

BOARD AGENDA –

24 MARCH 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 10 February 2026	Approval	Chair	5
3.1.2	Note of Tenant Board Panel	Noting	Service Development Manager	10
3.2	Action Sheet	Noting	Chief Executive	11
4	Date of Next Meeting 26 May 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	12
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7	Policies & Strategies			
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7.4	Expenses Policy	Approval	Director of F&CS	213
7.5	Procurement Policy	Approval	Corporate Resources Manager	245
7.6	Procurement Plan & Performance	Approval	Corporate Resources Manager	263

ITEM	AGENDA ITEM	ACTION	PRESENTED BY	
8	Monitoring Reports			
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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

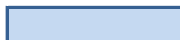
Special Leave Granted

Board Training & Conferences 2025/26

Board Members	Landlord Facilities H&S Training	One Advanced Goals	My1HS Modules
	14-Jan-26	27-Jan-26	10-Feb-26
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, 10 February 2026 at 5.30pm

PRELIMINARY ITEM																															
ATTENDANCE & APOLOGIES																															
1	<u>Attendance & Apologies</u> <table> <tr> <td><u>Attendees via MS Teams</u></td><td><u>Staff & Consultants in Attendance</u></td></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>James Morrison (Finance Manager)</td></tr> <tr> <td>Helen Mackenzie</td><td>Michael Libby (Corporate Services Officer)</td></tr> <tr> <td>Christina Macneil</td><td><u>In attendance for Public Items Only</u></td></tr> <tr> <td>Norman Macdonald</td><td>Sawan Morrison (Development Manager)</td></tr> <tr> <td><u>Apologies received</u></td><td>Angus Smith (Corporate Resources Manager)</td></tr> <tr> <td>Colin Gilmour</td><td>Katrina Rowlands (Service Development Manager)</td></tr> <tr> <td></td><td>Angus E MacNeil (Assets & Contracts Manager)</td></tr> <tr> <td></td><td>Peter O'Donnell (Investment Manager)</td></tr> <tr> <td></td><td>Gary Macleod (Digital Transformation Manager)</td></tr> <tr> <td></td><td>Donalda Mackinnon (Area Manager)</td></tr> </table> The Chair paid tribute to Mr Alasdair Nicholson MBE, who passed away suddenly whilst on holiday in Africa. Mr Nicholson served as Chair of the Comhairle's Housing Committee prior to stock transfer.	<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	James Morrison (Finance Manager)	Helen Mackenzie	Michael Libby (Corporate Services Officer)	Christina Macneil	<u>In attendance for Public Items Only</u>	Norman Macdonald	Sawan Morrison (Development Manager)	<u>Apologies received</u>	Angus Smith (Corporate Resources Manager)	Colin Gilmour	Katrina Rowlands (Service Development Manager)		Angus E MacNeil (Assets & Contracts Manager)		Peter O'Donnell (Investment Manager)		Gary Macleod (Digital Transformation Manager)		Donalda Mackinnon (Area Manager)
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PRELIMINARY PROCEDURAL MATTERS																															
2	<u>Declaration of Interest</u> There were no declarations of Interest.																														
3.1.1	<u>Minute of Board Meeting 18 November 2025</u> The minute of the Board meeting of 18 November 2025 was submitted and approved as a true and accurate record of the proceedings of the meeting.																														
3.1.2	<u>Note of Tenant Board Panel 13 January 2026</u> A formal way of capturing the items from the Tenant Board Panel was discussed. The note of the Tenant Board Panel meeting of 13 January 2026 was noted.																														
3.2	<u>Action Sheet</u> The Chief Executive informed Board Members she would forward the response from the Scottish Government regarding Public Sector Reform. The Action Sheet was noted.																														
4	<u>Date of Next Meeting</u> The Chief Executive provided an update on the proposed Board meeting due to be held in Barra in May 2026. Due to challenges regarding the cost and availability of accommodation on Barra, it may be necessary to hold an online meeting and reschedule an in-person meeting in Barra for a later date. It was agreed the date of the next meeting would be 24 March 2026.																														
5	<u>Health & Safety</u> There was nothing to report.																														

ITEMS FOR DECISION	
6.1	<u>Business Plan</u> The Chief Executive presented the 2026 update to the Business Plan (2024/25 to 2028/29) and highlighted the changes in the Risk Register and the Risk Appetite statement which were discussed at the Audit & Risk Committee earlier in the day. The Tenant Board Panel and staff will be consulted on the changes to the Business Plan. The Risk Appetite statement was amended to reflect a more cautious approach in some areas, with the exception of Development, where the position shifted from cautious to open. Suggestions were made on improving the reporting of the anti-social behaviour performance indicator by separating out cases we have no control over due to ongoing legal processes, and the Key Workers indicator to provide more context. The Board approved: a) the draft 2026 update to the Business Plan 2024/25 to 2028/29 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 Statement.
6.2	<u>Rent Setting & Cash Planning Limits</u> The draft 2026/27 cash planning limits, including charges for rents, garages and services were presented for approval. The Director of Finance & Corporate Services (DFCS) provided an overview of the rent consultation. This year saw an increase in response numbers, with a total of 185 submissions received. Of these, almost 90% selected option one, which proposed a 4.5% rent increase The most common feedback from respondents to the consultation related to dissatisfaction with the rent increase, primarily referencing cost of living concerns. Maintenance issues were also highlighted, with tenants enquiring about investment works or fencing repairs. The DFCS advised that detailed budgets would be submitted for approval to the March 2026 Board Meeting and provisions for carry forward and slippage in the Investment and Development programmes would be incorporated into the detailed budget. It was agreed at the Development & Finance Committee meeting the previous day that administrative fees would be rounded up to the nearest pound going forward. Following the approval of this item the prize draw for the tenant consultation took place. The Board: a) approved the cash planning limits; b) approved 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) approved garage rents and garage site rents for 2026/27 be increased by RPI only (4.5%). d) approved all other services and charges for 2026/27 as shown at Appendix 2 be increased by 4.5% (September RPI); and e) noted that detailed budgets will be submitted to the Board for approval on 24 March 2026.

6.3	<u>Management Report to 31 December 2025</u> The Finance Manager presented the Management Report to 31 December 2025 and confirmed a detailed report was discussed at the Development & Finance Committee the previous day. The Finance Manager confirmed our debt position had improved with a reduction of £69K from the previous month. The report highlighted three specific budget areas • Response Repairs: There has been a year-on-year increase in both the volume and average cost of response repairs. • Insurance Repairs: A significant proportion of repairs fell below the insurance excess threshold, resulting in costs that cannot be partially recovered through insurance claims. • HWEC Service Charges: The Housing with Extra Care service charges have risen due to higher than budgeted utility costs and additional maintenance costs billed within this financial year. The Investment Programme was experiencing additional pressures due to contractor workforce shortages and delays in the Net Zero grant award. The requirement for heating works to be completed by 31st March 2026 created labour availability pressures in the latter part of the year. The Board: a) approved the virement of £31.4K from reserves to Insurance Repairs costs, if required; b) approved the virement of £38K from reserves to the increased out-turn on the HWEC service charges if required; c) approved the virement of £24.6K to reserves due to savings on interest payable £16K and additional interest received of £8.6K; d) noted the Management Report at 31 December 2025 and revised forecast out turn at 31 March 2026; and d) noted the current legal action on live arrears.
6.4	<u>LHS Consultation</u> The Chief Executive advised a draft Local Housing Strategy (LHS) was available on the Comhairle's website for consultation. It was proposed delegation is given to the Chief Executive to respond to the consultation. The Board agreed 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
POLICIES & STRATEGIES	
7.1	<u>Asbestos Policy</u> The Investment Manager presented the Asbestos Policy which was updated to align with EVH's Landlord Manual following a recommendation from the Health & Safety audit conducted in November 2024. The Board approved the Asbestos Policy.
7.2	<u>Rent & Service Charges Policy</u> The Area Manager presented the Rent & Service Charges Policy and highlighted the date used for the rent-increase consultation was amended to the preceding September RPI rather than October. This adjustment would enable earlier tenant consultation as part of the annual rent-setting process. The Policy will be presented to the Board for a full review in March 2027 following the implementation of the Housing (Scotland) Act 2025. Helen Mackenzie stated the policy wording at Paragraph 8.8 was a bit ambiguous and should be clarified when we carry out the full review. The Board agreed to amend the inflation reference point to September Retail Price Index (RPI) as detailed at Paragraph 8.2 of the Rent & Service Charge Policy with a full policy review coming to the Board in 2027.

MONITORING REPORTS

8.1	<u>Quarterly Treasury Report to 31 December 2025</u> The DF&CS presented the Treasury Management activities for the third quarter of 2025/26 and confirmed our cash balances at 31 December 2025 were £8.041M, a reduction of £1.523M 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. Appendix 2 outlined all expenditure and income with regard to cash, comparing the original cash assumptions against the actual cash outlay and cash received. Notable variances have been identified, with the majority attributable to changes in the capital investment programmes. As discussed at Item 6.3 the Investment Programme is weighted heavily towards the latter part of the year. This was primarily due to the delays in the Net Zero funding announcement. As such, the timing of expenditure and income was impacted. Delays in several key development sites have further contributed to the variances between projected and actual cash flow. The DFCS confirmed the majority of our borrowing was on fixed terms, therefore the impact of changes in interest rates was minimal. The Board noted: a) the Quarterly Report on the Analysis of Investment and Borrowing; b) The outstanding loans at 31 December 2025 of £17M; and c) The cash balance at 31 December 2025 of £8.041M
8.2	<u>Development Report</u> The Development Manager provided an update on the Development Programme. Blackwater The delay to Blackwater Phase three due to electric meter supply issue had been resolved with work due to begin next week, The revised completion date was the second week of April 2026 with 14 houses scheduled for handover. No further delays were expected. Scott Road The Planning Board approved the application, subject to conditions, earlier in the day and it will proceed to Council on 11 February 2026. Work was underway to determine the next steps should full approval be granted with the immediate focus on identifying a contractor for the enabling works. Melbost West The project was in contract negotiation period following the return of tenders. Efforts were being made to finalise funding agreements with SSEN and the Scottish Government, to secure a fundable project for the development of phase one and phase two, comprising a total of 73 houses. lochdar School Site The Development Plan was updated to reflect the previously unidentified site at South Uist as the lochdar School site and work was being undertaken to advance with this site. Two further tenders had been issued for: the refurbishment of the Carloway Care Unit and the four unit site in Gravir. The Board noted: 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.
8.3	<u>Investment Report</u> This report provided an update on the 2025/26 Investment Programme. The main delays with the Investment Programme had been discussed at Item 6.3 and Item 8.1 primarily contractor resourcing issues. The roofing works in Uist & Barra were unable to progress as the contractor was unable to secure insurance for asbestos tile removal. It was intended to re-tender these works in 2026/27. The Board noted the update on: a) the 2025/2026 Investment Programme; and b) Aids and Adaptations and the waiting list.

8.4	<u>Grounds Maintenance Contract</u> The Assets & Contracts Manager provided an update on the procurement process for the 2026-2030 Grounds Maintenance Programme which was currently out to tender. Tender returns were due by Friday 13 February 2026. Following contractor feedback, the contract was divided into four lots, Stornoway, Lewis, Harris and Uist. Discussions addressed the impact of new build on grounds maintenance costs and responsibilities leading to a considerable rise in budget requirements. Suggestions were made to explore opportunities for local sole traders and community trusts to undertake grounds maintenance, especially in rural areas, as smaller contract lots may be more accessible and beneficial for local businesses. Challenges faced by smaller companies, including compliance with public liability insurance and health and safety policies, which may limit their participation, were recognised. The Board noted the update on the procurement process for the 2026–30 Grounds Maintenance Programme.
8.5	<u>Business Plan Monitoring Report</u> This report was for information only and was noted with no discussion.
8.6	<u>Health & Safety Annual Update</u> This report was for information only and was noted with no discussion.



Tenant Board Panel – Note of Meeting

Attendance: Donald Macdonald, Rosie Wicks, Gary Lamont, Mandy Macleod

Staff attendance: Katrina Rowlands, Laura Mackenzie, Dena Macleod

1. The Panel formally appointed a Chair. Gary Lamont will be the Chair moving forward.
2. Dena provided an update on the Business Plan (BP) to the panel. Some of the panel members have already responded to the BP consultation and did not provide additional feedback to the meeting. Some questions were asked regarding specific investment works, which Dena addressed with the panel. Dena also provided an update on some plans for the 20th anniversary celebrations, including the proposed area funds that tenants will choose how the funds get spent. Dena asked for the Panel's views on the proposal.
3. Katrina gave a quick overview of the Allocations Policy paper on Working from Home that is going to the Operations Working Group on 6 March 2026. The panel agreed with the recommendation on the paper. They also suggested that 'shared working spaces' are becoming more popular, and these could be considered by tenants that do not have an office to work in.
4. Laura provided an update on what has been happening in Tenant Engagement since the last meeting. The new event calendar is being published and following feedback from the last panel meeting we have focussed on lots of smaller, more localised events rather than the 4 main tenant events. Laura is also looking for other partner events to attend. A question was asked about the Community Grants being awarded and who is making these decisions. Laura explained the process for applying and decisions are made by Operations Working Group.
5. Katrina provided an update on the plans for the 2026 Tenant Satisfaction Survey. She asked for panel members to remind other tenants that there are lots of opportunities for tenants to participate if and how they want to.

Scrutiny Presentation by Lloyd Hodkinson, Link HA

Following the meeting the panel had a presentation by Lloyd Hodkinson, Chair of Link Housing Association Scrutiny Panel. Lloyd provided an overview on Scrutiny, what it is and how they go about it. The presentation was very informative and well received by the panel. Katrina then gave a brief update explaining that there will be a separate Scrutiny Panel established and that Tenant Board Panel members will be welcome but there is no requirement for them to be on both panels.



BOARD ACTION SHEET

ACTION POINT	MINUTE NUMBER	ACTION TO BE TAKEN	DEADLINE/TIMESCALE	ACTION BY	PROGRESS
1	3.1.2 (10 Feb 26)	Track issues raised by the Tenant Board Panel	31 March 2026	Governance Officer	Note of Tenant Board Panel to be standing item on Board agenda
2	6.1 (10 Feb 26)	Issue consultation to staff and Tenant Board Panel	19 February 2026	Chief Executive	Consultation issued 17 February with a return date of 3 March 2026
3	6.4 (10 Feb 26)	Respond to LHS Consultation	6 March 2026	Chief Executive	Draft prepared to be considered at Exec Team on 23 February 2026

BUSINESS PLAN 2026 UPDATE

Board 24 March 2026

Report by Chief Executive

Purpose of Report

- 1.1 To approve the 2026 Update to the Business Plan (2024/25 to 2028/29) at Appendix 1.

Summary

- 2.1 The Tenant Board Panel and staff were consulted on draft 2026 Update to the Business Plan and the findings are at Appendix 2.
- 2.2 As recommended by the Operations Working Group the date for the Tenant Satisfaction Survey has been moved from 2026 to 2027 to provide more time to work with tenant groups and the Tenant Board Panel.
- 2.3 Provision has been made for building 50 new homes to support the upcoming renewables work.

Competence

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

Recommendations

- 4.1 **It is recommended that the Board:**
- a) approve 2026 Update to the Business Plan 2024/25 to 2028/29 at Appendix 1:**
 - b) approve the Risk Appetite at Appendix 8 of the Business Plan; and**
 - c) note the consultation outcome at Appendix 2.**

APPENDIX 1	Business Plan (2024/25 to 2028/29)
APPENDIX 2	Consultation outcome
Background Papers	None
Writer of Report	Dena Macleod

Tel: 0300 123 0773

5.1 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 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	Once approved a copy of the Business Plan will be available on our website.



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

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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 165 homes by 31 March 2029.
22. We have included a number of 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 £65.61 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.

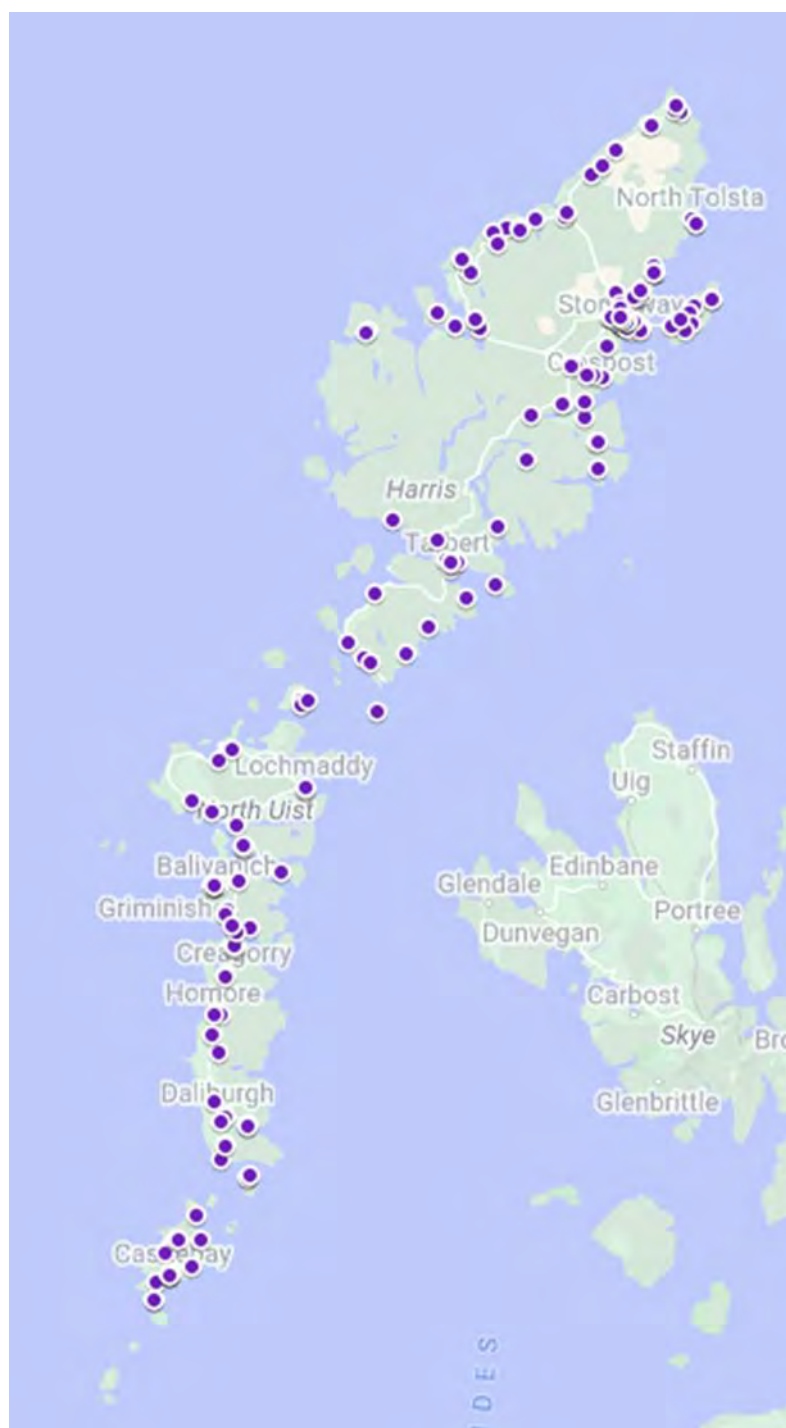


11. We are regulated by the Scottish Housing Regulator, Registration Number 359. As the main Registered Social Landlord (RSL) in the Outer Hebrides we are categorised as having 'systemic importance' and have medium engagement with the Regulator. We are registered with OSCR the Scottish Charity Regulator.
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).

