbra and partnership working were recognised as opportunities. Other opportunities included grant funding, the Modern Apprentice Scheme and sharing of knowledge with other agencies.

38. The aging population and decrease in population were the main threats. Other threats included how the Single Authority Model might work in the islands, cost of living crisis, cyber security, climate change, increasing need to deal with mental health issues and lack of skilled labour in the construction industry. Lack of connectivity and transport links in Uist and Barra also pose a threat to being able to provide our services effectively.

<u>SWOT Analysis-January 2025</u>			
		Helpful to achieving OUR GOALS	Harmful to achieving OUR GOALS
Internal origin attributes of HHP	Strengths • Housing knowledge • Staff • Good employer • Good working relationships • Resourceful (grant funding) • Supporting tenants welfare • Stock in good condition • Listen to tenants (e.g. infra-red)	Weaknesses • Reliance on historic knowledge • Volume of policies • Management structure top heavy • Board Member recruitment • Spend on estate aesthetics	
	Opportunities • Partnership working • Grant funding • Community Groups • Apprenticeship Scheme • Working with Penumbra • Funding for Net Zero • New Build for renewables • Barra campus • Communication	Threats • De-population • Aging population • Grant Funding • Climate change • Cyber Attacks • Lack of skilled labour • Changes in legislation • Funding for Net Zero • Connectivity • Transport • Lack of mental health support • Rent controls	
External origin attributes of the environment			

PESTLE Analysis

39. We used the PESTLE analysis for the first time in 2024 as part of the Business Planning process. It proved useful and a summary of the outcomes is below:



Three Horizon Analysis;

40. Three Horizons was another tool we used for the first time in 2024. Three time lines were set 1-2 years, 2-5 years and 5-10 years then the question was asked “what kind of organisation do we want to be in 10 years time and what do we need to be doing now to get there?” A summary of the findings are below



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

Risk Appetite

43. On 9 December 2025, we met to review and agree our Risk Appetite for the year ahead and the outcome is in Section 7.

Culture

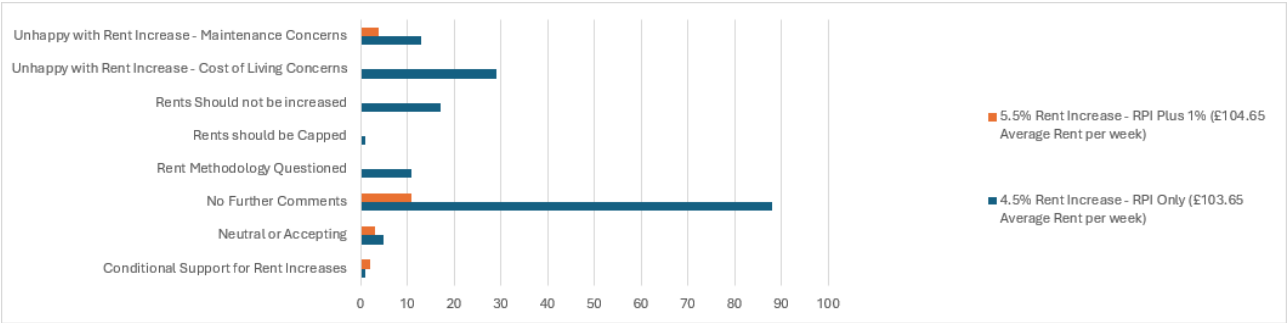
44. We undertook a Culture Audit during 2024 which revealed the organisation's DNA (using the lens of Jungian Archetypes). We are an organisation marked by compassion (Caregiver), optimism (Innocent), wisdom (Sage) and determination (Hero). The Executive summary of the report goes on to say *"These characteristics have created a strong foundation of trust and community connection. However, to address the unprecedented challenges of demographic decline, economic pressure, and climate change, HHP must evolve while preserving its core strengths."*

45. The actions arising from the Culture Audit are included in Section 5.

Consultation

46. As part of the Rent consultation for 2026/27 we asked tenants to tell us if there was any burning issues they would like addressed in the Business Plan.

47. 54% of those that responded to the consultation did so without further comment. The chart below provides an overview of the responses received:

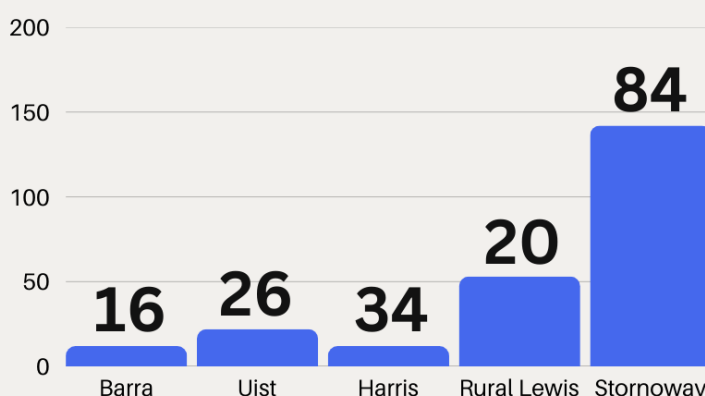


48. We will be consulting with the Tenant Board Panel who will be asked to consider the issues raised during the rent consultation exercise.

Operational

49. In 2025/26 we completed 37 homes; 12 in Leverburgh and 25 in Stornoway. A further 14 homes are being constructed in Stornoway and work also began on site for 6 homes in Barra.

180 new homes



50. Our success in new builds is due to effective collaboration with the Scottish Government More Homes team and the Comhairle's Planning and Housing teams. The significant level of funding provided through the More Homes teams to enable delivery of our development programme was critical to new homes being built particularly out with Stornoway.

Repairs

51. We continue to deliver a high quality repairs service which is amongst the best in Scotland. However, pressure on costs is challenging as both labour and materials costs continue to rise. The acquisition of FES FM by OCS has been seamless from a service delivery viewpoint. We have met with the UK CEO of OCS and have been assured of their long term commitment to the contract and partnership.

Damp & Mould

52. We have processes in place to address any reports of damp and mould based on good practice recommendations from organisations such as the SHR, CIH and SFHA. This includes working with tenants as appropriate to ensure homes are warm, safe and healthy wherever possible.

53. We are proactive in the prevention, treatment and remediation of these issues to the benefit of our tenants. Our procedures include an end-to-end customer service from reporting and identification through to advice, guidance and support and, where required, we will install preventative technology.
54. We note the introduction of Awaabs law in Scotland and will review our approach once the detailed provisions are available.

Arrears

55. We focus on preventing arrears through early action and engagement with tenants. In order to help our tenants maximise their income and get assistance with energy costs, we work closely with other partners such as DWP, CNES, CAB and TIG. Taking legal action will always be a last resort and sadly when tenants choose not to engage or co-operate we have no option but to pursue legal action including eviction.

Voids

56. Maximising income is critical to the business, so we re-let properties as quickly as possible subject to them meeting the agreed lettable standard. We also support tenants moving into their new home by providing generous decoration allowances. There have been increasing challenges, with the costs of bringing some properties back into use linked to the inability of the previous tenants to cope because of issues such as health and addictions.

Rechargeable Repairs

57. We have revised our approach to rechargeable repairs and will monitor this to assess the impact on prevention and collections rates. Our approach to rechargeable repairs was amended to recognise situations where people may not be responsible for their actions through health or other issues. We also reviewed our processes to ensure consistency of decision making and robustness of supporting evidence. Unfortunately, like many other landlords we have seen increasing numbers of properties being vacated in poor condition leading to significant costs being incurred before they can be re-let. These will be pursued where appropriate.

Housing System

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

Rents

59. Our Board review our rents annually and we do our best to balance what we need to spend to provide an excellent service and meet our legal obligations with what is affordable for tenants. Over the last 10 years, the average annual rent increase was 3.5% compared to an annual inflation increase of 4.7% over the same period.

Section 5 What We Want To Deliver

Section 5 What We Want To Deliver

Introduction

1. Our Vision will be delivered through four Strategic Goals.
2. We stand at a pivotal moment in its history, poised to evolve from a traditional housing provider into a catalyst for community resilience and sustainable island living. This evolution isn't just about building homes – it's about supporting a future where island communities can thrive despite the complex challenges they face.
3. We want to improve how we deliver our services so we are known for the positive impact we have on our communities, for being a reliable and trustworthy partner who will do what is right for the islands. We want our staff to know they are valued and that they contribute to something vital and memorable in our communities.
4. To make all these things a reality the Board have set four Strategic Goals. The detailed Delivery Plan is at Appendix 2 which shows targets and timescales. From April 2026 we will be using a module in our Governance software to manage our performance which should enable the Board to have access to the most up to date information at all times. A copy of the report is at Appendix 3. Operational performance is be monitored by Managers on a monthly basis and these reports will be available to the Board on the online portal.
5. A number of new actions have been added to the Delivery Plan to take on board feedback from tenants.

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

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

Tenant Engagement

7. In the summer of 2024, we conducted a tenant satisfaction survey. Our overall satisfaction is down 3% to 83%. We noted that although satisfaction was down, there was no large increase in dissatisfaction. The main difference sits in the 'neither satisfied nor dissatisfied' category.
8. We consulted with tenants in August 2024 and updated our Tenant Participation Strategy. Previous feedback said the Strategy was difficult to read so it has been redesigned to make it more accessible <https://www.hebrideanhousing.co.uk/tenant-participation-strategy-202428/>
9. The Tenant Engagement Officer has used feedback from tenants following the major tenant events to inform and finalise a Tenant Engagement Calendar for 2026. The calendar will detail planned tenant events, our tenant consultations and estate management inspections and will be available on our website and Facebook page. The focus for 2026 is on smaller drop ins rather than large scale centralised tenant events.

10. We will explore the possibility of providing tenants with an individual “impact statement” along with the annual Rent letter to showing them what services they have received over a 12 month period.
11. We will arrange estate visits for Board members to provide an opportunity to meet with tenants and also see what is happening on the ground.

Affordability

12. We benchmark our rents through the Scottish Housing Network annual performance reports and through the SFHA affordability tool. This allows us to compare rents both across the sector and against similar landlords. This can be at a variety of levels e.g. a geographic basis, organisation size or stock transfer background. A household survey was carried out as part of our Tenant Satisfaction Survey in 2024. 90% of those who participated said they were able to pay their rent and this is mirrored in our arrears levels which continue to be stable. This is an important measure of affordability. However, over 20% of those surveyed said fuel costs and food prices were a continuing concern but we will continue to assist those tenants in most need through initiatives such as fuel vouchers, access to food parcels and referrals to partner agencies.
13. One of the key ways to keep rents affordable is to ensure monies are spent wisely and deliver value for money. This does not mean we will go for the lowest price because that can sometimes work out more expensive, but we will not spend money we cannot justify.
14. Ensuring tenants homes are energy efficient is also an important contributor to affordability this will be picked up under Goal 2.
15. We will explore the benefits to tenants of providing rent guarantee for a 3 to 5 year period.

Supporting Tenants

16. Our local Health Board is struggling to recruit its full quota of staff for its mental health services and we are seeing the impact of the reduced support in the lives of some of our tenants. While we can signpost tenants to other agencies for help, that help is not always available. Our Housing Officers do not walk away when someone in one of our homes needs support and have regularly gone the extra mile to get a tenant the help they need. Sadly the consequences can be that our property is seriously damaged and very costly to repair.
17. We entered into a partnership with Penumbra in October 2024 to provide support to tenants who we identify as being in need due to mental health and behavioural disorders such as hoarding. This is in response to the increase in the number of tenants who are struggling to maintain tenancies and who are therefore at increased risk of homelessness. The partnership aims to both intervene at points of crisis but particularly to seek a preventative response at as early a stage as possible. Penumbra

are currently experiencing challenges in staffing the project and we are in discussion as to how best to proceed.

18. We have continued to support Health Services locally by accommodating staff through the Key Worker provision in our Allocation Policy where local recruitment is not possible.

Equalities

19. In the summer of 2024, we worked with Equal Adventure who provide training and equipment for activities that support disabled people, their communities and families. Equal Adventure run activities that will benefit our tenants who have a disability and the tenants who attended benefited from the experience. We will take what we learned from the project and incorporate it into our policies.

Tenant Portal

20. In 2023 we installed a new housing system which enables us to provide a portal for tenants to access their rent accounts.
21. The portal was launched in May 2024 allowing tenants real time access to their rent accounts, self-service with respect to repairs, tenancy management, periodic surveys e.g. tenant satisfaction surveys. We have over 718 tenants registered on the portal.

Change of Tenancies

22. The standard practice by Housing Associations is to ask outgoing tenants to remove all their furnishings including their carpets, laminate flooring and curtains however this practice is being increasingly reviewed nationally due to concerns about:
- Sustainability
 - Recycling
 - Affordability and cost pressures for new tenants
23. Other issues that have been highlighted are the standard of decoration, heating systems and other components.
24. A review of Change of Tenancy standard, practice and timescales was undertaken in 2024/25 and our approach was amended to allow outgoing tenants to leave fittings in homes where appropriate. This was on the grounds of sustainability and affordability. Following a successful trial period in 2025 this has been adopted as standard practice.
25. We will review the Lettable Standard along with tenants.

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

Net-Zero

26. The outcome of the Scottish Government consultation on a new Net Zero standard is still awaited. It is understood that a clean heating system will be required as part of the standard and we have continued to invest heavily in the installation of renewable air source heating systems in tenants homes.

27. The Comhairle have submitted their Local Heat and Energy Efficiency Strategy and Delivery Plan showing how the islands will decarbonise its building. At present our housing stock is contributing very positively to the Comhairle's overall position as 78% of our off-gas properties have zero emissions heating systems already installed.
28. We will review our new house build standard to ensure it is meeting net zero targets. This may mean that we can build fewer houses because unless there is additional grant it will be more expensive to build to this standard.
29. We will review the effectiveness and benefit of solar panels to inform future investment programmes.
30. We will work with the Comhairle and other partners to deliver the new homes that are needed whilst ensuring there are services within reasonable travelling distance. A copy of our Development Plan is at Appendix 4.

Older Stock

31. The Stock Condition Survey completed in 2023 forms the basis for our investment planning. The detailed plan is at Appendix 5.
32. We will review the Investment Plan to provide for fencing and general environmental e.g. paths and walls.

Damp & Mould

33. We continue to work proactively to address any reported instances of damp and mould. We also require contractors to report any observed issues even if these have not been reported. We carry out works and provide advice and assistance to tenants as appropriate and have carried out staff training and will regularly update this.
34. We monitor reports of damp and mould and report on this on a regular basis to management team and our Board. We will be required to report our performance on damp and mould to SHR from 1 April 2025.

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

Culture Audit

35. We carried out a Culture Audit during 2024 and the findings were presented to the Board on 13 January 2025. The results of the survey showed our organisational DNA is Caregiver, Innocent and Sage. At our staff team building day the staff designed the emblem which represents our archetypes.

We are unique!



Purpose | Way | Impact™



36. We were asked to think about what we wanted to be remembered for as an organisation and whilst our vision captures what we want to do over the next few years it doesn't quite capture what we want to be remembered for. During the coming year we will

- arrange a workshop for Board, staff and tenants to answer that question so we can ensure our time and resources are targeted in the right places
- Work as teams to answer
 - Does our dedication to compassionate service prevent needed changes?
 - Is our optimistic outlook preventing us from acknowledging and addressing challenges head-on?
 - Are we fully leveraging our collective knowledge and expertise to drive innovation and continuous improvement?

Workforce Strategy

37. In the analysis undertaken the risk of not having skilled people is increasing as the workforce gets older and retires. We have a Workforce Strategy that is reviewed annually which helps to identify areas where succession planning is required. Our first Housing Modern Apprentice gained her qualification in July 2025 and our second one is working towards her qualification in 2026. Our plan is to maintain the Apprentice programme and to become known in the community and the sector for being excellent at training Apprentices.

38. Part of the succession planning will be to give our managers development opportunities by taking responsibility for a cross cutting role such as Well Being, Culture and ESG.

39. As the business grows, changes and adapts for the future the structure will need to be reviewed to ensure it remains appropriate. This will include reviewing how the service is provided and to identify where there are any skills gaps e.g. do we have all the skills we need to get to Net-Zero? The review will be completed with any changes implemented by March 2027.

40. The use of Artificial Intelligence (AI) has been described as the transition from the Industrial to the Intelligent Age. After a successful trial use we are now using AI to assist with preparation of summary documents, improving reports to make them easier to read, assisting in the preparation of minutes of meetings, including the Board minute and assisting with the review of policies. We have only dipped our toe into the water of what AI is capable of, but what is clear is the requirement to have solid governance around its use to ensure we don't inadvertently breach data protection requirements. Recommendations on how AI can be further used in the business was presented to the Board in June 2025.
41. We will keep our Flexible Working Policy under regular review to ensure it remains suitable for business continuity and staff.
42. Our salaries were benchmarked in 2024 and the next review will be in 2027.

Organisational Review

43. During 2025 a project team was established to review the organisational structure and make recommendations for change. The team have completed the first part of the project with draft recommendations being considered by Executive Team. A final set of recommendations will be presented to the Board with a view to a phased implementation from 1 April 2027.

Training Plan

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

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

46. We continue to work with our contractors and partners to deliver Community Benefits. We work with the Community Landlords as they deliver their plans for their areas in particular with relation to housing and as an example we are currently working with the North Harris Trust to try and progress housing development in Tarbert.
47. We will consult with local communities either through the Community Council, Community Landlord or Development Companies when we have any surplus assets, before we put them on the open market.
48. Our office in Balivanich is larger than we now require and we will work with HIE with a view to enabling Third Sector organisations to come together and buy our office building so they are in one space while we move to a new smaller office space being built by HIE.
49. We will support Partnership organisations by encouraging our staff to attend meetings and with the use of Key Worker accommodation.

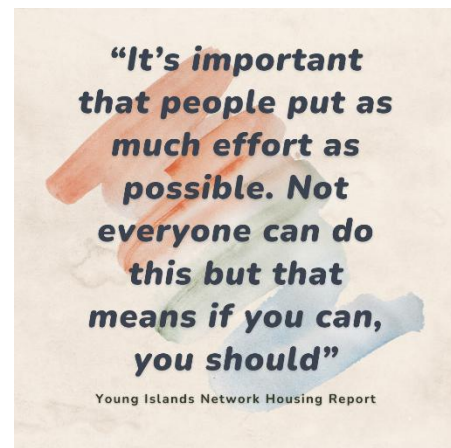
- 50. We incorporate Community Benefit requirements in our contracts and agree the specific delivery actions on a contract by contract basis taking account of local community priorities.
- 51. We will support Community Groups through our grant scheme which will be promoted by our TEO.
- 52. We will develop and produce an annual Social Value impact report.
- 53. We will continue to seek improvements to our factoring services including communication with owners and our supporting processes and systems.

Renewables

- 54. There is an incredible opportunity for the islands with the renewables work planned over the next 4 to 10 years. We will work with our colleagues in Orkney and Shetland to develop a mechanism that will enable houses to be built for the workers which will then become a legacy for the islands to use in the future.
- 55. We will explore the National Green Standard with a view to becoming accredited within the lifetime of the plan.
- 56. We have continued to work with SSEN and other partners to develop an opportunity for new housing to be provided as a lasting legacy of the renewables projects.
- 57. Planning approval is now in place for 73 houses to be built at Melbost and discussions are ongoing with SSEN regarding the possibility of 50 properties being part funded by SSEN and used for accommodating workers initially. These would then become available for general use after the renewables projects are completed. This could include social rent or low cost ownership models. There remain a number of challenges to be overcome but all parties are committed to trying to overcome these.

Young People

- 58. In December 2024 a report was published by the Young Islanders Network (YIN) on Housing which highlighted that “72% of the young people who completed the Housing Challenge Survey have said they think that they will have to leave their islands when they are older due to a lack of available/suitable housing.
- 59. We met with the YIN in January 2025 which was positive and has laid the foundation for how we capture the views of young people in our plans. One idea that has been suggested is that we have a Youth Adviser to the Board. We will arrange further meetings during the year and include the YIN on our list of consultees for strategies and policies.

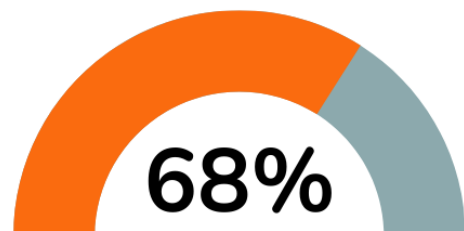


Survey Results for Outer Hebrides

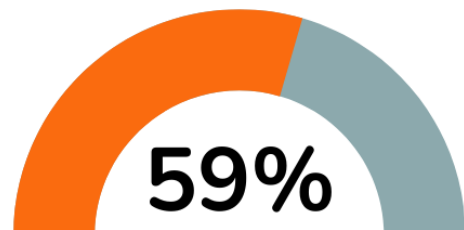


Young People who took part

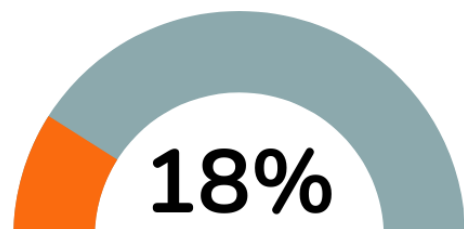
Will need to leave the islands because of housing



No options locally for young people to access housing



% not currently living in permanent accommodation



ESG Strategy

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

Corporate Services

- 62. Every business has a team or teams that provide core services to enable other teams to deliver the main elements of the Strategic Goals and it is important that the work they do is identified and that they work to performance actions and measures.
- 63. The Teams providing Corporate Services are Finance, Corporate Resources and Executive Office and the areas are listed in the following paragraphs.

Finance

- 64. We will ensure that payments to our tenants and our suppliers are made within 7 working days of receiving valid invoices.
- 65. We are working with a Debt Agency to maximise debt recovery and take legal action where necessary.
- 66. We will process Grant Claims in an accurate and timely manner.

Governance

- 67. We will promote Membership of the Partnership and at least one member of the Executive Office will attend every tenant event and where possible community events.
- 68. We will carry out a Self Assessment evaluation using SHN's assessment tool on an annual basis.
- 69. A full review of the Board process was carried out to ensure meetings can be conducted within a 2 hour time frame. The outcome of the review was reported to Board in November 2025 for implementation in February 2026.
- 70. We will develop a recruitment campaign to recruit new Board members including a review of the constitution. We will also review the induction process for Board members.
- 71. Following a skills assessment carried out in January 2026 a training plan will be prepared to address any gaps.

Accreditations

- 72. During 2026/27 we will research suitable accreditations for the business with a view to achieving them within the lifetime of the Plan.

ICT Services

73. In November 2024 the Board approved the upgrade of our ICT infrastructure which was delivered on time, within budget and without disruption to ongoing services. Project savings were used to improve our Civica and Sage platforms and to enhance backup and security measures. Formal Cyber-security assessment and accreditation on this platform is now due to take place before March 2026.

Office Support Services

74. We have engaged with the 'Continuous Improvement Program for Procurement' with Scotland Excel during 2024 and 2025. Our formal assessment is due to take place in February 2026.
75. We will ensure that appropriate investment is made in our offices.

Communications

76. We will prepare an annual Communications Plan, to ensure we keep our stakeholders informed and enhance our reputation in the community. Communications will be clear and timely and distributed appropriately to ensure the widest possible coverage. A Communications Working Group has been established to have oversight of all internal and external communications.
77. All information requests will be responded to within FOI/GDPR guidance/timelines, and in an open and accountable as possible, whilst maintaining confidentiality.
78. Plans to mark our 20th Anniversary in September 2026 throughout the islands will be prepared.

Health & Safety

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

Section 6 How Our Plans Are Funded

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Introduction

1. Our plans and aspirations have been laid out in Sections 2 to 5 but like nearly all plans they require funding to make them happen. We prepare our funding plans at three levels, annual, five yearly and 30 years.
2. As a Stock Transfer organisation, we were required to produce 30 year financials to ensure that any funds borrowed could be repaid within the 30 year time frame. Our Stock Condition survey information is generally provided for 30 year so we have continued the good practice of preparing 30 year projections using BRIXX software.
3. It is planned to use our Subsidiary to enable us to be part of the provision of houses for the renewables work taking place on the islands from 2026. A separate Business Plan has been prepared for the Subsidiary which the Dachaigh Property Solutions Board will consider ahead of being presented to our Funder in March 2026.

Where the money comes from

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

Period: 1 April 2026- 31 March 2055	2026/27	2027/28	2028/29	2029/30	2030/31	5 Year Total	30 year Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Rents	13,720	14,640	15,440	16,090	16,660	76,550	619,950
Other Income	310	120	120	120	120	790	3,670
New Build Grants	9,410	1,790	3,000	-	-	14,200	14,200
Borrowing	1,500	-	-	-	-	1,500	1,500
Total Income	24,940	16,550	18,560	16,210	16,780	93,040	639,320

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

Where we will spend the money

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

Period: 1 April 2026- 31 March 2055	2026/27	2027/28	2028/29	2029/30	2030/31	5 Year Total	30 year Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Repairs	3,800	3,950	4,090	4,210	4,320	20,370	168,010
Investment	4,920	4,180	4,970	3,770	5,440	23,280	240,270
OT Adapts	120	120	120	120	120	600	3,390
New Build	13,220	3,340	4,110	-	-	20,670	25,060
Total Property Costs	22,060	11,590	13,290	8,100	9,880	64,920	436,730
Management Costs	3,500	3,640	3,780	3,890	4,000	18,810	145,730
Interest	770	820	820	820	760	3,990	9,640
Repayment of Loans	-	-	-	-	1,500	1,500	26,370
Finance Costs	770	820	820	820	2,260	5,490	32,510
Total costs	26,330	16,050	17,890	12,810	16,140	89,220	614,970

Assumptions

7. The key assumptions in our Plan are:

Period: 1 April 2026-31 March 2055	2026/27	2027/28	2028/29	2029/30	2030/31	Notes
Housing Stock	2481	2515	2566	2576	2576	
Base Rate of Interest	5.85%	5.85%	5.85%	5.85%	5.85%	5.85% from year 3-30
Inflation	4.50%	4.00%	3.00%	2.50%	2.50%	2.5% to Year 30
Rent Increase	4.50%	5.00%	4.00%	3.50%	3.50%	Inflation +1% to Year 9, RPI Only Year 10-20, Rent Freeze Year 21-30
Void Loss	2.00%	2.00%	2.00%	2.00%	2.00%	2% of Rental income over 30 years
Bad Debts	2.00%	2.00%	2.00%	2.00%	2.00%	2% of Rental income over 30 years
Management	0.50%	0.50%	0.50%	0.00%	0.00%	0.5% to year 3
Repairs	0.25%	0.25%	0.25%	0.25%	0.25%	0.25% to Year 30
Major repairs	0.50%	0.50%	0.50%	0.00%	0.00%	0.5% to Year 3

8. The assumptions will differ to the targets we set for our performance e.g. we will have a prudent assumption on voids and bad debts, ensuring our plans can withstand future volatilities, but we will set a challenging target to be achieved.

Housing Stock

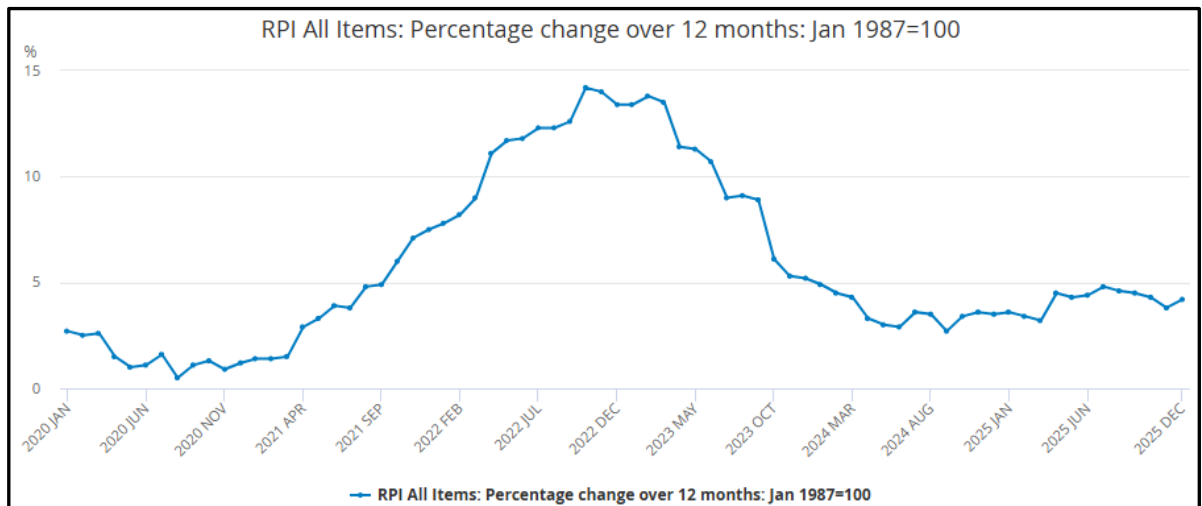
9. As part of our Asset Management Strategy, we will be assessing whether some of our housing stock should be disposed of or re-provisioned.

Period: 1 April 2026-31 March 2055	2026/27	2027/28	2028/29	2029/30	2030/31	5 Year Total	30 year Total
	Units	Units	Units	Units	Units	Units	Units
Opening Stock	2,481	2,471	2,500	2,552	2,556	2,481	2,481
Sales/RTB	-	-	-	-	-	-	-
New Build	-	34	51	10	-	95	95
Closing Stock	2,471	2,500	2,552	2,556	2,566	2,576	2,576

10. Our new build provision is aligned with the first three years of the Comhairle's SHIP. The Scottish Government have confirmed an increase in housing budget for 2026/27 and it is anticipated that this will result in an increase in the Annual Resource Planning Assumptions going forward.
11. The SHIP includes a further 25 units which if progressed would require a minimum £1.65 million pounds of additional private finance to progress. The Development and Finance Committee will meet in March 2026 to model these additional units and their associated impact on the 30 year Business Plan.

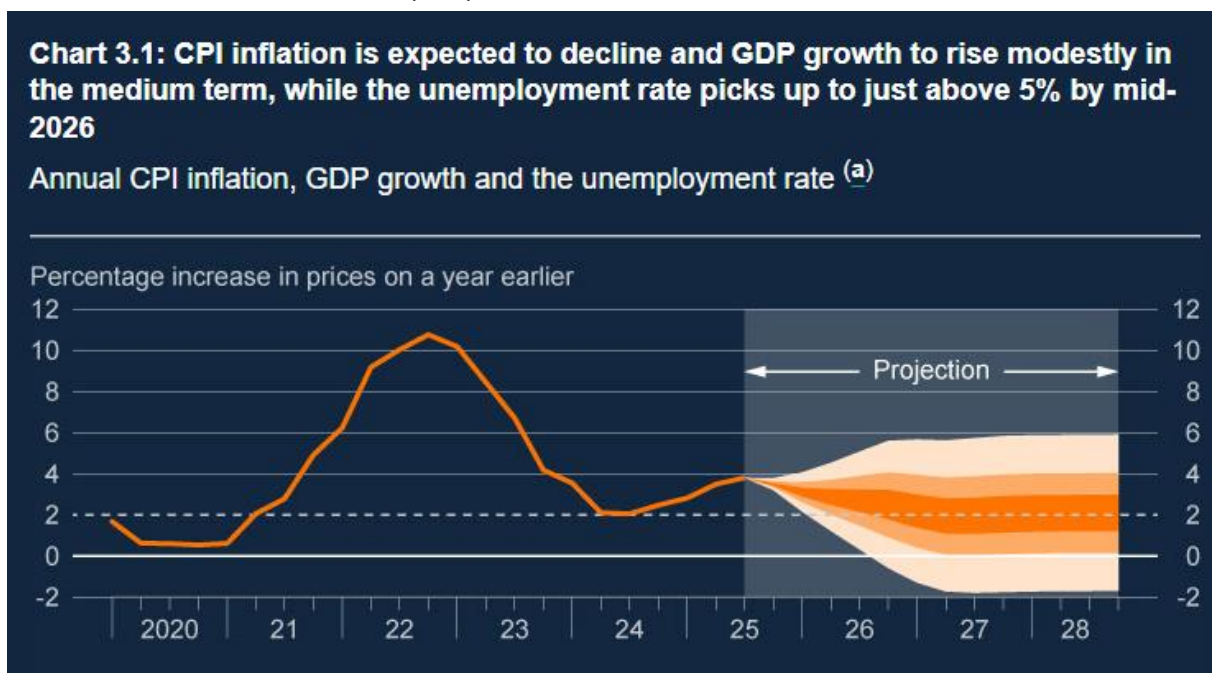
Inflation

12. Inflation is a key assumption in our plan affecting our costs and our income. Whilst we have seen a reduction in inflation from the 14.2% high in October 2022, the recent changes in Employers National Insurance Contributions are having an upward pressure on inflation.