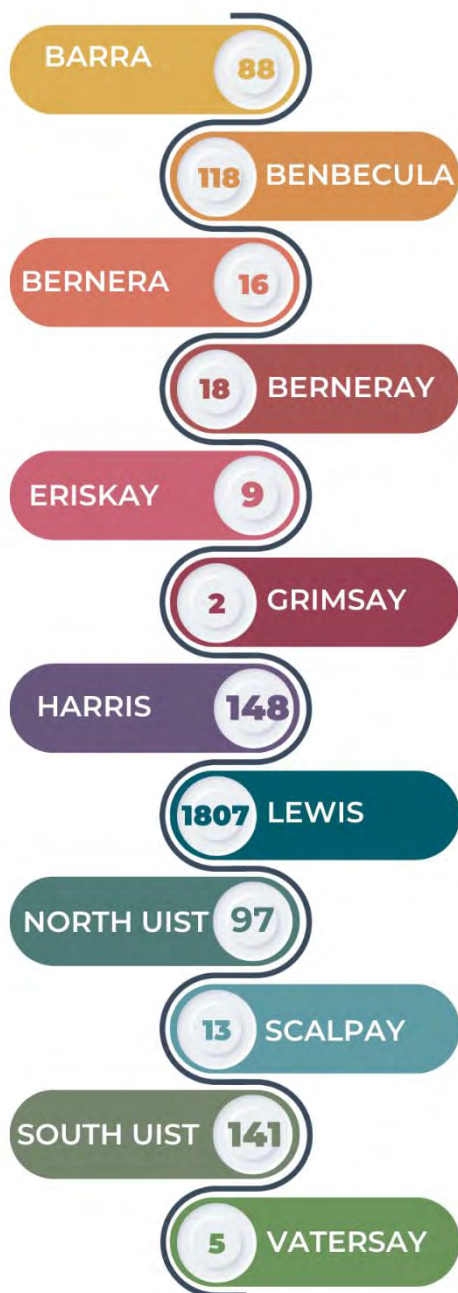
Our Service Area

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:



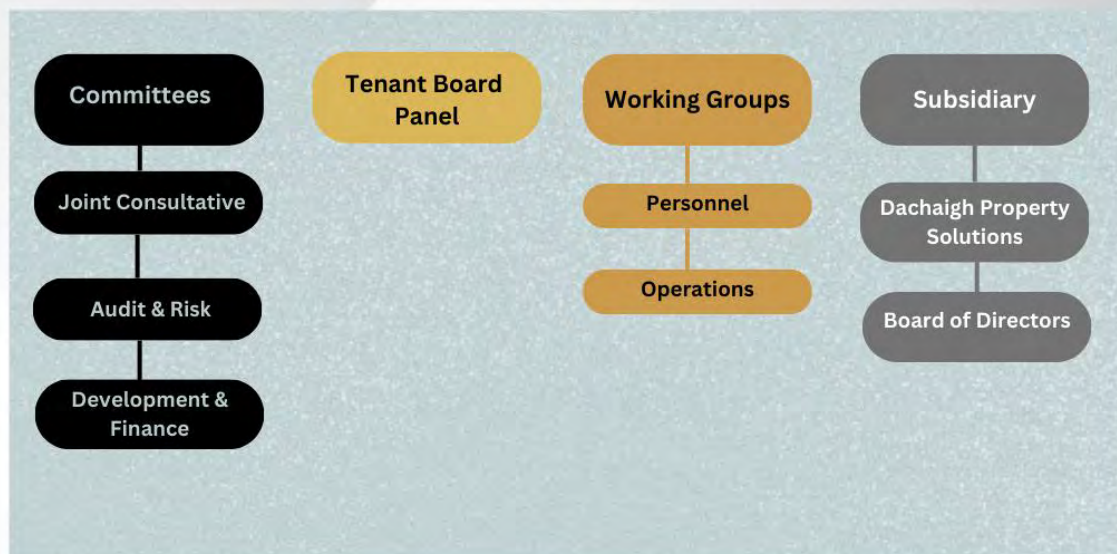
Governance

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 Cearnas 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

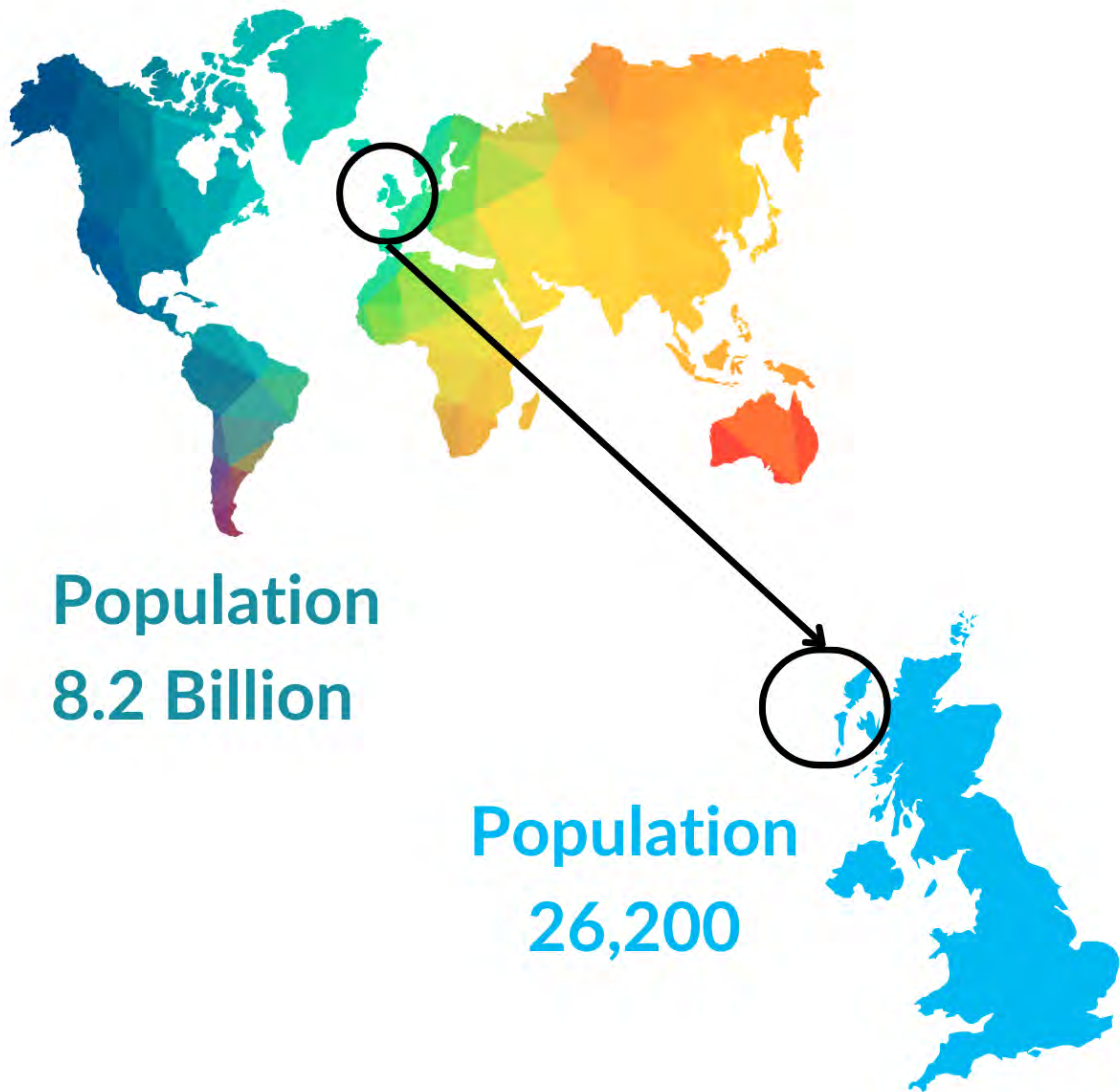
- Delivery of Investment Plan
- Repairs, voids and planned maintenance
- Compliance



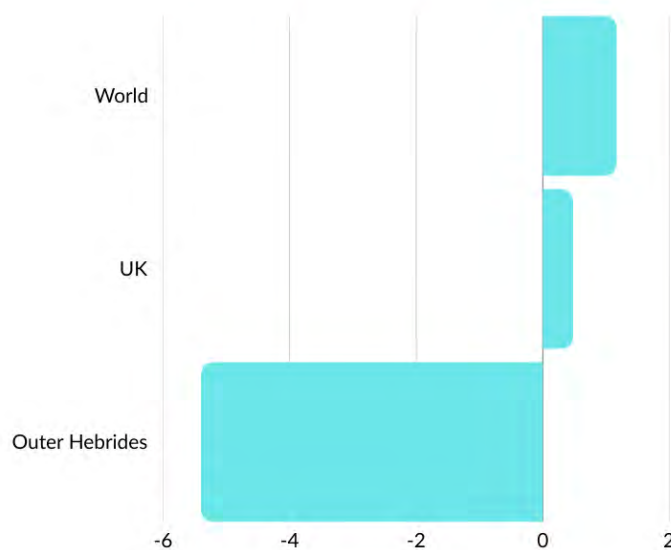
DEVELOPMENT

- 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.

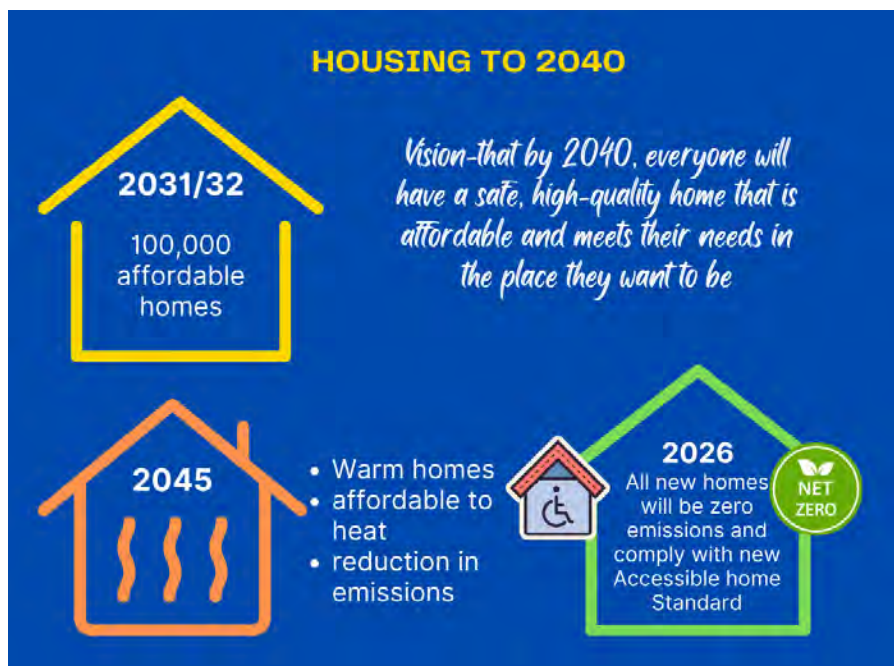
Scotland

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.

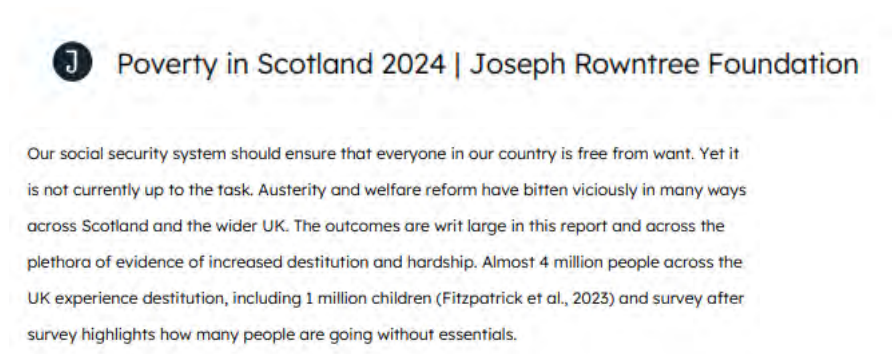


Population

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".



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

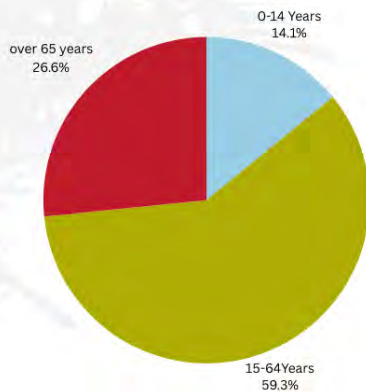
Population

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.

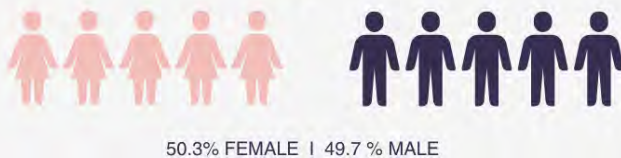
2022 SCOTLAND CENSUS *Na h-Eileannan Siar*

DEMOGRAPHICS

AGES GROUP



SEX



CHANGE SINCE 2011

5%

DECREASE
NA H-EILEAN SIAR

3%

INCREASE
SCOTLAND

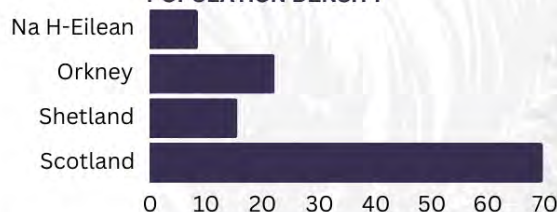
GROWTH



HOUSEHOLDS



POPULATION DENSITY



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

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

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

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

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

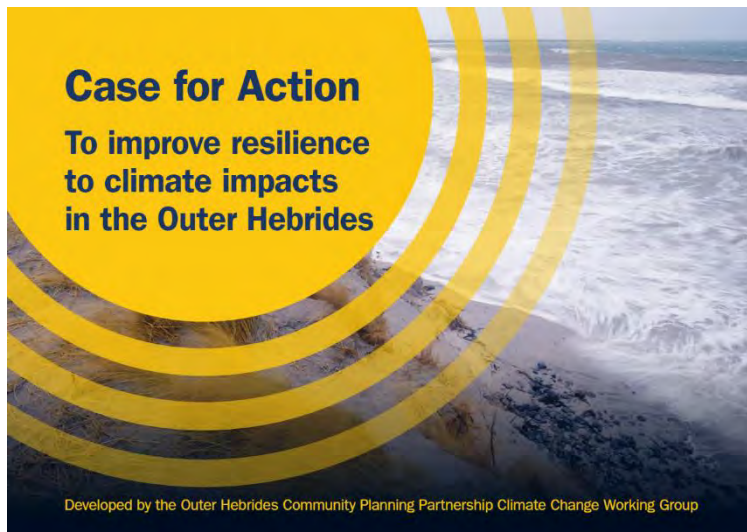
47. Population may be declining but the number of households has gone up but only slightly in comparison with Orkney and Shetland.

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

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

Climate Change

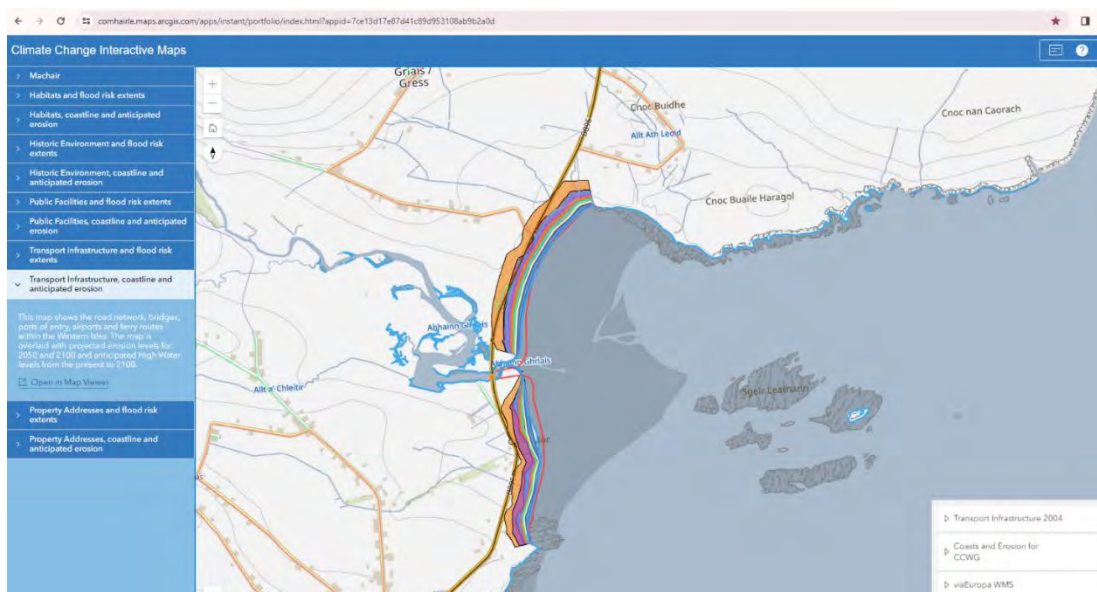
50. The impact of the change in climate is seen in our coastlines, our weather and the inability of our infrastructure to cope with continual heavy rain. Drainage is more important than ever.
51. The Outer Hebrides Community Planning Partnership (OHCPP)'s Climate Change Working Group in collaboration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



52. Climate Hebrides CIC was formed in 2022 as part of the Case for Action 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. In the last month Penumbra have indicated they are withdrawing from the project which is disappointing.

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.

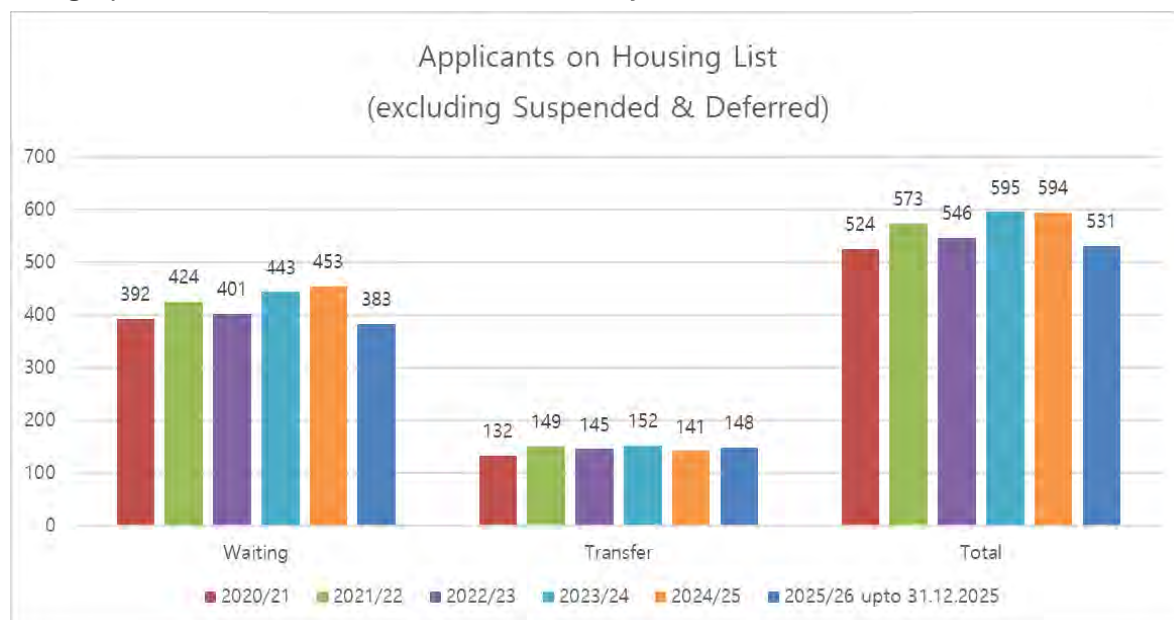
Our Business

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.,

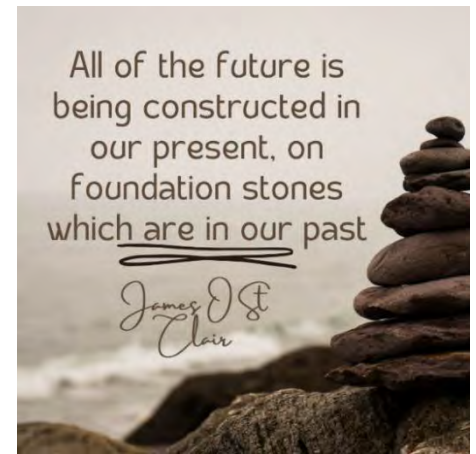
Business Planning Day

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.

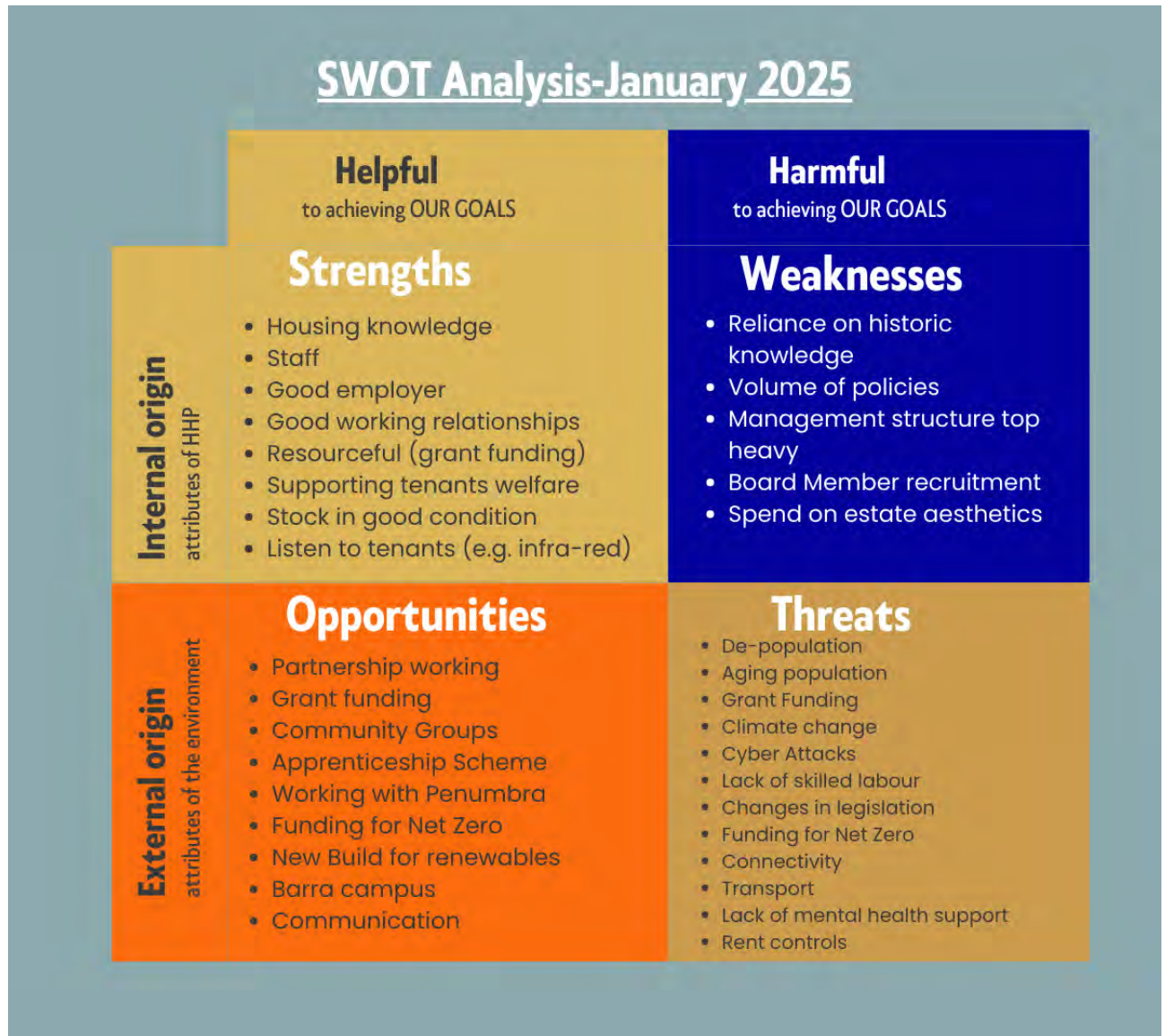
SWOT Analysis

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.

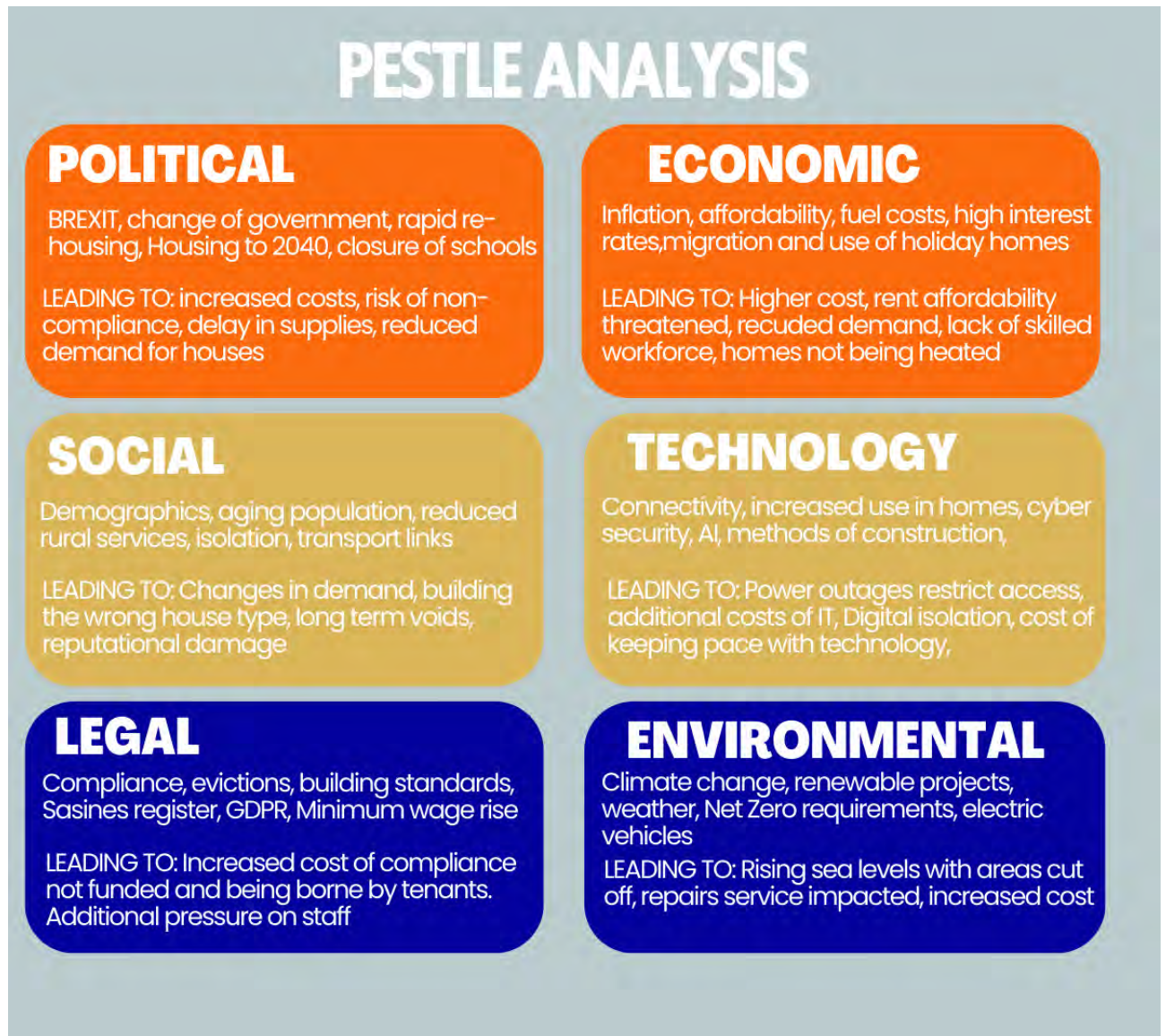
37. Working with other agencies, including community groups, Penumbra and partnership working were recognised as opportunities. Other opportunities included grant funding, the Modern Apprentice Scheme and sharing of knowledge with other agencies.

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.



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

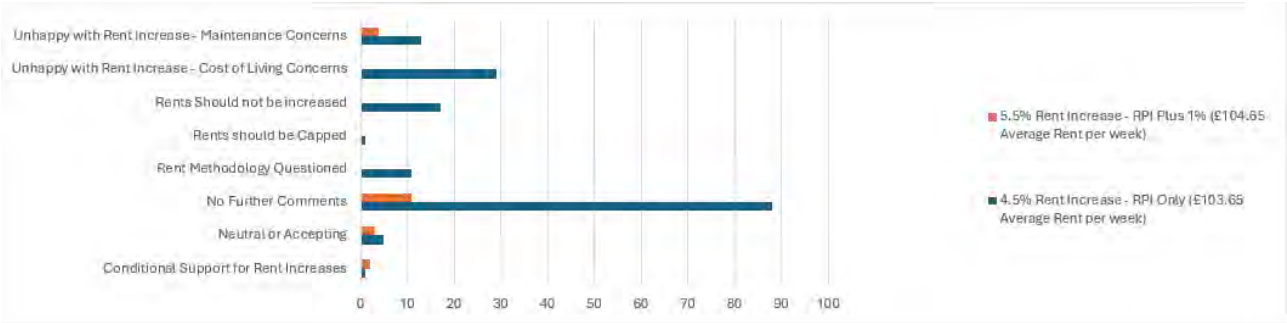
44. We undertook a Culture Audit during 2024 which revealed the organisation's DNA (using the lens of Jungian Archetypes). We are an organisation marked by compassion (Caregiver), optimism (Innocent), wisdom (Sage) and determination (Hero). The Executive summary of the report goes on to say *"These characteristics 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:

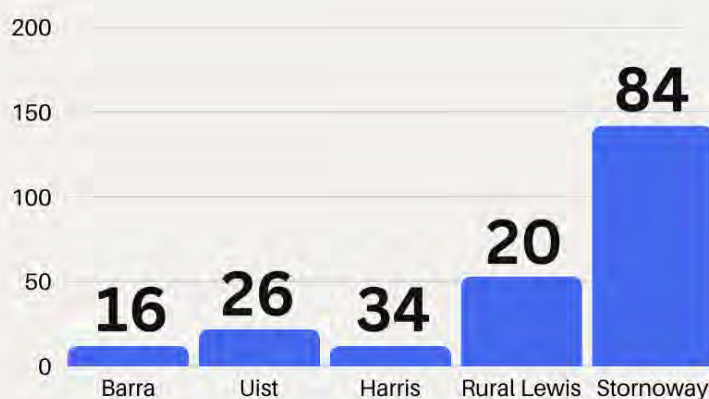


48. We will be consulting with the Tenant Board Panel who will be asked to consider the issues raised during the rent consultation exercise.

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 2. 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 they have withdrawn from the project.

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
 - o Does our dedication to compassionate service prevent needed changes?
 - o Is our optimistic outlook preventing us from acknowledging and addressing challenges head-on?
 - o 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

Section 6 How Our Plans Are Funded

Introduction

1. Our plans and aspirations have been laid out in Sections 2 to 5 but like nearly all plans they require funding to make them happen. We prepare our 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. We plan to use our Subsidiary, Dachaigh Property Services (DPS) 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 DPS and will be 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	14,530	15,750	16,560	17,130	77,690	637,440
Other Income	310	120	120	120	120	790	3,740
New Build Grants	14,890	10,680	9,270	-	-	34,840	34,840
Borrowing	-	-	-	-	-	-	-
Total Income	28,920	25,330	25,140	16,680	17,250	113,320	676,020

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	4,230	4,210	4,280	4,510	4,610	21,840	176,770
Investment	5,810	4,180	4,970	3,770	5,440	24,170	241,150
OT Adapts	120	120	120	120	120	600	3,390
New Build	15,970	13,590	11,880	-	-	41,440	47,230
Total Property Costs	26,130	22,100	21,250	8,400	10,170	88,050	468,540
Management Costs	3,570	3,630	3,780	3,900	4,010	18,890	146,650
Interest	700	710	720	720	700	3,550	7,900
Repayment of Loans	-	-	-	-	-	-	22,370
Finance Costs	700	710	720	720	700	3,550	30,270
Total costs	30,400	26,440	25,750	13,020	14,880	110,490	645,460

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	2500	2593	2626	2626	
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

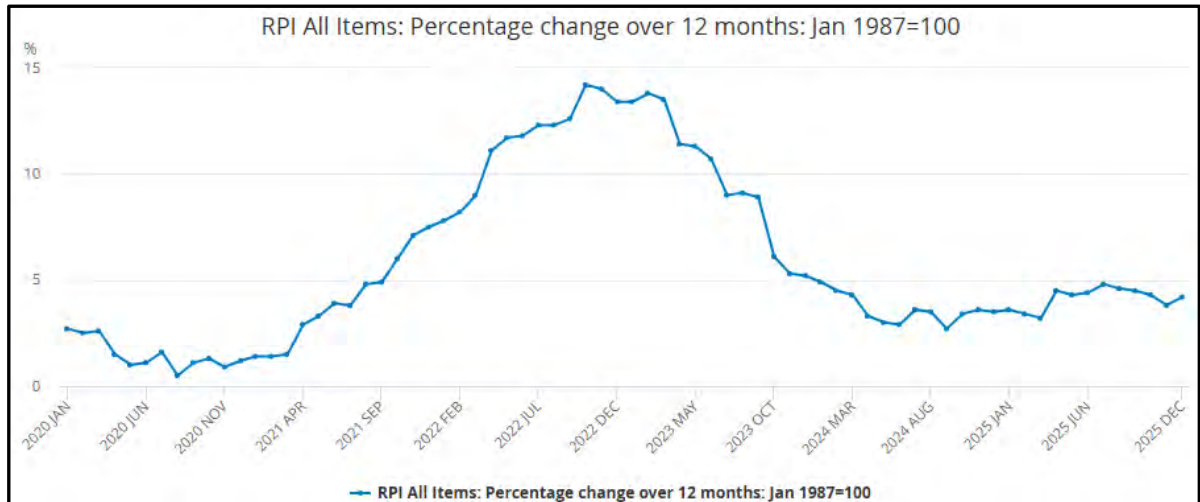
9. As part of our Asset Management Strategy, we will be assessing whether some of our housing stock should be disposed of or re-provisioned.

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	2,461	2,471	2,500	2,552	2,556	2,461	2,461
Sales/RTB	-	-	-	-	-	-	-
New Build	20	19	93	33	-	165	165
Closing Stock	2,481	2,490	2,593	2,585	2,556	2,626	2,626

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.
12. Our plans now include the delivery of 50 additional homes which will be delivered and funded through collaboration with Scottish & Southern Electricity Networks (SEN).

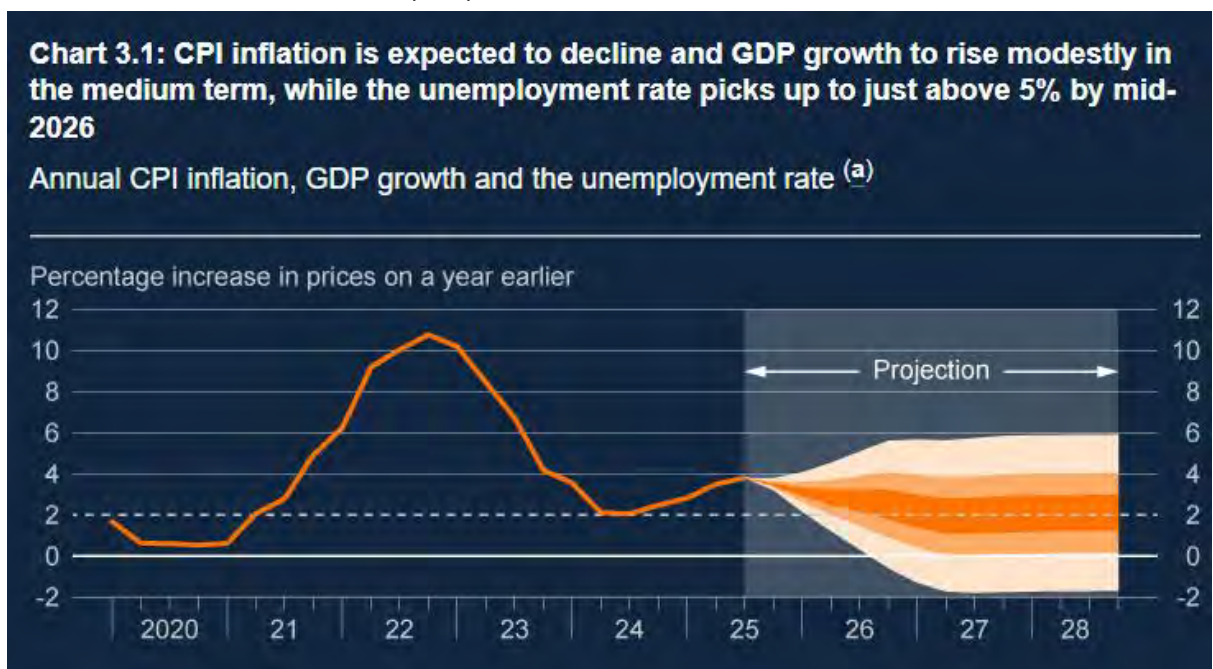
Inflation

13. 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

14. 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

15. 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.
16. 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.
17. 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

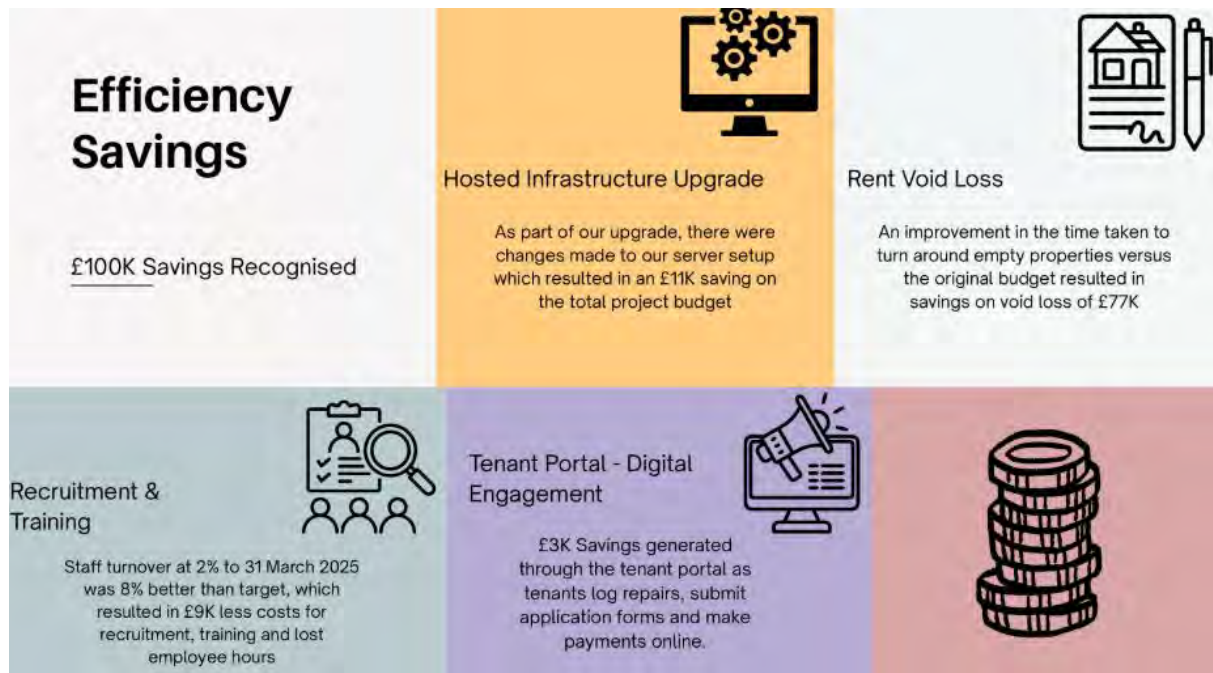
18. Management costs are made up as follows:

Management Costs 2026/27	£000's
Employee Costs	3,049
Supplies & Services	421
Corporate Expenses	649
Admin Costs	204
Total Costs	4,323
Internal Fee Income	(693)
Total Costs	3,630

19. We have assumed employee costs at £770 per unit for year 1, with overhead costs set at 11% of turnover.
20. 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

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



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

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

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

Funding

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

25. 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.