*Source: www.ons.gov.uk

13. The first 2 years of the Plan has assumed that inflation remains high with a return towards the Bank of England (BOE) 2% target in year 3. The below table provides an overview of the BOE inflation (CPI) forecast:



*Source: [Monetary Policy Report - November 2025 | Bank of England](#)

Voids and Bad Debts

14. Minimising voids is essential to a strong cashflow which contributes to long term financial stability. As mentioned Section 3, the population of the Outer Hebrides fell by 5% since 2011 and is projected to fall even further over the next ten years due to our age demographic. Population has an impact on our waiting list and consequentially our voids.

15. Voids are provided for in our 30 year plan at 2% of rental income. Voids loss remains low at 0.5% in 2025/26 (0.5% in 2024/25). A reducing and aging population will likely have a negative impact on demand and the risk of increasing voids.
16. Our rental income assumptions are the most critical element of our Business Plan. As a result, we annually model the potential impact of increasing voids on our rental income.

Management Costs

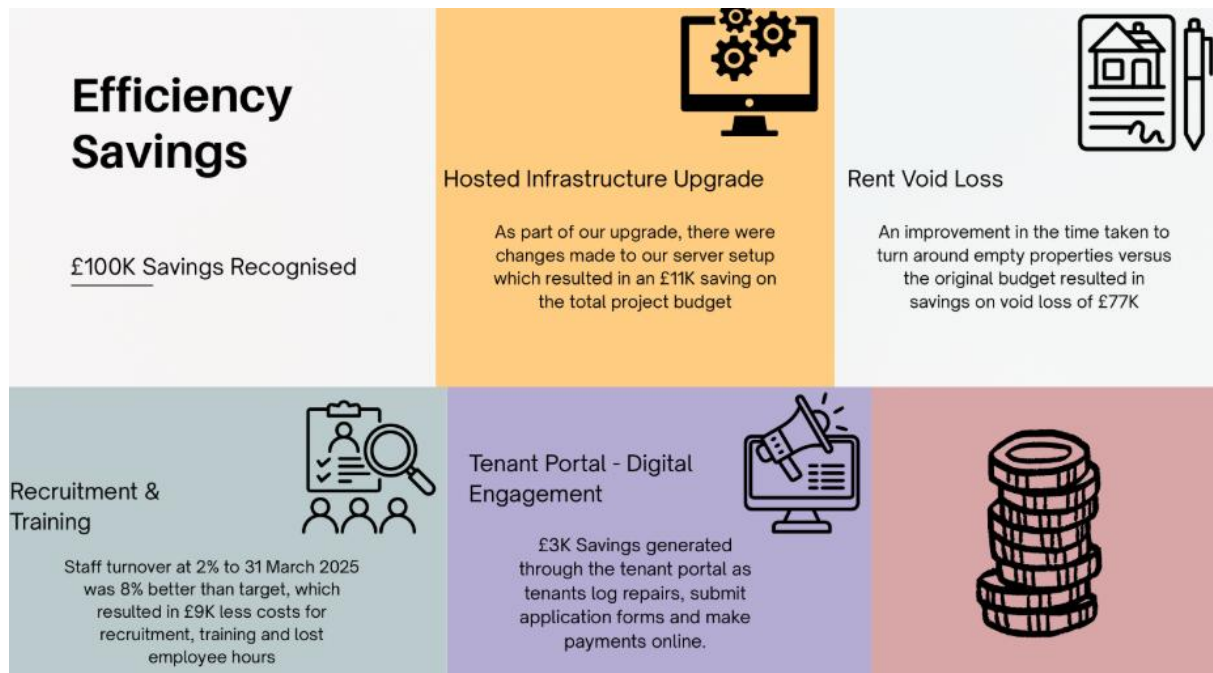
17. Management costs are made up as follows:

Management Costs 2026/27	£000's
Employee Costs	2,920
Supplies & Services	437
Corporate Expenses	647
Admin Costs	131
Total Costs	4,135
Internal Fee Income	(635)
Total Costs	3,500

18. We have assumed employee costs at £770 per unit for year 1, with overhead costs set at 11% of turnover.
19. Included within our management costs is the cost to insure our housing stock. The insurance market has become very volatile over the last few years with significant storm/flood/fire events leaving insurers increasing their premiums to cover their costs. Some insurers have left the market entirely as they are unwilling to accept the increasing exposure to these risks. Our insurers require us to undertake a reinstatement calculation which will form the basis of our renewal premium in October 2026.

Value for Money

20. We have a Value for Money (VFM) Strategy and over the last year we have delivered the following efficiencies:



21. Securing value for money is the responsibility of the Board and everyone who works for HHP.

22. The VFM Strategy also outlined potential efficiencies through the following:

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

Funding

23. Our total borrowing is £17 million - £6,852 per house (2024/25 average RSL debt per unit £16,832).

24. Our long-term funding is with the Royal Bank of Scotland (RBS) and a loan from the Scottish Government as part of the Stock Transfer Agreement.

25. To assist with cashflow in the early years of HHP, the Scottish Government agreed we could retain £5.365 million of Right to Buy (RTB) receipts (this was in lieu of receiving a grant to cover the deficit valuation). The RTB receipts can be used to assist with our Development Plan with the remainder due for repayment in 2036.

26. The RBS loan facility was re-structured in June 2021 and allows us to borrow up to £25 million.

27. In broad terms, we assume that borrowing will increase each year until the maximum of £18.5 million is reached in 2026/27, reflecting the significant investment in improving our current stock and building new homes. Debt is progressively paid off in subsequent years and is projected to be fully paid off by 2046.
28. The reason the housing stock had to be transferred from the Comhairle was the high debt per house leaving little funds to invest in the homes. We want to avoid being in the same position so the Board have set a threshold for our borrowing of £11,500 per house and a requirement that all borrowing can be repaid within 30 years.
29. Our borrowing at 31 December 2025 with RBS is as follows:

BORROWINGS AT 31 DECEMBER 2025		£000's
Facilities arranged		25,000
Loans outstanding		17,000
Variable amount	8.8%	1,500
Fixed	91.2%	15,500

Scenario Planning

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

31. We stress tested the Plan for the following:

Scenario Testing			
Interest Rates	Inflation	Rent increase	Bad Debts
+1%	+1%	RPI	5% from Year 3
+0.5%	+1.5%	RPI+0.5%	10% from Year 3
-0.5%	+2.0%	RPI-0.5%	
		RPI-1%	

And the results are as follows:

Scenario Testing				
This is Base position and the outcome for Interest Rate and Inflation Scenarios				
	2026/27	2045/46	2052/53	2054/55
Debt	£23,865m	Repays		
Rent Increase				
RPI	Never repays			£28,024m
RPI + 0.5%	£23,865m	Repays		
RPI - 0.5%	Never repays			£87,300m
RPI - 1%	Never repays			£146,578m
Bad Debts				
5% from Yr3	Never repays			£59,299m
10% from Yr3	Never repays			£186,369m

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

33. In addition to the above stress testing, we undertake covenant compliance testing to ensure our Business Plan complies with our covenant requirements over the 30 year period. The minimum interest cover required is now 150% following the move to a new covenant structure in 2025/26.

Challenges

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

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

Financial Management

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



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

- a) Appendix 6 - Outstanding Debt including Stress Testing
- b) Appendix 7 - 30 Year Cashflow & I & E projections

Conclusion on Financial Position

37. We are in a good financial position due to continued efforts of officers and the Board to pursue the most cost-effective methods to deliver services.

38. Voids are currently performing well at 0.5% against the 2% assumption in our plans.

39. The Stock Condition Survey confirmed that the condition of our houses is good with minimal levels of catch-up repairs required. Provision is made within the 30 year plan to ensure we continue to reinvest in our homes. Tenants have asked that we consider spending more on the appearance of our Estates as well as on individual houses and this will be explored.

40. Over the next 5 years we anticipate to spend £43.95 million on our housing capital programme as shown:

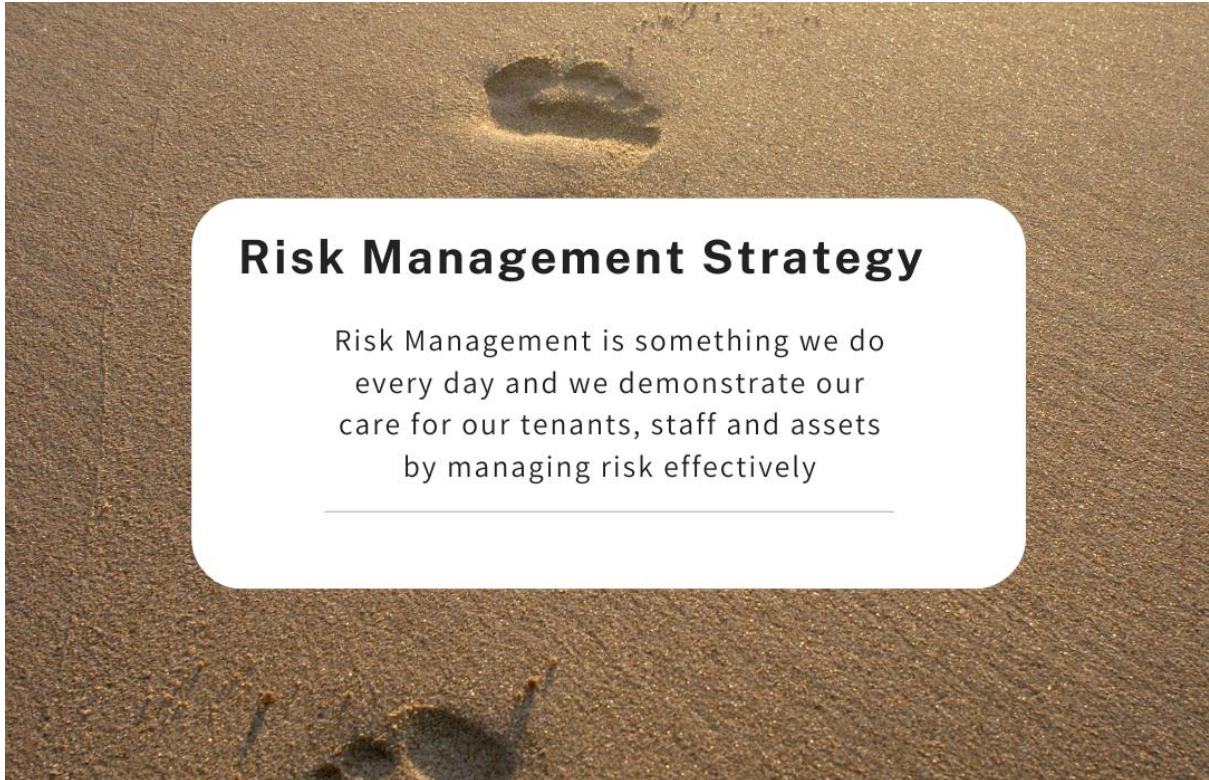
Spending Plans

Area	Cost £m	Grant £m	Paid for by HHP £m
Investment	23.28		23.28
Development	20.67	14.20	6.47
Total	43.95	14.20	29.75

41. These programmes are vital to the economic prosperity of the Outer Hebrides, helping to sustain jobs in the local supply chain.

Section 7 How We Manage Risk

Section 7 How We Manage Risk



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

Risk Appetite

7. Risk Appetite is reviewed annually and updated to reflect the Board's position on risk. The Board take into account the impact the Risk Appetite will have on our ability to deliver on our Strategic Goals.
8. The Board met on 9 December 2025 and reviewed the Risk Appetite for 2026/27. The outcome is summarised below with the full statement at Appendix 9. There was a strong feeling that whilst the Board have an open attitude towards 'bringing all homes to Net Zero' it comes with a caveat. The caveat is that we should adopt a more cautious approach when it comes to using technology that has not been adopted by any other housing association.

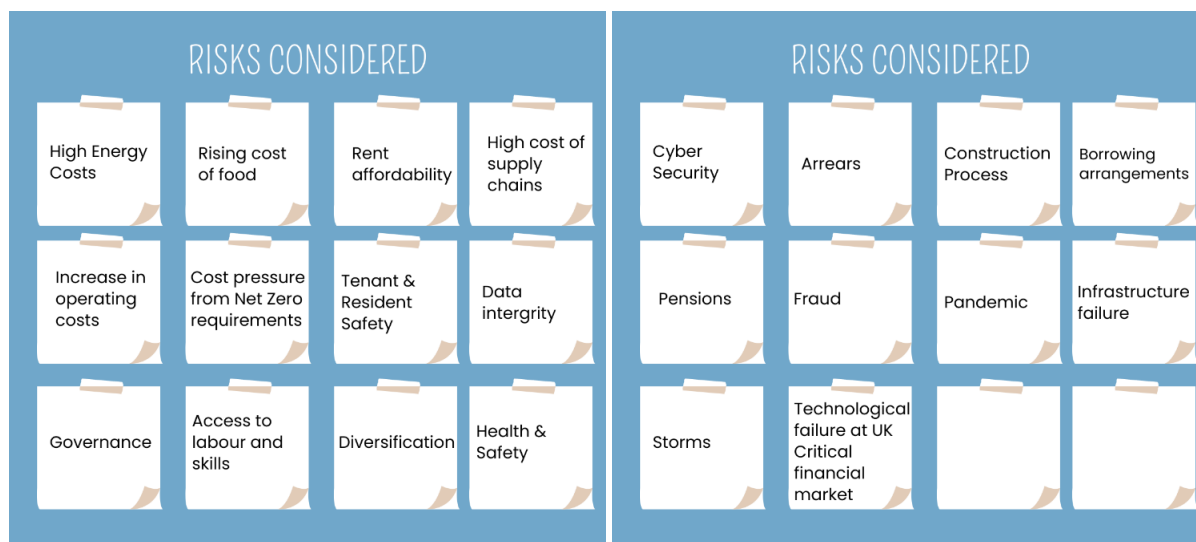
Strategic Goal		Risk level				
		No Appetite	Low	Cautious	Open	Hungry
1 – Placing tenants at the heart of everything we do	Rent Affordability					
	Supporting Vulnerable Tenants					
	Reputation					
	Communication with tenants					
2 – Investing in a sustainable way in tenants's homes	All homes to Net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

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

Risk Register

11. A review of the Risk Register was carried out in January 2025 will include consulting on the following documents

- UK National Risk Register – January 2025
- SHR - Risk Assessment of Social Landlords – November 2025
- Regulator of Social Housing - Sector Risk Profile – November 2025



12. We combined 2 risks on Contractor Process and Supply chain and called it Contractor Supply Chain and added 1 new risk during the year relating to the Public Services Reform work and the proposals from Comhairle Nan Eilean Siar. The change in the overall risk score is shown below:

	2026	2025	Change
Total Risks	18	18	-
RESIDUAL RISK			
Total Risk Score	151	145	+6
Average Risk Score	8.39	8.05	+0.34
TARGET RISK			
Total Risk Score	94	102	-8
Average Risk Score	5.22	5.67	-0.45



13. We recognise that population decline represents a risk to the islands but we amended our approach to reflect the risk of us not doing anything about population decline. The impacts of population decline are picked up in other risks.
14. A summary of our Risk Register can be found at Appendix 8 and our Risk Appetite is at Appendix 9.

Appendices

APPENDIX 1: Organisational Structure

APPENDIX 2: Delivery Plan & Performance Detail

APPENDIX 3: Key Performance Indicators

APPENDIX 4: Development Plan

APPENDIX 5: Investment Plan

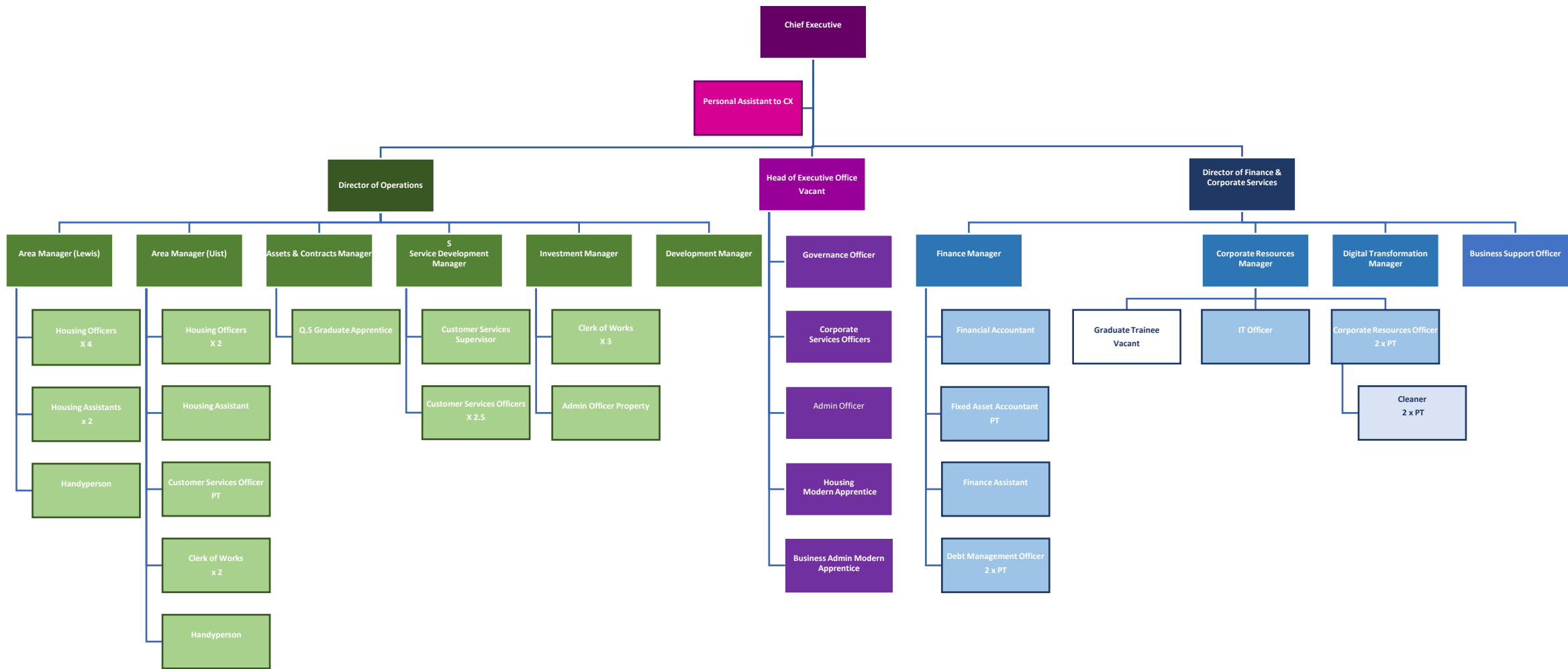
APPENDIX 6: Debt Outstanding

APPENDIX 6A: Stress Testing

APPENDIX 7: 30 Year Cashflow

APPENDIX 8: Risk Register

APPENDIX 9: Risk Appetite



DELIVERY PLAN

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

	Measure of Success/Actions		Baseline	Target	Progress to 31 December 2025	Timescales	Lead Officer
Minimise Negative Impact on Cashflow	1	Void Loss	0.78%	< 1%	0.52%	Annually	Area Managers
	2	Void Repairs Performance (including low demand)	32 days	<29 days	25 days	Annually	Area Managers
	3	Level of expected current arrears at 2% of gross rent debit	2.49%	2%	1.81%	Annually	Area Managers
	4	Gross Rent Arrears	2.09%	<2.5%	2.16%	Annually	Area Managers
	5	Monitor rechargeable repairs to assess the impact on prevention and collection rates.	28%	30%	27% collection rate	Quarterly	Service Development Manager

DELIVERY PLAN

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

	Measure of Success/Actions		Baseline	Target	Progress to 31 December 2025	Timescales	Lead Officer
Ensure Customer Satisfaction is High	1	Resolve anti-social behaviour cases within 3 months	85%	95%	81%	Annually	Area Managers
	2	Respond to complaints within SPSO targets	93%	95%	96%	Annually	Service Development Manager
	3	Explore the possibility of providing tenants with an individual “impact statement” along with their Rent letter showing what services they have received over a 12 month period			In discussion	31 March 2026	Service Development Manager
	4	Review Lettable Standard			Discussed with Tenant Board Panel	31 March 2026	Area Housing Managers
	5	Arrange Estate Visits for Board Members		6 visits per annum	2026 visits to be scheduled	31 March 2026	Governance Manager
	6	Complete Tenant Satisfaction every 3 years	83%	88%	Tenant Satisfaction Survey completed September 2024 Next Survey to be carried out in 2026	31 December 2026	Service Development Manager
	7	Satisfaction with our overall services improved by 2%	86%	88%	83%	31 December 2026	Service Development Manager

DELIVERY PLAN

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

	Measure of Success/Actions		Baseline	Target	Progress to 31 December 2025	Timescales	Lead Officer
Active Tenant Engagement	1	Annual Tenant Event Plan		4 events	Uist & Barra events held in April 2025 Stornoway & Harris Tenant Events held on 5 November & 2 December 2025	Annually	Service Development Manager
	2	Review of Tenant Participation Strategy Action Plan	3 tenant vacancies	Fill tenant vacancies on Board	Strategy reviewed November 2025 and Action Plan updated	Annually	Service Development Manager
Deliver Annual Value for Money Report	1	VFM annual reports	30 June 25	31 Aug 2026	VFM Annual Report to Board November 2025	31 August 2026	Director of Finance
	2	Provide performance information by geographical Area including VFM				31 March 2026	Finance Manager
Deliver Penumbra Project	1	Deliver Penumbra Pilot Project		To provide additional support to tenants	Pilot project commenced November 2024 Penumbra facing staffing challenges and in discussion how to proceed	31 March 2026	Director of Operations

DELIVERY PLAN

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

	Measure of Success/Actions	Baseline	Target	Progress to 31 December 2025	Timescales	Lead Officer
Number of Houses Allocated to Key Workers	1 Number of houses allocated to key workers	8	8	8 applicants – 5 housed	Annually	Area Managers
Review Options for Tenant Involvement	1 Tenants satisfied with the opportunities to participate in decision making improved by 2%	85%	87%	82%	31 Dec 2026	Service Development Manager
	2 Review options for tenant involvement in Decision Making-Tenant Panel/Tenant Board			Second meeting of tenant panel held 13 January 2026 – scheduled for every Board cycle (6 per annum)	31 March 2026	Tenant Engagement Officer
Review of COTS	1 Review of COT's (Recycling & replacement of Heating Systems)			Complete	31 March 2025	Director of Operations

DELIVERY PLAN

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

	Measure of Success/Actions		Baseline	Target	Progress to 31 December 2025	Timescales	Lead Officer
Rents	1	Revised Rent Structure			Update on affordability to November 2025 Board	1 April 2026	Director of Finance & Corporate Services
	2	Explore rent guarantees			Rent guarantee options were reviewed but not recommended for tenant consultation this year. To be reviewed again December 2026	31 December 2026	Director of Finance

DELIVERY PLAN

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

	Measure of Success/Actions		Baseline	Target	Progress to 31 December 2025	Timescales	Lead Officer
Ensure Homes are Free of Damp & Mould	1	Quarterly reports on Damp & Mould to Managers		0 reopened	90 reported cases 38 open cases 0 reopened cases	Quarterly	Asset & Contracts Manager
Reduce Carbon Footprint	1	Explore ways to measure and report our carbon footprint		Collate our carbon footprint	Climate Change Working Group identified apps and will test apps to measure our carbon footprint	31 March 2027	Climate Change Working Group
Maintain homes to required standard	1	Replace all Infra-red Heating by end of 24/25	91%	100%	18 refusals will be replaced when opportunity arises	31 March 2027	Investment Manager
	2	100% of stock assessed in terms of long-term viability	86%	100%	100% of housing stock assessed	31 March 2026	Asset & Contracts Manager
	3	Review Investment Plan to provide for fencing and externals e.g. paths and walls	New	100%	Contracts awarded – expect 100% completion by 31 March 2026	31 March 2026	Assets & Contracts Manager
	4	Stock Condition Survey	2023	20%		31 December 2028	Assets & Contracts Manager
	5	Ensure all our homes, including new build, meet or exceed the SHQS and Net-Zero standard by Govt Targets dates		100%		Timescales awaited from Scottish Government	Investment Manager/Development Manager

DELIVERY PLAN

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

	Measure of Success/Actions		Baseline	Target	Progress to 31 December 2025	Timescales	Lead Officer
Provide New Homes	8	Deliver 180 new build homes by 2029		100%	78 properties completed to date (44%)	31 March 2029	Development Manager

DELIVERY PLAN

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

	Measure of Success/Actions		Baseline	Target	Progress to 31 December 2025	Timescales	Lead Officer
Staff Retention	1	Vacancies filled on first attempt	83%	100%	75% (1 out of 4 vacancies not filled on 1 st attempt)	Annually	Chief Executive
	2	Sustain a minimum of staff with a service length greater than 3 years	71%	65%	78%	Annually	Chief Executive
	3	% of staff turnover	4%	<10%	4%	Annually	Chief Executive
	4	Review effectiveness of flexible working arrangements to ensure they remain appropriate				31 March 2026	Chief Executive
	5	Review of staff and organisational structure to ensure skill gaps are identified e.g. Net-Zero			Staff surveyed November 2025. Meeting of project Team 14 January 2026	31 March 2027	Chief Executive
	6	Carry out Salary Benchmarking	2024			31 March 2028	Chief Executive
	7	Review of office accommodation in Balivanich			Lease term for new office awaited. The sale of our office on Windfield Way is anticipated to conclude in March 2026 with the move to a new office at Eabhal	30 April 2026	Director of Finance & Corporate Services

DELIVERY PLAN

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

	Measure of Success/Actions		Baseline	Target	Progress to 31 December 2025	Timescales	Lead Officer
Knowledgeable & High-Quality Staff	1	Deliver annual training plan	70%	100%	55% by December 2025 – target of 100% to be met by 31 March 2026 with trainings arranged	Annually	Executive Office Admin Officer
	2	Provide development opportunities for Managers to take on a cross cutting role			Principle agreed with Managers. ESG Strategy provided as an example and other opportunities to be identified.	Annually	Director of Finance & Director of Operations
	3	Carry out a pilot project on the efficiencies AI could bring to the administration in Governance Team			Report to Board June 2025 Uses of AI include: Transcripts Action Points Training Tool Drafting reports letters etc Analysing & summarising data	31 March 2025	Governance Officer
	4	Staff pursuing and obtaining qualifications	15%	7%	15%	31 March 2027	Executive Office Admin Officer

DELIVERY PLAN

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

	Measure of Success/Actions		Baseline	Target	Progress to 31 December 2025	Timescales	Lead Officer
Engage With & Foster Relationships with Partners for the Benefit of the Community	1	Contribute to OHCPP review and update of LOIP and the OHCPP Poverty Strategy			Attendance and participation at OHCPP Meetings	Annually	Chief Executive
	2	Explore opportunities for the provision of accommodation for the Renewables work			We participate in the Major Development Forum to maximise opportunities for legacy housing	31 March 2027	Director of Operations/Director of Finance & Corporate Service
	3	Work with Young Islanders Network to ensure the voice of young people is captured in our plans	New			31 March 2027	Executive Office Admin Officer
	4	Review of Community Benefit measures delivered across our communities and on all projects	100%	100%	Review of Community Benefits carried out every March	Annually	Assets & Contracts Manager
	5	Work with local community landlords to see how we can enable them to deliver their vision for housing in their area			Link with CNES to identify their aspirations for housing and land supply	31 March 2026	Development Manager
	6	The Board to meet annually with the Comhairle.	New	1 meeting	Quarterly Meetings with Chair/Vice Chair of Sustainable Communities	31 March 2026	Chief Executive

DELIVERY PLAN

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

	Measure of Success/Actions		Baseline	Target	Progress to 31 December 2025	Timescales	Lead Officer
Supporting Communities	1	Support community groups through grants			6 Community Grant applications approved in November 2025 Total Grant to date 2025/26 - £6,932	Annually	Area Managers
	2	Improve % of tenants satisfied with the landlord's contribution to the area they live in by 2%	81%	83%	70%	31 December 2026	Service Development Manager
	3	Improve owner satisfaction with factoring service by 20%	42.1%	65%	33.33%	31 December 2026	Lewis Area Housing Manager
Measure Social Impact	1	Develop and produce an annual social value report			Drafted – March 2026 Board	31 March 2026	Director of Finance & Corporate Services

DELIVERY PLAN

Core Services

	Measure of Success/Actions		Baseline	Target	Progress to 30 December 2025	Timescales	Lead Officer
Effective Communications	1	Monitor engagement to promote good news more effectively	33,763 impressions across 3 platforms	Increase total impressions by 10%	Our Facebook page impressions (views) and followers increase monthly with 136 new followers in Q3 and continues to be far higher than Instagram or X. 185 responses to the rent consultation were received through the tenant portal and 6 paper copies	Quarterly	Governance Officer
	2	Prepare plans to mark our 20 th Anniversary with event throughout the islands	New		Small group arranged to take forward plans	11 September 2026	Governance Officer

DELIVERY PLAN

Core Services

	Measure of Success/Actions		Baseline	Target	Progress to 30 December 2025	Timescales	Lead Officer
Improve Performance	1	Benchmarking our core services with a view to improve 2 areas per annum	2 per annum		Benchmarking areas identified. Contacted 3 HA to discuss repairs - Report on Tenant Satisfaction benchmarking before 31 March 2026	Annually	Governance Officer
	2	Explore accreditations/awards available for each of our Strategic Goals and make a recommendation for which ones should be pursued			Armed Forces Bronze Award achieved July 2025 National Green Standards being explored	31 March 2027	Governance Officer
	3	Carry out Self-Assessment			Action Plans updated	31 March 2026	Governance Officer
	4	Management Reports			Management Reports produced monthly and on time\\	Monthly	Finance Manager
	5	Review Quality Assurance processes to ensure data integrity			Updated asset management procedures for ongoing maintenance and QA checking are in testing and will be rolled out in Q4 2025/26. 90% Complete	31 March 2026	Digital Transformation Manger

DELIVERY PLAN							
Core Services							
	Measure of Success/Actions		Baseline	Target	Progress to 30 December 2025	Timescales	Lead Officer
Ensure Board Members have the Necessary, Skills, Knowledge & Experience they Require to Assure Good Governance	1	Full review of the Board process to ensure meetings can be conducted within 2-hour time frame	New		Completed – reported to Board November 2025	30 September 2025	Governance Officer
	2	Explore options to provide more “informal” meetings for Board Members	New			31 March 2026	Chief Executive
	3	Review Board Induction process	New		Trial underway with new Board Member post AGM	31 March 2026	Governance Officer
	4	Consider options for recruiting new Board Members and whether constitution needs to be revised	New			31 March 2027	Governance Officer
	5	Implement Action Plan from the Independent Board Skills Assessment	New		86% of Action Plan completed	31 March 2027	Governance Officer

The Delivery Plan is supported by the following Action Plans:

Asset Management
Equality & Diversity
Workforce Strategy

Business Plan Monitoring Report
Staff Engagement
Digital Transformation Strategy

Procurement Strategy
Tenant Participation Strategy
ICT Strategy

Department : All

Wednesday 28th of January 2026

Area Manager

1 : Minimise negative impact on cashflow

Void Loss	Target	1%	1%	1%	1%	1%	1%	1%	1%	1%
	Actual	0.18%	0.27%	0.48%	0.52%	0.55%	0.65%	0.51%	0.41%	0.52%
Void Let Performance (Days)	Target	29	29	29 days	29 days	29 days	29 days	29	29	29
	Actual	30	20	18 days	27 days	29 days	21 days	26	25	25
Level of expected Arrear	Target	days	days	2%	2%	2%	2%	days	days	days
	Actual	2%	2%	1.75%	1.79%	1.56%	1.62%	2%	2%	2%
Gross Rent Arrears	Target	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	
	Actual	2.34%	2.32%	2.31%	2.27%	2.32%	2.71%	2.54%	2.16%	
Monitor Rechargeable Repairs	Target	£250k	£250k	£250k	£250k	£250k	£250k	£250k	£250k	
	Actual	£324K	£321k	£338.4K	£357.7K	£358.7K	£375.5K	£371k	£371.6K	

Service Development Manager

2 : Ensure Customer Satisfaction is high

Resolve Anti Social Behaviour cases within 3 months	Target Actual	95% 86% * 1	95% 50% * 2	95% 81% * 3							
Notes:	1 Long running /serious cases 2 Long running serious cases 3 Long running serious cases										
Respond to complaints within SPSO targets	Target Actual	95% 100%	95% 100%	95% 100%	95% 100%	95% 100%	95% 95%	95% 100%	95% 100%	95% 96%	90% 96%
Explore the possibility of providing tenants with an individual "impact statement"	Target Progress	—									
Review Lettable Standard	Target Progress	Green * 1									
Notes:	1 Discussed with tenant Board Panel 13 January 2026										
Arrange Estate Visits for Board Members	Target Progress	Green * 1									
Notes:	1 2026 visits to be scheduled										
Complete Tenant Satisfaction Survey every 3 years	Target Progress	—									

Satisfaction with overall services improved by 2%	Target Actual	
3 : Active Tenant Engagement		
Annual Tenant Event Plan	Target Progress	Green * 1
Notes:	1 Uist & Barra Events held in April 2025 Stornoway Event held in November 2025 Tarbert Event held December 2025	
Review of Tenant Participation Strategy	Target Progress	Annual Review of Strategy Action Plan Green * 1
Notes:	1 Strategy to November 2025 Board and Action Plan updated	
Finance Manager		
4 : Deliver Annual Value For Money Report		
Deliver Annual VFM Reports	Target Progress	Prepare annual VFM Report Green * 1
Notes:	1 Annual VFM Report to November 2025 Board	
Provide performance information by Area including VFM	Target Actual	
Area Manager		
5 : Deliver Penumbra Project		
Pilot Project to commence with Penumbra	Target Progress	Green * 1
Notes:	1 Pilot Project commenced November 2024. Penumbra are currently experiencing challenges in staffing the project and we are in discussion as to how best to proceed	
6 : Number of Houses allocated to Key workers		
Number of Houses Allocated to Key Workers	Target Actual	8 8 * 1
Notes:	1 8 applicants - 5 housed to 31 December 2025	
Service Development Manager		
7 : Review Options for Tenant Involvement		
Tenants satisfied with the opportunities to participate in decision making	Target Actual	87% 82%

Review Options for Tenant Involvement in Decision Making	Target Actual	Yes Yes * 1		
Notes:	1 Second meeting held 13 January 2026 - scheduled for every Board cycle (6 per annum)			
Director of Operations				
8 : Review of COT				
Review of COT (Furnishings & Fittings)	Target Progress	Green * 1		
Notes:	1 Complete			
Director of F&CS				
9 : Review Rent Structure				
Revised Rent Structure	Target Actual	Yes Yes * 1		
Notes:	1 Update on affordability to November 2025 Board			
Explore Rent Guarantees	Target Actual	Yes Yes * 1		
Notes:	1 Rent guarantees options were reviewed but not recommended for 2025 tenant consultation. To be reviewed December 2026			
Investment Manager				
10 : Ensure homes are free of Damp & Mould				
Quarterly Reports on Damp & Mould	Target Progress	Green * 1	Green	0 reopened Green * 2
Notes:	1 Quarterly Reports on Damp & Mould in Performance Report and reported to Managers meeting 2 90 reported cases, 38 open cases 0 reopened cases			
11 : Reduce our Carbon Footprint				
Explore ways to reduce our carbon footprint	Target Progress	Green		
12 : Maintain Homes to Required Standard				
% of Homes that meet SHQS	Target Actual	90% 91.85%		
Stock assessed in terms of long term viability	Target Actual	100% 100%		

Review Investment Plan to provide for fencing and external walls	Target Progress	Green * 1		
Notes: 1 Fencing contract issued in August 2025 expect 100% completion by 31 March 2026				
% of homes meeting or exceeding Net Zero targets	Target Actual	—		
Carry Out Stock Condition Survey	Target Actual	Yes —		
Replace all Infra Red Heating	Target Progress	100% Green * 1		
Notes: 1 18 refusals will be replaced when opportunity arises				
Development Manager				
13 : Provide New Homes				
Build 180 new homes by 2029	Target Progress	Green * 1		
Notes: 1 78 properties completed to date (44%)				
CEO				
14 : Staff Retention				
Vacancies filled on 1st attempt	Target Actual	100% 75%	100% 75%	100% 75%
Sustain a minimum of staff with a service length greater than 3 years	Target Actual	65% 76%	65% 76%	65% 78%
% of Staff Turnover	Target Actual	10% 0%	10% 2%	10% 4%
Review effectiveness of flexible working arrangements to ensure they remain appropriate	Target Actual	Yes —		
Review of staff and organisational structure to ensure skills gaps are identified	Target Progress	Green		
Carry out salary benchmarking	Target Actual	Yes —		

Review of office accommodation in Balivanich	Target Actual	Yes — * 1
Notes:	1 Lease term for new office awaited. Sale of office on Winfield Way anticipated to conclude in March 2026	
15 : Knowledgeable & High Quality Staff		
Deliver Annual Training Plan	Target Actual	25% 27% 50% 50% 55%
Provide development opportunities for Managers to take on a cross cutting role	Target Progress	Green * 1
Notes:	1 Principle agreed with Managers. ESG Strategy provided as an example and other opportunities to be identified.	
Staff pursuing and obtaining qualification	Target Actual	7% 13% 7% 15% 15%
Director of Operations		
16 : Engage with and foster relationships with partners for the benefit of the Community		
Contribute to OHCPP	Target Actual	Yes Yes * 1
Notes:	1 Attendance & participation at OHCPP meetings	
Maximise Opportunities to support the Renewables Work	Target Actual	Yes Yes
Work with organisations such as Young Islanders Network	Target Actual	Yes Yes
Review of Community Benefits	Target Actual	100% 100%
Work with local community landlords to see how we can enable them to deliver their vision for housing in their area	Target Actual	Yes Yes * 1
Notes:	1 Link with CNES to identify their aspirations for housing and land supply	
Board to meet with Comhairle Annually	Target Actual	Yes Yes * 1
Notes:	1 Quarterly meetings with Chair/Vice Chair of Sustainable communities	
17 : Supporting Communities		

Support Community Groups through Grant	Target Actual	Yes Yes * 1
Notes: 1 6 applications approved November 2025 - total grant to date 25/26 £6,932		
Improve & of tenants satisfied with the landlords contribution to the area they live in	Target Progress	—
Improve owner satisfaction with factoring services	Target Progress	—
Director of F&CS		
18 : Measure Social Impact		
Development a Social Impact Report	Target Progress	Green * 1
Notes: 1 Report drafted - due to Board March 2026		
Governance Officer		
19 : Effective Communications		
Monitor Engagement	Target Progress	Green * 1
Notes: 1 In monthly performance report		
Increase impressions across 3 platforms	Target Progress	Green * 1
		Green * 2
		Green * 3
Notes: 1 181 followers 2 236 followers 3 33,763 impressions		
Annual Communications Strategy	Target Progress	Green * 1
Notes: 1 Strategy to Board September 2025		
Prepare plans to mark our 20th anniversary with events throughout islands	Target Progress	—
20 : Improve Performance		
Identify 2 areas for Benchmarking	Target Actual	— * 1

	Notes:	1 Benchmarking areas identified. Contacted 3 HA to discuss repairs - no response. Report on Tenant Satisfaction benchmarking before 31 March 2026	
Explore Accreditations/Awards available for each of our strategic goals	Target Actual	Yes Yes * 1	
	Notes:	1 Armed Forces Bronze Award achieved July 2025 National Green Standard award being explored	
Carry out Self Assessment	Target Actual	Yes Yes * 1	
	Notes:	1 Action plans updated	
Review Quality Assurance processes to ensure data integrity	Target Progress	Q4 processes will move into continuous improvement stage Green * 1	
	Notes:	1 Updated asset management procedures for ongoing maintenance and QA checking are in testing and will be rolled out in Q4 2025/26. 90% Complete	
21 : Ensure Board Members have the necessary skills, knowledge and experience they require to assure good governance			
Full review of Board process	Target Progress	Green * 1	
	Notes:	1 Process approved by Board in November 2025 and will be actioned for February 2026 Board.	
Review Board Induction Process	Target Actual	Yes Yes * 1	
	Notes:	1 Board Induction drafted and to be tested with new Board Member post AGM	
Review Constitution	Target Progress	—	
Explore options to provide more informal meetings for Board Members	Target Actual	—	
Implement Action Plan form the Independent Board Skills Assessment	Target Progress	Green * 1	
	Notes:	1 86% of Action Plan completed - December 2025	

Reported to Board	Score	Comments on performance	KPI that feed into this one	TARGET	Green	Amber	Red
Income		Example only	Rent Arrears as a % of Debit	2%	2%	2-3%	>3%
			Void Loss	<1%	<1%	1-2%	>2%
			Average Relet times	<29 days	29	>32	>35
			Level of FTA	£95K	<£95K	£95-100K	>£100K
			Level of Rechargeable Repairs	£280K	<£280K	£280-300K	>£300K
			Level of Sundry Debt	£180K	<£180K	£180-200K	>£200K
			Time to raise an invoice	14 Days	<14Days	14-30 Days	>30 Days
Service Delivery		Example only	Repairs % within target	95%	95% or higher	<95%	<90%
			Emergency Repairs Average time to complete by category	< 4hours	< 4hours	> 4 hours	> 6hours
			Repairs Average time to complete by category	>5 days	> 5 days	>6days	>7days
			% of investment delivered	90%	>90%	<90	<85
			Deliver 180 new homes by 2029	100%			
Satisfaction		Example only	Repairs Satisfaction	>90%	>90%	<90	<85
			Allocations	85%	>85	<85	
			Complaints	95%	>95	<95	<90
			Investment tenant satisfaction	>90	>90	<90	<85
Health & Safety		Example only	Gas Servicing completed within 12 months	100%	100		<100
			Annual Fire Door checks completed	95%	>95	<95	>90
			RIDDOR events	0	0	>0	>5
Neighbourhoods		Example only	ASB cases and % resolved within 3 months	95%	>95	<90	>80
			Annual Estate surveys carried out	95%	>95	<90	<85
Business Continuity		Example only	Notifiable events	0			
				>110% Interest Cover / <30% Gearing	>110% Interest Cover / <30% Gearing	<150% Interest Cover / >20% Gearing	<110% Interest Cover / >30% Gearing
			Covenants				
			IT system Breach	None	0		<1
				Loss Ratio < 100%	Loss Ratio < 100%	Loss Ratio 100%-105%	Loss Ratio >105%
			Insurance				
			Board Membership				
			IT systems available (Unplanned System Downtime)	<1%	<1%	1-2%	>2%
				1 test per annum	1 test per annum	<1 test per annum	<1 test per annum
			Business continuity tested				
			FOI/Data Access dealt within timescales	100%	100%		<100%
People		Example only	Turnover rates	<10%	<10%	<15%	>15%
			Sickness rates	< 7 days			
			Complaints	<5			
			Diciplinary action	<5			
			Grievances	<5			
			Qualifications achieved	7%			
BP Actions		Example only	Number agreed for the year	100%			



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5 YEAR DEVELOPMENT PLAN 2024-29

Introduction

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

Looking Back

- 2.1 Since HHP was formed in September 2006 we have constructed 774 homes for social rent and shared equity. These homes have been built in most of our communities and across the entire island chain. In recent years, we have endeavoured to fulfil the Comhairle's goal of providing 55% of new homes outside Stornoway to protect and sustain rural communities. However, during this time, budget cuts have led to the closure of schools and the reduction of other services in rural areas.



Where We Build

- 3.1 Where we build is determined through a combination of SHIP priorities and our own waiting list. While we do our best to inform the SHIP process, we acknowledge that waiting lists are not always an accurate measure of demand. After all, people won't apply for housing that does not exist. Moreover, new developments in an area can generate demand. Therefore, as part of our feasibility works and exploration of potential sites, we work with community landlords and will conduct localised surveys to capture any hidden demand.
- 3.2 The growth of renewable energy generation will have substantial accommodation requirements during and after construction. Our team is committed to collaborating with the Comhairle and developers to recognise these demands and determine how we can provide support. This includes facilitating prompt project advancement in response to identified opportunities and needs.
- 3.3 Our Housing Needs Survey in 2021 identified specific challenges in the housing market in Harris. It has become increasingly difficult for people to find suitable housing which at least in part is due to the area's growing popularity among tourists and the increase in second homes, empty homes and short-term holiday lets. To help address housing need, we propose to develop a significant number of properties in Tarbert and Leverburgh during this Plan period, as these are the main population and service centres.

What We Build

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

Funding

5.1 Funding for the Development Plan comes from two main sources:

- **The Scottish Government** is the primary funder for new development, and we work closely with the More Homes Division to plan ahead and secure grants. Through the Resource Planning Assumption (RPA), the Government provides the Comhairle with an estimate of grant provision for future years to guide programming. Individual projects exceeding benchmarks are evaluated based on their value for public funds. Given the remote location of our islands and the supply chain challenges, it's rare for us to be able to progress projects within the benchmarks. However, the More Homes team has been supportive and understand the remote nature of our islands and the particular challenges posed by supply chain issues and the limited contracting sector. The government benchmarks are as follows:

Project Type	West Highland, Island authorities, and remote/ rural Argyll	Other rural	City and urban
RSL Social rent	£117,222 (3 person equivalent)	£101,878 (3 person equivalent)	£95,741 (3 person equivalent)

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

5.2 The cost of implementing the new Net Zero standard could place pressure on the private finance set aside for new builds. The standard has not been finalised yet but once it has and we are able to assess the full financial impact. However, within this plan, we continue to see significant upward pressure on development costs through changes in Building Standards and Planning requirements.

5.3 The Comhairle collects funding through Additional Council Tax on Second Homes (ACTISH) which is aimed at supporting housing provision. In the early years ACTISH was used to support housing development particularly in rural areas and enabled projects to proceed which might otherwise have not been fundable. Unfortunately due to the financial pressures the Comhairle are under, the majority of this funding has been redirected to support services, with only a small portion being allocated to feasibility studies.

- 5.4 We are currently exploring opportunities with SSEN to develop housing for their workforce requirements which would leave a lasting legacy from the major renewable energy Projects. Once the properties are no longer required by energy sector workers, they would return to us creating housing options and opportunities for local households.

Assumptions

- 6.1 Our Development Plan assumes the following for private finance contribution per unit.

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

- 6.2 Our assumptions are based on the level of borrowing that can be funded through rents while ensuring that provision is made for the future management and maintenance of homes and is compliant with our lenders financial covenants. The Board will, in a rare occasion, agree a higher contribution to reflect site specific issues, local circumstances and context.

Strategic Housing Investment Plan (SHIP)

- 7.1 We seek to provide insight and guidance on the SHIP's development. This involves providing advice on our funding capacity, risk assessment, and determining the ideal locations for construction. The current SHIP covers five years from 2026/27 to 2030/31 and the Comhairle have maintained their aspiration to construct 55% of homes in rural areas.
- 7.2 Our Development Plan for this period is at Appendix A and broadly aligns with the SHIP. The SHIP identifies other delivery vehicles and models for housing provision in addition to that developed by us.
- 7.3 Our current 5-year Development Plan spanning 2024-2029 requires £12.6 million of private finance assuming budgeted levels of cost and grant funding. The position will be reviewed each year as part of the Business Plan review. Development always presents a level of risk but the level of uncertainty around forward planning has never been higher. This is due primarily to global volatility in supply chains but also local labour market issues and the limited contracting sector.

- 7.4 Windfall opportunities may also arise during the period of this Plan and these will be assessed as and when they arise. We will always be open to opportunities whether these come from contractors, landowners, communities or other partners. If such opportunities are pursued, then the Plan will be revised.

[Local Housing Strategy \(2026-2031\)](#)

- 8.1 The Comhairle has a statutory responsibility as the Strategic Housing Authority for preparing the Local Housing Strategy (LHS). The LHS considers housing requirements and condition across all tenures and we contribute to the development of the strategy.
- 8.2 The LHS must align with and support the national policy, including Scottish Government's Housing to 2040 ambition for, *"everyone to have a safe, high quality home that is affordable and meets their needs in the place they want to be"*.
- 8.3 Our Development Plan continues to make a strong contribution toward achieving the outcomes identified in the LHS. As with the previous strategy, our planned delivery remains aligned to strategic priorities while safeguarding our long-term financial sustainability. Specifically, our current plan looks to provide 115 of the 139 homes identified for social rent in the current SHIP.

[Risks to Development Plan](#)

- 9.1 **Build Costs** – we continue to see upward pressures on costs. The global situation remains volatile which compounds risks and cost pressures. In addition, the local tendering environment is challenging in terms of securing value for money and funding to progress projects. The increased regulatory requirements such as sprinkler systems for social housing also add to the build and maintenance costs.
- 9.2 **Demand** – our waiting list figures and Housing Demand Survey results coupled with demographic trends show fragile demand in rural areas. While there is community aspiration to see new housing built, this presents risk and requires to be reviewed before projects progress. In addition, the availability of services in rural areas and the cost of accessing these are important factors when many tenants are on low incomes and facing cost of living challenges.
- 9.3 **Resource Planning Assumption (RPA)** – The Scottish Government commitment to building affordable housing is ongoing. However, the official confirmation of the local RPA allocation is currently announced on an annual basis which makes future planning more difficult. The grant requirements estimated in the SHIP are also likely to be under-stated due to cost volatility and the tender prices we are seeing creating increased barriers to projects being able to progress. We continue to work with the Comhairle and Scottish Government to deliver affordable homes across our islands.

- 9.4 **Availability of Land** – this is not a new risk but the fact that most of the land in the islands is in crofting tenure presents additional challenges. This includes the process for acquiring suitable land and in terms of the time constraints connected to de-crofting and resumption and subsequent development of sites. This has been compounded by new National Planning Framework requirements that add both cost and time to the process.

APPENDIX A

PROPOSED DEVELOPMENT PLAN

Area	Location	Total Units	2024/25	2025/26	2026/27	2027/28	2028/29
Stornoway	Blackwater	72	33	25	14		
Uist	Lochmaddy	8	8				
Harris	South Harris - Leverburgh	12		12			
Barra	Cleat Road- Phase 2	6			6		
Rural Lewis	Rural Lewis- Gravir	4			4		
Stornoway	Melbost West	23				23	
Harris	Scott Road	24				24	
Uist	North Uist - Grimsay	8			8		
Rural Lewis	Rural Lewis- Bernera	4			4		
Uist	Benbecula Low Flyer	4			4		
Uist	South Uist	6			6		
Rural Lewis	Cross Skigersta Road	8			8		
Rural Lewis	Point (Knock)	4					4
Barra	Barra HWEC	10					10
Total Units		193	41	37	54	47	14

Note 1: The Plan shows completions in a year, not the year the project will start.

Note 2: Looking forward from 2026/27, we have 115 homes planned in this 5 year Development Plan.

Area	2026/27	2027/28	2028/29
Barra	6	0	10
Harris	0	24	0
Rural Lewis	16	0	4
Stornoway	14	23	0
Uist	18	0	0
Total	54	47	14

PROPOSED WINDFALL OPPORTUNITIES

Area	Location	Units	Stage
Rural Lewis	Carloway Care Unit	1	Care unit under Comhairle ownership. Board approval for acquisition and tender for conversion to social rented unit.
Stornoway	Melbost West	50	Additional units at the Melbost West site under HHP ownership with planning permission in place. SSEN funding being negotiated.
Stornoway	50 Macaulay Road	1	Refurbishment project for a house conversion. SSEN funding being sought.

5 YEAR INVESTMENT PLAN

2025/26-2029/30



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Introduction

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

Stock Condition Survey

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

Social Housing Net Zero Standard

- 3.1 The Scottish Government consulted during 2023 on a new Social Housing Net Zero Standard to replace EESSH2. The results of this consultation and the proposed new standard are still awaited but are understood to set a target for emissions from social housing which are aligned with Scotland's Net-Zero target.
- 3.2 While our approach to investment is consistent with the emerging proposals this will need to be reviewed further once the standard is finalised. There are 2 main threads to the proposals as set out to date.
- 3.3 Firstly, there is a need to improve the fabric efficiency of homes and secondly there will be a requirement to have clean heating systems installed by 2045. On this latter measure we are significantly ahead of proposed milestones measures up 92.6% (98.6% of off-gas properties) of our homes expected to have zero emissions heating systems installed by the end of 2025/26.
- 3.4 In terms of fabric efficiency there is likely to be a requirement for a measure of the heat demand in a property with a set of minimum measures needing to be installed where appropriate. We have already substantially completed the minimum measures proposed with the exception of suspended floor insulation which is technically and financially problematic in a large number of properties due to lack of space in the sub-floor. We will however continue to look for options as to how floor insulation could be delivered.

Scottish Housing Quality Standard

- 4.1 Our properties currently meet the SHQS except where there have been refusals or where works cannot technically be carried out e.g. due to kitchen size. We will continue to maintain homes at the SHQS through 2 streams of work, our investment programmes and our planned and cyclical programmes.
- 4.2 Our investment programme addresses the replacement of the main components of homes at the end of their lifecycle. This includes, kitchens, bathrooms, heating, wiring, windows, roofs and roughcast. Where possible we will seek to install external or internal wall insulation, but we will require grant support to carry out this work.
- 4.3 Our planned and cyclical programmes seek to protect the health and safety of tenants and to ensure we fulfil our statutory duties. These works include heating servicing, checking fire safety measures, legionella testing, 5 yearly electrical testing and asbestos inspections. In addition, we seek to protect the fabric of houses and maintain the surrounding environment.

Continuous Improvement

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

Fuel Poverty

- 6.1 Addressing and alleviating fuel poverty is a key part of our Investment Plan through measures such as improving fabric and the installation of renewable heating systems and high efficiency gas boilers. Unfortunately, the level of fuel poverty is likely to have increased significantly over the last 5 years due to the huge increases in fuel prices although these have reduced slightly over the last 18 months but still remain high by historical standards.
- 6.2 A survey we carried out during 2022 found that tenants, regardless of heating type were either switching off or dramatically reducing their heating. This makes homes more susceptible to damp and mould and we have found that more tenants are experiencing such issues. While the causes can be complex part of the solution can be the provision of more controllable and affordable heating systems. We therefore intend to replace all storage heating systems within our housing stock during this Plan period. The replacement of infra-red heating systems was completed during 2024/25 as agreed by our Board in February 2023. We will continue to seek support from the Scottish Government through the Social Housing Net Zero Heat Fund to assist in installing new renewable heating systems.

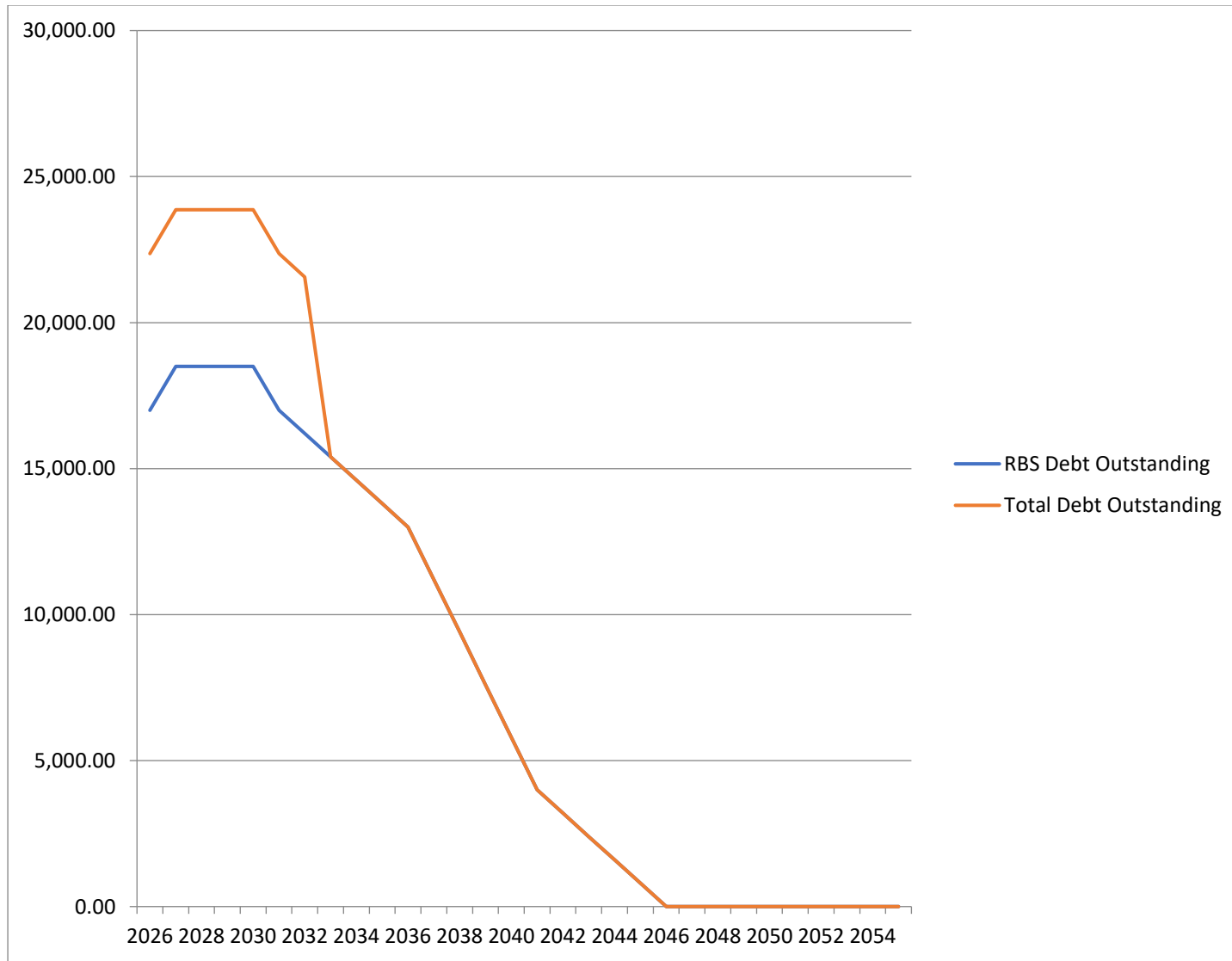
- 6.3 We have formalised our approach to reports of damp and mould and monitor the prevalence of such issues and the effectiveness of our investment works and other interventions in addressing problems. Where appropriate we will install mechanical ventilation to ensure that humidity levels in houses are adequately controlled thereby reducing the risk of mould and condensation.
- 6.4 Our Investment Plan for 2025 – 2029 is set out in the following table. We also prepare a 30 year plan based on the findings of our Stock Condition Survey and this is reviewed and updated on an annual basis. While the main elements anticipated to be included in the programme are identified the exact composition and timing of the programme will be revised as necessary in the light of external and regulatory changes.

2025 to 2029 5 Year Investment Programme						
	2025/26	2026/27	2027/28	2028/29	2029/30	Total
	£	£	£	£	£	£
Heating	1,178,403	840,477	1,745,192	1,426,098	880,200	6,070,370
Bathroom	97,876	479,162	528,344	230,490	125,400	1,461,272
Electrical Work-Inspection/Remedial	119,262	50,000	50,000	50,000	-	269,262
Kitchen	458,163	349,743	253,791	258,867	180,400	1,500,964
Roughcast	281,918	823,233	256,812	386,610	811,400	2,559,973
Roofing	673,950	1,199,485	709,152	1,778,869	733,100	5,094,556
Window & Doors	858,826	1,229,448	187,415	462,815	669,000	3,407,504
Enviornmentals	134,100	141,930	158,730	168,448	370,500	973,708
Smoke Detectors	75,000	42,000	91,000	115,000	-	323,000
Shower	47,686	185,770	201,364	92,803	-	527,623
Unallocated	-	45,168	-	-	-	45,168
	3,925,184	5,386,416	4,181,800	4,970,000	3,770,000	22,233,400
Per 30 Year Projections	4,475,200	4,836,400	4,181,800	4,970,000	3,770,000	22,233,400
Slippage	550,016	(550,016)	-	-	-	-

YEAR	Bathroom	Heating	Kitchen	Roofs	Windows	Grand Total
2025	33	120	62	39	86	340
2026	109	59	34	38	106	346
2027	115	107	24	27	19	292
2028	52	85	24	66	45	272
2029	26	96	14	49	58	243
2030	91	145	36	37	33	342
2031	15	158	81	27	19	300
2032	44	152	144	40	39	419
2033	53	151	182	17	14	417
2034	45	236	148	45		474
2035	49	144	121	31	66	411
2036	97	380	145	28	84	734
2037	42	29	134	38	85	328
2038	135	323	114	8	84	664
2039	78	62	93		88	321
2040	53	63	104	7	95	322
2041	109	68	128	37	169	511
2042	68	36	123	31	114	372
2043	119	54	72	35	187	467
2044	90	64	151	25	161	491
2045	138	64	78	64	57	401
2046	90	101	140	31	31	393
2047	31	119	161	22	47	380
2048	75	96	124	7	53	355
2049	141	119	1	16	104	381
2050	62	45	19	54	69	249
2051	106	146	32	22	153	459
2052	83	93	74	15	136	401
2053	100	93	39	14	86	332
Grand Total	2249	3408	2602	870	2288	11417

Outstanding Debt

APPENDIX 6



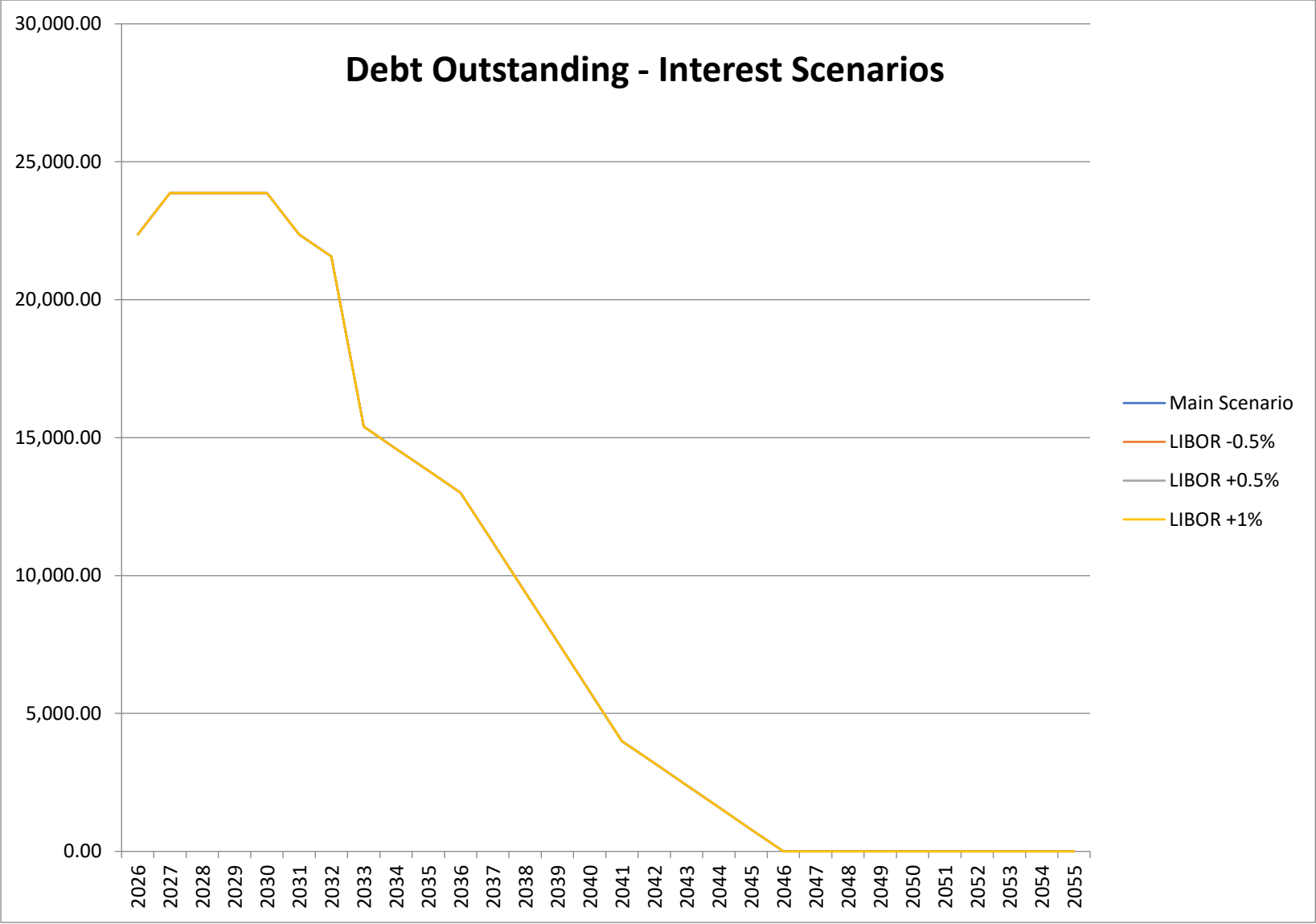
1. Our Business Plan is tested annually for a number of different scenarios. These scenarios are as follows:
 - a. Changes in the base rate of interest
 - b. Changes in inflation
 - c. Changes in rental assumptions
 - d. Changes in voids & bad debts
2. Our plan is resilient when it comes to scenarios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