26. 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.

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

28. Our borrowing is not anticipated to increase beyond the £17 million currently drawn. Debt is progressively paid off in subsequent years and is projected to be fully paid off by 2046.
29. 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.
30. 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

31. 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.

32. 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	£22,365m	Repay		
Rent Increase				
RPI	£22,365m	Never repays		£22,365m
RPI + 0.5%	£22,365m	Repay		
RPI - 0.5%	Never repays			£82,065m
RPI - 1%	Never repays			£143,145m
Bad Debts				
5% from Yr3	Never repays			£48,130m
10% from Yr3	Never repays			£178,963m

33. 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.

34. 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

35. 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

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



37. 30 year financial projections are performed using a bespoke Financial Modelling System called HousingBRIX. The following Reports have been generated from HousingBRIX.

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

Conclusion on Financial Position

38. 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.

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

40. 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.

41. Over the next 5 years we anticipate to spend £65.61 million on our housing capital programme as shown:

Spending Plans

Area	Cost £m	Grant £m	Paid for by HHP £m
Investment	24.17		24.17
Development	41.44	34.84	6.60
Total	65.61	34.84	30.77

42. 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.

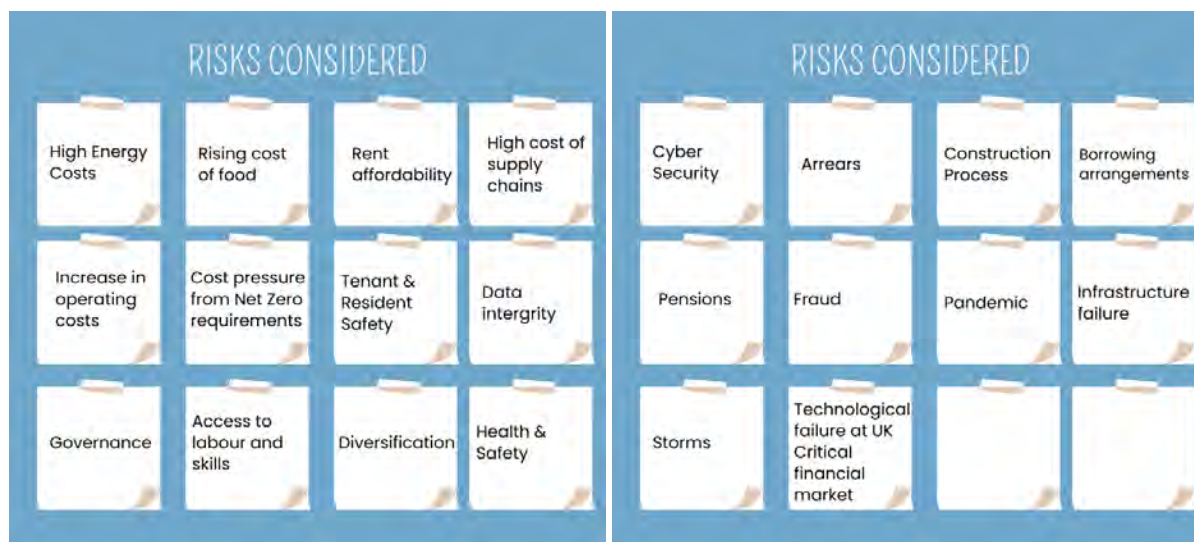
Strategic Goal		Risk level				
		No Appetite	Low	Cautious	Open	Hungry
1 – Placing tenants at the heart of everything we do	Rent Affordability					
	Supporting Vulnerable Tenants					
	Reputation					
	Communication with tenants					
2 – Investing in a sustainable way in tenants's homes	All homes to Net 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

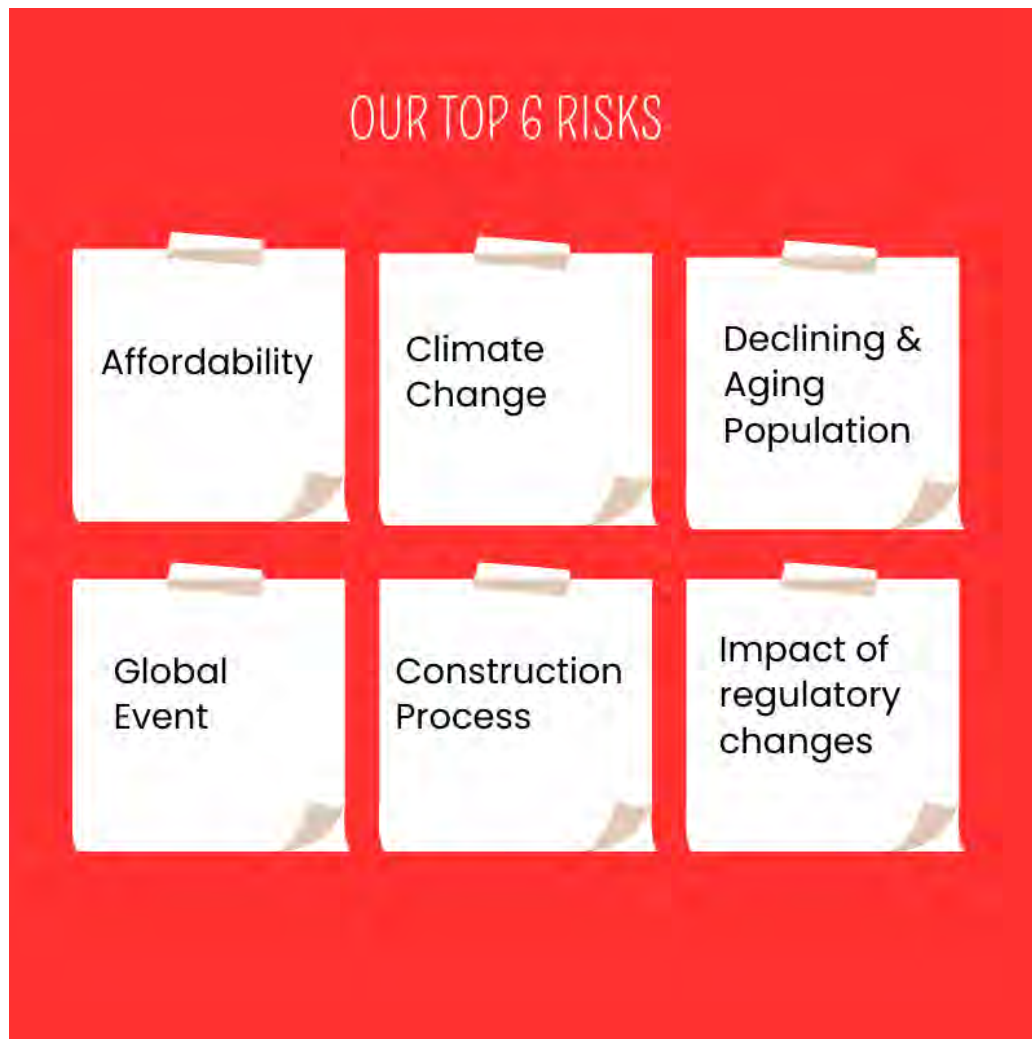
11. A review of the Risk Register was carried out in January 2025 will include consulting on the following documents

- 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

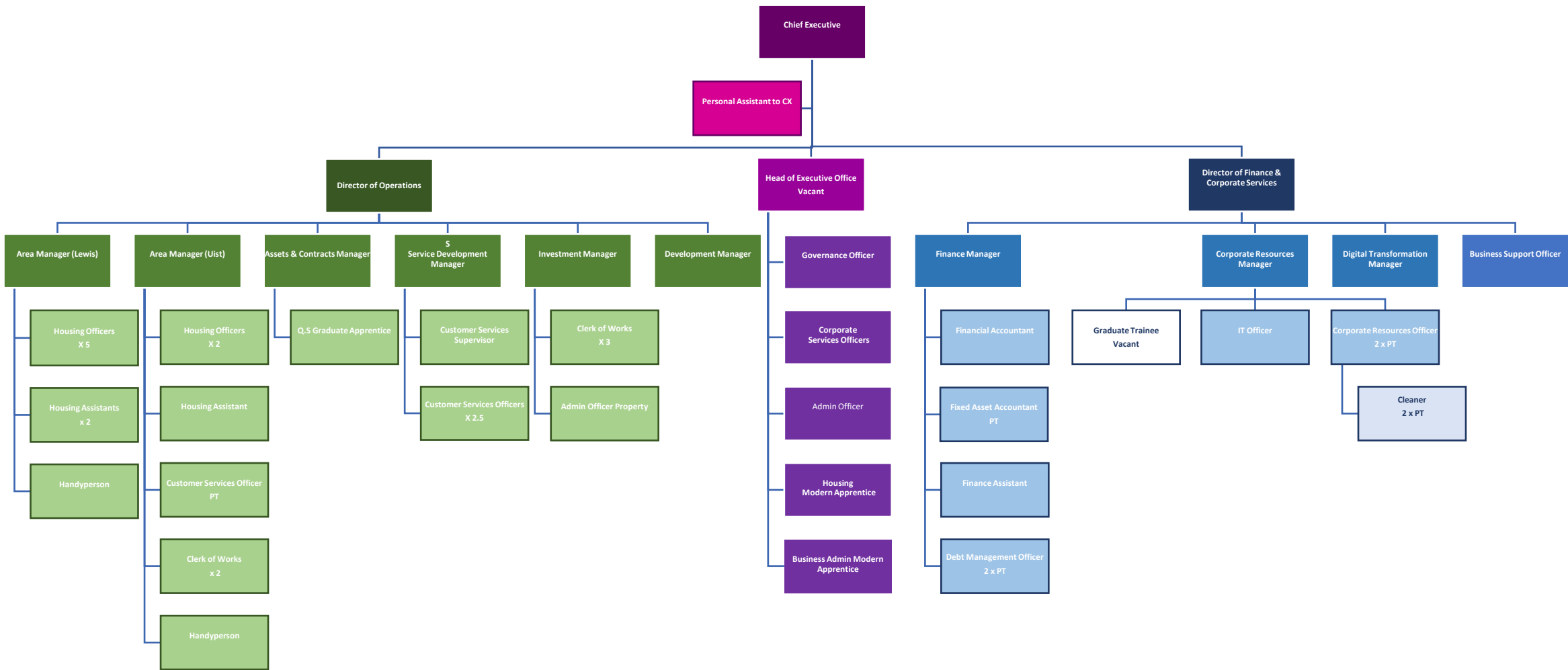
APPENDIX 6: Debt Outstanding

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 (non-legal)	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 2027	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 2027	Governance Manager
	6	Complete Tenant Satisfaction every 3 years	83%	88%	Tenant Satisfaction Survey completed September 2024 Next Survey to be carried out in 2027	31 December 2027	Service Development Manager
	7	Satisfaction with our overall services improved by 2%	86%	88%	83%	31 December 2027	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 project ceased due to staffing	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
	2	Tenants satisfied with the opportunities to participate in decision making improved by 2%	85%	87%	82%	31 Dec 2027	Service Development Manager
Review Options for Tenant Involvement	1	Tenants satisfied with the opportunities to participate in decision making improved by 2%	85%	87%	82%	31 Dec 2027	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	91%	100%	18 refusals will be replaced when opportunity arises e.g. COT	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 2027	Service Development Manager
	3	Improve owner satisfaction with factoring service by 20%	42.1%	65%	33.33%	31 December 2027	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 11th of March 2026

Area Manager

1 : Minimise negative impact on cashflow

Void Loss	Target	Apr 25	May 25	Jun 25	Jul 25	Aug 25	Sep 25	Oct 25	Nov 25	Dec 25	Jan 26
	Actual	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
		0.18%	0.27%	0.48%	0.52%	0.55%	0.65%	0.51%	0.41%	0.52%	0.46%
Void Let Performance (Days)	Target	Apr 25	May 25	Jun 25	Jul 25	Aug 25	Sep 25	Oct 25	Nov 25	Dec 25	Jan 26
	Actual	29	29	29 days	29 days	29 days	29 days	29	29	29 days	29
		30	20	18 days	27 days	29 days	21 days	26	25	25 days	22
Level of expected Arrear	Target	Apr 25	May 25	Jun 25	Jul 25	Aug 25	Sep 25	Oct 25	Nov 25	Dec 25	Jan 26
	Actual	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
		1.75%	1.75%	1.75%	1.79%	1.56%	1.62%	1.63%	1.46%	1.81%	1.4%
Gross Rent Arrears	Target	May 25	Jun 25	Jul 25	Aug 25	Sep 25	Oct 25	Nov 25	Dec 25	Jan 26	
	Actual	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	
		2.34%	2.32%	2.31%	2.27%	2.32%	2.71%	2.54%	2.16%	2.72%	
Monitor Rechargeable Repairs	Target	May 25	Jun 25	Jul 25	Aug 25	Sep 25	Oct 25	Nov 25	Dec 25	Jan 26	
	Actual	£250k	£250k	£250k	£250k	£250k	£250k	£250k	£250k	250K	
		£324K	£321k	£338.4K	£357.7K	£358.7K	£375.5K	£371k	371.6K	£374.8K	

Service Development Manager

2 : Ensure Customer Satisfaction is high

Resolve Anti Social Behaviour cases within 3 months	Target Actual	Jun 25 95% 86% * 1	Sep 25 95% 50% * 2	Dec 25 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	Apr 25 95% 100%	Apr 25 95% 100%	Jun 25 95% 100%	Jul 25 95% 100%	Aug 25 95% 100%	Sep 25 95% 95%	Oct 25 95% 100%	Nov 25 95% 100%	Dec 25 95% 96%	Dec 25 90% 96%	Jan 26 95% 100%
Explore the possibility of providing tenants with an individual "impact statement"	Target Progress	Mar 26 —										
Review Lettable Standard	Target Progress	Mar 26 Green * 1										
Notes:	1 Discussed with tenant Board Panel 13 January 2026											
Arrange Estate Visits for Board Members	Target Progress	Mar 26 Green * 1										

Notes:		1 2026 visits to be scheduled
Complete Tenant Satisfaction Survey every 3 years	Target Progress	Dec 26
Satisfaction with overall services improved by 2%	Target Actual	Dec 26
3 : Active Tenant Engagement		
Annual Tenant Event Plan	Target Progress	Mar 26 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	Mar 26 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	Aug 26 Prepare annual VFM Report Green * 1
Notes:		1 Annual VFM Report to November 2025 Board
Provide performance information by Area including VFM	Target Actual	Mar 26
Area Manager		
5 : Deliver Penumbra Project		
Pilot Project to commence with Penumbra	Target Progress	Mar 26 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	Mar 26 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	Dec 26 87% 82%
Review Options for Tenant Involvement in Decision Making	Target Actual	Mar 26 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	Mar 26 Green * 1
Notes:	1 Complete	
Director of F&CS		
9 : Review Rent Structure		
Revised Rent Structure	Target Actual	Mar 26 Yes Yes * 1
Notes:	1 Update on affordability to November 2025 Board	
Explore Rent Guarantees	Target Actual	Dec 26 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	Jun 25 Green * 1	Sep 25 Green	Dec 25 0 reopened cases 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	Mar 27 Green		
12 : Maintain Homes to Required Standard				
% of Homes that meet SHQS	Target Actual	Mar 26 90% 91.85%		
Stock assessed in terms of long term viability	Target Actual	Mar 26 100% 100%		
Review Investment Plan to provide for fencing and external walls	Target Progress	Mar 26 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	Mar 26 —		
Carry Out Stock Condition Survey	Target Actual	Mar 28 Yes —		
Replace all Infra Red Heating	Target Progress	Mar 27 100% 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	Mar 29 Green * 1		
Notes:	1 78 properties completed to date (44%)			
CEO				

14 : Staff Retention

Vacancies filled on 1st attempt	Target Actual	Jun 25 100%	Sep 25 100%	Dec 25 100%
Sustain a minimum of staff with a service length greater than 3 years	Target Actual	Jun 25 65%	Sep 25 65%	Dec 25 65%
% of Staff Turnover	Target Actual	Jun 25 10%	Sep 25 10%	Dec 25 10%
Review effectiveness of flexible working arrangements to ensure they remain appropriate	Target Actual	Mar 26 Yes		
Review of staff and organisational structure to ensure skills gaps are identified	Target Progress	Mar 27 Green		
Carry out salary benchmarking	Target Actual	Mar 28 Yes		
Review of office accommodation in Balivanich	Target Actual	Apr 26 Yes		
Notes:		* 1 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	Jun 25 25%	Sep 25 50%	Dec 25 50%
Provide development opportunities for Managers to take on a cross cutting role	Target Progress	Mar 26 Green		
Notes:		* 1 1 Principle agreed with Managers. ESG Strategy provided as an example and other opportunities to be identified.		
Staff pursuing and obtaining qualification	Target Actual	Jun 25 7%	Sep 25 7%	Dec 25 7%