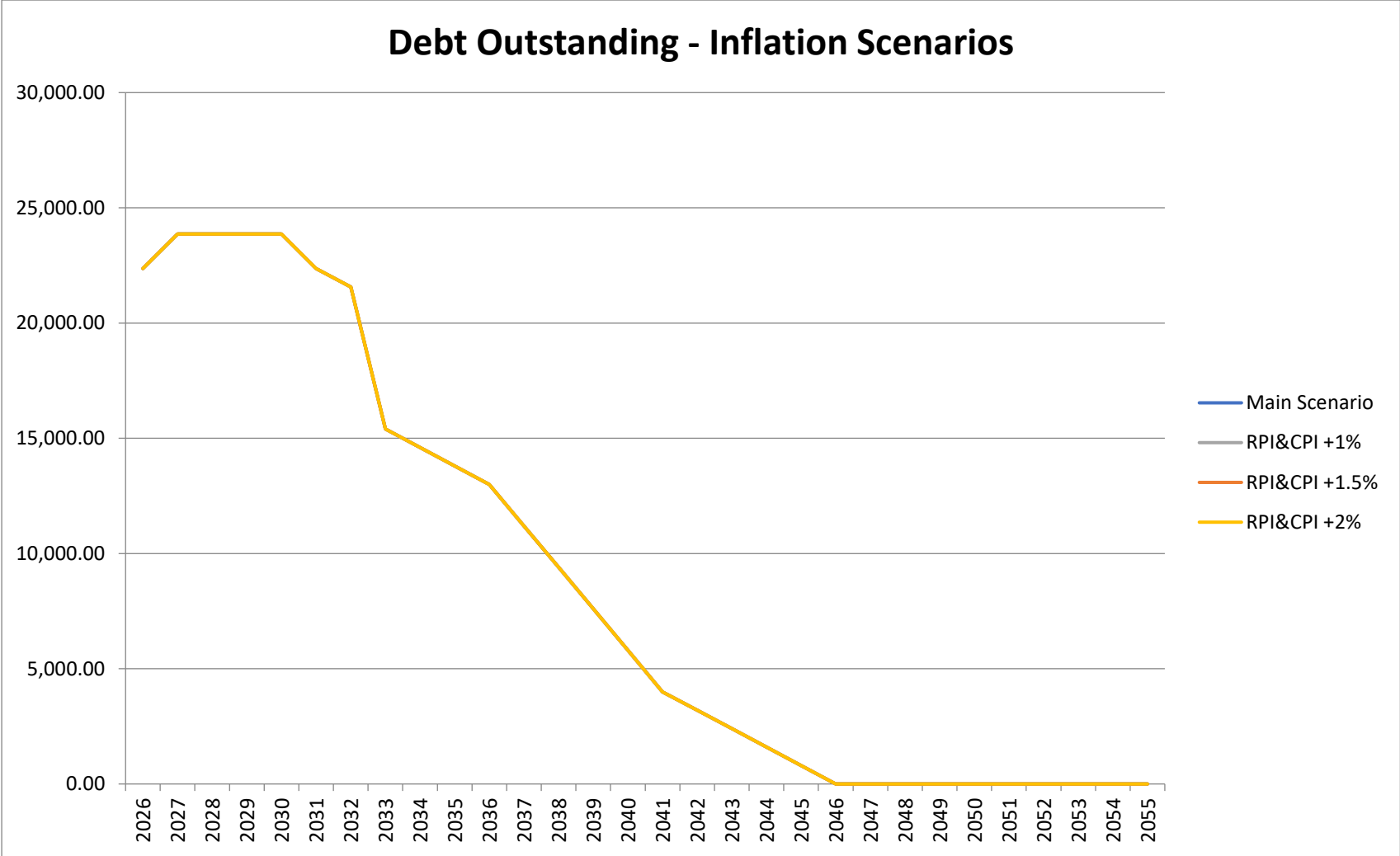
Covenant Modelling

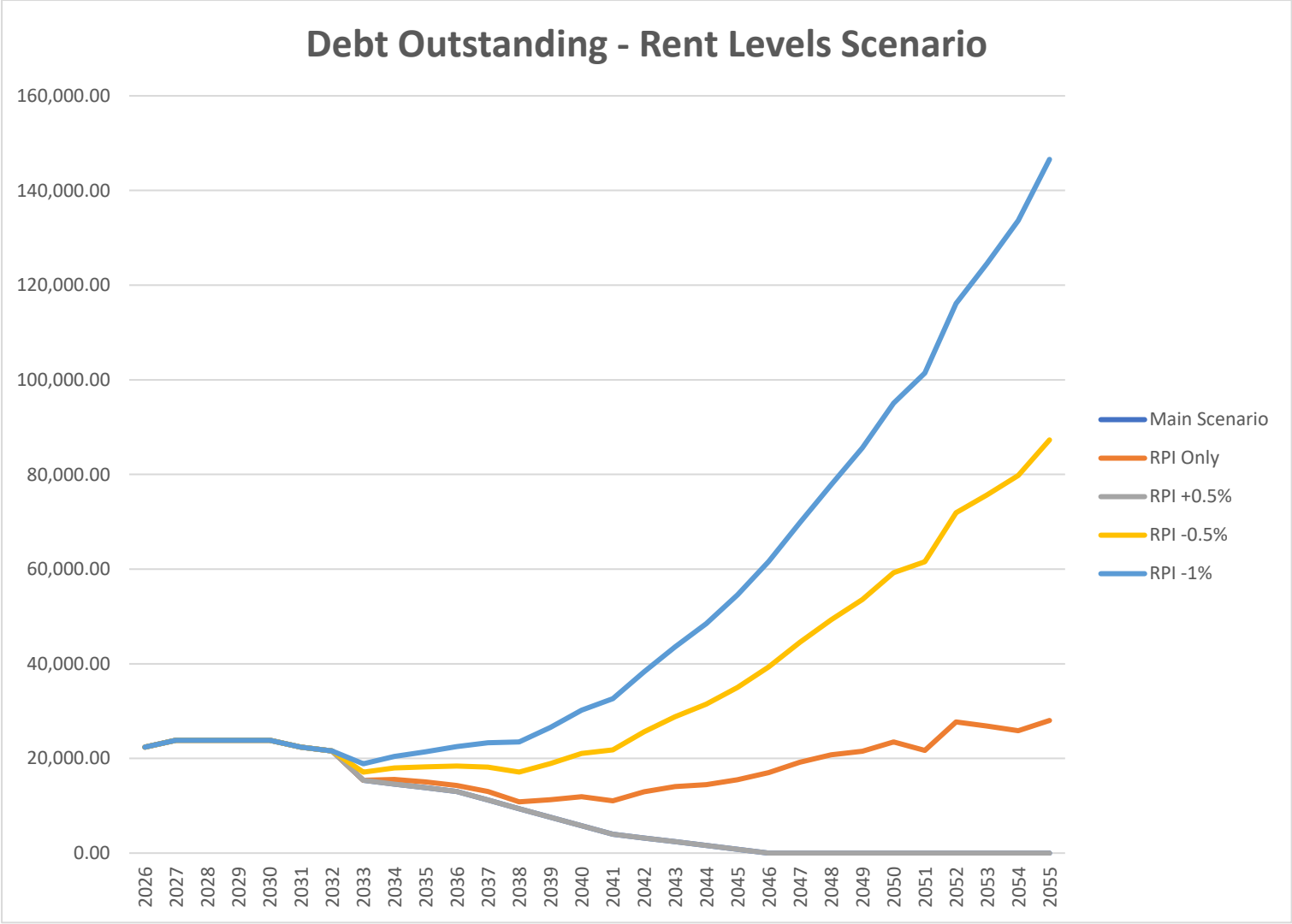
1. In addition to the above stress testing, we undertake covenant compliance testing to ensure our Business Plan complies with our covenant requirements over the 30 year period. The minimum interest cover over 30 year is 793% which is well above the minimum 150% requirement which is now in place following the restructuring of our covenants to an Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) only covenant.

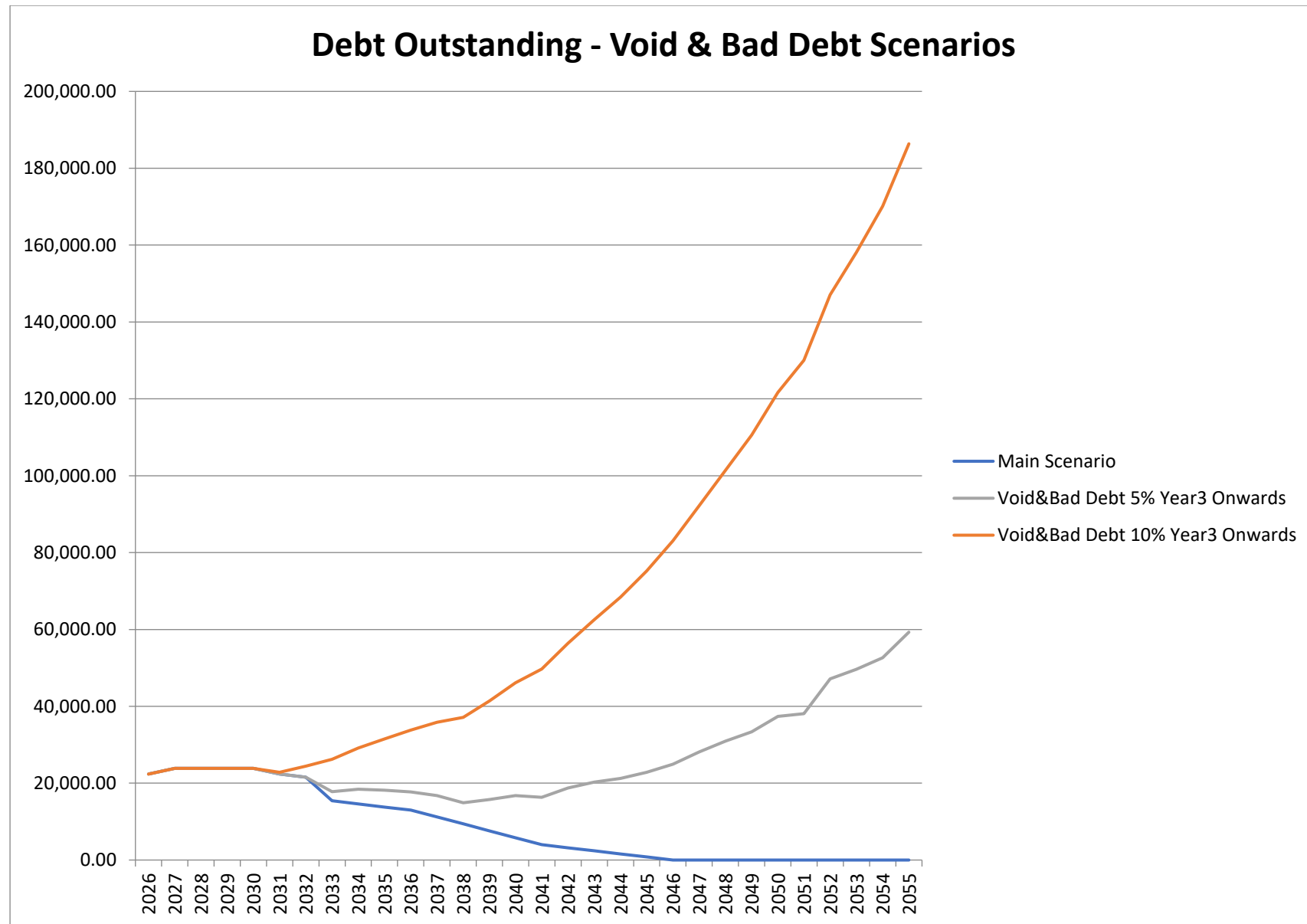
Mitigations

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









30 Year Cashflows

APPENDIX 7

Period: 01 April 2025 - 31 March 2055	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Total Receipts	15,307.10	13,812.70	14,463.00	15,200.30	15,869.50	16,418.30	17,063.50	17,542.40	18,182.30	18,811.80
Total Payments	-9,205.90	-7,672.50	-7,922.40	-8,213.20	-8,449.20	-8,678.30	-9,015.10	-9,155.90	-9,231.40	-9,481.30
Cash Paid To Employees										
Cash flow from Operating Activities	6,101.10	6,140.20	6,540.70	6,987.10	7,420.30	7,740.00	8,048.40	8,386.40	8,950.90	9,330.60
Provisions for tax										
Surplus for the year	6,101.10	6,140.20	6,540.70	6,987.10	7,420.30	7,740.00	8,048.40	8,386.40	8,950.90	9,330.60
Adjustment for investing or financing activities										
Proceeds from sale of tangible assets										
Government grants utilised in the year										
Interest payable (investments)										
Interest received (investments)										
Corporation Tax										
Total Adjustments for invest or financing activities										
Net cash generated from operating activities	6,101.10	6,140.20	6,540.70	6,987.10	7,420.30	7,740.00	8,048.40	8,386.40	8,950.90	9,330.60
Cash flow from investing activities										
Purchase of tangible fixed assets	-13,334.10	-18,058.40	-7,523.50	-9,077.00	-3,769.00	-5,438.90	-6,107.20	-6,467.90	-7,587.90	-7,042.20
Proceeds from sale of tangible fixed assets										
Grants received	4,942.50	9,407.30	1,789.90	2,999.90						
Interest Received (cash)	34	26.4	21.3	21.5	28.4	36.1	37.2	39.8	14.2	16
Total Cash flow from investing activities	-8,357.60	-8,624.70	-5,712.20	-6,055.60	-3,740.60	-5,402.80	-6,070.00	-6,428.20	-7,573.80	-7,026.20
Cash flow from financing activities										
Interest paid	-700.4	-793.6	-844.2	-844.2	-844.2	-793.6	-690.6	-668	-645.4	-622.9
Interest element of finance lease payments										
New secured loans		1,500.00								
Capital Repayments						-1,500.00	-800	-6,165.30	-800	-800
Loan Working Capital Movements										
Loan Working Capital Drawdowns										
Loan Working Capital Repayments										
Capital element of finance lease payments										
Withdrawal from deposits										
Total Cash flow from financing activities	-700.4	706.4	-844.2	-844.2	-844.2	-2,293.60	-1,490.60	-6,833.30	-1,445.40	-1,422.90
Cash & cash equivalents at the beginning of year	9,040.80	6,084.00	4,305.90	4,290.30	4,377.60	7,213.10	7,256.80	7,744.60	2,869.60	2,801.30
Net Change in Cash & cash equivalents	-2,956.80	-1,778.10	-15.6	87.4	2,835.50	43.6	487.9	-4,875.10	-68.3	881.5
Cash & cash equivalents at the end of year	6,084.00	4,305.90	4,290.30	4,377.60	7,213.10	7,256.80	7,744.60	2,869.60	2,801.30	3,682.70

30 Year Cashflows

APPENDIX 7

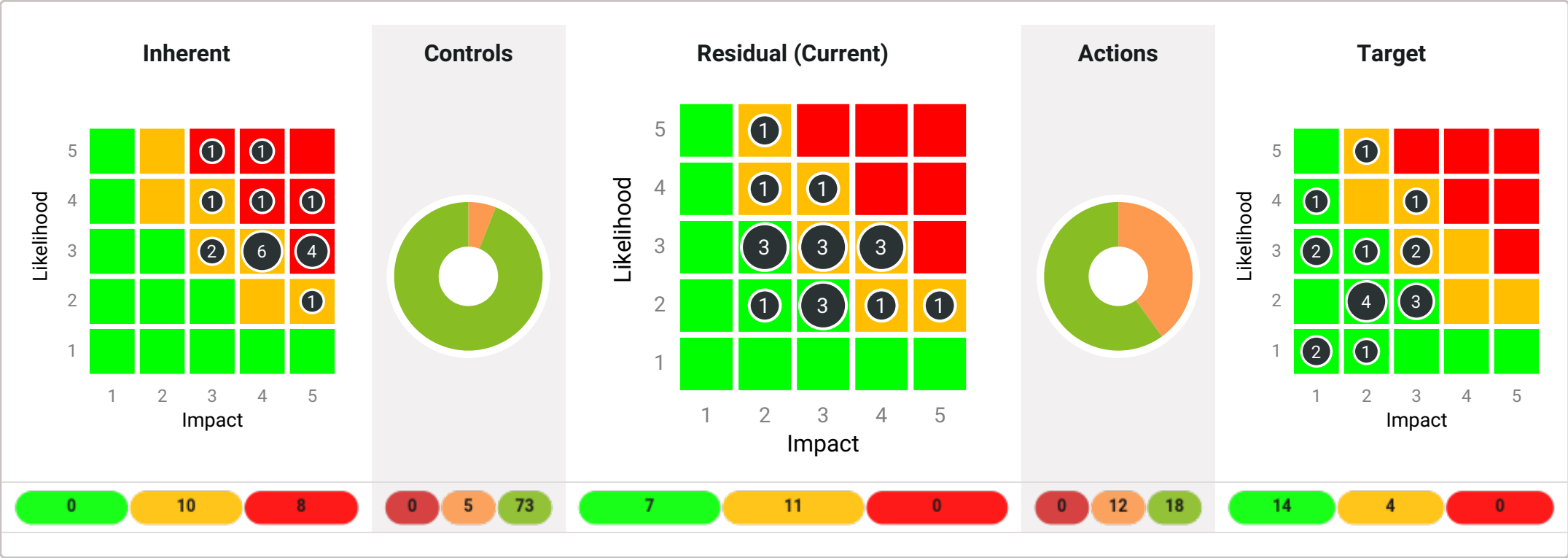
Period: 01 April 2025 - 31 March 2055	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Total Receipts	19,374.80	19,730.20	20,257.40	20,760.80	21,373.70	21,766.00	22,347.90	22,903.60	23,580.10	24,013.20
Total Payments	-9,815.40	-10,167.30	-10,312.30	-10,573.00	-10,845.80	-11,114.50	-11,519.10	-11,684.00	-11,985.80	-12,283.10
Cash Paid To Employees										
Cash flow from Operating Activities	9,559.40	9,562.90	9,945.00	10,187.80	10,527.90	10,651.60	10,828.80	11,219.60	11,594.20	11,730.00
Provisions for tax										
Surplus for the year	9,559.40	9,562.90	9,945.00	10,187.80	10,527.90	10,651.60	10,828.80	11,219.60	11,594.20	11,730.00
Adjustment for investing or financing activities										
Proceeds from sale of tangible assets										
Government grants utilised in the year										
Interest payable (investments)										
Interest received (investments)										
Corporation Tax										
Total Adjustments for invest or financing activities										
Net cash generated from operating activities	9,559.40	9,562.90	9,945.00	10,187.80	10,527.90	10,651.60	10,828.80	11,219.60	11,594.20	11,730.00
Cash flow from investing activities										
Purchase of tangible fixed assets	-7,029.40	-6,555.90	-6,031.90	-8,941.20	-9,387.00	-7,987.40	-10,906.00	-10,295.20	-9,851.00	-10,552.20
Proceeds from sale of tangible fixed assets										
Grants received										
Interest Received (cash)	20.9	25.2	31.4	34	29.4	28.8	27.6	26.1	28.3	31.7
Total Cash flow from investing activities	-7,008.60	-6,530.70	-6,000.50	-8,907.20	-9,357.60	-7,958.60	-10,878.40	-10,269.10	-9,822.70	-10,520.50
Cash flow from financing activities										
Interest paid	-600.3	-544.5	-449.5	-354.4	-259.4	-169.7	-102.5	-79.9	-57.3	-34.8
Interest element of finance lease payments										
New secured loans										
Capital Repayments	-800	-1,800.00	-1,800.00	-1,800.00	-1,800.00	-1,800.00	-800	-800	-800	-800
Loan Working Capital Movements										
Loan Working Capital Drawdowns										
Loan Working Capital Repayments										
Capital element of finance lease payments										
Withdrawal from deposits										
Total Cash flow from financing activities	-1,400.30	-2,344.50	-2,249.50	-2,154.40	-2,059.40	-1,969.70	-902.5	-879.9	-857.3	-834.8
Cash & cash equivalents at the beginning of year	3,682.70	4,833.20	5,520.90	7,215.90	6,342.20	5,453.20	6,176.40	5,224.30	5,294.90	6,209.10
Net Change in Cash & cash equivalents	1,150.50	687.7	1,695.00	-873.8	-889	723.2	-952.1	70.6	914.2	374.8
Cash & cash equivalents at the end of year	4,833.20	5,520.90	7,215.90	6,342.20	5,453.20	6,176.40	5,224.30	5,294.90	6,209.10	6,583.90

30 Year Cashflows

APPENDIX 7

Period: 01 April 2025 - 31 March 2055	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Total Receipts	24,655.40	24,690.60	24,812.10	24,663.20	24,719.00	24,728.90	24,851.40	24,703.40	24,760.20	24,771.10	626,133.80
Total Payments	-12,594.30	-12,995.10	-13,129.60	-13,398.00	-13,736.20	-14,046.20	-14,414.20	-14,608.40	-14,921.40	-15,236.50	-336,405.30
Cash Paid To Employees											
Cash flow from Operating Activities	12,061.20	11,695.60	11,682.50	11,265.20	10,982.70	10,682.70	10,437.10	10,095.00	9,838.80	9,534.60	289,728.40
Provisions for tax											
Surplus for the year	12,061.20	11,695.60	11,682.50	11,265.20	10,982.70	10,682.70	10,437.10	10,095.00	9,838.80	9,534.60	289,728.40
Adjustment for investing or financing activities											
Proceeds from sale of tangible assets											
Government grants utilised in the year											
Interest payable (investments)											
Interest received (investments)											
Corporation Tax											
Total Adjustments for invest or financing activities											
Net cash generated from operating activities	12,061.20	11,695.60	11,682.50	11,265.20	10,982.70	10,682.70	10,437.10	10,095.00	9,838.80	9,534.60	289,728.40
Cash flow from investing activities											
Purchase of tangible fixed assets	-11,261.40	-11,696.40	-11,188.30	-10,286.20	-11,350.00	-7,673.30	-15,338.60	-8,229.10	-8,288.90	-11,360.00	-278,615.50
Proceeds from sale of tangible fixed assets											
Grants received											19,139.70
Interest Received (cash)	32.9	31	33.5	38	40	46.3	39.3	34.1	43.3	43.3	939.8
Total Cash flow from investing activities	-11,228.50	-11,665.40	-11,154.90	-10,248.20	-11,310.00	-7,627.00	-15,299.30	-8,195.00	-8,245.60	-11,316.70	-258,536.00
Cash flow from financing activities											
Interest paid	-12.2										-10,111.50
Interest element of finance lease payments											
New secured loans											1,500.00
Capital Repayments	-800										-23,865.30
Loan Working Capital Movements											
Loan Working Capital Drawdowns											
Loan Working Capital Repayments											
Capital element of finance lease payments											
Withdrawal from deposits											
Total Cash flow from financing activities	-812.2										-32,476.80
Cash & cash equivalents at the beginning of year	6,583.90	6,604.40	6,634.60	7,162.20	8,179.20	7,852.00	10,907.70	6,045.50	7,945.50	9,538.60	9,040.80
Net Change in Cash & cash equivalents	20.5	30.1	527.6	1,017.00	-327.2	3,055.70	-4,862.20	1,900.00	1,593.10	-1,782.10	-1,284.30
Cash & cash equivalents at the end of year	6,604.40	6,634.60	7,162.20	8,179.20	7,852.00	10,907.70	6,045.50	7,945.50	9,538.60	7,756.50	7,756.50

Risk Status: Open, New



Ref	Category	Title	Controls on Track	Residual Risk Likelihood x Impact	Movement in score	Actions on Track	Target Risk Likelihood x Impact
1	Strategic	Rent Affordability	6 Green	3 x 3 9	3 x 4 = 12 20th Jan 2026	1 Amber 1 Green	3 x 3 9
2	Operational	Construction Supply Chain	6 Green	3 x 4 12	4 x 3 = 12	1 Green	3 x 3 9
3	Financial	Borrowing Arrangements	1 Amber 10 Green	2 x 3 6	3 x 3 = 9 6th Feb 2024		2 x 2 4
4	Strategic	Failure to adapt to changing demographics and reducing population	8 Green	3 x 4 12	2 x 4 = 8 20th Jan 2026		2 x 3 6
6	Strategic	Climate Change	3 Green	4 x 3 12	5 x 4 = 20 3rd Aug 2022	1 Amber 6 Green	4 x 3 12
8	Strategic	Global event (pandemic, world war, global food shortage)	1 Green	3 x 4 12	3 x 5 = 15 3rd Aug 2022	1 Green	3 x 2 6
9	Operational	Infrastructure failure	2 Amber	4 x 2 8	5 x 2 = 10 6th Feb 2024	1 Green	4 x 1 4
10	Strategic	Governance	1 Amber 4 Green	3 x 3 9	3 x 2 = 6 20th Jan 2026	1 Amber 2 Green	3 x 1 3
11	Operational	Loss of key staff/skills	5 Green	3 x 2 6	22nd Jul 2022	3 Amber	3 x 1 3
13	Operational	Data security and integrity	7 Green	2 x 3 6	3 x 3 = 9 7th Feb 2024	1 Amber	2 x 3 6

Ref	Category	Title	Controls on Track	Residual Risk Likelihood x Impact	Movement in score	Actions on Track	Target Risk Likelihood x Impact
14	Operational	Fraud	● 2 Green	2 x 2 ● 4	↓ 3 x 3 = 9 7th Feb 2024		2 x 2 ● 4
16	Strategic	Impact of Regulatory & Legislative changes on service delivery.	● 1 Amber ● 5 Green	5 x 2 ● 10	↑ 5 x 1 = 5 3rd Aug 2022	● 1 Amber ● 1 Green	5 x 2 ● 10
18	Strategic	Serious breach of Health & Safety	● 8 Green	2 x 4 ● 8	↑ 2 x 2 = 4 20th Jan 2026	● 1 Amber ● 1 Green	1 x 1 ● 1
19	Strategic	Reputational	● 2 Green	3 x 3 ● 9	↑ 2 x 3 = 6 12th Jun 2025	● 2 Amber ● 2 Green	1 x 2 ● 2
21	Operational	Housing components Technology Failure	● 3 Green	2 x 3 ● 6	↓ 3 x 4 = 12 9th Jun 2025	● 1 Green	2 x 3 ● 6
22	Financial	Lack of Competition in Insurance Market	● 1 Green	3 x 2 ● 6	↑ 2 x 2 = 4 6th Feb 2024	● 1 Green	2 x 2 ● 4
23	Financial	Long term Financial Viability	● 6 Green	3 x 2 ● 6	↓ 3 x 3 = 9 20th Jan 2026		2 x 2 ● 4
24	Strategic	Public Sector Reform	● 1 Green	2 x 5 ● 10	✖ 23rd Jan 2026	● 1 Amber	1 x 1 ● 1

Risk Appetite Statement

2026/27



RISK 

LOW

MEDIUM

HIGH



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RISK APPETITE STATEMENT

- 1.1 Risk Appetite can be defined as “*the amount and type of risk that an organisation is willing to take in order to meet their strategic objectives*”. The Risk Appetite sets a clear strategic direction and sets tolerances around controls.
- 1.2 Each year the Board agrees the level of Risk Appetite. Good practice states that once the Risk Appetite has been agreed the Board should prepare a Risk Appetite Statement which is communicated to all employees.
- 1.3 On 9 December 2025 the Board met to set the Risk Appetite for 2026/27. The outcome of the session will be presented at the Board meeting on 10 February 2026 for approval.
- 1.4 The boundaries for our Risk Appetite were:
- Failure to maintain Regulatory Standards set by Scottish Housing Regulator
 - Breaching the conditions of our funding
 - Significant Health & Safety breach
- 1.5 On 28 November 2023 the Board agreed four Strategic Goals for the five years to March 2029. The Risk Register and the Risk Appetite have been reviewed and aligned to our Strategic Goals.

STRATEGIC GOALS

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

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

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

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

Strategic Goal 1

Placing tenants at the heart of everything we do	Risk Level	Detail
Rent affordability	CAUTIOUS	The value and benefits will be considered and we will not just go for the cheaper option. We will take the long term approach rather than the short quick fix. We will consider the impact of rent increases alongside cost of living pressures and aim to limit financial pressure on tenants while still maintaining income levels needed for sustainability.
Supporting vulnerable tenants	OPEN	We will explore options of providing additional support services to tenants through partners with expertise in a particular area
Reputation	OPEN	We will take decisions to expose the organisation to additional scrutiny but only where the appropriate steps have been taken to minimise any exposure and the potential benefits outweigh the risks.
Communication with tenants	OPEN	We will treat communication with tenants in a way which allows proactive engagement, transparency, and improved messaging without unnecessary risk.

Strategic Goal 2

Investing in a sustainable way in tenants homes	Risk Level	Detail
Bringing all stock up to the Scottish Government Standards for Net-Zero and Accessibility	OPEN	We will research new technologies and where they have been tested and proved we will invest in them. We will also take advantage of trying new technologies where they are grant funded and where we believe they will bring long term benefit to our tenants.

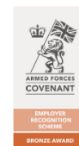
Investing in a sustainable way in tenants homes	Risk Level	Detail
New Build	OPEN	We will deliver the Comhairle's SHIP as far as possible, consider regeneration opportunities and balancing deficits in older stock.
	CAUTIOUS	We will use our Subsidiary for all development other than homes built for rent e.g. LIFT, Mid-market rent. Early bold decisions have already been taken; the current phase requires measured governance and oversight.
Climate Change (Delivery of our ESG Strategy)	OPEN	We will work with local partners to contribute to the overall Climate Change Strategy for the Outer Hebrides

Strategic Goal 3

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

Strategic Goal 4

Working with our partners to help communities thrive	Risk Level	Detail
Population Strategy	OPEN	We will work with other partners and the Outer Hebrides Community Planning Partnership to develop and deliver on any strategy relating to growing our population
Poverty	HUNGRY	We will work with partners to alleviate poverty and dedicate time to access grants to support our tenants who are in poverty
Partnership Working	OPEN	We will build on our new partnerships which are delivering services in a different way





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Consultation Document

The Board and staff are looking forward to working with tenants and partners to deliver our goals and value your opinions on the key elements of our Delivery Plan.

VISION

VISION

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

Our Core Value is:

INTEGRITY

INTEGRITY

We will hold each other
accountable to be honest,
fair, dependable and
trustworthy in all our
working relationships and
do the right thing no
matter who is watching

Our Strategic Goals are:

GOALS

STRATEGIC GOALS

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



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Consultation Document

During the year, tenants have made requests and suggestions on where we should be spending our resources.

Do you agree these should be part of the Business Plan? Answer Yes or No as appropriate. Please also rank each in order of priority with 1 being the highest and 5 being the lowest.

	Yes	No	Rank
Investment - Improving heating systems, windows, roofs, internal doors and skirting boards.	☐	☐	
New Build - Give investment priority over new build	☐	☐	
Affordability - Keeping rent increases as low as possible so that rents stay affordable	☐	☐	
External Works - Upgrade fences and paths, and ensure there is a proper budget available for external works like painterwork	☐	☐	
Communication - Keep Tenants informed clearly on all the cost pressures HHP are facing to help them make more informed decisions at the time of rent setting	☐	☐	

RENT SETTING & CASH PLANNING LIMITS

Board 10 February 2026

Report by Director of Finance & Corporate Services

Purpose of Report

- 1.1 To present for consideration and approval the proposed 2026/27 cash planning limits including charges for rents, garages and services.

Summary

- 2.1 The draft budgets at Appendix 1 have been prepared taking into account the cash planning limits for 2026/27 set in the revised 30 Year Business Plan which will be provided to our funder (RBS) in March 2026.
- 2.2 The changes to the key assumptions in our Plan can be found at paragraph 5.4-5.11.
- 2.3 The Board met on 18 November 2025 and agreed to consult with tenants on 2 rent options. Option 1, an RPI only Increase (4.5%) & Option 2 was an RPI plus 1% increase (5.5%).
- 2.4 2025/26 rents were increased by RPI plus 1% following consultation with our tenants. This represented a 4.4% increase.
- 2.5 A consultation exercise on the proposed rent increase for 2026/27 ended on 16 January 2026 with 185 responses. 89% of those responding choosing Option 1 (4.5% rent increase).
- 2.6 While tenants understandably don't want a rent increase, we cannot maintain our current investment in new and existing homes if rents rise by less than 4.5%

Competence

- 3.1 The competence issues relating to this report are at section 7.1 of the report

Recommendations

- 4.1 **It is recommended that the Board:**
- a) **approve the cash planning limits at Appendix 1.**
 - b) **approve the increase of house rents for 2026/27 at RPI only (4.5%), an average increase of £4.46 per week to £103.65 per week;**
 - c) **approve garage rents and garage site rents for 2026/27 be increased by RPI only (4.5%).**
 - d) **approve all other services and charges for 2026/27 as shown at Appendix 2 be increased by 4.5% (September RPI); and**
 - e) **note that detailed budgets will be submitted to the Board for approval on 24 March 2026.**

APPENDIX 1: Cash Planning Limits & Proposed Budgets for 2026/27

APPENDIX 2: Service Charges 2026/27

Writer of Report: Donald MacLeod

Tel: 0300 123 0773

Report Details

- 5.1 Budgets are set each year which identify the income available to the Partnership and the funds required to deliver:
 - a) the promises made to tenants as part of the Stock Transfer;
 - b) the objectives of the Business Plan;
 - c) RSL's health and safety requirements are met;
 - d) Regulatory requirements; and
 - e) Scottish Government requirements in relation to the standard of the housing stock.
- 5.2 Budgets are set in the context of the 30 Year Business Plan making amendments as required to ensure the Partnership meets all financial covenants and is still in a position to repay the funds borrowed.
- 5.3 A strategy and timetable for completing the 2026/27 budgets was approved by the Board in November 2025.
- 5.4 The cash planning limits assume that the rent increase will be RPI only based on September RPI, which gives a rent increase of 4.5%.
- 5.5 An overview is provided at Appendix 1 showing the areas where rental income will be spent.
- 5.6 The 2026/27 budget does not include any carry forward proposals. Any carry forward proposals will be included in the detailed budgets presented to the Board in March 2026.
- 5.7 Service Charges are proposed to increase in line with September RPI (4.5%).
- 5.8 The Planned Maintenance programme for 2026/27 is being finalised and will be set as per the Cash planning Limit at Appendix 1.
- 5.9 Our new insurer (Aviva) requires us to conduct an insurance reinstatement valuation of our stock by the end of March 2026. The outcome of this valuation will have an impact on our insurance premium applicable from 1 October 2026. Supervision and Management costs will be updated in March to reflect this.
- 5.10 The forecast out-turn for response repairs for 2025/26 is currently £160K above initial budget. A deep dive on repairs is being carried out and any changes to the repairs budget will be brought to Board in March.

Development

- 5.11 Current year development spend and associated grant drawdown has been updated to reflect the latest cashflow projections provided by our contractors.

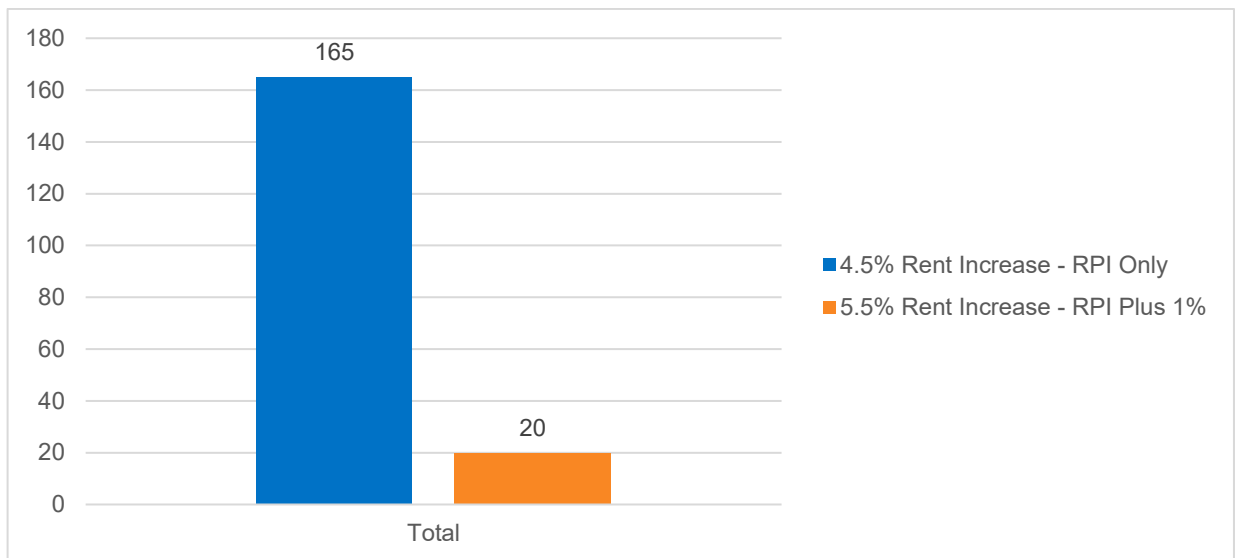
Investment

- 5.12 The 2026/27 cash planning limit reflects the Investment programme approved by Board. There is no allowance in the budget for additional works which may be funded through the Scottish Governments Net Zero Heat Fund. If this fund is available for works in 2026/27, funding proposals will be brought to Board.

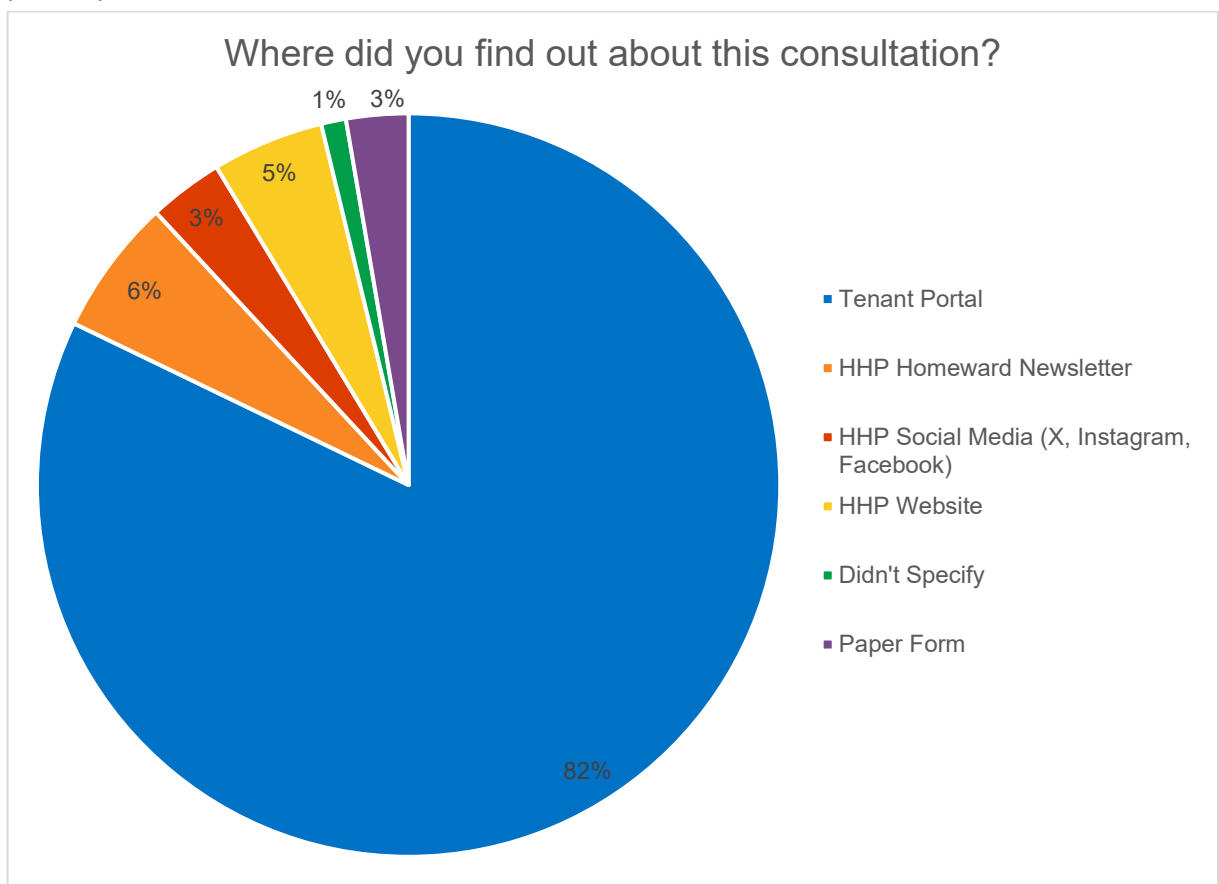
Consultation Exercise

- 6.1 This year tenants were consulted through a survey on our website and social media platforms (including our Facebook page), through QR codes printed in the Winter Newsletter and through an online link sent to all tenants registered on the tenant portal. The closing date for comments was 16 January 2026.
- 6.2 The rent consultation was also presented to the newly formed Tenant Board Panel on 13 January 2026.

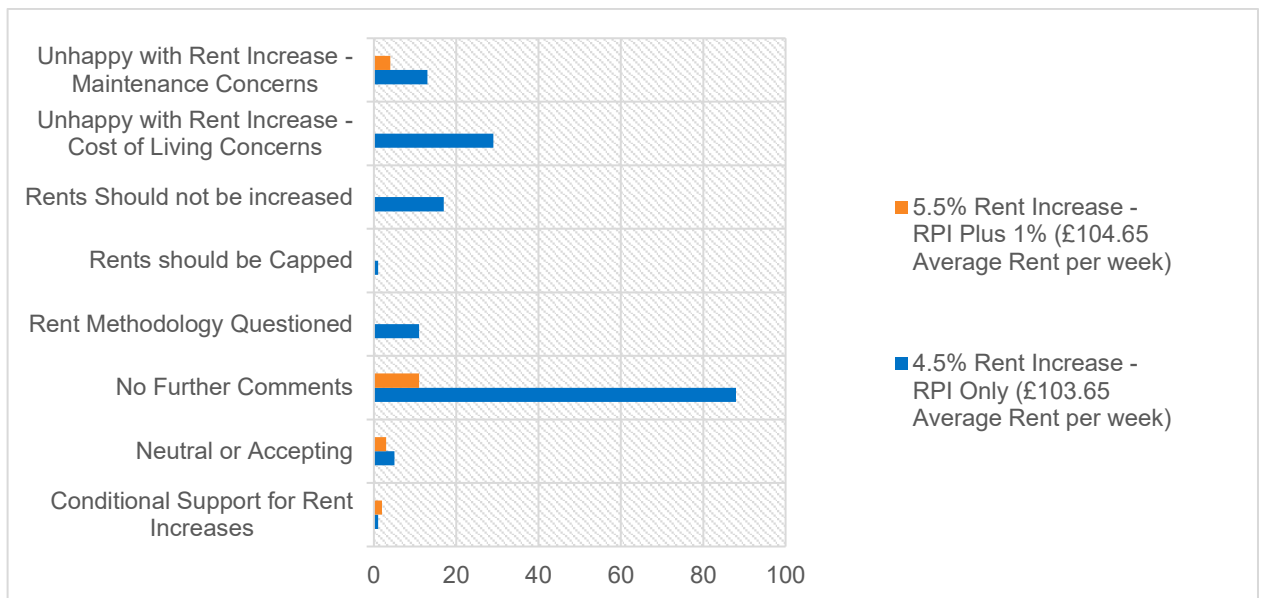
6.3 We had 186 responses to the consultation (125 Responses last year) and the general theme of responses are as follows:



6.4 Tenants were asked how they found out about the consultation. The responses, which can be found below, highlights that the tenant portal was pivotal in increasing tenant participation in the consultation:



6.5 The following chart provides an overview of the common themes across those who provided additional comments in their responses:



6.6 The Development & Finance Committee will meet on 9 February 2026 to conduct appropriate scenario stress testing and covenant compliance checks.

6.7 It is understandable tenants would prefer a lower increase than 4.5% as the cost of living continues to squeeze tenant's disposable income. It is, however, not possible for us to continue building new homes and investing, at current levels, in existing homes if rents increase by less than 4.5%.

7.1 Competence

COMPLIANCE CHECKLIST	
Financial	The report considers the resources the Partnership requires for 2026/27. The budget has been set in accordance with current accounting standards. Budgets are required to comply with the two corporate covenants outlined in our Restated Financing Agreement (RFA) with RBS. An interest cover covenant with an allowance of 150% and a Gearing cover with maximum gearing of 30%.
Legal	The Partnership's Rule 69 states that "The Partnership must keep proper books of account to cover its income, expenditure, spending, assets and liabilities in line with sections 75 and 76 of the Co-operative and Community Benefit Societies Act 2014. It must also set up and maintain a suitable system for controlling its books of accounts, its cash and its receipts and invoices". The Board has ultimate responsibility for the Partnership's finances and in accordance with the Financial Regulations the Board has the responsibility to approve the annual budgets. We are required to provide the Scottish Housing Regulator with our annual business plan and five year financial projections which are formed from the Board approved 30 year plans.
Regulatory	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	The major risk to setting the rents is that the income for the financial year is set incorrectly and the Partnership is unable to meet financial commitments or rents become unaffordable. This risk is mitigated by setting prudent Bad Debt and Void assumptions in the 30 Year Business Plan and by modelling how the plan responds to changes in these assumptions. It is anticipated that interest rate and inflation pressures will continue in the short term driven by a number of geo-political factors including the war in Ukraine and impending tariffs from the US. The Business Plan has been prepared taking these challenges into consideration. Increasing development costs continue to drive up the build cost per unit. Any shortfall between the private finance provided for in the budget will need to be funded by additional Scottish Government grant contributions to minimise risk to HHP. With respect to Investment a framework contract is in place for the delivery of the programme. There is a risk that tenders come in above the assumed component replacement cost which may result in some works being postponed.

COMPLIANCE CHECKLIST	
ESG	The budget allows for ESG improvement works to be undertaken to our homes contributing to the delivery of our ESG strategy.
Equalities	We are committed to promoting equality, diversity and inclusion. There 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 of our Business Plan and 30 year financial projections by the end of March each year. Once approved they will also form the basis of the 5 year financial projections which require to be filed with the Scottish Housing Regulator.

CASH PLANNING LIMITS

	BRIXX (2026/27) £000's	Budget (2026/27) £000's	Diff £000's
Gross Income	14,423,650	14,423,650	-
Voids	(281,300)	(281,300)	-
Bad Debts	(276,600)	(276,600)	-
Net Income	13,865,750	13,865,750	-
Expenditure			
Supervision & Management	3,498,000	3,498,000	-
Repairs	2,297,500	2,297,500	-
Planned	1,582,600	1,582,600	-
Estate Works	143,400	143,400	-
Interest	793,600	793,600	-
Investment	4,918,400	4,918,400	-
Aids & Adapts	120,000	120,000	-
Development Private Finance	3,816,300	3,816,300	-
Total Expenditure	17,169,800	17,169,800	-
Net	(2,746,150)	(2,746,150)	-

DATE: 26 January 2026

[illegible]

SERVICE CHARGES

2026/27 SERVICE CHARGES INCREASE (4.5%)	2025/26 CHARGES	2026/27 CHARGES
Service Charges Increase by 4.5%		
Shared Ownership Flats 4 & 5 Ranol Court, Keith Street, Stornoway, Isle of Lewis		
Management Fee	£11.21	£11.71
Staircase Lighting	£1.36	£1.42
Building Insurance	£1.94	£2.03
Ground Maintenance 2	£0.41	£0.43
100% OWNERSHIP Flats 1,3 & 6 Ranol Court, Keith Street, Stornoway, Isle of Lewis		
Annual management fee, staircase lights & grounds maintenance + VAT on all charges	£338.85	£354.09
Annual VAT	£67.77	£70.82

2026/27 SERVICE CHARGES INCREASE (4.5%)	2025/26 CHARGES	2026/27 CHARGES
LIFT PROPERTIES Annual Management Fee + VAT where appropriate		
Flats (Ardanmhor & 18-25 Manor Drive)	£174.93	£182.80
Houses	£34.99	£36.57
Garages		
Weekly Rent	£6.54	£6.83
Garage Sites Annual Rent (VAT will be applied where applicable)		
Garage Site	£111.56	£116.58
Garage Site 30 Leverhulme Dr; Garage Site 2,4,5,&6 Perceval Road South (East End)	£127.24	£132.97
Septic Tank		
Sewerage Charges	Aligned to Scottish Water Increases	
LIFT PROPERTIES CHANGE OF OWNERSHIP CHARGES		
Additional administration costs which is added to the seller's final account.	£42.86	£44.79

2026/27 SERVICE CHARGES INCREASE (4.5%)	2025/26 CHARGES	2026/27 CHARGES
Where documentation (e.g. Building Warrants, Certificates, Local Authority Certificates, etc) is required.	£71.44	£74.66
Where a solicitors request information less than five days prior to the settlement date of the sale.	£214.32	£223.97
ADMIN FEES (VAT applied where appropriate)		
Tenancy Reference per chargeable tenancy request	£57.66	£60.26
Enquiry regarding a sale of asset (includes any title searches)	£54.85	£57.32

MANAGEMENT REPORT TO 31 DECEMBER 2025

Board 10 February 2026

Report by Director of Finance & Corporate Services

Purpose of Report

- 1.1 To present the Management Report for the month ended 31 December 2025 to the Board for review.

Summary

- 2.1 Financial covenants will be met based on the updated covenant structure.
- 2.2 A decrease of £69K total debt can be mainly attributed to the payment of outstanding account property invoices raised at the end of Q2.
- 2.3 Three budget areas are at risk of overspending if current spending levels persist. Managers are working to control costs and have pinpointed possible virements if containment fails.

Budget	Forecast Overspend	Vire From			
		Reserves	Void Loss	Interest Paid	Interest Received
Response Repairs	£ 60,000		£ 60,000		
Insurance Repairs	£ 49,400	£ 6,800	£ 18,000	£ 16,000	£ 8,600
HWEC Service Charges	£ 38,000	£ 38,000			
TOTAL	£ 147,400	£ 44,800	£ 78,000	£ 16,000	£ 8,600

- 2.4 As a result of the late award of the Net Zero Heat Grant, there is pressure to complete all Investment works by the end of the financial year. A £550K reduction in the programme across roughcast, roofs and porch doors and cladding is mainly due to contractor availability issues.

Compliance

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

Recommendations

4.1 It is recommended that the Board:

- a) approve to vire £31.4K from reserves to cover the increase in Insurance Repairs costs if required;
- b) approve to vire £38K from reserves to cover the increased out-turn on the HVEC service charges if required;
- c) approve to vire £24.6K to reserves due to savings on interest payable £16K and additional interest received of £8.6K;
- d) note the Management Report at 31 December 2025 and revised forecast out turn at 31 March 2026 at Appendix 1; and
- d) note the current legal action on live arrears at Appendix 2.

APPENDIX 1 Management Report to 31 December 2025

APPENDIX 2 Current Legal Action on Live Cases

Background Papers None

Writer of Report James Morrison

Tel: 0300 123 0773

5.1 Compliance Checklist

COMPLIANCE CHECKLIST	
Financial	The board approved budgets for 2025/26 in March 2025, which projected a surplus for the year of £2.13M. The current forecasted out-turn surplus is £2.39M with the difference between initial and forecast mainly being the award of Aids and Adaptations Grant and additional interest received. Covenants are forecast to be met for the year. A total of £19.6K has been spent on legal fees on arrears action during the financial period 2025/26. In the previous financial year, £19.9K was spent at this point.
Legal	The following Partnership rules are applicable: <i>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.</i> The management of the current rent arrears and all other debts is covered by the Debt Management Policy. The Prescription (Scotland) Act 2018 sets out the conditions under which debts can no longer be pursued.
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 and AN3 and RS3 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. Affordability for tenants is identified as a risk on our Risk Register with an inherent risk of 15 which is rated as high.
ESG	The Investment costs included in this report, which detail insulation and heating upgrades, are contributing to us delivering our ESG Strategy. The value of affordability and security is outlined in our ESG action plan with an associated target of arrears being less than 2%.

COMPLIANCE CHECKLIST	
Equalities	We are committed to promoting equality, diversity and inclusion. There 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 of our Management Report at the end of each quarter.

Management Report 2025/26

To 31 December 2025



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INTRODUCTION

The Management Report to 31 December 2025 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

Debt Overview

Financial Covenants

Financial Ratios

Cashflow Forecast

Stock Levels

SECTION 1: HIGH LEVEL SUMMARY

	INDICATOR	STATUS	COMMENT
I N C O M E	FINANCIAL COVENANTS		
	FORECASTED SURPLUS		
	RENTAL INCOME		
	GRANT INCOME		
	DEVELOPMENT GRANTS		Additional required public consultations for Scott Road and delays in acquisitions at Gravir and Grimsay have reduced the forecast grant income this year.
	OTHER INCOME		
E X P E N D I T U R E	DEVELOPMENT COSTS		Additional required public consultations for Scott Road and delays in acquisitions at Gravir and Grimsay have reduced the forecast spend income this year.
	INVESTMENT		Roughcast, Roof and Windows forecast has reduced as planned works will not be able to go ahead this year.
	REPAIRS & MAINTENANCE		General repairs budgets will be monitored with higher void and response costs so far this year.
	MANAGEMENT COSTS		
	INTEREST		

	No Issues - On Track
	Requires Monitoring
	Issues

SECTION 2: MANAGEMENT ACCOUNTS

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Statement of Comprehensive Income	4
Statement of Financial Position at 31 December 2025	5
Debt Management at 11 January 2026	6
Financial Covenants	8
Financial Ratios	9
Cash Flow Forecast	10
Stock Levels	11

STATEMENT OF COMPREHENSIVE INCOME

Line	Heading	CURRENT YEAR BUDGET		ACTUAL to 31-Dec-25 £	BUDGET REMAINING		FORECAST OUT-TURN	
		Initial Budget £	Revised Budget £		Revised Budget £	Revised Budget %	Over/ (under) £	at 31-Mar-26 £
1	Dwelling rents (net)	12,443,810	12,556,147	9,702,495	2,853,651	23%	78,000	12,634,147
2	Non Dwelling rents (net)	19,000	19,000	16,082	2,918	15%	-	19,000
3	Profit/(Loss) on Disposal of Assets	(45,000)	(161,000)	(104,612)	(56,388)	0%	-	(161,000)
4	Grant Funding	465,090	773,090	513,895	259,195	34%	-	773,090
5	Other Income	218,250	224,765	170,523	54,242	24%	-	224,765
6	TOTAL INCOME	13,101,150	13,412,002	10,298,383	3,113,618	23%	78,000	13,490,002
7	Supervision & Management	3,348,810	3,314,361	2,509,913	804,448	24%	-	3,314,361
8	Response Repairs	2,161,130	2,346,416	1,846,835	499,581	21%	109,419	2,455,835
9	Estate Works	145,060	140,684	59,078	81,606	58%	-	140,684
10	Planned/Cyclical Maintenance	1,492,310	1,497,355	1,240,767	256,588	17%	38,014	1,535,369
11	Total Operating Expenditure	7,147,310	7,298,816	5,656,593	1,642,223	22%	147,433	7,446,250
12	Operating Surplus/(Deficit)	5,953,840	6,113,185	4,641,790	1,471,395	24%	(69,433)	6,043,752
13	Interest received	38,700	188,207	158,345	29,862	16%	8,632	196,839
14	Interest paid	741,000	751,000	550,280	200,720	27%	(16,000)	735,000
15	Surplus/(Deficit)	5,251,540	5,550,392	4,249,854	1,300,537	23%	(44,801)	5,505,591
16	Depreciation	5,173,300	5,223,300	3,884,820	1,338,480	26%	-	5,223,300
17	Grant Amortisation	(2,050,170)	(2,110,170)	(1,554,245)	(555,925)	26%	-	(2,110,170)
18	Surplus/(Deficit)	2,128,410	2,437,262	1,919,279	517,982	21%	(44,801)	2,392,461
19	CAPITAL INVESTMENT							
20	Aids & Adaptations	30,000	318,149	156,045	162,104	51%	-	318,149
21	Housing Investment Programme	4,475,200	4,474,184	1,404,708	3,069,476	69%	-	4,474,184
22	Non Housing Investment	50,300	50,300	3,898	46,402	92%	-	50,300
23	Development Programme	4,927,990	4,036,356	3,862,897	173,460	4%	(85,000)	3,951,356
		9,483,490	8,878,989	5,427,548	3,451,442	39%	(85,000)	8,793,989

Commentary on Performance**Income**

Dwelling Rents are £7K ahead of budget due to strong performance on voids, with current levels at 0.53% against a budget assumption of 1%. It is proposed to use £78K of these savings to support the overspend on repairs. Grant Funding is £72K behind budget mainly due to the phasing of the Aids & Adaptations Grant. This is expected to be fully utilised during the year. Profit/(loss) on disposal of assets are under budget (£16K) due to the timing of heating replacements. A further £1.5M being put on deposit has resulted in an additional £9K being recognised for Interest Received.

Expenditure

Response Repairs overspend of £156K is due to an increase in the number and increased cost of responsive repairs. The overspend on void repairs is driven by a low number of high-cost repairs with our highest void repair for one property being £23K so far this year. Some of these void repairs are clean and clear costs after a tenant has passed away. As a result of a reduction in the base interest rate, we have recognised £16K of savings on Interest Paid to reserves.

STATEMENT OF FINANCIAL POSITION

Line	Heading	Notes	31-Dec-25 £	30-Nov-25 £	31-Mar-25 £
	Fixed Assets				
1	Tangible assets-social housing	1	137,014,125	137,098,252	139,372,269
2	Development & Investment Programme		4,005,060	3,818,045	-
3	Tangible assets - property, plant and equipment	1	739,947	753,280	860,361
4	Landbank		626,660	626,660	626,660
5	Investments		2	2	2
6	Total Fixed Assets		142,385,794	142,296,239	140,859,292
	Current Assets				
7	Stock		25,651	25,651	25,651
8	Trade and other debtors due within one year	2	892,378	704,267	1,262,494
9	Debtors due after more than one year		133,848	135,016	144,355
10	Short-term deposits	3	4,390,446	5,889,077	7,861,122
11	Cash at bank and in hand	3	3,531,146	2,598,239	1,315,403
12	Loan to subsidiary		18,905	18,905	18,905
13	Total Current Assets		8,992,375	9,371,154	10,627,930
14	Creditors: amounts falling due within one year		(1,554,046)	(1,940,546)	(2,106,895)
15	Net current assets		7,438,328	7,430,608	8,521,035
16	Total assets less current liabilities		149,824,122	149,726,847	149,380,327
17	Creditors: amounts falling due after more than one year		(22,365,333)	(22,365,333)	(22,365,333)
18	Deferred capital grants		(77,471,560)	(77,643,873)	(79,025,801)
19	Pension Liability		-	-	-
20	Net Assets		49,987,229	49,717,641	47,989,194
	Capital and Reserves				
21	Share Capital		85	85	86
22	Revenue Reserve		49,987,144	49,717,556	47,989,108
23	Total Capital and Reserves		49,987,229	49,717,641	47,989,194

Commentary on Performance

Note 1 (Tangible Assets) – Tangible assets have reduced £97K from the prior month as depreciation exceeds the value of assets capitalised.

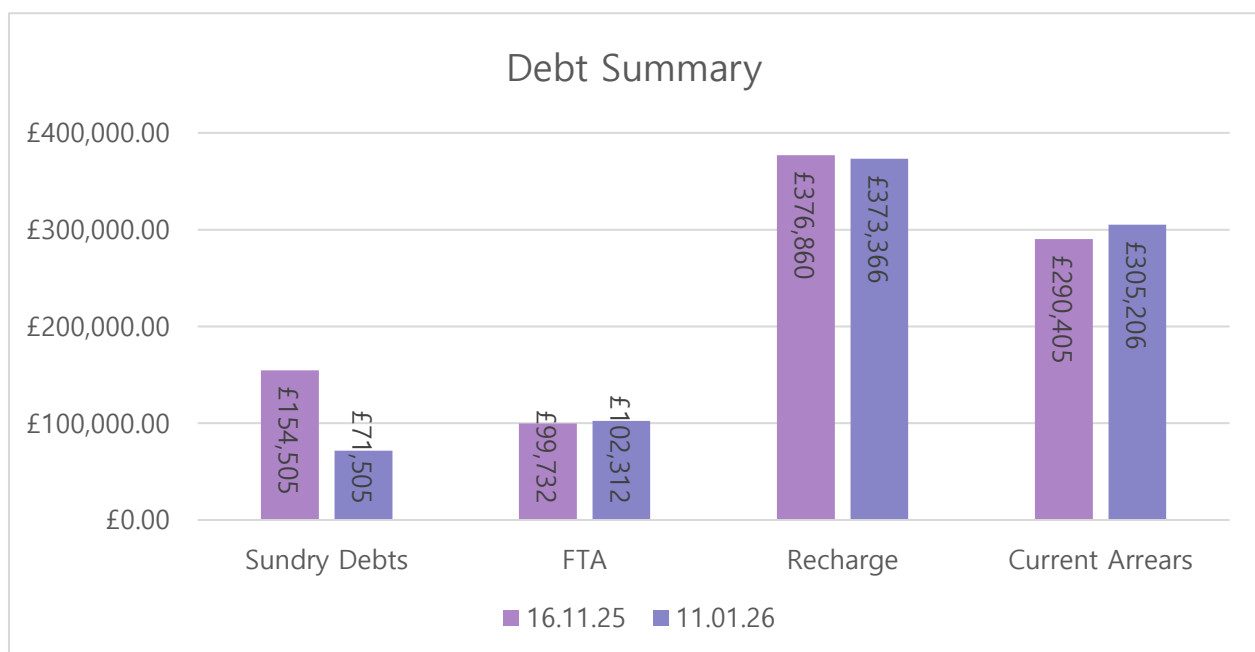
Note 2 (Trade and other debtors due within one year) – An increase of £188K is due to the timing of the four weekly housing benefit payment being processed.

Note 3 (Cash) – £1.5M was returned from deposit at the end of December. This was put back on deposit at the beginning of January.

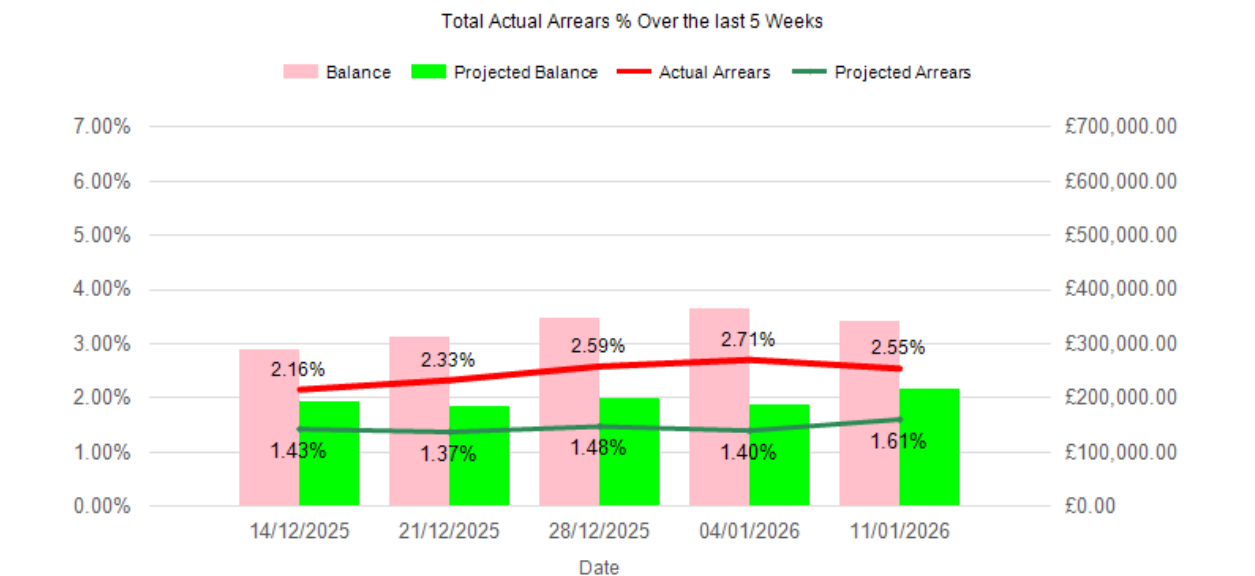
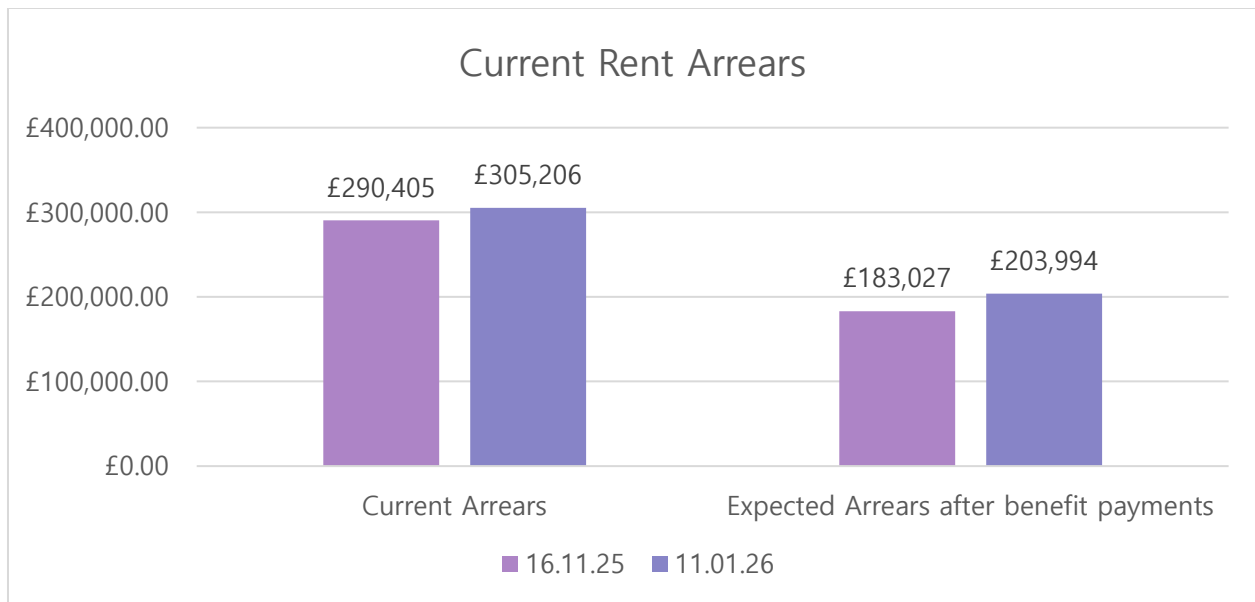
DEBT MANAGEMENT

The below table provides a view of debt at the 4 weekly housing benefit payment date from November to January 2026:

	At 16 November 2025	At 11 January 2026
Total Gross Debt	£921,501	£852,388
Total Debt (Adjusted for expected benefit)	£814,123	£751,177



Debt Class	Movement	Commentary
Current Rent Arrears increase	£14,801	Increase due to timing of Direct Debit (DD) payments with the November balance including the DD taken on the 16 th .
Former Rent Arrears increase	£2,580	Raised 11 invoices (£6,224) and received £1,839 in payments. Write offs for this period were £1,805
Sundry Debts decrease	£83,000	5 Invoices raised (£465) with payments received of £83,465
Rechargeable Repairs decrease	£3,494	23 Invoices raised (£6,574) with payments received totaling £5,581 as well as 7 write offs (£3,543) and two credit notes (£944)
Total decrease in Debt	£69,113	



FINANCIAL COVENANTS

HHP has a credit facility with RBS and we are required to comply with an interest cover covenant and a gearing covenant. RBS have now confirmed their credit team has approved the move to the new covenant structure which require a minimum interest cover of 150% with a maximum gearing of 30%.