Director of Operations

16 : Engage with and foster relationships with partners for the benefit of the Community

Contribute to OHCPP	Target Actual	Mar 26 Yes		
		* 1		

	Notes:	1 Attendance & participation at OHCPP meetings	
Maximise Opportunities to support the Renewables Work		Target Actual	Mar 26 Yes Yes
Work with organisations such as Young Islanders Network		Target Actual	Mar 26 Yes Yes
Review of Community Benefits		Target Actual	Mar 26 100% 100%
Work with local community landlords to see how we can enable them to deliver their vision for housing in their area		Target Actual	Mar 26 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	Mar 26 Yes Yes * 1
	Notes:	1 Quarterly meetings with Chair/Vice Chair of Sustainable communities	
17 : Supporting Communities			
Support Community Groups through Grant		Target Actual	Mar 26 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	Dec 26 —
Improve owner satisfaction with factoring services		Target Progress	Dec 26 —
Director of F&CS			
18 : Measure Social Impact			
Development a Social Impact Report		Target Progress	Mar 26 Green * 1

Notes:		1 Report drafted - due to Board March 2026		
Governance Officer				
19 : Effective Communications				
Monitor Engagement	Target	Mar 26		
	Progress	Green * 1		
Notes:		1 In monthly performance report		
Increase impressions across 3 platforms	Target	Jun 25	Sep 25	Dec 25
	Progress	Green * 1	Green * 2	Green * 3
Notes:		1 181 followers 2 236 followers 3 33,763 impressions		
Annual Communications Strategy	Target	Mar 26		
	Progress	Green * 1		
Notes:		1 Strategy to Board September 2025		
Prepare plans to mark our 20th anniversary with events throughout islands	Target	Sep 26		
	Progress	—		
20 : Improve Performance				
Identify 2 areas for Benchmarking	Target	Mar 26		
	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	Mar 26 Yes		
	Actual	Yes * 1		
Notes:		1 Armed Forces Bronze Award achieved July 2025 National Green Standard award being explored		
Carry out Self Assessment	Target	Mar 26 Yes		
	Actual	Yes * 1		

	Notes:	1 Action plans updated	
Review Quality Assurance processes to ensure data integrity		Target Progress	Mar 26 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	Mar 26 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	Dec 25 Yes Yes * 1
	Notes:	1 Board Induction drafted and to be tested with new Board Member post AGM	
Review Constitution		Target Progress	Mar 27 —
Explore options to provide more informal meetings for Board Members		Target Actual	Mar 26 —
Implement Action Plan form the Independent Board Skills Assessment		Target Progress	Mar 27 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
People		Example only	Business continuity tested				
			FOI/Data Access dealt within timescales	100%	100%		<100%
			Turnover rates	<10%	<10%	<15%	>15%
			Sickness rates	< 7 days			
			Complaints	<5			
			Diciplinary action	<5			
BP Actions		Example only	Grievances	<5			
			Qualifications achieved	7%			
			Number agreed for the year	100%			



hebridean housing
partnership

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



hebridean housing
partnership

Introduction

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

Stock Condition Survey

- 2.1 We completed a Stock Condition Survey in 2023 which reported that the housing stock was in good condition with a minimal requirement for 'catch – up repairs'. This reaffirms the findings of the previous Stock Condition Survey carried out in 2018 and gives confidence that our approach to investment and maintenance is being effective.
- 2.2 The findings of the Stock Condition Survey 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.

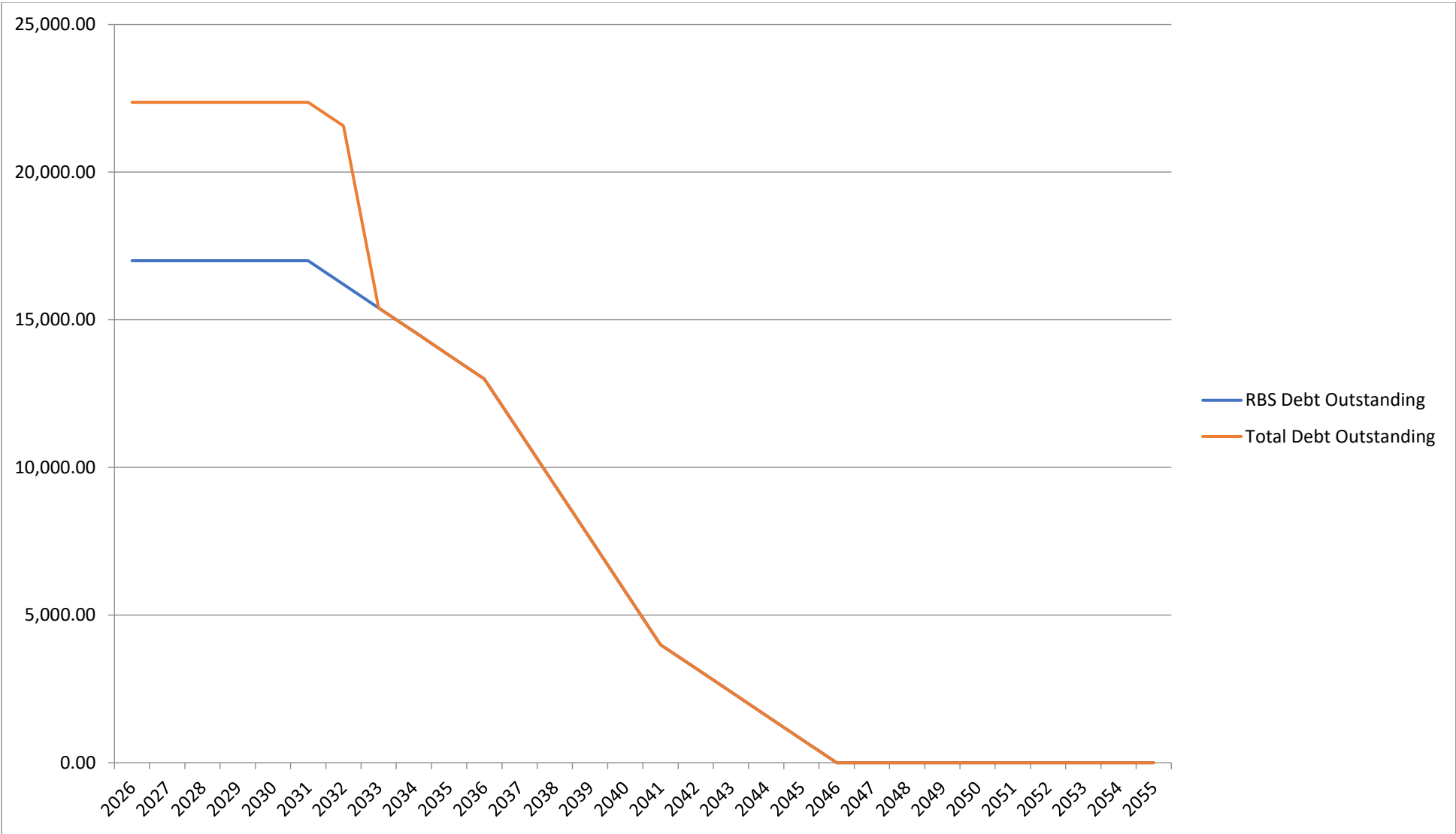
- 6.3 We have formalised our approach to reports of damp and mould and monitor the prevalence of such issues and the effectiveness of our investment works and other interventions in addressing problems. Where appropriate we will install mechanical ventilation to ensure that humidity levels in houses 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	25	86	326
2026	109	59	34	48	106	356
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	2249	3408	2602	866	2288	11413

Outstanding Debt

APPENDIX 6



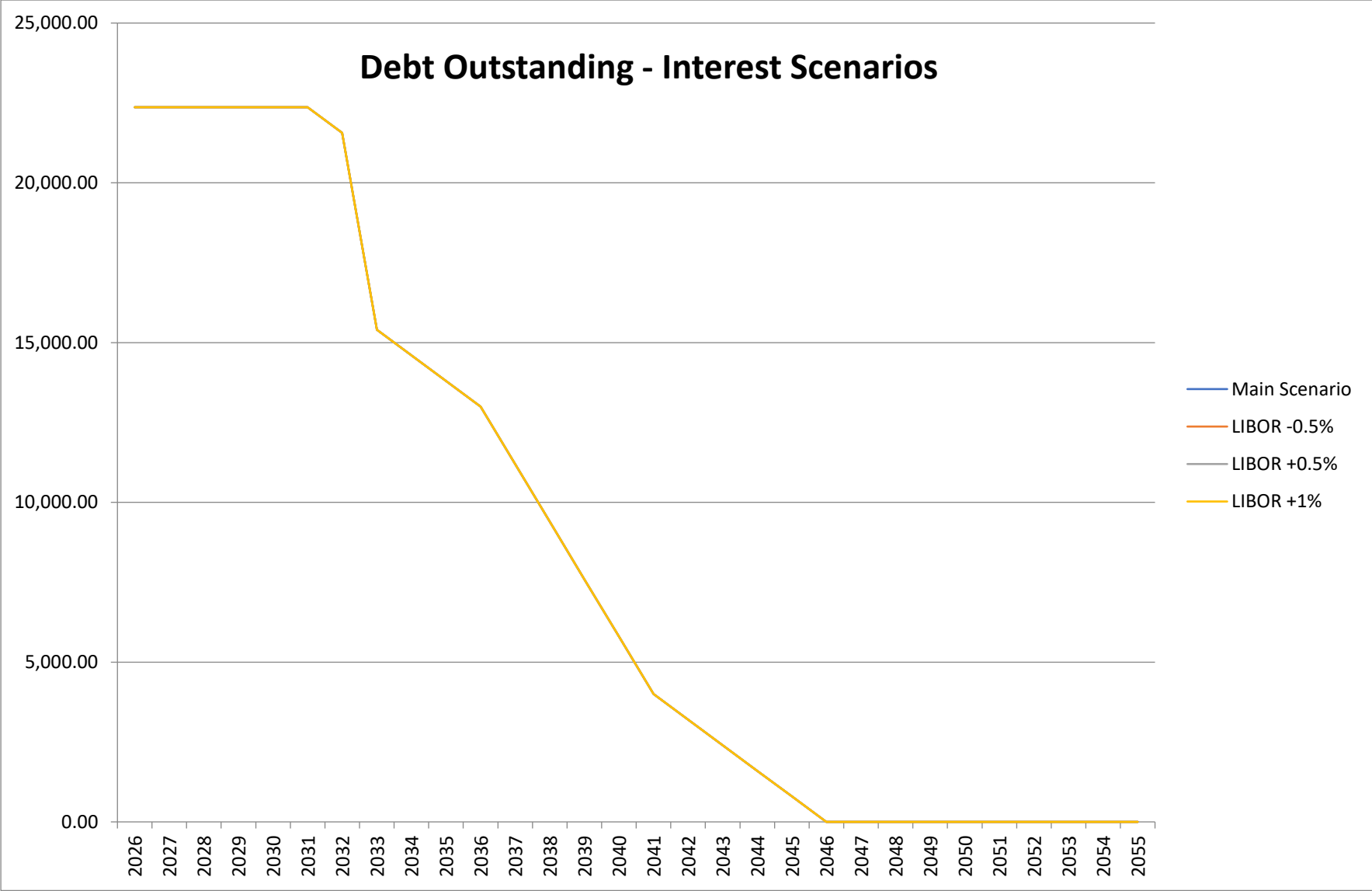
1. Our Business Plan is tested annually for a number of different scenarios. These scenarios are as follows:
 - a. Changes in the base rate of interest
 - b. Changes in inflation
 - c. Changes in rental assumptions
 - d. Changes in voids & bad debts
2. Our plan is resilient when it comes to scenarios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

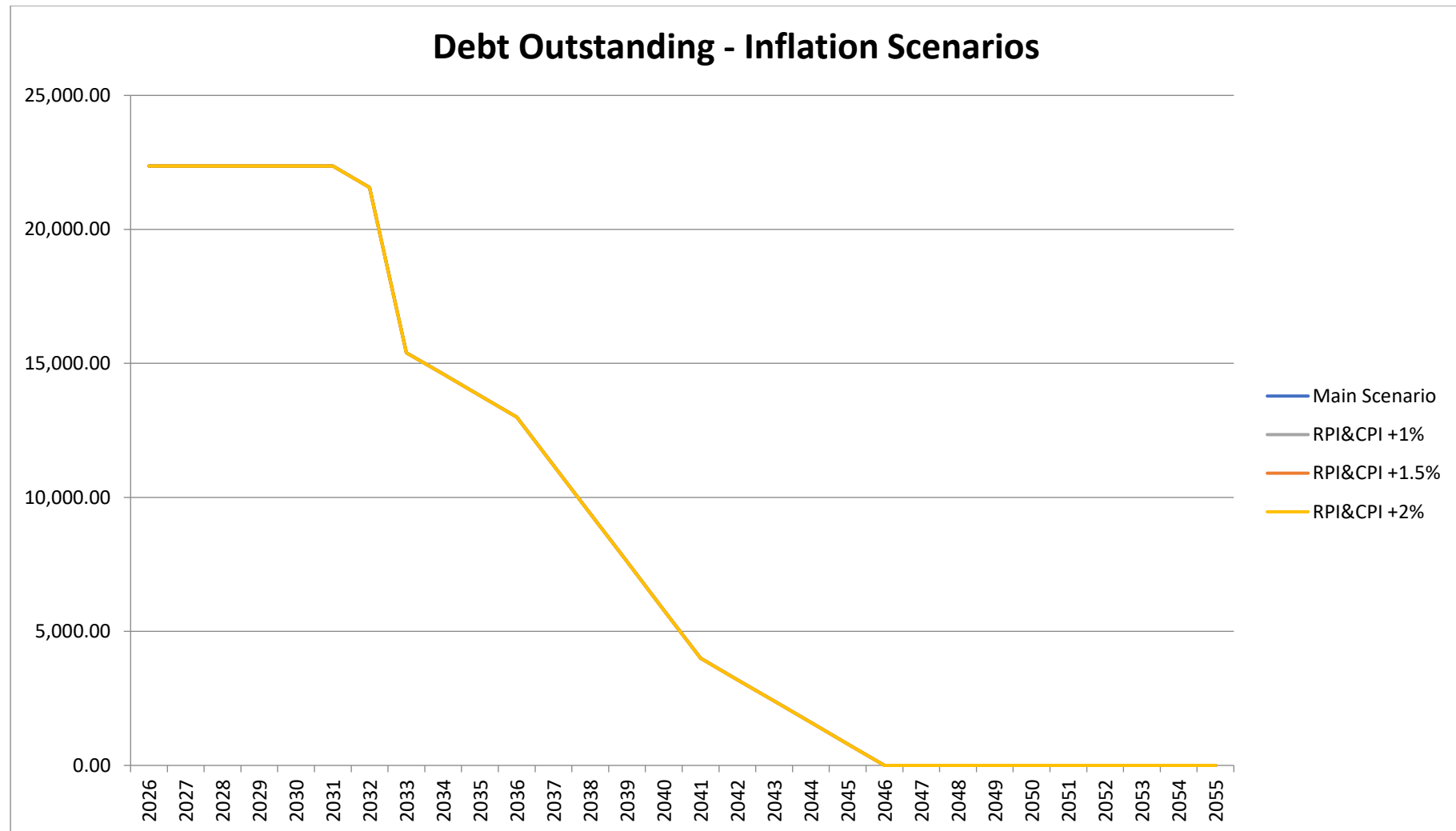
Covenant Modelling

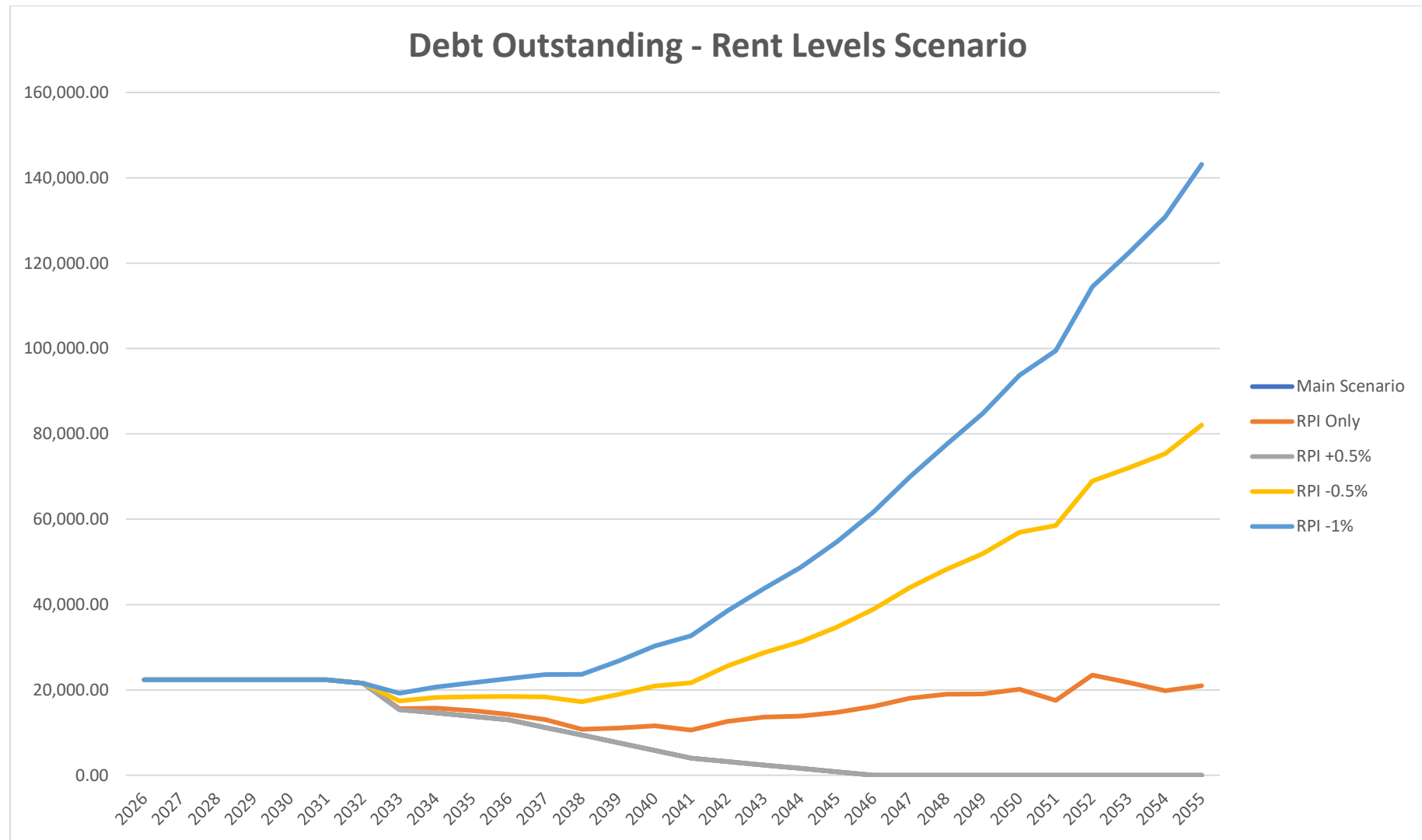
1. In addition to the above stress testing, we undertake covenant compliance testing to ensure our Business Plan complies with our covenant requirements over the 30 year period. The minimum interest cover over 30 year is 793% which is well above the minimum 150% requirement which is now in place following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