Line	Detail	YTD	Forecast
1	Operating Surplus	£ 2,311,214	£ 2,930,622
2	Add back Depreciation	£ 3,884,820	£ 5,223,300
3	Add back Profit/(Loss) on sale of LIFT properties	£ -	£ -
4	Deduct Pension Contributions	£ -	£ -
5	Deduct Amortisation	(£ 1,554,245)	(£ 2,110,170)
6	Adjusted Operating Surplus	£ 4,641,790	£ 6,043,752
7	Interest Payable	£ 550,280	£ 735,000
8	Interest Receivable	£ 158,345	£ 196,839
9	Net Interest Payable	£ 391,935	£ 538,161
10	Covenant for 25/26	150%	150%
11	Adjusted Operating Surplus as percentage of Net interest Payable	1184%	1123%
12	Historic Cost of Properties	£ 174,399,597	£ 178,143,848
13	Financial Indebtedness	£ 17,000,000	£ 17,000,000
14	Gearing Covenant for 25/26	30%	30%
15	Gearing	10%	10%

FINANCIAL RATIOS

Key Ratios			
	Current	Forecast	2024/25
Current Ratio	5.70	4.71	4.76
(Current Assets / Current Liabilities)			
Net Debt Per Unit			
Borrowing / stock units	£6,996	£6,905	£7,005
Voids%	0.53%	0.67%	0.53%
Voids as % of Rental Income Due			
Bad Debts %	0.22%	2.00%	0.21%
Bad Debts written off as % of Rental Income Due			
Staff Cost/Turnover %	19.54%	21.05%	19.61%

CASH FLOW FORECAST 2025/26

The below cash flow shows the anticipated cash position as at 31 December 2025 and a forecast for the remainder of the 25/26 Financial Year:

Monthly Cash Flow Forecast

Year Ended 31-Mar-26	31-Dec-25 Month 9	31-Jan-26 Month 10	28-Feb-26 Month 11	31-Mar-26 Month 12	Total
Cash on Hand at beginning of month	2,520,090	1,835,029	1,404,130	636,986	(22,916)
Cash Receipts					
Rent	1,017,389	1,402,640	1,017,245	884,736	13,367,353
Grant Income	396,343	614,510	579,087	985,395	4,123,571
Bank Interest	95	28,125	-	22,625	209,015
Insurance Claims	1,701	-	-	-	29,720
Other income	-	-	-	-	204,630
Transfer from Deposit	-	-	-	-	18,500,000
Total	1,415,528	2,045,275	1,596,332	1,892,756	36,434,289
Total Cash Available	3,935,618	3,880,304	3,000,462	2,529,742	
Cash Paid Out					
Payroll	230,924	235,110	235,110	235,110	2,752,232
Management Costs	53,054	88,875	103,100	133,774	1,200,901
Repairs	771,820	288,917	322,586	435,035	4,284,832
Investment	496,747	1,195,998	1,099,289	1,056,566	5,401,787
Development	510,638	531,240	601,390	634,873	6,857,250
Total	2,063,184	2,340,141	2,361,476	2,495,358	20,497,003
Cash Paid Out (Non P & L)					
Loan Interest	20,467	133,533	-	15,000	688,864
Capital Purchase	-	-	-	40,300	40,300
Refunds	16,938	2,500	2,000	2,000	64,029
Transfer to Deposit Account	-	-	-	-	16,500,000
Total	37,405	136,033	2,000	57,300	17,293,192
Total Cash Paid out	2,100,589	2,476,174	2,363,476	2,552,658	
Cash Position at End of Month	1,835,029	1,404,130	636,986	(22,916)	-
Deposit Acct At end of Month	5,880,198	5,880,198	5,880,198	5,880,198	
Total Funds Available	7,715,227	7,284,327	6,517,183	5,857,282	

STOCK LEVELS 2025/26

The below shows the current stock level position at 31 December 2025:

Property Stock				
The number of units of accommodation owned by the Partnership was as follows:				
	Units in Management		Units under Development	
	2026	2025	2026	2025
Unimproved				
New Build	658	621	20	51
Improved	1,773	1,773	-	-
General Needs Housing	<u>2,431</u>	<u>2,394</u>	<u>20</u>	<u>51</u>
Shared Ownership Accommodation	3	3	-	-
Supported Housing Accommodation	28	28	-	-
Total Housing Stock	<u>2,462</u>	<u>2,425</u>	<u>20</u>	<u>51</u>
Other Property				
Garages	41	41	-	-
Commerical	6	6	-	-
Heritable-Partnership's offices	3	3	-	-
Total Other Property	<u>50</u>	<u>50</u>	<u>-</u>	<u>-</u>

Total housing stock number has increased by 37 since 31 March 2025 due to 12 new units at Leana An t-Sruith which were handed over in May and November and 25 new units at An Allt Dubh which were handed over during September.

SUMMARY OF LIVE ARREARS CASES

APPENDIX 2

SUMMARY OF CURRENT POSITION

Monitoring Level	Number of cases	Current Arrear	Arrear at 16 November
CASES MONITORED BY HOUSING OFFICERS			
L1 Letter	8	£8,818	£11,413
L2 Letter	7	£3,313	£3,549
Pre NOP Letter	10	£12,839	£10,753
NOP Notice Letter	10	£9,604	£9,996
Exec Team Approved (Monitor)	9	£10,238	£9,750
CASES UNDERGOING LEGAL ACTION			
Passed to Legal	3	£5,208	£2,350
Court calling date	4	£3,294	£1,614
Sisted	12	£16,945	£17,692
Continued	5	£2,171	£3,185
Decree Granted	0	£0	£0
<u>TOTAL</u>	<u>68</u>	<u>£72,430</u>	<u>£70,302</u>

Current Performance

Arrear at approval	Current arrear	Movement	As a %
£79,720	£72,430	(£7,290)	9.14%

Number of cases where arrear has increased/decreased since approval	
Decrease	42
Increase	25

LOCAL HOUSING STRATEGY CONSULTATION

Board 10 February 2026

Report by Chief Executive

Purpose of Report

- 1.1 The purpose of this report is to seek delegation for the Chief Executive to respond to the consultative draft Local Housing Strategy 2026/27 to 2030/31 (LHS).

Summary

- 2.1 A draft LHS has been prepared by Comhairle and is available on their website at the link below.

[Consultative Draft Local Housing Strategy 2026/27-2030/31 | Comhairle nan Eilean Siar](#)

- 2.2 The consultation runs from 11 December 2025 to 6 March 2026.
- 2.3 It is proposed that due to time constraints delegation is given to the Chief Executive to respond to the consultation. A draft will be issued to Board members prior to submission to the Comhairle for any comments.

Competence

- 3.1 There are no financial or legal constraints arising from the recommendation to this report being implemented.

Recommendations

- 4.1 **The Board agree to delegate the submission of HHP's response to the Comhairle's Local Housing Strategy consultation to the Chief Executive and a draft of the response be issued to Board Members for comment prior to being submitted.**

APPENDIX1:

Background Papers: None

Writer of Report: Dena Macleod

Tel: 0300 123 0773

ASBESTOS POLICY

Board 10 February 2026

Report by Director of Operations

Purpose of Report

- 1.1 To inform Board of the review of the Asbestos Policy.

Summary

- 2.1 The Asbestos Policy has been reviewed to ensure it is fit for purpose and complies with all current legislation and best practice.
- 2.2 The Asbestos Policy was also reviewed as part of the Health and Safety audit carried out in November 2024. It was recommended that the policy be aligned with the EVH Landlord Manual which was prepared by ACS Risk, who are asbestos consultants.
- 2.3 There was a further recommendation from the audit to make minor changes to our Asbestos Management Plan as follows:
- Change references to old survey types
 - More information to be added to categorization of asbestos works including Notifiable Non-Licensed Work (NNLW)
- 2.4 All actions required from the Audit Report are now complete and the Asbestos Management Plan has been updated.

Competence

- 5.1 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 the Asbestos Policy at Appendix 1.**

APPENDIX 1: Asbestos Policy

Background Papers: None

Writer of Report: Peter O'Donnell

Tel: 0300 123 0773

5.1 Compliance Checklist

COMPLIANCE CHECKLIST	
Financial	There are training costs associated with the implementation of the updated Asbestos Policy. The total cost is estimated at £1,537 per annum.
Legal	Under the Health and Safety at Work Act 1974, we have a duty to ensure, as far as is reasonably practicable, the health, safety and welfare of employees and the health and safety of others that may be affected by the employers undertaking. Under the Control of Asbestos at Work Regulations 2014, there is a duty 'to manage asbestos' in non-domestic premises which include communal areas within flats.
Regulatory	The Regulatory Standards Checklist has been completed and there is nothing in this report which would breach these standards.
Risk	The satisfactory management of asbestos is a significant area of risk and it is critical that robust systems and processes are in place. Risk 18 on risk register: Serious breach of Health and Safety This would include failure to manage asbestos
ESG	Asbestos should be contained where possible and only removed where necessary to ensure least environmental impact
Equalities	We are committed to promoting equality, diversity and inclusion. The policy has been updated to reflect our equality duties. .
Communication	There are no communication issues arising from this report

ASBESTOS POLICY

APPROVED BY HHP BOARD:
February 2026
EFFECTIVE DATE:
February 2026



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INTRODUCTION

- 1.1 Products containing asbestos have been used for many years in a whole range of applications and locations including industrial, commercial and domestic premises. It has typically been used for lagging pipe work, tanks and boilers, or as a component of structural finishes, such as in walls and ceilings. In many cases, the presence of asbestos is not known until it is exposed through wear, through structural damage or during development work. Whilst the use of all forms of asbestos has now been banned in the UK (with some minor exceptions), a great deal of asbestos is still in situ from previous installations.
- 1.2 Persons now considered to be most at risk from asbestos are trades persons involved in building renovation and maintenance work, particularly amongst plumbers, gas fitters, carpenters and electricians.
- 1.3 There are three main types of asbestos that may be encountered namely, Crocidolite (blue), Amosite (brown) and Chrysotile (white). Asbestos fibres enter the body by inhalation, which can give rise to asbestosis (a scarring of the lung tissue caused by asbestos), two kinds of cancer (mesothelioma and asbestos related lung cancer), and diffuse pleural thickening (a non-malignant disease affecting the lung lining). Currently, approximately 4,000 people are dying from mesothelioma, asbestosis and asbestos-related cancers per year. This is mainly attributed to exposure some time ago, as asbestos related diseases manifest themselves over an incubation period of anything from 20 to 30 years.
- 1.4 In many cases, asbestos in situ is of little risk and should only be treated or removed if its condition deteriorates or remedial / renovation works are required. The key to successful management of asbestos is to identify locations and forms of asbestos, monitor its condition and take the appropriate remedial action as and when required

AIMS

- 2.1 The aim of this document is to demonstrate our commitment to ensuring our employees, contractors, tenants and the public, are not knowingly exposed to any risks that would affect their safety. The documents covered by this Policy will provide guidance and specific instructions for all our employees and external contractors, whilst undertaking asbestos work. This is with the aim of satisfying the legal duties of the Control of Asbestos Regulations 2012 and the Health and Safety at Work Act 1974.

LEGISLATION

- 3.1 Under the Health and Safety at Work Act 1974, employers have duties to ensure, as far as is reasonably practicable, the health, safety and welfare of employees and the health and safety of others that maybe affected by the employers undertaking.
- 3.2 The Control of Asbestos Regulations (CAR) 2006 came into force on 13 November 2006. These Regulations bring together the three previous sets of three Regulations covering the prohibition of asbestos, the control of asbestos at work and asbestos licensing. The Regulations prohibit the importation, supply and use of all forms of asbestos. They continue the ban introduced for blue and brown asbestos in 1985 and for white asbestos in 1999. They also continue to ban the second-hand use of asbestos products such as asbestos cement sheets and asbestos boards and tiles; including panels, which have been covered with paint or textured plaster-containing asbestos. The ban applies to new use of asbestos. If existing asbestos containing materials are in good condition, they may be left in place; their condition monitored and managed to ensure they are not disturbed.
- 3.3 CAR requires employers to prevent exposure of their employees to asbestos or where this is not practicable to reduce the exposure to the lowest possible level. CAR also includes a regulation placing a duty on those who have repair and maintenance responsibilities for premises because of a contract or tenancy, to manage risks from asbestos in those premises. There is also a duty of co-operation between all parties.
- 3.4 It should be noted that CAR arises from the parent-enabling act, The Health and Safety at Work Act 1974 and is thus confined to non-domestic premises, i.e. workplaces.

Therefore, CAR does not directly apply to a domestic premise, but does apply to any work activity that takes place there, e.g. plumbing, electrics etc. However, it has been legally established that common parts of a block of flats are not part of a private dwelling and are considered as non-domestic. Thus, Regulation 4 of CAR does apply to the common and external parts of flats.

- 3.5 Under CAR, we do not have a duty to manage the asbestos within the private part of a dwelling. However, whilst they are excluded from CAR, domestic premises (and in fact all premises) are subject to The Occupiers Liability Act 1984. These require property owners and occupiers to be aware of potential significant hazards to health and safety. All persons including visitors, contractors (and trespassers) must be provided with reasonable care not to suffer injury or harm on these premises. Therefore, whilst under Regulation 4, a written plan is not required for the private dwelling, the location and condition of any asbestos does need to be known and expressed to all people to ensure due consideration is given to deciding what, if any, protective measures are required.
- 3.6 Therefore, CAR does not specifically cover domestic premises, but there is a legal requirement to manage the health and safety risks associated with asbestos.
- 3.7 The Asbestos Regulations also include the 'duty to manage asbestos' in non-domestic premises. Guidance on the duty to manage asbestos can be found in the 'Approved Code of Practice The Management of Asbestos in Non- Domestic Premises', L127, ISBN 0 7176 6209 8.
- 3.8 These duties are extended more specifically with regards to asbestos by the following legislation:
- The Construction (Design and Management) Regulations 2015- CDM regulations have been updated but do not affect the way any asbestos works is carried out. The regulations place more explicit requirements on Principle Designer and Client to ensure that exposure to asbestos is managed throughout a construction project. Where construction work is likely to disturb this asbestos, the Principal Designer—in projects involving more than one contractor — must be given any asbestos

survey and other relevant information from the Client. This will form part of the pre-construction information. The client is required to ensure that before the construction phase begins, a construction phase plan is in place, and where licensed asbestos work is required, the licensed asbestos contractor is required to complete a written plan of work. Where asbestos is to remain in the building after the completion of the construction or refurbishment work, this information must be kept in the health and safety file.

- The Special Waste Amendment (Scotland) Regulations 2004. Domestic asbestos waste is 'special waste'. The requirements of the Special Waste Regulations 1996, as amended, apply to this 'special waste', except where the original producer is also the person who resides at the domestic premises where the waste arises or where the waste producer is acting on behalf of the resident without reward. This means that a contractor who undertakes work for a householder that generates asbestos waste, must comply with the requirements of these Regulations.
- Any asbestos product or material that is ready for disposal is defined as asbestos waste. Asbestos waste also includes contaminated building materials, tools that cannot be decontaminated, personal protective equipment and damp rags used for cleaning. If in doubt, always treat waste as 'Hazardous' or 'Special'. Asbestos waste is considered hazardous when it contains more than 0.1% asbestos.
- Management of Health and Safety at Work Regulations 1999. Risk assessments are a legal requirement under s3 of the Management of Health & Safety at Work Regulations 1999.
- There is also a need for a special risk assessment for young persons (employees or work-experience students under 18) and new and expectant mothers, taking account of their individual needs.

THE CONTROL OF ASBESTOS REGULATIONS 2012

- 4.1 The Control of Asbestos Regulations 2012 came into force on 6 April 2012, updating previous asbestos regulations to take account of the European Commission's view that the UK had not fully implemented the EU Directive on exposure to asbestos (Directive 2009/148/EC).
- 4.2 The policy is consistent with these regulations and takes account of the various provisions

THE DUTY TO MANAGE ASBESTOS

- 5.1 Duty holders include those responsible for the maintenance and/or repair of non-domestic premises. This includes premises, whether they are occupied or vacant. The aim is to protect workers who may come across asbestos in the course of their day-to-day activities, since the major problem facing these workers is that they often do not know where and when the material may be encountered.
- 5.2 The duty holder must:
- conduct a survey of the premises
 - take reasonable steps to locate materials containing or presumed to contain asbestos. complete a risk assessment to discover the likelihood of the release of dangerous fibres
 - make a plan to manage the above risk, including if necessary sealing or encapsulating the asbestos-containing material or, as a last resort, removing the asbestos
 - keep in a well-maintained asbestos register a written record of the location and condition of the asbestos in the building
 - put procedures in place to ensure that our own employees or third party contractors have full knowledge of where asbestos may be present to prevent accidental exposure

- 5.3 The Health and Safety Executive (HSE) Approved Code of Practice (ACOP) L143: Managing and Working with Asbestos explains the duties of building owners, tenants and any other parties who have any legal responsibility for the work premises. It also sets out what is required of people who have a duty to co-operate with the main duty holder.
- 5.4 The Practical Stages of the Duty to Manage. In order to assess and manage the risk of asbestos, the duty holder must:
- survey the work environment
 - assess the risk
 - manage the risk
- 5.5 There is detailed guidance from the HSE on surveying, sampling and assessment of asbestos. It is important to select a competent surveyor. A full list of companies accredited by the United Kingdom Accreditation Service (UKAS) can be obtained via their website.
- 5.6 Once the asbestos-containing materials (or materials presumed to contain asbestos) have been located, the ability of these materials to release asbestos fibres must be assessed, and a written plan prepared to manage the risk. This should ensure that details of the location and condition of any asbestos are provided to every person likely to disturb it. It should be made available, if required, to the emergency services. The plan should include a procedure for monitoring and recording any condition changes. The frequency of the checks to determine condition changes will depend on the type of material present.

ASBESTOS POLICY STATEMENT

- 6.1 We acknowledge and accept our responsibilities under the Health and Safety at Work etc. Act 1974 and the Control of Asbestos Regulations 2006 and 2012 and other related legislation appertaining to asbestos. The organisation acknowledges the health hazards arising from exposure to asbestos and will protect employees and other persons potentially exposed as far as is reasonably practicable. This will be achieved by

minimising exposure through the management of asbestos-containing materials in the workplace premises.

- 6.2 We are committed to ensuring that all asbestos and asbestos products present within all buildings and dwellings managed by us are properly controlled so that they will not present a risk to staff, tenants, contractors or any other persons. Everyone who needs to know about the presence of asbestos will be alerted. No one will be allowed to start work that could disturb asbestos unless the correct procedures are to be employed. In pursuing this objective all relevant Health & Safety Guidance as set out in document HSG227 "A comprehensive guide to managing asbestos in premises" shall be followed. This policy requires the full co-operation of management and staff at all levels. Specific arrangements for compliance with this procedure are detailed in this Policy. The person responsible for the implementation of this policy is the Chief Executive.

ROLES & RESPONSIBILITIES

- 7.1 Properties managed by us fall into two categories, Housing (our housing stock), and non-Housing (offices, garages, laundry blocks and community premises).
- 7.2 The Director of Operations is responsible overall for managing all properties except our offices. There is no asbestos within our offices.
- 7.3 We recognise that in order to discharge our duties effectively under this policy an individual officer must be charged with the responsibility for asbestos. The Investment Manager is therefore designated as our Asbestos Manager.

DUTIES

- 8.1 As an employer, we are required to:
- prevent the exposure of employees to asbestos
 - find out whether their building contains asbestos, what condition it is in and assess the risk, e.g. if it is likely to release fibres, employers must make a plan to manage the risk and protect employees and other persons from exposure to asbestos — if the employer is not responsible for maintaining and repairing all or part of the property, or does not have control of the building, the person who has these responsibilities must carry out the above actions
 - ensure, so far as is reasonably practicable, the health and safety at work of all employees

- be licensed by the Health and Safety Executive if involved in any work with asbestos, with the exception of work in which the exposure is sporadic or of low intensity
- ensure that asbestos waste is transported in sealed, labelled containers with consignment notes, and disposed of at licensed sites
- make no use of any product that contains asbestos.

8.2 Specific responsibilities are as follows:

Asbestos Manager:

- Responsible for ensuring compliance with the Asbestos Policy and regulations relating to all aspects of the management of asbestos. This includes the drafting and revision of asbestos policies.

All Operations staff

- Ensure familiarity with location and nature of asbestos located in all premises in accordance with the asbestos register
- Be aware that the asbestos register lists known asbestos only (there may be more that has not yet been detected).
- If it is believed that the condition of asbestos has deteriorated significantly between asbestos reviews or the presence of previously unidentified asbestos is suspected, arrange for a reassessment or survey to be undertaken by competent persons.
- Ensure that no works (including plumbing and electrical) are undertaken that may disturb any asbestos present. If you are not sure if asbestos is present or not, specialist advice must be sought.
- Not to interfere with control measures that have been implemented to safeguard employees and others from exposure to asbestos.
- Co-operate with your employer's asbestos safety arrangements
- Take reasonable care of yourself and others while working on asbestos related activities
- Follow all the procedures set out in your employer's assessment and plan of work
- Comply with the use of control measures

- Report any problems with safety arrangements in connection with asbestos to your employer

EQUALITIES MONITORING

- 9.1 We are committed to ensuring that all aspects of asbestos management are delivered in full compliance with our responsibilities under the **Equality Act 2010**. We will ensure that no individual is treated unfairly, disadvantaged, or placed at increased risk due to a protected characteristic, personal circumstance, or communication need.

Eliminating Discrimination

We will conduct all asbestos-related activities—such as surveys, communication, remedial work, and emergencies—without discrimination or victimisation of tenants, staff, contractors, or visitors.

Accessible Information and Communication

Health and safety information on asbestos will be provided in accessible formats upon request, including translations and alternative communication methods. Staff will address communication barriers and make necessary adjustments.

Consideration of Vulnerable and Higher-Risk Individuals

When planning asbestos surveys or work, we will account for the needs of vulnerable groups, making reasonable adjustments such as extended notice, relocation support, or improved communication.

Equality in Procurement and Contractor Duties

Contractors must follow our Equality & Diversity Policy by treating everyone fairly, addressing support needs sensitively, and adhering to inclusive practices during induction or contract management.

Inclusive Risk Assessment and Decision-Making

All risk assessments and plans for asbestos management will consider equality issues, document needed adjustments and ensure that no group is unfairly prioritised or disadvantaged.

MONITORING AND REVIEW OF POLICY

- 9.1 The Asbestos Policy to be reviewed every 3 years unless legislation, business or sector developments require otherwise to ensure it meets the stated objectives and takes account of best practice developments.
- 9.2 Sample surveys will be reviewed and audited by the representative of the Director of Operations on a regular basis to ensure full compliance with the policy and our register will be updated accordingly. The Chief Executive and the Board will be updated on any issues arising.

INTERPRETATIONS & ABBREVIATIONS

The following interpretation and abbreviations are used in this policy:

WORD	INTERPRETATION
<i>HHP or Partnership</i>	Hebridean Housing Partnership
<i>Board</i>	Means the Board of the Hebridean Housing Partnership
<i>Board Members</i>	All Members of the Board including co-opted Members
<i>ACM's</i>	Asbestos Containing Materials
<i>Duty Holders</i>	Director of Operations and technical staff within Operations Team
<i>CAR</i>	The Control of Asbestos Regulations
All references to the masculine gender in this policy shall read as equally applicable to the feminine gender	



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

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RENT & SERVICE CHARGES POLICY

Board 10 February 2026

Report by Director of Operations

Purpose of Report

- 1.1 To provide Board Members with details of the Rent and Services Charges Policy for approval.

Summary

- 2.1 Minor wording changes have been made to the policy, and the table at section 5.5 has been updated to include a comparison of rent levels using 2024/25 data.
- 2.2 There has been a change at item 8.2, with the date used for the rent-increase consultation being amended to the preceding September RPI rather than October. This adjustment enables earlier tenant consultation as part of the annual rent-setting process.

Compliance

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

Recommendations

- 4.1 **It is recommended the Board agree to amend the inflation reference point to September Retail Price Index (RPI) as detailed at Paragraph 8.2 of the Rent & Service Charge Policy at Appendix 1 with a full policy review coming to the Board 2027.**

APPENDIX 1: Rent & Service Charge Policy

Background Papers: None

Writer of Report: Donalda MacKinnon

Tel: 0300 123 0773

5.1 Compliance Checklist

COMPLIANCE CHECKLIST	
Financial	There are financial implications relating to annual rental income. The rental income must be set at a level that is affordable and meets the Partnership's relevant costs in providing a high-quality service and ensuring the long-term viability of the Partnership.
Legal	When managing its housing stock, a Registered Social Landlord is required to meet the legal requirements of the Housing (Scotland) Act 1987, as amended by the Housing (Scotland) Act 2001. The Rent & Service Charges Policy will ensure full compliance regarding the relevant rent and service charges provisions of the 1987 and 2001 Housing (Scotland) Acts and Scottish Government guidelines. The Housing (Scotland) received Royal Assent on 6 November 2025 and the processes and procedures are expected to be finalised throughout 2026/27.
Regulatory	The Regulatory Standards Checklist has been completed and there is nothing in this report which would breach these standards.
Risk	Affordability is highlighted on our Risk Register with a residual risk of 9 which is considered medium
ESG	There are no ESG implications relating to this policy.
Equalities	We are committed to promoting equality, diversity and inclusion. An equalities impact assessment has been carried out.
Communication	There is no consultation required with tenants and applicants on the Rent and Services Charges policy. This would be put in place if significant changes to the Policy are made.

RENT & SERVICE CHARGES POLICY



APPROVED BY HHP BOARD:
February 2026
EFFECTIVE DATE:
February 2026



hebridean housing
partnership

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INTRODUCTION

- 1.1 The purpose of this document is to set out our policy in relation to rent and service charges for all properties, including new build properties.
- 1.2 The Rent & Service Charges Policy will ensure compliance with regard to the relevant rent and service charge provisions of the Housing (Scotland) Act 2001 and Scottish Government guidelines.
- 1.3 This will include using a fair system for apportioning rents between different properties, consulting tenants, and having regard to their views on proposed rent and service charge increases, and making available to tenants, on request, information about the Rent and Service Charges Policy.
- 1.4 The Policy will be agreed by the Board and will be implemented by our officers until amended by the Board.

AIMS & POLICY OBJECTIVES

- 2.1 The aim of the policy is to ensure that we have sufficient rental income to fund our Business Plan whilst charging affordable rents over the lifetime of that Business Plan. We seek to balance the requirement for rent to be affordable, to be comparable with other social landlords and to deliver long-term sustainability.
- 2.2 Our vision is to provide good quality and affordable homes and to secure consistently excellent housing services throughout the Outer Hebrides. Key objectives in our 30 year Business Plan are:
 - Providing efficient effective housing management services of the highest quality whilst keeping rent and service charges affordable; and
 - Delivering value for money.
- 2.3 Our Rent and Service Charges Policy objectives are to:
 - Ensure that the rent and service charges meet our costs in order to provide high quality homes for rent and ensure the long-term viability of the Partnership.

- Ensure, whenever possible, that rent and service charges are affordable for those in low paid employment but who do not qualify for Housing Benefit or Universal Credit;
- Ensure, wherever possible, that rent and service charges are comparable with rents of other Registered Social Landlords providing similar accommodation in similar areas.
- Consult tenants on rent and service charge increases; and
- Ensure full compliance with regard to the relevant rent and service charge provisions of the Housing (Scotland) Act 2001 and Scottish Government guidelines.

LONG TERM FINANCIAL VIABILITY

- 3.1 Ensuring the long-term viability of the Partnership is a key objective of our Rent and Service Charges Policy as the majority of income to fund expenditure comes direct from rents.
- 3.2 The rent and service charge income for our houses must ensure that:
- Funds are available to meet HHP's relevant costs such as management and maintenance costs and the servicing of loan interest and charges;
 - Funds are available to maintain houses in accordance with the SHQS and relevant net zero targets; and
- 3.3 We will continually seek to achieve value for money, as set out in the Value for Money Strategy, for the goods and services purchased which are ultimately funded from rental income. In keeping control of overheads, we will ensure that proposed rent increases are kept to a minimum.

AFFORDABILITY

- 4.1 Providing homes for affordable rent is a core function of every housing association, and in its guidance on rent setting, the Scottish Federation of Housing Associations (SFHA) recommends the use of its Affordability Tool, which enables housing associations to analyse and model rents.

- 4.2 In assessing the issue of affordability, we must take into account current measures of affordability and how current rent levels compare to those measures.
- 4.3 We recognise that a conflict can arise between setting rents that ensure financial viability and achieving affordable rent levels. We will aim to balance both these requirements when reviewing rent levels.
- 4.4 We will seek to gather information on rent affordability and will work with SFHA and other partners to achieve this.
- 4.5 The sustainability of communities in remote areas of Scotland depends on people being able to afford to live there. A study produced by the Highlands and Islands Enterprise, on "A Minimum Income Standard for Remote Rural Scotland" concluded that:
- Households in remote rural Scotland require significantly higher incomes to attain the same minimum living standard as those living elsewhere in the UK. The high living costs threaten the sustainability of local communities by making it harder for people from a range of backgrounds and ages to live there at an acceptable standard.
 - The budgets that households need to achieve a minimum acceptable living standard in remote rural Scotland are typically 10-40 per cent higher than elsewhere in the UK.
 - These premiums are most modest for pensioners and greatest for single people and families supporting children. For households living in the most remote island locations, too far from towns to make regular shopping trips and those relying on heating oil in older homes, additional costs can be even greater than 40 per cent.

COMPARABILITY

- 5.1 The Rent and Service Charges Policy seeks to ensure, wherever possible, that rents are comparable with those of other Registered Social Landlords providing similar accommodation in comparable communities.
- 5.2 The objective is not to seek full financial comparability since there will always be non-financial reasons why tenants choose certain houses/estates over broadly similar houses/estates provided by other social landlords.
- 5.3 In addition, other social landlords have different rent structures, forms of funding and strategic objectives which means that rents will never be fully comparable.
- 5.4 We will collect available data on rent levels to allow a benchmark comparison between the rents charged by Registered Social landlords within our peer group.
- 5.5 The table below provides a comparison of rent levels as published by The Scottish Housing Regulator on Scottish Registered Social Landlord Statistics for 2024/25:

Size of home	Properties owned	HHP	All other Landlords	Difference
1 apartment	9	£94.00	£94.29	-0.3%
2 apartment	746	£91.99	£102.72	-11.67%
3 apartment	891	£99.07	£104.17	-5.15%
4 apartment	697	£104.78	£114.78	-9.55%
5 apartment	73	£117.51	£127.25	-7.43%

CONSULTATION

- 6.1 The Housing (Scotland) Act 2001 Sections 25 and 54 require tenants to be consulted on all rent increases. We will consult on any proposals for rent increases and rent restructuring and on any changes to this policy.
- 6.2 We will take tenant/tenant organisation consultation feedback into consideration before taking a decision on increases in rents and charges.

RENT STRUCTURE

7.1 Our current rent structure is based on 4 separate rent structures. These structures derive from transferred CnES properties, transferred ex Scottish Homes properties, transferred 5 local Housing Association properties and new build properties.

7.2 Transferred CnES Properties

The historic rent structure of the ex CnES properties was based on:

Rent Groups 1 Pre War

2 Post War

3 Improved and/or Pre Regionalisation

4 "A" Range

5 "B" Range

From the rent groups the properties were then sub divided into:

Sub Groups ranging from 1 – 30 sub groups

The sub groups were split into type of property (house or flat), size of the property, permitted persons and Swedish Timber properties were in a different sub group.

7.3 Ex Scottish Homes Properties

Scottish Homes properties transferred to CnES in May 2004 had their own rent structure. This structure was mainly based on age, size and location of the property. The Scottish Homes rent structure remains unchanged.

7.4 Ex Local Housing Association Properties

The 5 local Housing Association properties transferred to HHP in April 2007 and they implemented their own rent structure. The Housing Association rent structure remains unchanged.

7.5 New Build Properties

The rent structure for new build properties is set in accordance with Scottish Government assumptions for grant funding.

7.6 Mortgage to Rent Properties

The rents on Mortgage to Rent properties purchased after November 2013 will be set on an individual basis and be dependent on the level of private finance required to enable the purchase to proceed.

Where the private finance requirement exceeds the 35% of the price the rent charged will be derived from the Government's assumed rent. It will not exceed the Government's assumed rent but may be higher than similar properties in the area. The agreed rent will be increased in line with other rents and will remain for 30 years after purchase or until the applicant vacates the property permanently.

ANNUAL RENT & SERVICE CHARGES

- 8.1 The Partnership will review rent and service charge levels every 12 months (annually) and it will reflect any rent guarantees that are in place. Tenants will be informed of the annual rent increase at least four weeks before the beginning of the rental period for which the increase applies.
- 8.2 Where rent increases are represented in terms of inflation or 'inflation plus' inflation figure used will be the preceding September retail prices index figures (unless otherwise agreed with the Board).
- 8.3 Percentage rent increases for existing properties, including existing new build properties, will be applied to the current annual rent as recorded on our rent accounting system.
- 8.4 Our current Service Charges are based in part on historic arrangements and on the principle that specific services provided to some properties should be met directly by the tenants of these properties rather than being pooled across the whole of the housing stock.
- 8.5 Service Charges are levied where there are 2 or more properties where charges for specific services are associated with the properties. These charges are mainly in relation to communal charges such as heating systems, staircase lighting, grounds maintenance and repair/replacement of white goods.
- 8.6 Percentage increase in service charges will normally be represented in terms of inflation only except where actual service provision costs are charged, in which case the increase will reflect the service cost.

- 8.7 Service Charges will be reflected separately from rental charges.
- 8.8 Service charges will not be set at a level as to generate excess income.
- 8.9 Service Charges will not be tied to any rent guarantee.
- 8.10 In accordance with the Property Factors (Scotland) Act 2011 on 1 October 2012, services in developments where there are owner/occupiers are reviewed and the owners notified of the related service charges.

RENT GUARANTEES

- 9.1 We are required to regularly review rent and service charges and to give tenants and tenant organisations the opportunity to give their views on any proposed changes.
- 9.2 The potential to provide rent increase guarantees to tenants for a period of time will be considered. The rent guarantees, as well as providing tenants with certainty and security, contribute to our stated aim of delivering affordable rents and of achieving greater comparability with the rents charged by other social landlords.

RENTAL INCOME COLLECTIONS

- 10.1 We will offer a range of payment methods to provide choice and flexibility to tenants and to make it as easy as possible for them to pay rent and service charges. These methods will be kept under review to assess their appropriateness and value for money.
- 10.2 New payment methods which become available as technology develops will be evaluated and their appropriateness for tenants in the Outer Hebrides context assessed.

EQUALITIES MONITORING

- 11.1 We are committed to ensuring that all aspects of this Rent & Service Charges Policy are fully compliant with the **Equality Act 2010** and the **Public Sector Equality Duty (PSED)**. We will ensure that rent and service charge decisions are applied consistently, transparently, and without discrimination on the basis of any protected characteristic, including age, disability, gender reassignment, marriage or civil partnership, pregnancy or maternity, race, religion or belief, sex, or sexual orientation.

11.2 In exercising our functions in relation to rent setting, affordability assessments, and service charge allocation, we will have due regard to our duties to:

- **Eliminate unlawful discrimination, harassment, and victimisation**
- **Advance equality of opportunity** between people who share a protected characteristic and those who do not
- **Foster good relations** between protected groups and others

11.3 We recognise that changes to rent and service charge levels may have differing impacts on households. To ensure fairness and mitigate disproportionate impacts we will actively monitor the effect of rent and service charge decisions on different groups of tenants and consider whether adjustments are required to support equal access to our homes and services.

REVIEW OF POLICY

12.1 This Policy will be reviewed annually.

INTERPRETATIONS & ABBREVIATIONS

The following interpretation and abbreviations are used in this policy:

WORD	INTERPRETATION
<i>HHP or Partnership</i>	Hebridean Housing Partnership
<i>Board</i>	Means the Board of the Hebridean Housing Partnership
<i>Board Members</i>	All Members of the Board including co-opted Members
<i>RPI</i>	Retail Price Index. All items retail price index including mortgage payments
<i>SFHA</i>	Scottish Federation of Housing Associations
<i>Relevant Costs</i>	Includes Management costs; Routine Maintenance; Planned Maintenance; Major Repairs; Voids & Bad Debt; Depreciation; Interest Payable
All references to the masculine gender in this policy shall read as equally applicable to the feminine gender	



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QUARTERLY TREASURY REPORT TO 31 DECEMBER 2025

Board 10 February 2026

Report by Director of Finance & Corporate Services

Purpose of Report

- 1.1 To inform the Board of the Treasury Management activities for the third quarter of 2025/26.

Summary

- 2.1 The quarterly Analysis of Investment and Borrowing report required by the Treasury Management Policy is at Appendix 1.
- 2.2 Our funder approved the transition to new financial covenants in November 2025. The revised covenant is forecast to be met for 2025/26.

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 December 2025 of £17M; and**
 - c) **cash balance at 31 December 2025 of £8.041M.**

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

Report Details

Third Quarter Treasury Update

- 5.1 The third quarter of the year saw £6.135M expenditure of which £1.783M related to new build.
- 5.2 The income for the third quarter was £4.253M and comprised Rental Income (79%), Government Grants including new build (18%), bank interest (1%) and Other Income (2%).
- 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 third quarter.
- 5.5 The cash balances at 31 December 2025 reduced quarter on quarter by £1.523M to £8.041M.
- 5.6 All covenants are forecasted to be complied with for 2025/26.

6.1 Compliance Checklist

COMPLIANCE CHECKLIST	
Financial	This report deals entirely with the cash resources utilised over the third quarter of 2025/26.
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 wars in Ukraine and the Middle East coupled with the introduction of trade tariffs has resulted in turmoil in the financial markets. Whilst the Bank of England have reduced the base rate of interest by a further 0.25% in December, borrowing rates remain high. 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 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	There are no communications required following the consideration of this report.

INVESTMENTS

	Mar-25	Jun-25	Sep-25	Dec-25	Average
DEPOSIT ACCOUNTS	£000's	£000's	£000's	£000's	£000's
Royal Bank	7,750	7,250	7,250	4,250	6,375
CWS	0	0	0	0	0
BOS	36	39	43	46	42
Santander	93	94	94	95	94
Total Deposit	7,880	7,384	7,387	4,391	6,511

CURRENT ACCOUNTS

General Account	249	337	301	1,773	984
Standing Order	291	326	363	404	322
Direct Debit	298	750	750	750	661
Office/Cash	389	731	750	708	621
Property Factoring	8	10	13	15	12
Total current	1,235	2,154	2,177	3,650	2,600
Total	9,115	9,538	9,564	8,041	9,111

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 £3.650M. 7 deposit accounts held with the 4 banks shown above total £4.391M.

BORROWINGS

Core Funding Facility	£m
Estimated debt outstanding (per Business Plan)	18.00
Actual amount outstanding	17.00
Difference	1.00

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 3.73% at 31 December 2025.

The Base Rate at the end of December was 3.75%. The Bank of England (BOE), in its attempt to curb rising inflation, raised the base rate but, with inflation in decline it continues to reduce the base rate with a further 0.25% reduction in December 2025.

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

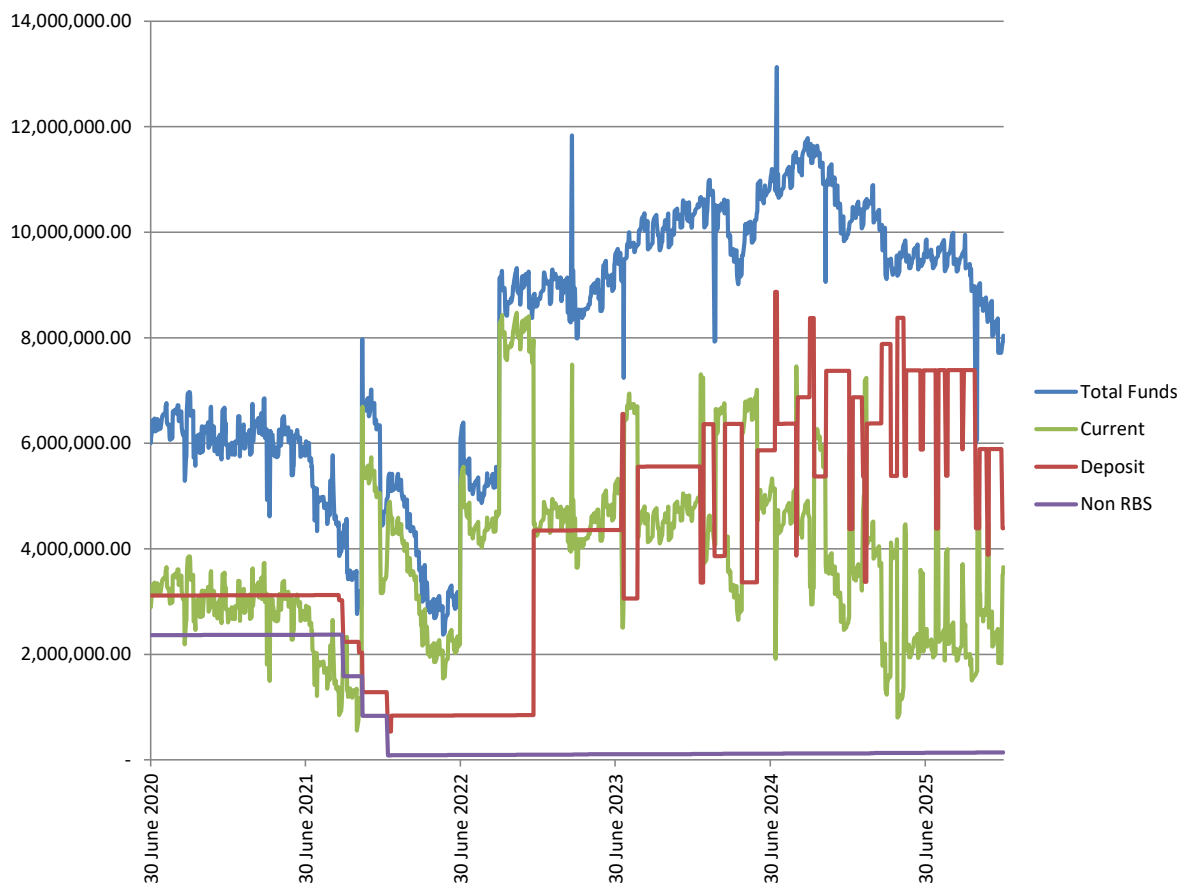
Average cost of borrowing

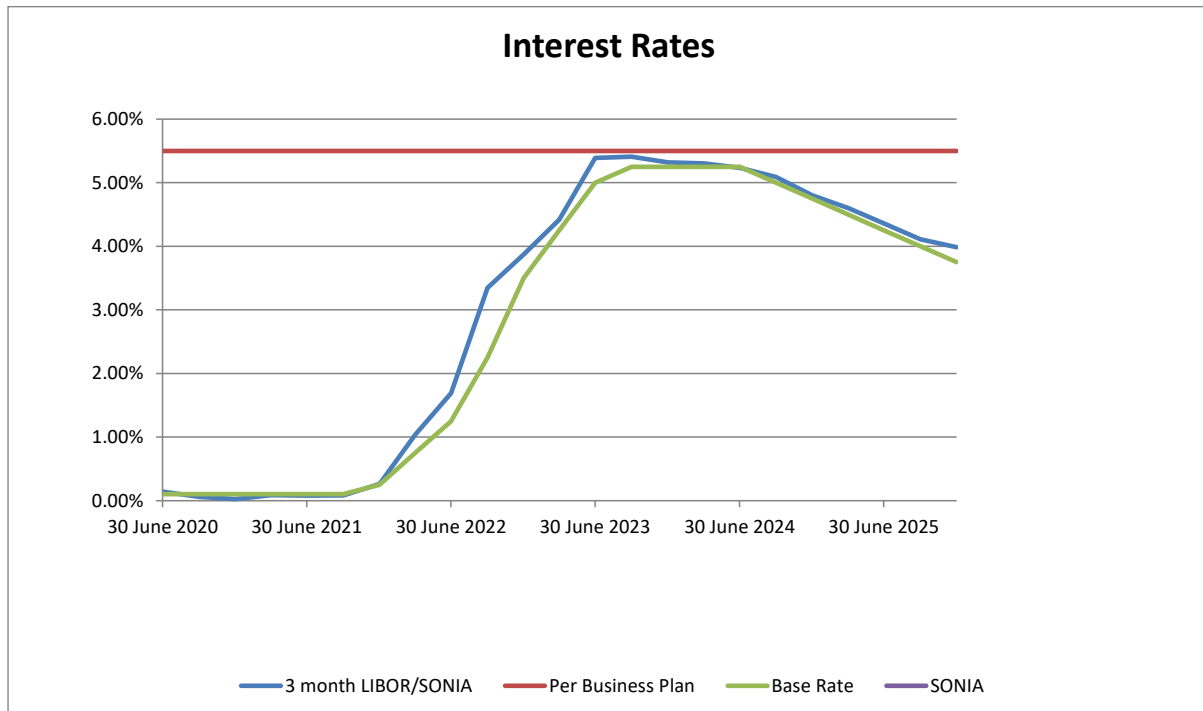
Amount £000's	Interest	Type	Annual Cost
15,500.00	3.68%	Fixed	570,635
1,500.00	6.47%	Variable	97,040
<u>17,000.00</u>			<u>667,675</u>
Average cost of funds			3.93%

Anticipated level of borrowing over next 5 years

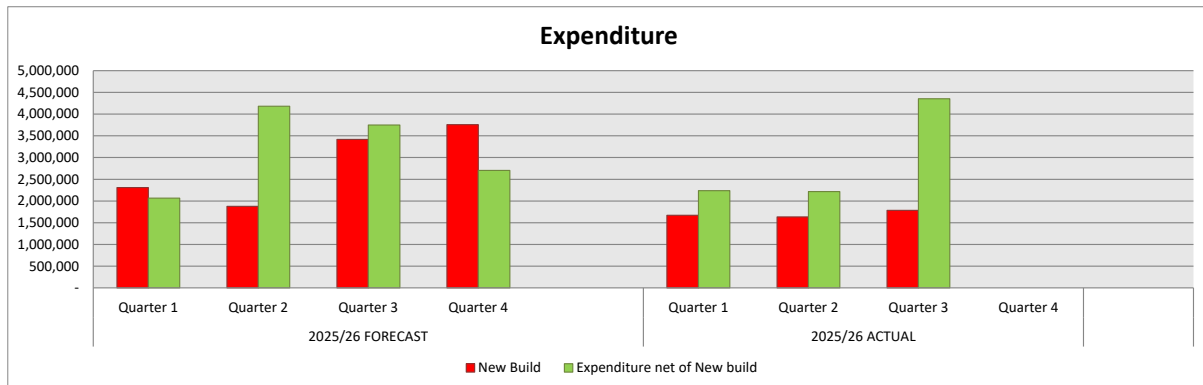
Year	2025/26 Est £m	AFS	Variance £m
		Forecast £m	
2025/26	17.000	18.000	(1.000)
2026/27	19.500	19.500	-
2027/28	19.500	19.500	-
2028/29	19.500	19.500	-
2029/30	19.500	19.500	-

Cash Balances



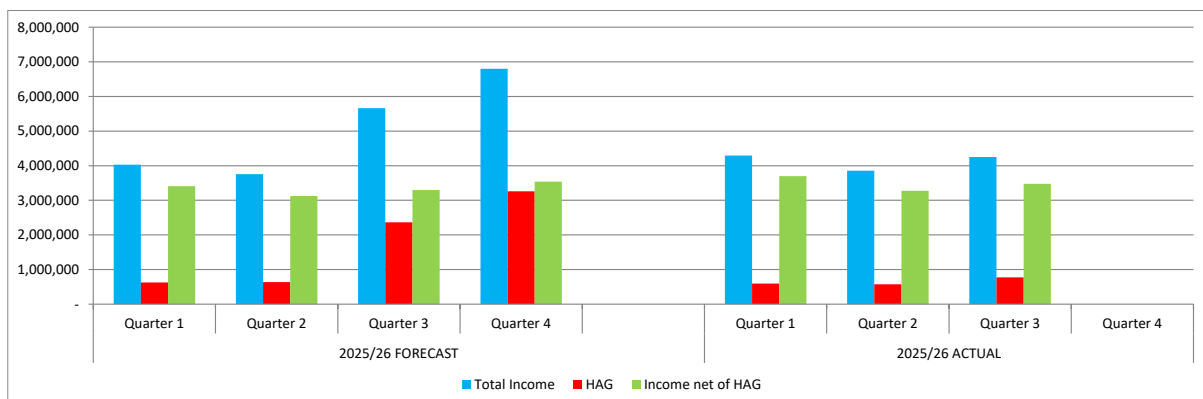


EXPENDITURE



Overall, the expenditure for the third quarter (Q3) of 2025/26 is £1.032M lower compared to forecast. New build expenditure is £0.243M below forecast due to delays on site start at Scott Road. Expenditure net of new build is £0.602M above forecast mainly due to the programming of investment works towards the second half of the year, following delays in the decision from Scottish Government on the Net Zero Heat Funding.

INCOME



Total Income for the third quarter of 2025/26 is £1.409M lower than the original forecast mainly due to a reduction in HAG received as a result of slippage in our development programme.

DEVELOPMENT REPORT

Board 10 February 2026

Report by Director of Operations

Purpose of Report

- 1.1 To provide a progress update on our 5-Year Development Plan (2025-30).

Summary

- 2.1 Good progress is being made on the Development Plan for 2025-30 with 24% of planned houses completed and 13% on site, with work ongoing to progress future projects.
- 2.2 The final phase of 14 homes at Blackwater is due to be handed over in March 2026.
- 2.3 Scott Road is hoped to be determined at Planning Board and full Council in February 2026. Following peat and habitat surveys the SEPA objection has been removed, however an objection has been lodged by the Harris Distillery.
- 2.4 We have tendered for 73 homes at Melbost West (Ph 1 & 2) and are assessing the outcome. Discussions are ongoing with SSEN and Scottish Government regarding costs and agreements.
- 2.5 We have submitted a planning application for Grimsay and consultants have been appointed to carry out required specialist surveys.
- 2.6 Following Board approval for the acquisition of Carloway Care unit, a tender has been issued for the conversion work.
- 2.7 The Development Plan included a site in South Uist which had still to be identified. It is now proposed that this be progressed at lochdar school. Details of the feasibility study were considered by the Development and Finance Committee.

Competence

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

Recommendations

- 4.1 **It is recommended that the Board note:**
- a) **the updated Development Plan and;**
 - b) **the lochdar school site is being progressed as the unnamed South Uist site included in the Development Plan.**

APPENDIX 1: New Build Updates
Background Papers: Development Risk Threshold
Writer of Report: Sawan Morrison

Tel: 0300 123 0773

5.1 Compliance Checklist

COMPLIANCE CHECKLIST	
Financial	The initial budget for development in 2025/26 was at £11.35M of expenditure, £6.42M Scottish Government (SG) Grant resulting in a private finance requirement of £4.93M. Details of the projected out-turn for the year are in the Management Report on this agenda. The CNES RPA for 2025/26 is £8.404M of which we plan to draw down £1.86M. Following the signing of the Initial Works agreement with SSEN, a claim of £799K has been lodged leaving approximately £50K of funding to draw down.
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. Waiting list demand at present is broadly at the same level. The HNDA report suggested 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 with a residual risk rating of high or medium: • climate change with a residual risk rating of 12 (medium); and • impact of regulatory and legislative changes on service delivery with a residual risk rating of 10 (medium); • construction process issues such as delayed or cancelled work with a residual risk rating of 9 (medium); and • rent affordability with a residual risk rating of 9 (medium); • housing component technology failure with a residual risk rating of 6 (low); • Failure to adapt to changing demographics and reducing population with a residual risk rating of 6 (low); and • infrastructure failure with a residual risk rating of 4 (low);

COMPLIANCE CHECKLIST	
	There are specific risks with the Melbost site regarding timescales, the SSEN housing requirements and electricity network constraints on infrastructure capacity.
ESG	Our new build plan considers ESG implications at every point in the process. It does so through detailed planning feedback being sought at the onset of a project and by creating homes that are designed to be affordable to ensure a sustainable tenancy in the long term. This ensures placemaking is at the heart of a development.
Equalities	We are committed to promoting equality, diversity and inclusion. There are no equalities implications arising from the approval of this report.
Communication	The official opening of Leverburgh is being arranged for the Spring.

New Build Plan Updates

APPENDIX 1

Development Performance – 5 Year Development Plan 2025-2030 (Updated October 2025)

	RENT	NSSE	HWEC	TOTAL	% of Plan	Comments
Completed 2025/26	37	0	0	37	24%	12 homes at Leverburgh. 25 homes at Blackwater.
On Site	20	0	0	20	13%	-
Planned for 2026-30	85	0	10	95	63%	-
	142	0	10	152		

Table 1.2 - 5 Year Development Plan Summary

Type	Area	Location	Total Units	Stage	2025/26	2026/27	2027/28	2028/29	2029/30
RENT	Stornoway	Blackwater	39	On Site - 58 homes (Ph 1&2) completed. 14 due in 2026	25	14			
RENT	Harris	South Harris - Leverburgh	12	Final phase completed in October 2025.	12				
RENT	Barra	Cleat Road- Phase 2	6	Contractor on site - due for completion April 2026		6			
RENT	Rural Lewis	Rural Lewis- Gravir	4	Tender to be prepared		4			
RENT	Stornoway	Melbost West	23	Tender underway for Ph 1 & 2		23			
RENT	Harris	Scott Road	24	Planning permission submitted			24		
RENT	Uist	North Uist - Grimsay	8	Planning permission submitted			8		
RENT	Rural Lewis	Rural Lewis- Bernera	4	Land acquisition - site access issue being clarified			4		
RENT	Uist	Benbecula Low Flyer	4	To progress alongside Grimsay tender or lochar			4		
RENT	Uist	South Uist	6	lochar being progressed to tender			6		
RENT	Rural Lewis	Cross Skigersta Road	8	Contractor has provided updated costs and are being assessed			8		
RENT	Rural Lewis	Point (Knock)	4	Full feasibility study received - additional planning review				4	
HWEC	Barra	Barra HWEC	10	Initial Assessment					10
		Total Units	152		37	47	54	4	10

Table 1.3 Housing Projects with alternative source of funding

Area	Location	Total Units	Stage
Stornoway	Melbost West	50	Planning for full the 160 unit site has been approved. The tender for Ph 1 & 2 which includes 23 social rented units is currently being assessed.
Stornoway	50 Macaulay Road	1	The tendering of this project was unsuccessful and we are pursuing other ways of getting the refurbishment work costed.

INVESTMENT PROGRAMME

Board 10 February 2026

Report by Director of Operations

Purpose of Report

- 1.1 To provide an update on the 2025/26 Investment Programme.

Summary

2025/26 Investment Programme

- 2.1 The roughcasting programme in Lewis has been delayed due to high tender costs and limited sub contractor availability, so the works will be repackaged for 2026/27.
- 2.2 Roofing works in Uist and Barra cannot proceed because the contractor couldn't secure insurance for asbestos slate removal and it is proposed that these be retendered in 2026/27.
- 2.3 Heating works at Elizabeth Haldane Court will be delayed until 2026/27 as the appointed contractor has withdrawn and there is no other contractor capacity. Other properties, mainly previous refusals are being substituted into the programme to enable grant monies to be utilized and discussions are ongoing with Scottish Government to ensure full grant drawdown. A detailed update on the status of each lot is provided in Appendix 1.
- 2.4 The porch door and cladding replacement in the Cearns cannot be progressed as the contractor does not have capacity to complete the works. It is proposed that this be completed in 2026/27.

2026/27 Investment Programme - Procurement

- 2.5 Tendering is scheduled to commence in January 2026, with contract awards to follow after the approval of budgets in March 2026

Aids and Adaptations 2025/26

- 2.6 We have committed or spent £238K of the Scottish Government grant award and anticipate this being fully spent by year end. Further information is at Appendix 2.

Compliance

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

Recommendations

- 4.1 **It is recommended that the Board note the update on:**
- a) the 2025/2026 Investment Programme at Appendix 1; and**
 - b) Aids and Adaptations and the waiting list at Appendix 2.**

APPENDIX 1:	Investment Programme update by Lot
APPENDIX 2:	Occupational Therapy Referrals
Background Papers:	Risk Register
	Management Report to 31 Dec 2025
Writer of Report:	Angus Macneil

Report Details

2025/26 Investment Programme - progress

- 5.1 The full update on the programme's status is set out in Appendix 1.
- 5.2 There has been significant slippage in programmes mainly due to contractor capacity.
- 5.3 Roofing works in the Uists and Barra cannot proceed due to the contractor's inability to secure insurance for managing asbestos cement slates, with premiums rendering the works financially unviable. However, the same contractor, appointed through the Scotland Excel framework, can deliver the roughcasting works in Uists and Barra. The roofing works will be repackaged into the 2026/27 programme and tendered early to allow local contractors more time to address issues including sub-contractor availability.
- 5.4 Roughcast works in Lewis were unable to progress due to higher tender prices and sub-contractor availability issues. The work will be packaged with the 2026/27 programme to improve viability and contractor interest.
- 5.5 The heating works at Elizabeth Haldane Court are unable to be carried out by OCS Ltd following the recent resignation of several engineers, who have taken up employment with other local contractors. The gap in the programme is being partly met with properties being substituted with alternative properties in Uist and Barra to assist utilisation of the Net Zero grant. This includes tenancies that had previously refused works. An alternative contractor can deliver 6 flats at Elizabeth Haldane but this will slip into 2026/27 and the implications of this in terms of grant funding are being discussed with the Scottish Government team. The remaining outstanding flats at Elizabeth Haldane Court will be carried forward into the 2026/27 programme.
- 5.6 The porch door and cladding replacement in the Cearns cannot be progressed as the contractor does not have capacity to complete the works. It is proposed that this be completed in 2026/27.

Aids and Adaptations position

- 6.1 The current position on General Adaptations is detailed in Appendix 2. The Scottish Government have awarded a grant of £0.338M and this enables us to progress all referrals timeously.
- 6.2 We currently have 33 referrals in progress with an estimated value of £103K and expect a full drawdown of grant.

7.1 Compliance Checklist

COMPLIANCE CHECKLIST	
Financial	The revised programme for the 2025/26 period is within the business plan and cash planning limits of £3.80M. The Scottish Government have awarded Aids and Adaptations funding of £0.338M. A grant award of £1.1M has been received from the Net Zero fund for the 2025/26 programme. Discussions are ongoing with the Scottish Government with a view to maximizing grant drawdown in view of the programme slippage. The cash planning limit for Investment budget for 2026/27 is £4.836M. The programme was approved on 18 November 2025. Full budgets will be subject to approval at March Board. Works being carried forward from the 2025/26 programme will be presented to the Board in March along with the detailed budgets. There is a concern re contractor capacity in view of the increased programme in 2026/27 to accommodate slippage. Work will be awarded as early as possible in the year to maximise time available for works. Discussions are being held with partners re local workforce availability particularly in view of forthcoming projects.
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 forecasts 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. Our contract with OCS provides some resilience in service delivery and enables resources to be aligned with maintenance requirements based on

	historic knowledge. However, as noted in the report there is increased competition for a decreasing skilled labour pool. Supply Chain challenges are 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 12 which is considered a moderate risk. • The delay in decision being received on net zero funding has presented a potential risk to programme completion.
ESG	There is an ESG impact arising from the consideration of this report. • Social ◦ Building Safety and Quality - maintaining Scottish Housing Quality Standard ◦ Resident Voice - evaluate satisfaction. ◦ Placemaking – sustainability embedded into contract. • Environmental ◦ Climate Change - reducing waste, sustainability, recycling, local materials. ◦ Resource Management - regularly review standard specifications having regard to the environmental impact of individual products and materials. • Governance ◦ Supply Chain Management – maximize sourcing of local materials, minimize travel, Living wage through supply chain
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, tenants will be advised of programmes and slippage issues and the proposed timescales for reprogramming. Consultation is carried out pre-work and satisfaction surveys conducted on completion. The Green Book publication has been distributed to all tenancies identifying the works by Ward/ Street/ Works/ Years.

APPENDIX 2

Occupational Therapy Referrals Update	2025/26
Number of Properties	76
Number of Referrals received (some properties have more than one referral)	90
Number of tasks on Referrals received (a referral can have multiple tasks)	150
Number of Referrals completed	57
Number of Referral tasks completed	92
Number of Referral tasks awaiting issue/ completion	58
Total Estimate of Referrals	£0.238M
Grant Allocation – General Adaptations	£0.338M
Expenditure to 31 Dec 2025	£0.154M
Remaining spend for works	£0.184M

Works		Lot	Contractor	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	
Lewis & Harris	Windows & Doors	1A	Alex Murray (Construction) Ltd													* Delay in porch completion to 2026/27
	Windows & Doors	1B	Alex Murray (Construction) Ltd													
	Windows & Doors	1C	Alex Murray (Construction) Ltd													
	Heating	2A	Alex Murray (Construction) Ltd													* Change of contractor - E. Haldane Court
	Heating	2B	Alex Murray (Construction) Ltd													
	Heating	2C	OCS Techical Services Ltd													
	Heating	2D	OCS Techical Services Ltd													* To be carried to 2026/27
	Heating	2E	Alex Murray (Construction) Ltd													
	Bathroom/Showers	3	OCS Techical Services Ltd													
	Kitchens	4	Alex Murray (Construction) Ltd													
	Roughcast & Roofing	5A	Alex Murray (Construction) Ltd													
	Roofing	5B	Alex Murray (Construction) Ltd													
	Roughcast	5C	Alex Murray (Construction) Ltd													
Uist & Barra	Electrical	6	A.Campbell Electrical Services													* To be carried to 2026/27
	Environmental	7	Alex Murray (Construction) Ltd													
	OT	8	Alex Murray (Construction) Ltd													
	Heating	10	Alex Murray (Construction) Ltd													
	Bathroom/Showers	11	OCS Techical Services Ltd													
	Kitchens	12	Alex Murray (Construction) Ltd													
	Roofing	13A	N/A													
	Roughcast	13B	BCA Group													
	Environmental	14	OCS Techical Services Ltd													* To be carried to 2026/27
	OT	16	OCS Techical Services Ltd													



Tender to be issued/ return



Tenders being evaluated



Work on site



Work awarded awaiting end date of programme to be confirmed

GROUNDS MAINTENANCE PROCUREMENT

Board 10 Feb 2026

Report by Director of Operations

Purpose of Report

- 1.1 To update the Board on the procurement process for the 2026–2030 Grounds Maintenance Programme

Summary

2026-2030 Grounds Maintenance Contract

- 2.1 This programme covers the delivery of hard and soft landscaping maintenance across HHP sites.
- 2.2 The current Grounds Maintenance contract concludes on 31 March 2026, and the next contract period is being procured through a public procurement compliant process.
- 2.3 Under the Stock Transfer Agreement, Comhairle nan Eilean Siar (CnES) continues to provide these services and will lead on the procurement process for the upcoming contract period. Post stock transfer developments are also procured through this contract and are funded directly by us.
- 2.4 A Prior Information Notice (PIN) was published on the Public Contracts Scotland portal on 4 September 2025, including a market research questionnaire. The questionnaire sought feedback on
- the market's views on potential solutions;
 - how integrated those solutions are; and
 - the level of interest in a future procurement exercise.
- 2.5 The market engagement informs the development of the contact packaging and as a result it is proposed to seek tenders for five geographical lots including Stornoway, Rural Lewis and the main island groups.

Competence

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

Recommendations

- 4.1 **It is recommended that the Board note the update on the procurement process for the 2026–30 Grounds Maintenance Programme.**

APPENDIX: None

Background Papers: Risk Register

Writer of Report: Angus MacNeil

Tel: 0300 123 0773

5.1 Compliance Checklist

COMPLIANCE CHECKLIST	
Financial	The budget for general grounds maintenance for 2025/26 is £58K. This will be reviewed as part of the budget setting process and when the outcome of the tender is known.
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	There is a risk 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. The packaging of works following the market research should address capacity issues. Supply Chain challenges are highlighted on our Risk Register with a residual risk of 6 which is considered low.
ESG	There is an ESG impact arising from the consideration of this report. - Environmental - Climate Change - reducing waste, sustainability, recycling, local materials. - Resource Management - regularly review standard specifications regarding the environmental impact of individual products and materials. - Governance - Supply Chain Management – maximise sourcing of local materials, minimise travel, Living wage through supply chain
Equalities	We are committed to promoting equality, diversity, and inclusion. There are no equalities implications arising from the approval of this report.
Communication	We will advise tenants of the outcome of the tender in the summer newsletter and via our social media feeds.