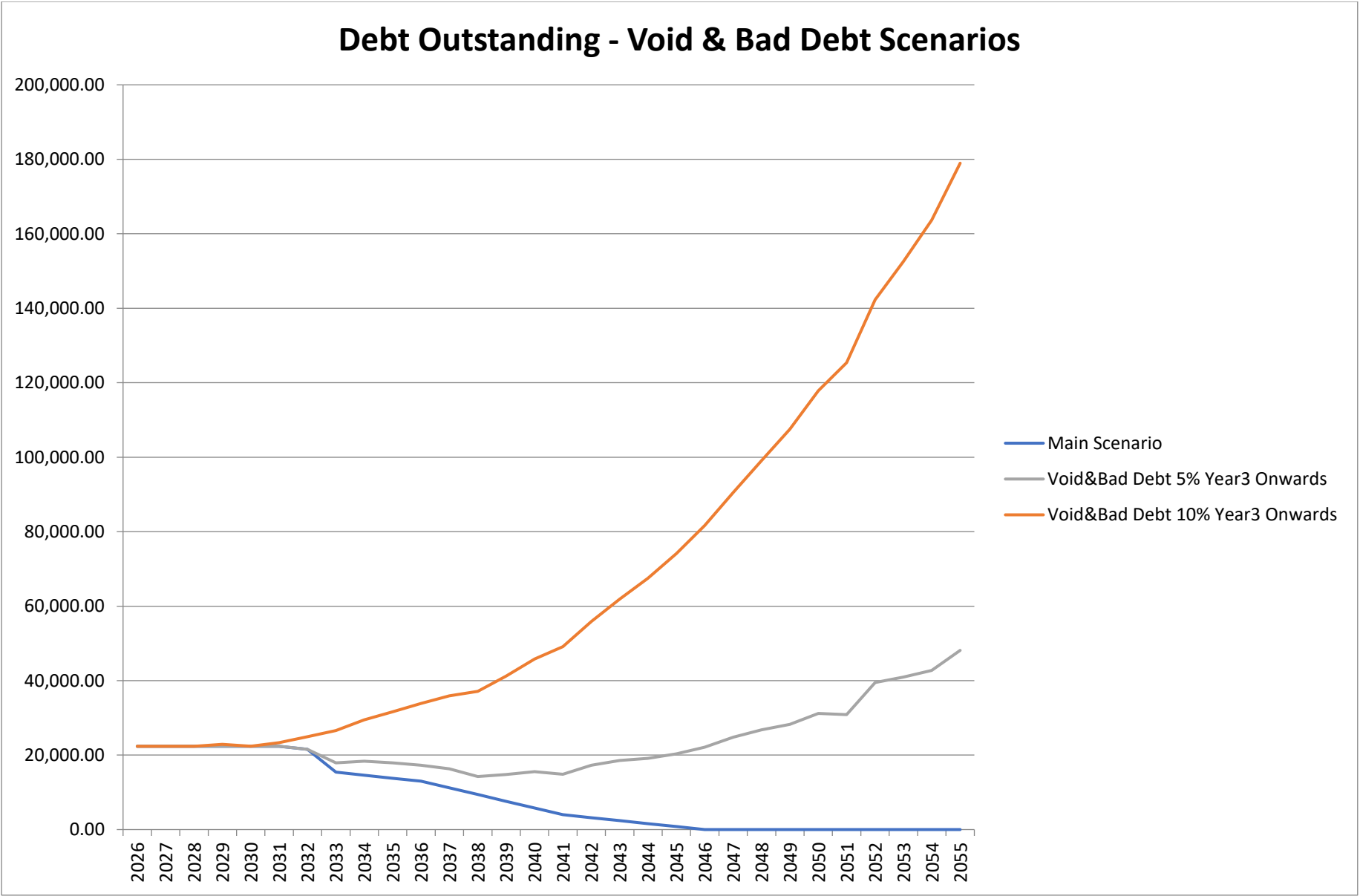
Mitigations

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	15,859.40	13,859.60	14,354.40	15,507.90	16,331.50	16,896.50	17,399.20	17,889.00	18,541.00	19,183.10
Total Payments	-9,208.60	-8,185.70	-8,178.60	-8,411.00	-8,765.20	-8,982.50	-9,307.10	-9,393.70	-9,475.50	-9,731.70
Cash Paid To Employees										
Cash flow from Operating Activities	6,650.80	5,673.90	6,175.90	7,096.90	7,566.30	7,914.00	8,092.10	8,495.20	9,065.50	9,451.40
Provisions for tax										
Surplus for the year	6,650.80	5,673.90	6,175.90	7,096.90	7,566.30	7,914.00	8,092.10	8,495.20	9,065.50	9,451.40
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	6,650.80	5,673.90	6,175.90	7,096.90	7,566.30	7,914.00	8,092.10	8,495.20	9,065.50	9,451.40
Cash flow from investing activities										
Purchase of tangible fixed assets	-10,944.40	-21,677.30	-17,769.30	-16,849.90	-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	2,626.80	14,891.90	10,677.20	9,272.90						
Interest Received (cash)	35.4	29.3	20.6	13.4	17.3	29.8	35.6	38.5	13.5	15.9
Total Cash flow from investing activities	-8,282.10	-6,756.00	-7,071.60	-7,563.60	-3,751.70	-5,409.10	-6,071.60	-6,429.40	-7,574.50	-7,026.30
Cash flow from financing activities										
Interest paid	-700.4	-733.9	-733.9	-733.9	-733.9	-733.9	-690.6	-668	-645.4	-622.9
Interest element of finance lease payments										
New secured loans										
Capital Repayments							-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	-733.9	-733.9	-733.9	-733.9	-733.9	-1,490.60	-6,833.30	-1,445.40	-1,422.90
Cash & cash equivalents at the beginning of year	9,040.80	6,709.10	4,893.10	3,263.50	2,062.90	5,143.70	6,914.70	7,444.60	2,677.10	2,722.70
Net Change in Cash & cash equivalents	-2,331.70	-1,816.00	-1,629.60	-1,200.60	3,080.70	1,771.00	529.9	-4,767.50	45.6	1,002.20
Cash & cash equivalents at the end of year	6,709.10	4,893.10	3,263.50	2,062.90	5,143.70	6,914.70	7,444.60	2,677.10	2,722.70	3,724.90

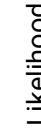
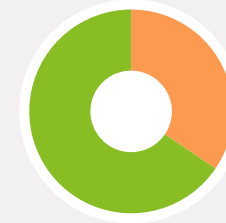
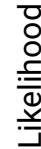
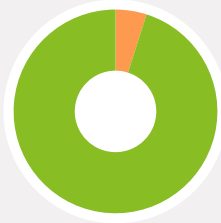
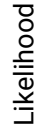
30 Year Cashflows

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	19,756.30	20,120.30	20,657.10	21,170.60	21,794.80	22,196.60	22,789.20	23,355.90	24,044.90	24,488.40
Total Payments	-10,072.30	-10,499.20	-10,582.80	-10,850.50	-11,130.50	-11,406.60	-11,896.00	-11,991.60	-12,301.40	-12,606.90
Cash Paid To Employees										
Cash flow from Operating Activities	9,683.90	9,621.10	10,074.30	10,320.10	10,664.30	10,790.00	10,893.20	11,364.30	11,743.50	11,881.50
Provisions for tax										
Surplus for the year	9,683.90	9,621.10	10,074.30	10,320.10	10,664.30	10,790.00	10,893.20	11,364.30	11,743.50	11,881.50
Adjustment for investing or financing activities										
Proceeds from sale of tangible assets										
Government grants utilised in the year										
Interest payable (investments)										
Interest received (investments)										
Corporation Tax										
Total Adjustments for invest or financing activities										
Net cash generated from operating activities	9,683.90	9,621.10	10,074.30	10,320.10	10,664.30	10,790.00	10,893.20	11,364.30	11,743.50	11,881.50
Cash flow from investing activities										
Purchase of tangible fixed assets	-7,029.40	-6,620.90	-6,037.60	-8,941.20	-9,387.00	-7,987.40	-11,082.60	-10,310.60	-9,851.00	-10,552.20
Proceeds from sale of tangible fixed assets										
Grants received										
Interest Received (cash)	21.4	25.9	32.5	35.8	31.8	31.9	30.5	29.4	32.3	36.5
Total Cash flow from investing activities	-7,008.10	-6,595.00	-6,005.10	-8,905.40	-9,355.10	-7,955.50	-11,052.20	-10,281.20	-9,818.70	-10,515.70
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	3,724.90	5,000.40	5,682.00	7,501.70	6,762.00	6,011.70	6,876.50	5,815.10	6,018.20	7,085.70
Net Change in Cash & cash equivalents	1,275.50	681.6	1,819.70	-739.8	-750.2	864.8	-1,061.40	203.2	1,067.40	531
Cash & cash equivalents at the end of year	5,000.40	5,682.00	7,501.70	6,762.00	6,011.70	6,876.50	5,815.10	6,018.20	7,085.70	7,616.70

Consolidated Statement of Cash Flow | 2026/27 30 Year Plan | Plan

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	25,142.50	25,768.10	25,920.50	25,766.40	25,823.20	25,833.20	25,959.80	25,806.60	25,864.50	25,875.40	643,955.80
Total Payments	-12,926.50	-13,481.20	-13,537.50	-13,814.90	-14,162.50	-14,488.60	-14,965.70	-15,071.20	-15,394.90	-15,720.90	-346,541.20
Cash Paid To Employees											
Cash flow from Operating Activities	12,216.10	12,286.90	12,383.00	11,951.50	11,660.70	11,344.60	10,994.10	10,735.40	10,469.60	10,154.60	297,414.60
Provisions for tax											
Surplus for the year	12,216.10	12,286.90	12,383.00	11,951.50	11,660.70	11,344.60	10,994.10	10,735.40	10,469.60	10,154.60	297,414.60
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	12,216.10	12,286.90	12,383.00	11,951.50	11,660.70	11,344.60	10,994.10	10,735.40	10,469.60	10,154.60	297,414.60
Cash flow from investing activities											
Purchase of tangible fixed assets	-11,261.40	-12,046.10	-11,304.20	-10,293.60	-11,350.00	-7,673.30	-15,991.30	-8,286.00	-8,288.90	-11,360.00	-299,308.70
Proceeds from sale of tangible fixed assets											
Grants received											37,468.90
Interest Received (cash)	38.5	36.7	41.7	49.7	55.2	64.9	58.1	55.4	67.9	71.2	1,096.40
Total Cash flow from investing activities	-11,222.90	-12,009.40	-11,262.40	-10,243.90	-11,294.80	-7,608.40	-15,933.20	-8,230.60	-8,221.00	-11,288.80	-260,743.40
Cash flow from financing activities											
Interest paid	-12.2										-9,661.30
Interest element of finance lease payments											
New secured loans											
Capital Repayments	-800										-22,365.30
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										-32,026.60
Cash & cash equivalents at the beginning of year	7,616.70	7,797.60	8,075.10	9,195.70	10,903.30	11,269.30	15,005.50	10,066.30	12,571.10	14,819.70	9,040.80
Net Change in Cash & cash equivalents	180.9	277.5	1,120.60	1,707.60	366	3,736.20	-4,939.10	2,504.80	2,248.60	-1,134.30	4,644.60
Cash & cash equivalents at the end of year	7,797.60	8,075.10	9,195.70	10,903.30	11,269.30	15,005.50	10,066.30	12,571.10	14,819.70	13,685.40	13,685.40



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	2 Amber 1 Green	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.	● 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

Risk Appetite Statement

2026/27



RISK 

LOW

MEDIUM

HIGH



hebridean housing
partnership

RISK APPETITE STATEMENT

- 1.1 Risk Appetite can be defined as “*the amount and type of risk that an organisation is willing to take in order to meet their strategic objectives*”. The Risk Appetite sets a clear strategic direction and sets tolerances around controls.
- 1.2 Each year the Board agrees the level of Risk Appetite. Good practice states that once the Risk Appetite has been agreed the Board should prepare a Risk Appetite Statement which is communicated to all employees.
- 1.3 On 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



Business Plan Consultation 2026

Overview of responses

A total of 11 responses were received.

3 respondents identified as Tenant Board Panel members and 8 as non-panel members.

Headline findings (Yes/No questions)

Across the five themes asked, responses were generally supportive, with the strongest levels of agreement on investment, external works and communication.

Theme	Yes	No	Notes
Investment works	11	0	100% Yes (of those answering Yes/No)
Prioritise investment over new build	5	5	50% Yes (of those answering Yes/No)
Affordability	9	1	90% Yes (of those answering Yes/No)
External works	11	0	100% Yes (of those answering Yes/No)
Communication	11	0	100% Yes (of those answering Yes/No)

Prioritisation (ranking question)

10 respondents provided a full or partial ranking of the five themes.

On average, Investment was ranked highest overall (lowest average rank). Investment received the most 1st-place rankings.

Theme	Average rank (1=highest)	1st-place votes	Rankings received
Investment	2.30	3	10
Affordability	2.70	3	10
Communication	2.70	3	10
New Build	3.60	0	10
External Works	3.70	1	10

Key messages for the Board

- Respondents showed strong support for continued focus on investment in existing homes (e.g., heating, windows and roofs).
- External works (paths, fencing and estate works) also attracted high support and should remain visible within planned programmes and budgets.
- Affordability remains a significant theme, with most respondents supporting keeping rents as low as possible.
- Communication about cost pressures was strongly supported, indicating a desire for clarity and transparency during rent setting.
- Views on prioritising investment over new build were more mixed than the other themes, suggesting this balance may benefit from clearer explanation or further engagement.

BUDGETS 2026/27

Board 24 March 2026

Report by Director of Finance & Corporate Services

Purpose of Report

- 1.1 To present to the Board for consideration and approval the proposed 2026/27 budgets.

Summary

- 2.1 The budgets at Appendix 1 have been prepared, following the Board's decision to proceed with an RPI only rent increase (4.5%) and take into account the cash planning limits for 2026/27 as detailed at Appendix 2.
- 2.2 Total income for 2026/27 is budgeted to increase by £605.5K. Net dwelling rents are up by £724K due to the annual rent increase of 4.5% and an increase in the number of houses available for rent. The loss on disposal of assets has increased by £128K to reflect the replacement of storage heating systems which were originally forecast to last 30 years.
- 2.3 Operating expenditure is up £939K driven by a £283K increase in supervision and management costs, a £245K increase in response repairs and planned maintenance up by £412K. Paragraph 9.3 provides further details on the year to year movement.
- 2.4 Our capital investment programme has reduced by £2.5M with an increase in our investment programme (£1.24M) being offset with a reduction in the net development spend (£3.85M).
- 2.5 The budget will be presented to the Development & Finance Committee on 23 March 2026 where stress testing and covenant compliance checks will be performed.

Competence

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

Recommendations

- 4.1 **It is recommended that the Board:**
- a) approve the 2026/27 budgets at Appendix 1; and**
 - b) note the cash planning limits and 30 year cash flow statement at Appendix 2 & 3 respectively.**

APPENDIX 1: Budgets for 2026/27

APPENDIX 2: 2026/27 Cash Planning Limits

APPENDIX 3: 30 Year Cashflow Statement

Background Papers: None

Report Details

- 5.1 Budgets are set each year which identify the income available to the Partnership and the funds required to deliver:
- a) the promises made to tenants as part of the Stock Transfer;
 - b) the strategic goals of the current approved Business Plan;
 - c) Regulatory requirements; and
 - d) Scottish Government requirements in relation to the standard of the housing stock.
- 5.2 Budgets are set in the context of the 30 Year Business Plan making amendments as required to ensure the Partnership is still in a position to repay the funds borrowed.
- 5.3 Material variations from 2026/27 along with explanations can be found below:

BUDGET AREA		COMMENTS
Income	Dwelling Rents	£724K increase as a result of an increase in the number of properties available for rent coupled with a 4.5% annual rent increase.
	(Loss)/Profit on Sale of Asset	£128K increase to account for accelerated depreciation anticipated as a result of the approved investment programme for 26/27.
	Other Income	£10K increase as a result of an increase in the number of properties available for rent coupled with a 4.5% annual rent increase.
Supervision & Management	Salaries & Wages	Increase driven by annual pay award and increments due, coupled with additional apprentice role being budgeted this year.
	National Insurance	
	Pension Costs	
	Other Employee Costs	£6K Increase as uniforms to be renewed in 2026/27.
	Premises Costs	£18K increase due to new Uist office rent (£12.5K) plus inflationary increases on office overheads.
	Community Support	£61K increase provision for tenant survey (May move to 2027/28) as well as provision for a 20 year anniversary tenant support fund.
	Consultants Fees	£24K increase as we are required to undertake a funders valuation in the upcoming year.
	Insurance	£26K Increase driven by additional housing stock as well as anticipated increase in premium costs.
	Fees charged to capital	£104K Increase as a result of a larger investment and development programme for 26/27.

BUDGET AREA		COMMENTS
Repairs & Maintenance	Response Repairs	£160K Increased average repair cost & number of repairs per property as per 2025/26 performance.
	Insurance Repairs	A large amount of insurance repairs under the excess threshold resulting in increased costs and lower claims (£60K).
	ASHP Servicing	£30K increase reflects servicing for new ASHP units commissioned.
	Other Servicing	Fire suppression systems servicing programme has now been introduced which has resulted in an increase of £60K.
	Compliance Costs	£278K increase mainly to reflect planned EICR work as 2021 new build completions due their first EICR
Housing Investment		Increase of £1.2M. The budget reflects the Board approved Investment program for 26/27 in addition to carry over from the 25/26 programme.
Non-Housing Investment		Increase of £47K due to capital works planned at both Uist and Lewis offices in addition to IT equipment being replaced as per the replacement programme.
Development		Decrease of £3.9M net of grant. The budget reflects the Board approved Development program for 26/27 with a lot of development projects cost fully funded by grant in the 26/27 year.

5.4 Deviations between the detailed budgets and the cash planning limits presented to Board in February 2026 can be found below:

CASH PLANNING LIMITS	Feb-26	Mar-26			
	BRIXX	BRIXX	Budget	Diff	
	£000's	£000's	£000's	£000's	Comments
Gross Income	14,423,650	14,472,950	14,472,950	(49,300)	Increase in RHI Monies offset by reduction in rental income due to slippage on New Build
Voids	(281,300)	(281,200)	(281,200)	(100)	
Bad Debts	(276,600)	(276,100)	(276,100)	(500)	
Net Income	13,865,750	13,915,650	13,915,650	(49,900)	
Expenditure					
Supervision & Management	3,498,000	3,566,800	3,566,800	(68,800)	Increase to cover Tenant Satisfaction Survey, increased cost of insurance plus 20 year tenant support fund
Repairs	2,297,500	2,406,900	2,406,900	(109,400)	Increase to reflect 2025/26 average repair costs
Planned	1,582,600	1,904,500	1,904,500	(321,900)	EICR testing £262K / Fire Suppression Servicing £60K
Estate Works	143,400	143,400	143,400	-	
Interest	793,600	733,900	733,900	59,700	Reduction in debt drawdown of £1.5M
Investment	4,918,400	5,808,200	5,808,200	(889,800)	2025/26 Investment Programme Carry Over
Aids & Adapts	120,000	120,000	120,000	-	
Development Private Finance	3,816,300	1,073,800	1,073,800	2,742,500	To reflect slippage in development Programme
Total Expenditure	17,169,800	15,757,500	15,757,500	1,412,300.00	
Net	(2,746,150)	(1,284,550)	(1,284,550)	(1,461,600)	

6.1 Compliance Checklist

Financial	The report considers the resources required for 2026/27. The budget has been set in accordance with the current accounting standards and complies with our lenders financial covenants (150% Minimum Interest Cover and 30% Maximum Gearing). The current Royal Bank of Scotland borrowing facility will be repaid within the 30 year plan and the revolving credit facility is not forecast to be drawn in full due to delays in our development program.
Legal	The Partnership's Rule 69 states that "The Partnership must keep proper books of account to cover its income, expenditure, spending, assets and liabilities in line with sections 75 and 76 of the Co-operative and Community Benefit Societies Act 2014. It must also set up and maintain a suitable system for controlling its books of accounts, its cash and its receipts and invoices". The Board has ultimate responsibility for the Partnership's finances and in accordance with the Financial Regulations the Board has the responsibility to approve the annual budgets.
Regulatory	The Regulatory Standards checklist has been completed and there is nothing in the report which would result in a breach of the standards.
Risk	The setting of realistic budgets with robust assumptions reduces the risk of financial loss and failure as highlighted in the Risk Register. The preparation and approval of updated 30 Year cash flows ensures compliance with the Funders requirements. Increasing development costs continue to drive up the build cost per unit. Any shortfall between the unit cost and Scottish Government grant contributions will need to be met through our private finance or CNES grant. Each project will be appraised by the Director of Finance and Corporate Services before it is progressed to tender stage. Our plans are most susceptible to changes in income with the main risks being a deterioration in voids, arrears/bad debts and below inflation rent increases. Inflation whilst decreasing over the last year has seen a slight increase in recent months to 3%(CPI). Ongoing tensions in Ukraine and the Middle East is likely to exacerbate the cost of living, which will in turn put pressure on tenant's disposable income and their ability to pay their rent.

ESG	The 2026/27 budget makes provision for two electric cars and delivers on a number of ESG targets e.g., replacement of storage heaters with Air Source Heat Pumps.
Equalities	We are committed to promoting equality, diversity and inclusion. There are no equalities implications arising from the approval of this report.
Communication	Once approved, finalised detailed budgets will be distributed to all budget managers.

APPENDIX 1: 2026/27 BUDGETS

Line	Heading	CURRENT YEAR BUDGET		ACTUAL	2026/27	VARIANCE	VARIANCE	Commentary
		Initial	Revised	to	INITIAL	TO INITIAL	TO INITIAL	
	SUPERVISION & MANAGEMENT	Budget	Budget	31-Jan-26	BUDGET	BUDGET	BUDGET	
		£	£	£	£	£	%	
1	Salaries & Wages	2,079,720	2,077,361	1,696,250	2,233,240	153,520	7.38%	Salaries & wages and subsequent NI and pension costs have increased by 7% driven by annual pay award, the filling of an apprentice role & annual increments.
2	National Insurance	270,150	271,275	212,339	292,770	22,620	8.37%	
3	Pension Costs	441,220	442,260	299,707	468,870	27,650	6.27%	Uniforms to be renewed in 2026/27.
4	Other Employee Costs	33,610	33,760	19,492	39,970	6,360	18.92%	
5	Travel & Subsistence	14,050	15,650	8,907	14,930	880	6.26%	
6	EMPLOYEE COSTS	2,838,750	2,840,306	2,236,694	3,049,780	211,030	7.43%	
7	Premises Costs	99,660	99,910	69,687	117,850	18,190	18.25%	Additional rental costs for Uist office (£12K), remaining increases are inflationary
8	IT & Telecoms	265,050	265,260	204,634	267,330	2,280	0.86%	Inflationary increases being offset by reduction in accounting system maintenance due to no upgrade to system this year
9	Payroll & Cashdesk	27,050	35,780	27,747	31,890	4,840	17.89%	As more tenants utilise the online payment tools, Allpay charges are anticipated to increase
10	Property Management Fees	4,010	4,010	3,342	4,210	200	4.99%	
11	SUPPLIES & SERVICES	395,770	404,960	305,410	421,280	25,510	6.45%	
12	Postage, Printing & Stationery	38,350	43,700	33,020	44,830	6,480	16.90%	Increase in postage costs
13	Admin Furniture & Equipment	2,000	2,000	989	2,000	-	0.00%	In line with training plan with additional staff undertaking professional qualifications
14	Training Courses	36,800	44,479	23,824	55,790	18,990	51.60%	
15	Community Support	31,250	31,250	20,556	92,650	61,400	196.48%	
16	Health & Safety	7,180	6,980	3,644	7,200	20	0.28%	Tenant satisfaction survey planned for 2026/27 and establishing a 20 year Tenant Support Fund
17	Recruitment Costs	2,000	2,000	1,047	2,000	-	0.00%	
18	ADMINISTRATION COSTS	117,580	130,409	83,080	204,470	86,890	73.90%	
19	Legal Fees	38,500	38,500	25,081	37,000	(1,500)	(3.90%)	Reduction in arrears legal fees driven by Sheriff Officer fee reduction.
20	Consultants Fees	47,800	47,800	3,516	71,680	23,880	49.96%	Requirement to undertake a Funders valuation this year
21	Corporate Licences	2,070	2,070	781	2,320	250	12.08%	
22	External Audit Fees	16,560	16,560	(1,800)	16,560	-	0.00%	
23	Internal Audit Fees	10,190	10,190	9,828	10,920	730	7.16%	
24	Total Legal and Audit Fees	115,120	115,120	37,406	138,480	23,360	20.29%	
25	Insurance	397,420	395,470	312,313	423,400	25,980	6.54%	Inflationary increases plus additional units completing next year
26	Affiliation Fees	39,440	39,440	35,673	48,000	8,560	21.70%	Inflationary increases in addition to National Green Standard Accreditation
27	Charitable Donations	5,000	5,000	5,000	5,000	-	0.00%	
28	Governance	10,750	10,750	3,703	13,050	2,300	21.40%	AGM is planned to be held in person in 2026/27
29	Bank Charges	9,000	9,000	7,203	9,000	-	0.00%	
30	Public Relations / Marketing	10,230	10,230	427	12,480	2,250	21.99%	Additional advertising costs required in 2026/27
31	CORPORATE EXPENSES	586,960	585,010	401,725	649,410	62,450	10.64%	
32	Fees Charged to Capital	(580,250)	(636,324)	(266,267)	(684,140)	(103,890)	17.90%	Increased investment and development programme contribution to higher COW fees
33	VAT Received - Partial Exemption	(10,000)	(10,000)	(7,127)	(9,000)	1,000	(10.00%)	
34	MANAGEMENT INCOME	(590,250)	(646,324)	(273,394)	(693,140)	(102,890)	17.43%	
35	MANAGEMENT COST	3,348,810	3,314,361	2,753,515	3,631,800	282,990	8.45%	

APPENDIX 1: 2026/27 BUDGETS APPENDIX 1: 2026/27 BUDGETS

Line	Heading	CURRENT YEAR		ACTUAL	2026/27	VARIANCE	VARIANCE	Commentary
		Initial	Revised	to	INITIAL	TO INITIAL	TO INITIAL	
	REPAIRS & MAINTENANCE	Budget	Budget	31-Jan-26	BUDGET	BUDGET	BUDGET	
		£	£	£	£	£	%	
1	Responsive Repairs	1,274,310	1,434,310	1,223,884	1,434,310	160,000	12.56%	Increased average repair cost & number of repairs per property as per 2025/26 performance
2	Void Repairs	550,840	550,840	467,404	550,840	-	0.00%	
3	Handyperson	111,500	116,300	93,909	115,180	3,680	3.30%	Increases in Handyman salaries and Repair Materials budget
4	GENERAL REPAIRS	1,936,650	2,101,450	1,785,196	2,100,330	163,680	8.45%	
5	Decoration Allowance	90,300	89,695	36,685	90,300	-	0.00%	
6	Council Tax empty properties	4,420	2,820	(676)	4,420	-	0.00%	
7	Compensation	4,500	4,500	1,575	4,500	-	0.00%	
8	SPECIFIC ITEMS	99,220	97,015	37,585	99,220	-	0.00%	
9	Rechargeable Repairs	108,230	108,230	63,749	108,230	-	0.00%	
10	Rechargeable Repairs Recoverable	(108,230)	(108,230)	(86,754)	(108,230)	-	0.00%	
11	Insurance Repairs	141,960	221,379	214,664	181,960	40,000	28.18%	Uplifted to reflect current performance with a significant amount of insurance repairs falling under excess
12	Insurance Claims Recoverable	(62,000)	(32,000)	(29,720)	(42,000)	20,000	(32.26%)	
13	RECOVERABLE EXPENDITURE	79,960	189,379	161,939	139,960	60,000	75.04%	
14	Commercial Properties	1,500	1,500	-	1,500	-	0.00%	
15	Communal Lighting	43,800	65,885	63,268	65,890	22,090	50.43%	Uplifted to take account of current usage costs
16	NON DWELLING REPAIRS	45,300	67,385	63,268	67,390	22,090	48.76%	
17	Gas Servicing	85,100	85,100	71,487	88,880	3,780	4.44%	Increased for inflation and contingency for replacement parts
18	ASHP Servicing	317,260	317,260	198,343	347,030	29,770	9.38%	Increase reflects servicing for new ASHP units commissioned - RHI no longer available to support service costs on new installs
19	TOTAL HEATING SERVICES	402,360	402,360	269,830	435,910	33,550	8.34%	
20	Estate Management	56,550	65,081	53,422	63,430	6,880	12.17%	Budget reflects the requirement for the 26/27 year
21	Estate Management (Welfare)	37,560	34,010	28,324	35,060	(2,500)	(6.66%)	
22	Welfare Support Services	40,000	40,000	22,519	40,000	-	0.00%	
23	Other Servicing	45,820	45,820	32,365	104,350	58,530	127.74%	Fire suppression systems servicing driving the increase
24	Compliance Costs	216,390	280,048	292,255	494,950	278,560	128.73%	EICR programme for 2026/27 higher as 2021 new build completions due their first EICR
25	External Property Maintenance	331,060	264,845	251,125	319,212	(11,848)	(3.58%)	
26	Drying Areas	58,650	58,650	55,612	56,551	(2,099)	(3.58%)	
27	Chimney	44,290	44,290	41,996	42,705	(1,585)	(3.58%)	Budget reflects the requirement for 2026/27
28	Environmental	26,080	26,080	24,729	25,147	(933)	(3.58%)	
29	Other Planned Maintenance	70,000	70,000	66,374	67,495	(2,505)	(3.58%)	
30	Stair Lifts and Door Entry Systems	9,630	9,630	6,070	10,130	500	5.19%	
31	Gutter Cleaning	40,380	42,850	42,850	42,850	2,470	6.12%	As per gutter cleaning programme
32	Sewage Systems	14,840	14,840	-	16,040	1,200	8.09%	Budget reflects Scottish Water increases & septic tank maintenance requirements
33	Sewage Pumps	1,200	1,957	1,287	1,960	760	63.33%	Uplifted to take account of current usage costs
34	HWEC Communal Charges	97,500	135,514	103,391	148,710	51,210	52.52%	Increase in Electricity costs and budget reflects planned maintenance programme for 26/27
35	CYCLICAL MAINTENANCE	1,089,950	1,133,614	1,022,318	1,468,590	378,640	34.74%	
36	TOTAL REPAIRS & MAINTENANCE	3,653,440	3,991,204	3,340,138	4,311,400	657,960	18.01%	

APPENDIX 1: 2026/27 BUDGETS

Line	Heading	CURRENT YEAR BUDGET		ACTUAL to 31-Jan-26	2026/27 INITIAL BUDGET	VARIANCE TO INITIAL BUDGET	VARIANCE TO INITIAL BUDGET	Commentary
	Estate Works	Initial Budget £	Revised Budget £	£	£	£	%	
1	Unadopted Infrastructure	67,440	63,064	18,727	64,280	(3,160)	(4.69%)	Working to determine septic tank and other infrastructure upgrade requirements
2	Grounds Maintenance	77,620	77,620	57,922	79,120	1,500	1.93%	
3	TOTAL ESTATE WORKS	145,060	140,684	76,650	143,400	(1,660)	(1.14%)	

Line	Heading	CURRENT YEAR BUDGET		ACTUAL to 31-Jan-26	2026/27 INITIAL BUDGET	VARIANCE TO INITIAL BUDGET	VARIANCE TO INITIAL BUDGET	Commentary
		Initial Budget £	Revised Budget £	£	£	£	%	
1	OT Works	30,000	318,149	155,846	120,000	90,000	300.00%	Initial OT budget restored to £120K (concerns on grant award in prior year limited the initial budget to £30K)
2	Grants Received	(30,000)	(338,000)	(175,697)	(120,000)	(90,000)	300.00%	
3	TOTAL AIDS & ADAPTATIONS	-	(19,851)	(19,851)	-	-		

APPENDIX 1: 2026/27 BUDGETS

Line	Heading	CURRENT YEAR BUDGET		ACTUAL	2026/27	VARIANCE	VARIANCE	Commentary
		Initial	Revised	to	INITIAL	TO INITIAL	TO INITIAL	
	INVESTMENT	Budget	Budget	31-Jan-26	BUDGET	BUDGET	BUDGET	
		£	£	£	£	£	%	
1	Roofs	984,570	845,948	324,240	1,150,500	165,930	16.85%	
2	Insulation	-	216	1,024	-	-	0.00%	
3	Total Roofs	984,570	846,164	325,265	1,150,500	165,930	16.85%	
4	Kitchen	528,530	458,163	178,522	349,740	(178,790)	(33.83%)	
5	Bathrooms	137,940	95,823	63,595	479,180	341,240	247.38%	
6	Showers	55,540	42,879	30,928	185,770	130,230	234.48%	
7	Heating	1,175,470	2,217,596	1,075,809	1,084,940	(90,530)	(7.70%)	
8	Heating Grants	-	(1,081,698)	(280,106)	-	-	0.00%	
9	Rewiring	125,000	132,902	114,433	92,000	(33,000)	(26.40%)	
10	Total Internals	2,022,480	1,865,665	1,183,181	2,191,630	169,150	8.36%	
11	Windows	836,220	1,032,464	382,398	1,233,000	396,780	47.45%	
12	Roughcast house & wall	497,830	595,791	2,232	860,850	363,020	72.92%	
13	Other	134,100	134,100	-	141,930	7,830	5.84%	
14	Externals	1,468,150	1,762,355	384,630	2,235,780	767,630	52.29%	
	Total Investment excl. Unallocated							
15	Exp/Savings	4,475,200	4,474,184	1,893,076	5,577,910	1,102,710	24.64%	
16	Total Investment	4,475,200	4,474,185	1,893,076	5,711,390	1,236,190	27.62%	Budget reflects the Board approved investment programme and carry over from 25/26 investment Programme

APPENDIX 1: 2026/27 BUDGETS

Line	Heading	CURRENT YEAR BUDGET		ACTUAL to 31-Jan-26	2026/27 INITIAL BUDGET	VARIANCE TO INITIAL BUDGET	VARIANCE TO INITIAL BUDGET	Commentary
	NON HOUSING INVESTMENT	Initial Budget £	Revised Budget £	£	£	£	%	
1	Furniture & Fittings	-	-	-	22,300	22,300	100.00%	Capital works at both Lewis and Uist offices
2	Office equipment	5,150	5,150	-	1,100	(4,050)	100.00%	New Handyperson generator required
3	IT equipment & Systems	45,150	45,150	3,160	73,410	28,260	62.59%	Budget includes provision for new website and IT equipment replacement costs
4	Total	50,300	50,300	3,160	96,810	46,510	92.47%	

Line	Heading	CURRENT YEAR BUDGET		ACTUAL to 31-Jan-26	2026/27 INITIAL BUDGET	VARIANCE TO INITIAL BUDGET	VARIANCE TO INITIAL BUDGET	Commentary
	DEVELOPMENT	Initial Budget £	Revised Budget £	£	£	£	%	
1	DEVELOPMENT - SOCIAL RENT							
1	COST	11,346,520	6,899,013	5,442,707	15,965,700	4,619,180	40.75%	
2	GRANT	(6,418,530)	(2,862,657)	(2,305,040)	(14,891,900)	(8,473,370)	132.01%	
3	PRIVATE FINANCE	4,927,990	4,036,356	3,137,667	1,073,800	(3,854,190)	172.76%	As per board approved development plan
4	TOTAL PRIVATE FINANCE	4,927,990	4,036,356	3,137,331	1,073,800	(3,854,190)	(78.21%)	

APPENDIX 2: 2025/26 CASH PLANNING LIMITS

CASH PLANNING LIMITS

	BRIXX £000's	Budget £000's	Diff £000's
Gross Income	14,472,950	14,472,950	-
Voids	(281,200)	(281,200)	-
Bad Debts	(276,100)	(276,100)	-
Net Income	13,915,650	13,915,650	-
Expenditure			
Supervision & Management	3,566,800	3,566,800	-
Repairs	2,406,900	2,406,900	-
Planned	1,904,500	1,904,500	-
Estate Works	143,400	143,400	-
Interest	733,900	733,900	-
Investment	5,808,200	5,808,200	-
Aids & Adapts	120,000	120,000	-
Development Private Finance	1,073,800	1,073,800	-
Total Expenditure	15,757,500	15,757,500	-
Net	(1,284,550)	(1,284,550)	-