BUSINESS PLAN MONITORING REPORT

Board 10 February 2026

Report by Chief Executive

Purpose of Report

- 1.1 To present the Business Plan Monitoring Report.

Summary

- 2.1 The Business Plan Monitoring Report for the quarter ended 31 December 2025 is at Appendix 1.
- 2.2 Void loss and current arrears rates are performing ahead of target, with the collection rate for Former Tenant Arrears at 37% exceeding the target of 30%. We aim to manage Former Tenant Arrears by using tracing tools from our debt collection partnership and escalating disengaged cases.
- 2.3 Collection rates on Rechargeable Repairs remain static, however the amount owing is increasing.
- 2.4 Performance indicators will be reviewed as part of the 2026/27 Business Plan review.
- 2.5 The Goals module on One Advanced will be used to monitor the Business Plan KPI's from 1 April 2026. Training has been arranged for Board Members and staff on 27 January 2026.

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 Business Plan Monitoring Report at Appendix 1.**

APPENDIX 1: Business Plan Monitoring Report

Background Papers: None

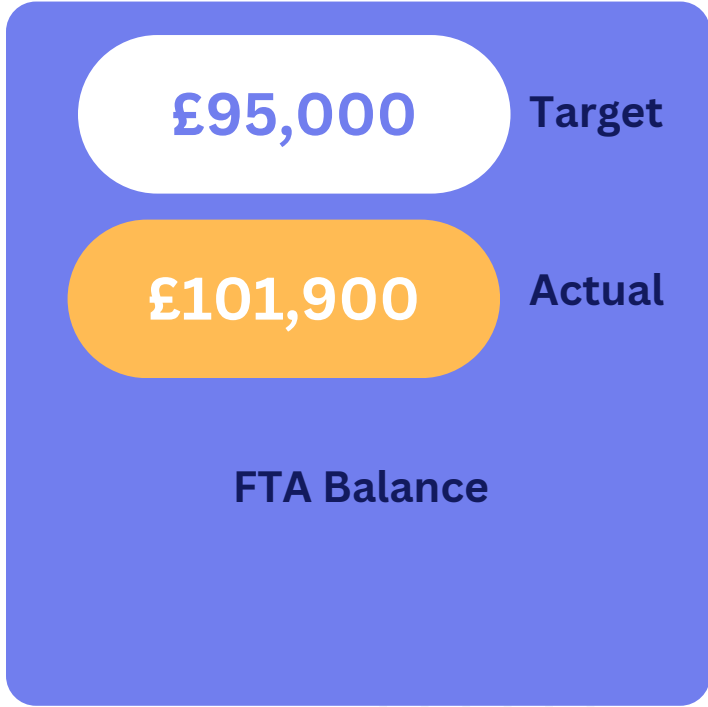
Writer of Report: Iona France
Iona France

Tel: 0300 123 0773

15-Jan-26

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 2025/26. The detailed annual budget for 2025/26 was approved in March 2025.
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.
Equalities	We are committed to promoting equality, diversity and inclusion. There are no equalities implications arising from the approval of this report.
Communication	There are no communication requirements.



Lifeblood Indicators to 31 December 2025

Areas not hitting Green target are FTA, Rechargeable Repairs and time to raise an invoice. Business Plan Actions are on target to be completed by 31 March 2026. Anti social behaviour targets are slightly down due to a couple of serious long running cases.

Summary

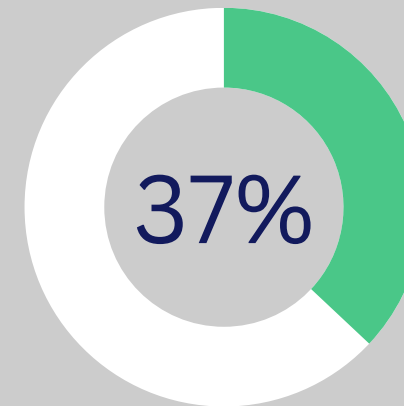
Income		
Waiting Lists		
Service Delivery		
Satisfaction		
Health & Safety		
Neighbourhoods		
Business Continuity		
People		
BP Actions		

Income Indicators



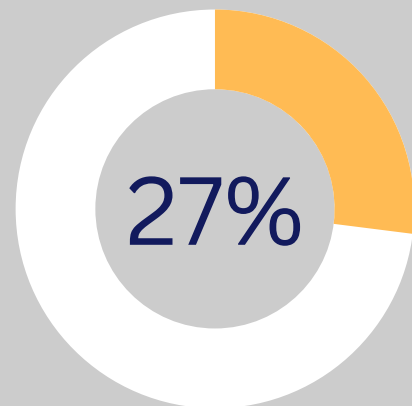
Void Loss

TARGET <1%
Actual 0.52%



FTA Collection Rates

TARGET 30%



Rechargeable Repairs Collection Rate

TARGET 30%

Time to raise an invoice

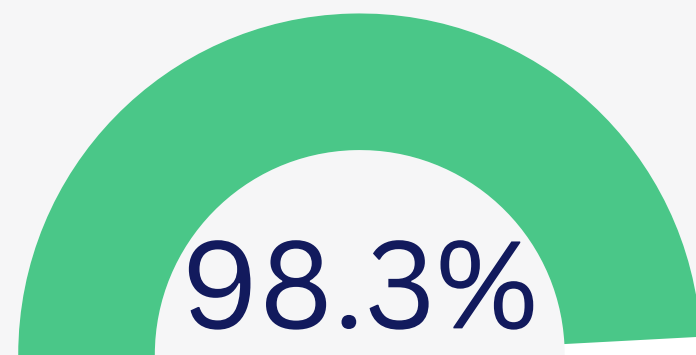
TARGET 14 DAYS

Actual **29 days**

(Majority of invoices were occupied recharges and
invoice not raised until costs received from OCS)

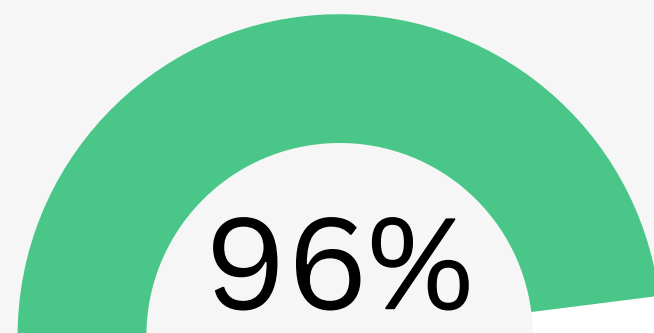
Repairs % within Target

TARGET 95%

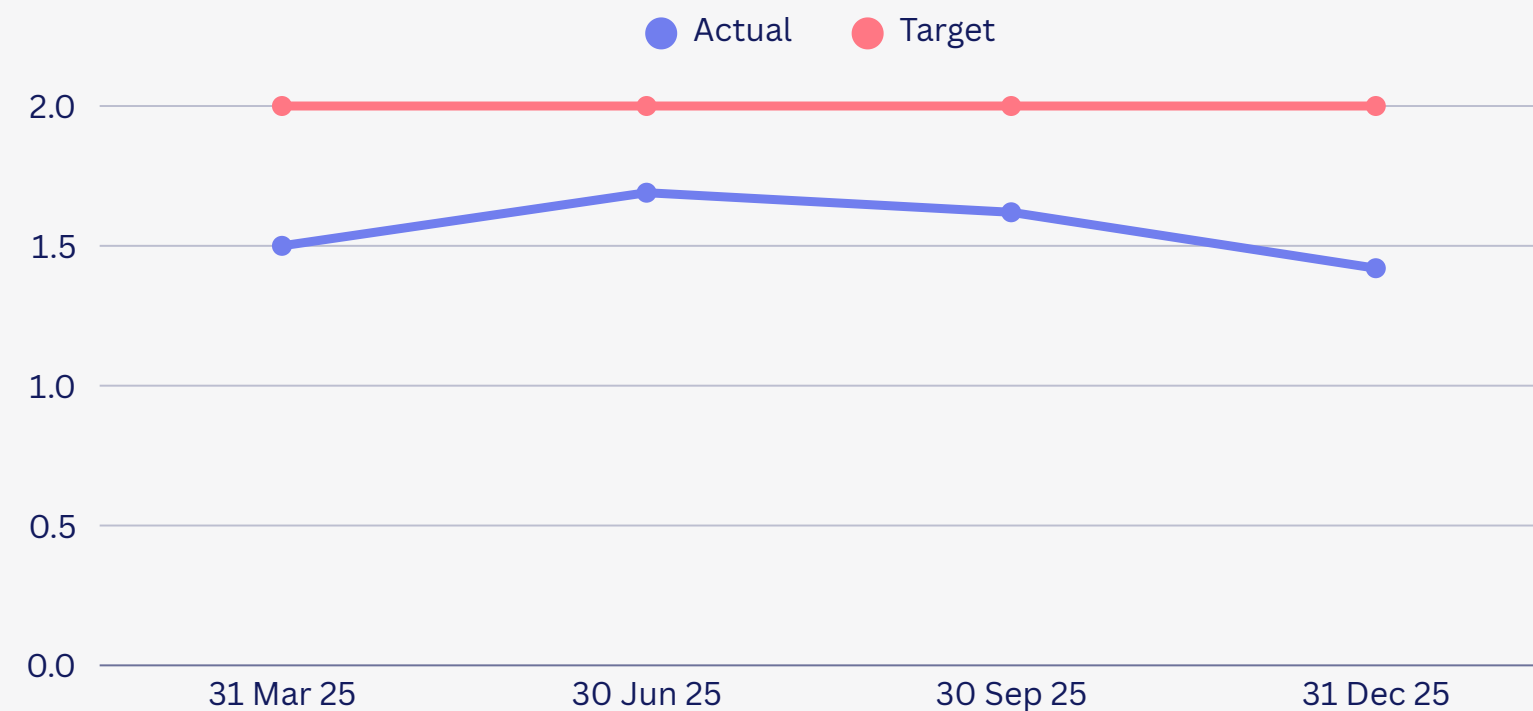


Respond to complaints within target

TARGET 95%



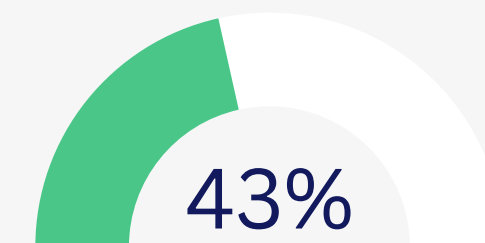
Current Rent Arrears (Expected)



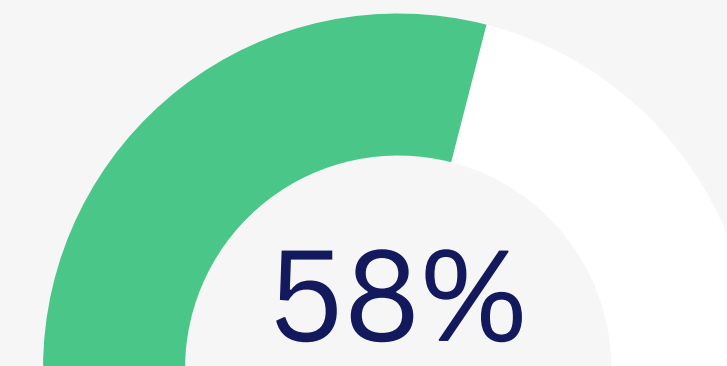
Development

Deliver 180 new build homes
by 2029 - 37 properties
completed to date in 2025/26

TARGET 100%



% of investment delivered by Feb



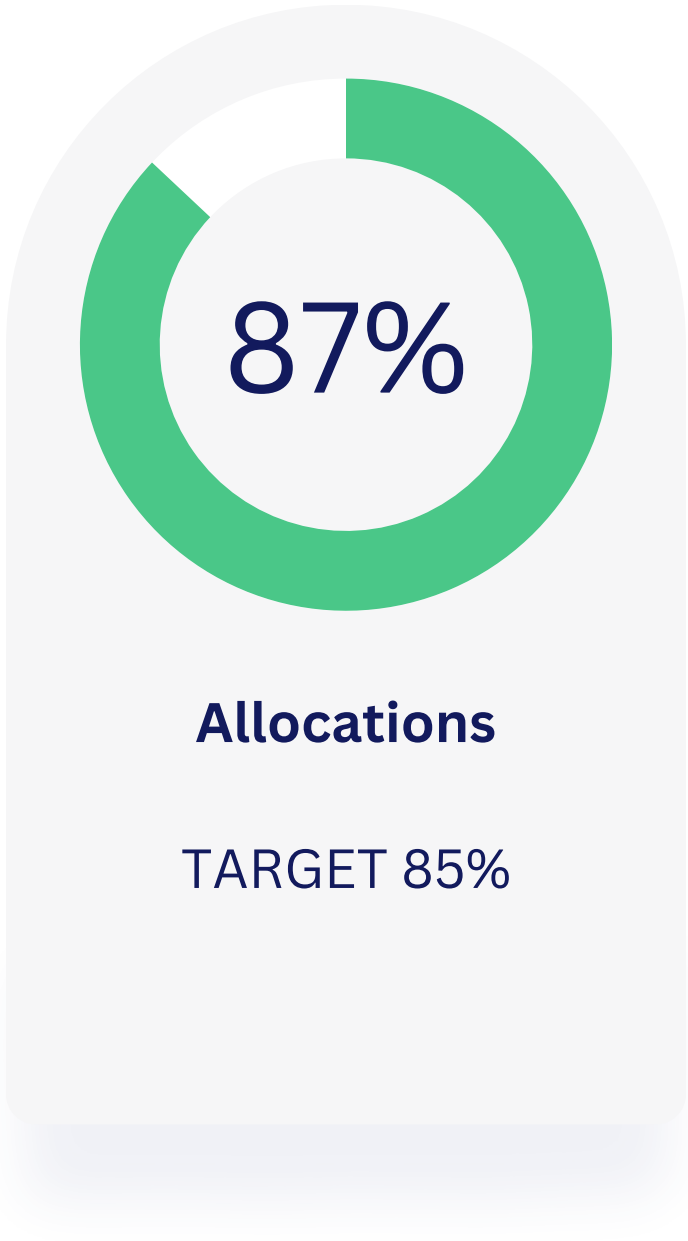
Majority on site or awaiting site
starts

Waiting Lists



Satisfaction levels

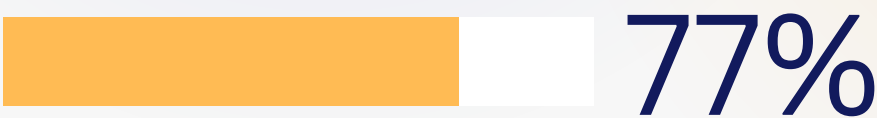
The charts below show the annual satisfaction levels measured at point of service.



Neighbourhoods

ASB cases reported in last year which were resolved

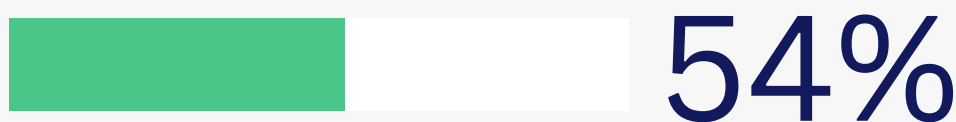
TARGET 90%



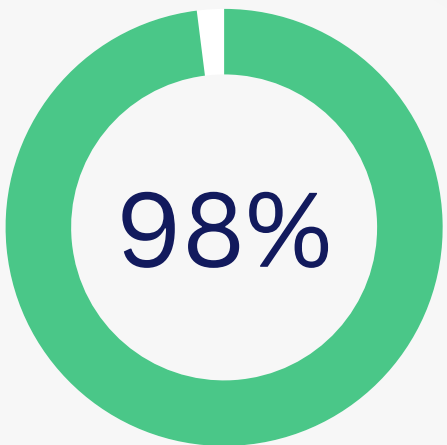
Annual Estate Surveys-259

TARGET 100%

Planned works on target with 139 surveys completed



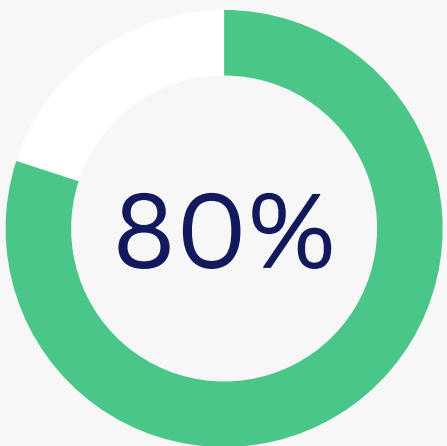
Health & Safety



Annual Fire Doors checks completed

TARGET 100%

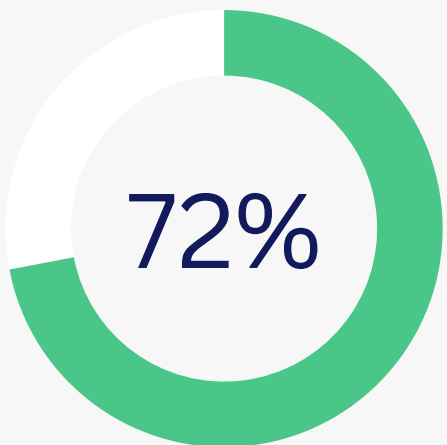
230/234 completed. 4 non-access



Electrical Check on 312 houses

TARGET 100%

Planned works on target - 351 of 440 checks carried out



Gas Servicing within 12 months

TARGET 100%

Planned works on target - 313 out of 437 services carried out. 100% of properties have current gas certificates

Business Continuity

Overall on target.
Board Membership: 3 tenant vacancies

Summary

Indicator

Notifiable Events on time



Covenants



No IT system breaches



Insurance Loss ratio < 100%



Board Membership no vacancies



IT systems downtime < 1%



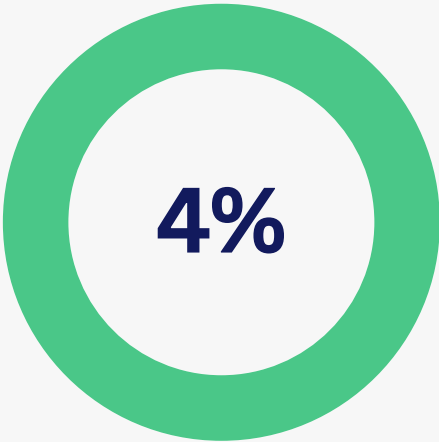
Business continuity tested



FOI & Data Access requests on time



People



Turnover

TARGET <10%
Actual 4%



Sickness Rates (Days per year per employee)

TARGET <7 days
Actual 5.4 days

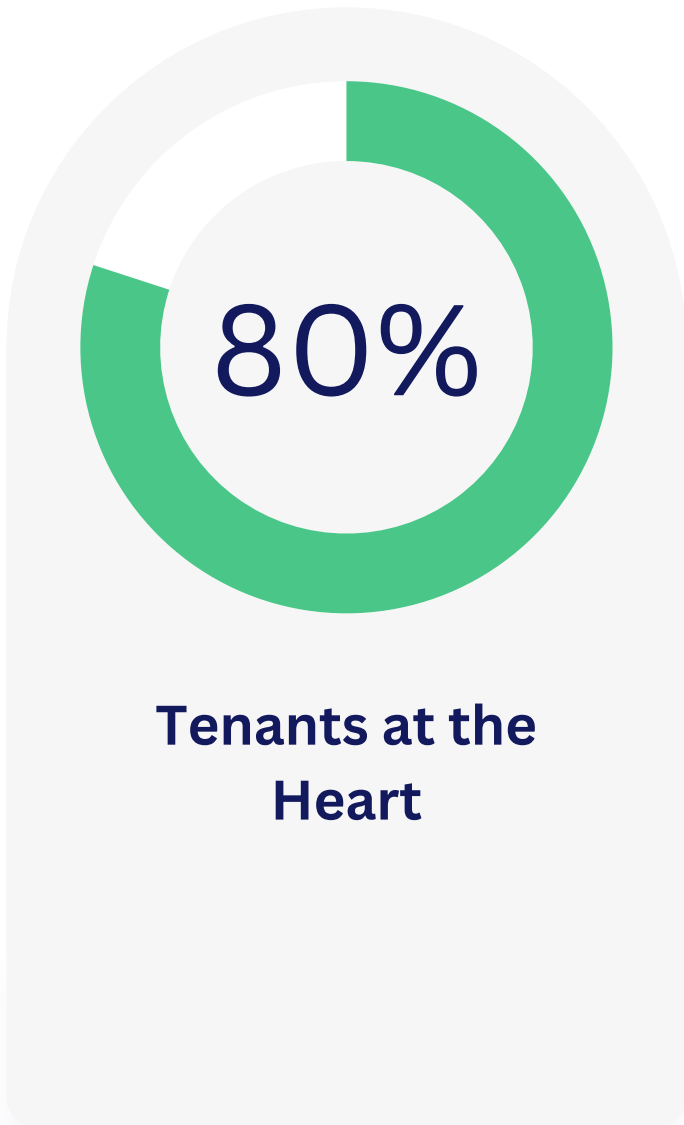


Complaints about staff

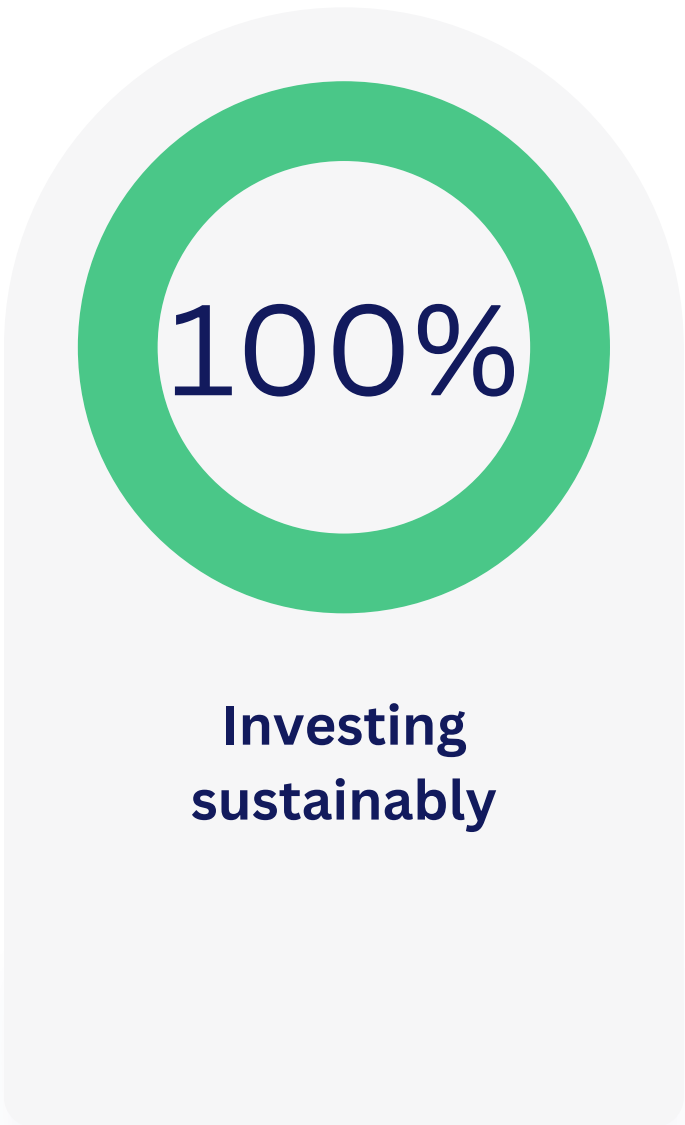
TARGET <5
Actual 0

Strategic Goals

The charts below show the % of task that are on target for the year ended 31 March 2026



Tenants at the Heart



Investing sustainably



Excellent Employer



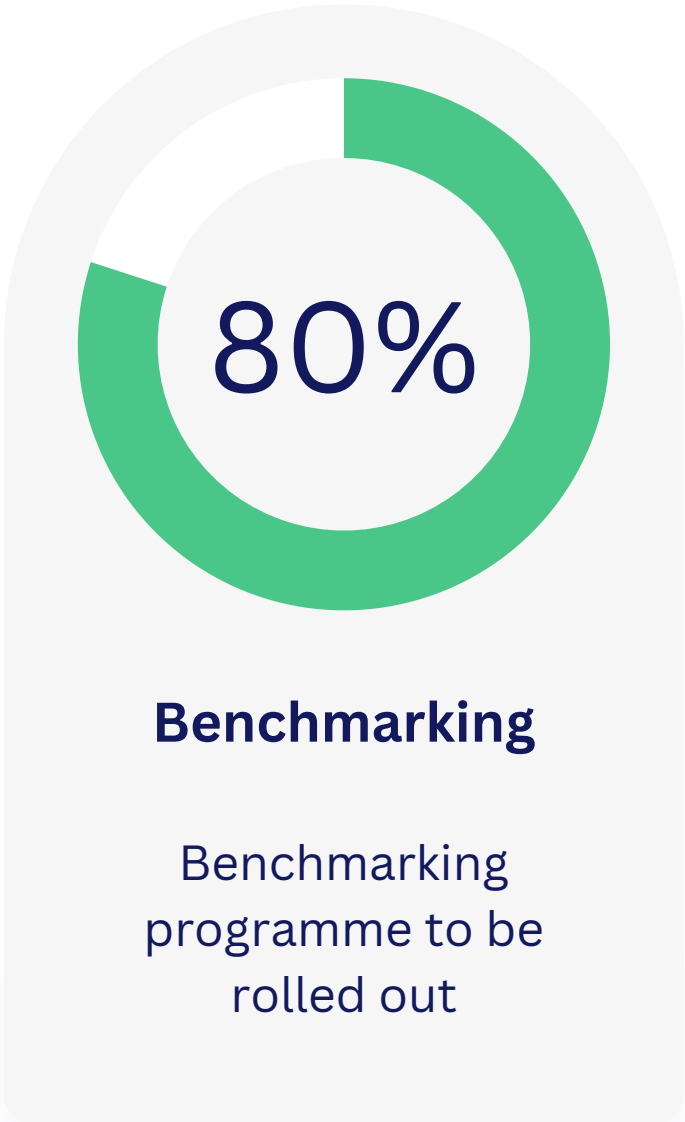
Thriving Communities

Core Services

The charts below show the % of task that are on target for the year ended 31 March 2026

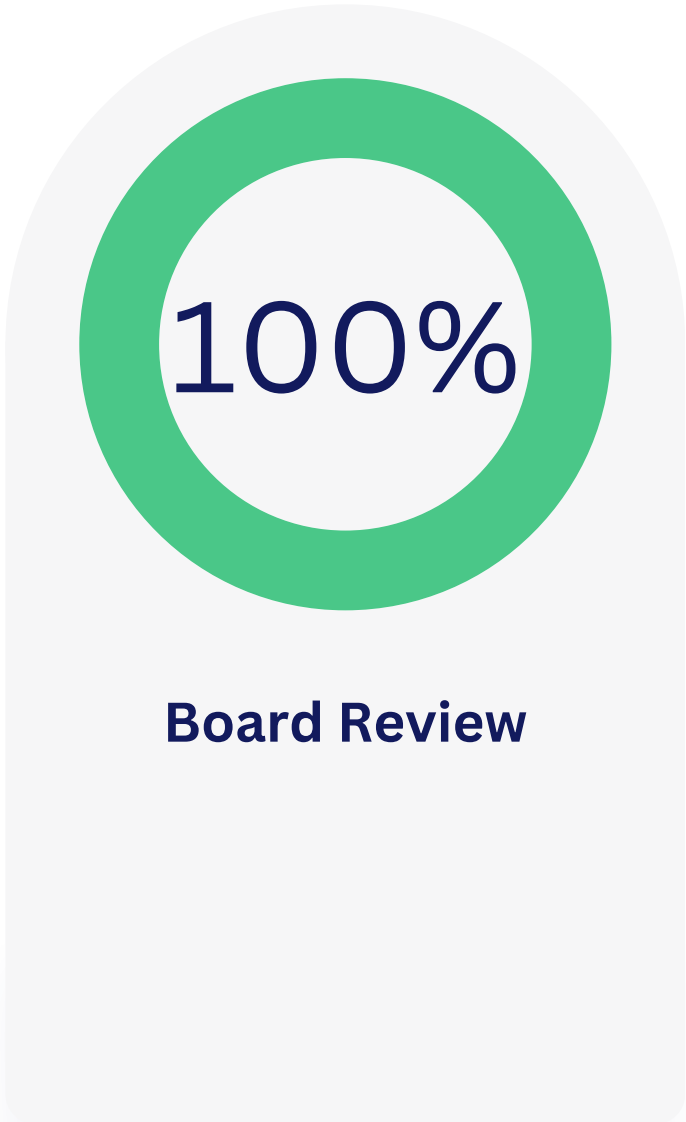


Core Services

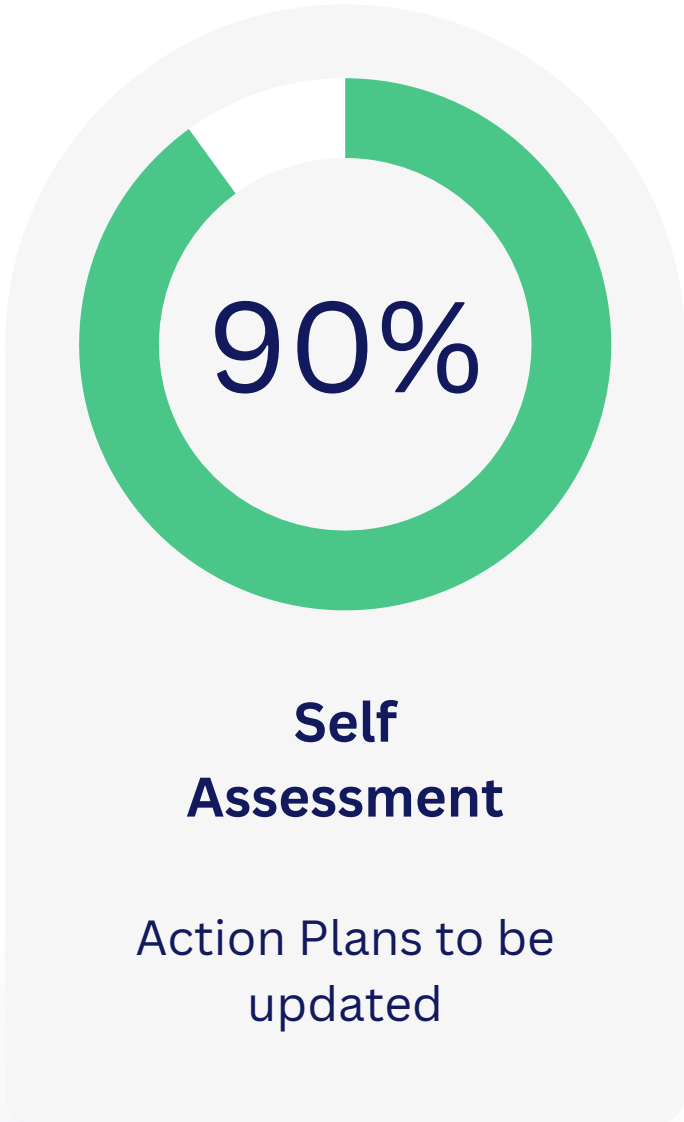


Benchmarking

Benchmarking programme to be rolled out



Board Review



Self Assessment

Action Plans to be updated

HEALTH & SAFETY POLICY & PERFORMANCE

Board 10 February 2026

Report by Director of Operations

Purpose of Report

- 1.1 To provide an update on the Health & Safety Policy and its effectiveness.

Summary

- 2.1 The Health & Safety Policy has been reviewed in relation to any new Health & Safety legislation, best practice, and our business requirements. No changes to policy are currently required.
- 2.3 The Board review risk management and health & safety issues as standing items at their meetings. A staff Committee is in place to review and consider procedures and any incidents which occur.
- 2.4 While there have been a number of health & safety related issues over the last year, none have been identified as being the result of breaches of policy and procedures, or of any associated failings of policy.
- 2.5 This year we added "Near Misses" as a new reporting category. We have also split the Employer figure to show incidents that happened in the office and those where employees were working externally.

Health & Safety Incidents 2025 Last year's figures shown in brackets	Employer		Landlord	Developer	Total
	Office	External			
Near Miss	2	0	2	4	8
Incidents	1 (3)	1	1	2	5 (3)
Reportable	0	0	0	0	0
Breach of Policy	0	0	0	0	0
Requiring Changes to Policy & Procedure	0	0	0	0	0

- 2.6 All 14 scheduled risk assessment reviews were undertaken, and staff collectively completed 84% of the mandatory H&S training modules required during the calendar year.

Competence

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

Recommendations

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

Background Papers: None

Writer of Report: John Maciver

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