DATE: 11 March 2026

APPENDIX 3: 2026/27 30 YEAR CASHFLOW STATEMENT

Period: 01 April 2025 - 31 March 2025	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	15,859.40	13,859.60	14,354.40	15,507.90	16,331.50	16,896.50	17,399.20	17,889.00	18,541.00	19,183.10
Total Payments	-9,208.60	-8,185.70	-8,178.60	-8,411.00	-8,765.20	-8,982.50	-9,307.10	-9,393.70	-9,475.50	-9,731.70
Cash Paid To Employees										
Cash flow from Operating Activities	6,650.80	5,673.90	6,175.90	7,096.90	7,566.30	7,914.00	8,092.10	8,495.20	9,065.50	9,451.40
Provisions for tax										
Surplus for the year	6,650.80	5,673.90	6,175.90	7,096.90	7,566.30	7,914.00	8,092.10	8,495.20	9,065.50	9,451.40
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	6,650.80	5,673.90	6,175.90	7,096.90	7,566.30	7,914.00	8,092.10	8,495.20	9,065.50	9,451.40
Cash flow from investing activities										
Purchase of tangible fixed assets	-10,944.40	-21,677.30	-17,769.30	-16,849.90	-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	2,626.80	14,891.90	10,677.20	9,272.90						
Interest Received (cash)	35.4	29.3	20.6	13.4	17.3	29.8	35.6	38.5	13.5	15.9
Total Cash flow from investing activities	-8,282.10	-6,756.00	-7,071.60	-7,563.60	-3,751.70	-5,409.10	-6,071.60	-6,429.40	-7,574.50	-7,026.30
Cash flow from financing activities										
Interest paid	-700.4	-733.9	-733.9	-733.9	-733.9	-733.9	-690.6	-668	-645.4	-622.9
Interest element of finance lease payments										
New secured loans										
Capital Repayments							-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	-733.9	-733.9	-733.9	-733.9	-733.9	-1,490.60	-6,833.30	-1,445.40	-1,422.90
Cash & cash equivalents at the beginning of year	9,040.80	6,709.10	4,893.10	3,263.50	2,062.90	5,143.70	6,914.70	7,444.60	2,677.10	2,722.70
Net Change in Cash & cash equivalents	-2,331.70	-1,816.00	-1,629.60	-1,200.60	3,080.70	1,771.00	529.9	-4,767.50	45.6	1,002.20
Cash & cash equivalents at the end of year	6,709.10	4,893.10	3,263.50	2,062.90	5,143.70	6,914.70	7,444.60	2,677.10	2,722.70	3,724.90

APPENDIX 3: 2026/27 30 YEAR CASHFLOW STATEMENT

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	19,756.30	20,120.30	20,657.10	21,170.60	21,794.80	22,196.60	22,789.20	23,355.90	24,044.90	24,488.40
Total Payments	-10,072.30	-10,499.20	-10,582.80	-10,850.50	-11,130.50	-11,406.60	-11,896.00	-11,991.60	-12,301.40	-12,606.90
Cash Paid To Employees										
Cash flow from Operating Activities	9,683.90	9,621.10	10,074.30	10,320.10	10,664.30	10,790.00	10,893.20	11,364.30	11,743.50	11,881.50
Provisions for tax										
Surplus for the year	9,683.90	9,621.10	10,074.30	10,320.10	10,664.30	10,790.00	10,893.20	11,364.30	11,743.50	11,881.50
Adjustment for investing or financing activities										
Proceeds from sale of tangible assets										
Government grants utilised in the year										
Interest payable (investments)										
Interest received (investments)										
Corporation Tax										
Total Adjustments for invest or financing activities										
Net cash generated from operating activities	9,683.90	9,621.10	10,074.30	10,320.10	10,664.30	10,790.00	10,893.20	11,364.30	11,743.50	11,881.50
Cash flow from investing activities										
Purchase of tangible fixed assets	-7,029.40	-6,620.90	-6,037.60	-8,941.20	-9,387.00	-7,987.40	-11,082.60	-10,310.60	-9,851.00	-10,552.20
Proceeds from sale of tangible fixed assets										
Grants received										
Interest Received (cash)	21.4	25.9	32.5	35.8	31.8	31.9	30.5	29.4	32.3	36.5
Total Cash flow from investing activities	-7,008.10	-6,595.00	-6,005.10	-8,905.40	-9,355.10	-7,955.50	-11,052.20	-10,281.20	-9,818.70	-10,515.70
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	3,724.90	5,000.40	5,682.00	7,501.70	6,762.00	6,011.70	6,876.50	5,815.10	6,018.20	7,085.70
Net Change in Cash & cash equivalents	1,275.50	681.6	1,819.70	-739.8	-750.2	864.8	-1,061.40	203.2	1,067.40	531
Cash & cash equivalents at the end of year	5,000.40	5,682.00	7,501.70	6,762.00	6,011.70	6,876.50	5,815.10	6,018.20	7,085.70	7,616.70

APPENDIX 3: 2026/27 30 YEAR CASHFLOW STATEMENT

Consolidated Statement of Cash Flow 2026/27 30 Year Plan Plan											
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	25,142.50	25,768.10	25,920.50	25,766.40	25,823.20	25,833.20	25,959.80	25,806.60	25,864.50	25,875.40	643,955.80
Total Payments	-12,926.50	-13,481.20	-13,537.50	-13,814.90	-14,162.50	-14,488.60	-14,965.70	-15,071.20	-15,394.90	-15,720.90	-346,541.20
Cash Paid To Employees											
Cash flow from Operating Activities	12,216.10	12,286.90	12,383.00	11,951.50	11,660.70	11,344.60	10,994.10	10,735.40	10,469.60	10,154.60	297,414.60
Provisions for tax											
Surplus for the year	12,216.10	12,286.90	12,383.00	11,951.50	11,660.70	11,344.60	10,994.10	10,735.40	10,469.60	10,154.60	297,414.60
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	12,216.10	12,286.90	12,383.00	11,951.50	11,660.70	11,344.60	10,994.10	10,735.40	10,469.60	10,154.60	297,414.60
Cash flow from investing activities											
Purchase of tangible fixed assets	-11,261.40	-12,046.10	-11,304.20	-10,293.60	-11,350.00	-7,673.30	-15,991.30	-8,286.00	-8,288.90	-11,360.00	-299,308.70
Proceeds from sale of tangible fixed assets											
Grants received											37,468.90
Interest Received (cash)	38.5	36.7	41.7	49.7	55.2	64.9	58.1	55.4	67.9	71.2	1,096.40
Total Cash flow from investing activities	-11,222.90	-12,009.40	-11,262.40	-10,243.90	-11,294.80	-7,608.40	-15,933.20	-8,230.60	-8,221.00	-11,288.80	-260,743.40
Cash flow from financing activities											
Interest paid	-12.2										-9,661.30
Interest element of finance lease payments											
New secured loans											
Capital Repayments	-800										-22,365.30
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										-32,026.60
Cash & cash equivalents at the beginning of year	7,616.70	7,797.60	8,075.10	9,195.70	10,903.30	11,269.30	15,005.50	10,066.30	12,571.10	14,819.70	9,040.80
Net Change in Cash & cash equivalents	180.9	277.5	1,120.60	1,707.60	366	3,736.20	-4,939.10	2,504.80	2,248.60	-1,134.30	4,644.60
Cash & cash equivalents at the end of year	7,797.60	8,075.10	9,195.70	10,903.30	11,269.30	15,005.50	10,066.30	12,571.10	14,819.70	13,685.40	13,685.40

OCS CONTRACT EXTENSION

Board 24 Mar 2026

Report by Director of Operations

Purpose of Report

- 1.1 The purpose of the report is to recommend extension of the current Repairs & Maintenance (R&M) contract with OCS.

Summary

- 2.1 The contract term consists of a five-year term with the option to extend it for two additional years, twice. The first extension option was exercised in April 2025 and runs to March 2027. If the contract is not extended, preparations will need to begin shortly to put new services in place by March 2027.
- 2.2 A SWOT analysis has been undertaken to assess the relative merits of retendering the contract versus exercising the final extension option to March 2029.
- 2.3 The analysis demonstrates that, while retendering would provide market testing, it carries significant financial, operational and delivery risks in the current market, particularly in an island context.
- 2.4 It is proposed to exercise the option to extend for the second two-year option from April 2027 to March 2029. The current tendering environment continues to be very volatile and uncertain and is not considered to be conducive to achieving a more favourable contract(s) at this time.
- 2.5 Contractor performance is very good on most performance indicators. Throughout the duration of the contract we have undertaken 6 monthly service reviews which have consistently scored the contractor's performance as being satisfactory.
- 2.6 Reactive repair costs are a concern but it is considered very unlikely that a tendering exercise would produce a lower cost contract at this time.

Compliance

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

Recommendations

- 4.1 **It is recommended that the Board approve that the final two-year extension option for the Repairs and Maintenance contract be exercised to 31 March 2029.**

APPENDIX 1: None
Background Papers: Risk Register
Writer of Report: Angus MacNeil

Tel: 0300 123 077

Report Details

Options Appraisal (SWOT Analysis)

- 5.1 In determining whether to exercise the final contract extension option, two options have been considered:

Option 1 – Retender the Repairs & Maintenance contract

Option 2 – Extend the existing OCS contract to March 2029

- 5.2 A SWOT analysis has been used to assess each option in a structured and balanced manner.

6.1 Option 1 – Retender the Repairs & Maintenance contract

Strengths

- Opportunity to test the market and demonstrate value-for-money assurance through competition.
- Ability to refresh the service specification to reflect learning from the current contract period.
- Signals active governance and challenge.

Weaknesses

- Current market conditions mean any new contract would be priced against a significantly higher cost base than when the contract was originally awarded.
- Procurement and mobilisation would require significant internal resource and potentially external consultancy support.
- Loss of established contractor knowledge of HHP stock, geography and tenant needs.
- Increased risk of service disruption during transition, particularly in an island operating environment.

Opportunities

- Scope to explore alternative delivery models or revised contract structures.
- Ability to strengthen ESG, social value and community benefit requirements within a new specification.

Threats

- Limited contractor interest due to skilled labour shortages and island-specific challenges.
- Risk of higher prices or reduced service scope.
- Failure to secure a viable alternative contractor within required timescales would present a material operational and regulatory risk.

7.1 Option 2 – Extend the Existing OCS Contract to March 2029

Strengths

- Proven contractor performance, consistently assessed as satisfactory through six-monthly Service Reviews.
- Continuity and stability of service delivery for tenants, with no mobilisation or transition risk.
- Established working relationship that demonstrated resilience during periods of significant disruption, including COVID.
- Cost uplifts remain linked to agreed industry indices, providing cost predictability.
- Ongoing delivery of community benefit outcomes, including local employment and apprenticeships.

Weaknesses

- Reactive repair costs remain a pressure and require continued management focus.
- Reduced immediate market testing compared to a retender.
- Continued reliance on a single contractor for a longer period.

Opportunities

- Time to work with OCS to drive further efficiencies, particularly around reactive repairs and cost control.
- Ability to strengthen performance management, benchmarking and continuous improvement during the extension period.
- Opportunity to plan future delivery arrangements beyond 2029 from a position of stability rather than urgency.

Threats

- Continued exposure to sector-wide inflationary pressures.
- Labour market volatility impacting contractor capacity, although mitigated by OCS's established local workforce.
- Reputational risk if the extension is not clearly justified by performance and market evidence, which this appraisal seeks to address.

Conclusion of Options Appraisal

- 8.1 The SWOT analysis indicates that extending the existing OCS contract represents the lower-risk and more stable option in the current operating environment. It maintains service continuity, provides cost predictability, and enables the organisation to plan strategically for future service delivery beyond 2029.
- 8.2 In view of the above, it is proposed to exercise the final contract extension option to 2029. The position will be reviewed in 2 years, and a view taken then as to the best way to progress from 2029 onwards. Exercising the extension now provides stability in terms of relationships and service delivery.

9.1 Compliance Checklist

COMPLIANCE CHECKLIST	
Financial	The extension of the contract would continue the current arrangements whereby cost uplifts are in line with agreed industry Indices. Re-tendering the contract would have financial implications. Re-procurement including the use of any consultancy support would be likely to lead to higher costs. In addition, there would be the cost of the re-tendering exercise.
Legal	Provision to extend the current contract by two years does not breach Procurement Policy and is allowed for under the terms of the Planned, Cyclical and Responsive Maintenance Service Contract subject to a satisfactory review by the Employers of the Contractors performance. The extension is implemented by the Service Manager giving an instruction in accordance with clause 60.1 of the contract conditions.
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	Failure to meet adequate scoring in the Service Reviews could affect our ability to meet regulatory and legal obligations and performance targets. In addition, contractor failure is identified as a specific issue on the risk register. Re-tendering repairs and maintenance contracts carries with it unknown risks in terms of contractor interest and pricing due to the significant changes in the tendering and supply environment since the commencement of the contract in 2020. 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.

COMPLIANCE CHECKLIST	
	• affordability for tenants leading to increased levels of fuel poverty. This has a residual risk of 12 which is considered a moderate risk.
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	Notice of a contract extension will be on our social media outlets. Should re-tendering be required then tenant consultation on the new service would be required.

BOARD TRAINING PLAN 2026/27

Board 24 March 2026

Report by Chief Executive

Purpose of Report

- 1.1 To present the 2026/27 Board Training Plans for consideration and approval.

Summary

- 2.1 The Board Training Plan at Appendix 1 has been prepared following the Board Skills Analysis undertaken in January 2026.
- 2.2 In addition, the training plan takes into account policy requirements and any legislative or regulatory requirements.
- 2.3 Within the Board Training Plan there is a mix of internal and external delivery scheduled and we will facilitate online and digital learning to maximise training opportunities. Due to extenuating circumstances, we were unable to make use of all the complimentary training sessions offered by our Internal Auditor, WBG so we will arrange the two outstanding sessions during 2026/27
- 2.4 Where a training need has not been met in 2025/26, it has been picked up as part of the 2026/27 Training Plan.
- 2.5 The use of My1HS for Board Members to undertake training modules was introduced during 2025/26 and this approach will be used again if a particular training need arises.
- 2.6 If Board Members become aware of particular training requirements throughout the year, these should be raised with the Governance Officer and will be considered accordingly.

Competence

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

Recommendations

- 4.1 **It is recommended that the Board approve the Board Training Plan 2026/27 as at Appendix 1.**

APPENDIX 1: Board Training Plan 2026/27
Background Papers: Training & Development Policy
Writer of Report: Iona France

Tel: 0300 123 0773

5.1 Compliance Checklist

COMPLIANCE CHECKLIST	
Financial	There will be a financial cost to the implementation of the Board Training Plan which will be met from existing budgets. The allocation for Board training and conference fees for 2026/27 is £5.65K. These costs exclude travel and accommodation costs related to training.
Legal	The Training Plan recognises where we have a statutory or contractual obligation to carry out training and is in accordance with our Training and Development Policy.
Regulatory	The Regulatory Standards Checklist has been completed and there is nothing in this report which would breach these standards. In accordance with the Scottish Housing Regulator's Regulatory Standards of Governance and Financial Management, the Board need to "assess annually the skills, knowledge, diversity and objectivity that it needs for its decision-making, what is contributed by continuing governing body members, and what gaps there are that need to be filled."
Risk	Recruitment and retention of Board Members is included on our Risk Register with a residual rating of 6 which is considered low. Governance of the Partnership is critical to its long-term viability. Carrying out skills assessments helps to ensure that the Board has the skills, knowledge and diversity it needs to provide capable leadership, control and constructive challenge to achieve the RSL's purpose, and helps to mitigate the risk of not delivering good tenant outcomes or managing the Partnership's affairs.
ESG	Governance of the Partnership is a key strand 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	We report Board Training undertaken on our Monthly Performance Report

APPENDIX 1

	Training	In-house / External	Costings	2026								2027					
				Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar		
1	Finance for non Financials	WBG	Complimentary														
2	Board Member Role & Contributing, Decision Making and Maintaining a Strategic Focus	WBG	Complimentary														
3	Development	In-house	Free														
4	Universal Credit	Bill Irvine/Shelter Training	TBC/£90pp														
5	FOI and Data Protection	SHFA/Share	144pp/Awaiting quote														
6	Media Training	Muckle Media	£2,000														
7	Induction Training for New Board Members	External - SE Training	£1,000														
8	Damp and Mould (Awab's Law)	Share	TBC														
9	Tenant Engagement/Tenant Scrutiny	TIS/Lloyd Hodkins	TBC														
10	Disciplinary & Grievance, HR & Employment Law	CIPD/ACAS	TBC/Webinar														
11	Environmental Sustainability	HST/My1HS	£280pp/Complimentary														
12	Following AGM - 2026/27 Skills Assessment Cycle Commences							AGM									

WELLBEING STRATEGY

Board 24 March 2026

Report by Chief Executive

Purpose of Report

- 1.1 To present our Wellbeing Strategy for consideration and consultation with staff and tenants.

Summary

- 2.1 The Strategy highlights our commitment to supporting the health and wellbeing of our staff and tenants.
- 2.2 The Strategy which is at Appendix 1 highlights:
- we are committed to supporting the health and wellbeing of staff and tenants as a socially responsible landlord
 - wellbeing is a central aspect to organisational performance, service delivery and community resilience
 - the four pillars of wellbeing (mental, physical, social and financial)
 - how the measures we already have in place will be improved through development, investment and communication
 - we will follow a holistic and proactive approach based around the four pillars of wellbeing
 - the importance of supporting mental health and wellbeing as an employer.
- 2.3 The Personnel Working Group reviewed the Wellbeing Strategy on 18 February 2026 and their recommendations have been taken into consideration.

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 consider and approve:
- a) the Wellbeing Strategy for consultation with the staff and Tenants; and
 - b) if there are no material comments arising from the consultation that the Wellbeing Strategy be approved, otherwise a revised Strategy will be presented to the next meeting of the Board.

APPENDIX 1: Wellbeing Strategy

Background Papers: None

Writer of Report: Alex Mackay

Tel: 0300 123 0773

5.1 Compliance Checklist

COMPLIANCE CHECKLIST	
Financial	There may be some financial implications arising directly from proposals within the strategy. These will be met from existing budgets.
Legal	There are no legal implications arising from the consideration of this report.
Regulatory	The Regulatory Standards Checklist has been completed and there is nothing in this report which would breach these standards.
Risk	There is risk to employers that do not support the health and wellbeing of their staff. ACS noted that stress management and wellbeing now fall under the umbrella of health and safety. Failure to effectively manage the health and wellbeing of staff could cause reputational damage as well as the loss of key staff. Both Health & Safety and Reputational risks are highlighted on our Risk Register.
ESG	The Wellbeing Strategy supports our ESG Strategy by looking after the health of staff and tenants. It also supports the environment by encouraging healthier living spaces and energy-saving habits, and more sustainable communities.
Equalities	We are committed to promoting equality, diversity and inclusion. Equality and inclusion are embedded in the Strategy through accessible formats, targeted support for vulnerable groups, fair employment practices, and ongoing staff training.
Communication	Following approval of this report, consultation will be carried out with staff and tenants.



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WELLBEING STRATEGY



Introduction/Foreword

As a socially responsible landlord Hebridean Housing Partnership (HHP) are committed to supporting our staff and the tenants who live in our homes. Wellbeing is a central aspect to achieving our strategic goals. Therefore, it is important to ensure we have a proactive and engaging strategy in place that facilitates and improves the health and wellbeing of our tenants and staff. The strategy will develop based on lived experience and regular communication with our staff and tenants.

Our Wellbeing Strategy is a systematic approach for assessing how we already contribute to the wellbeing of our staff and tenants, as well as where we aim to improve. Investing in health and wellbeing can reduce stress and create a positive work environment and culture where colleagues can thrive.

Our Wellbeing Aims

Our overall aim is to promote a culture of health and wellbeing for our staff and tenants. This can be achieved through developing the four pillars of wellbeing which are mental wellbeing, physical wellbeing, social wellbeing and financial wellbeing. Each pillar can have a significant impact on an individual's overall wellbeing, which is why this strategy will identify areas for improvement and our commitment to offering support to tenants and staff that may require it. By addressing the physical, mental, social, and financial dimensions of wellbeing, we aim to enhance organisational resilience, improve service delivery, and strengthen community cohesion.

Mental wellbeing – we will aim to support the mental health of our staff and tenants by striving to break the stigma surrounding it and identify sources of support for those who may need it.

Physical wellbeing – we will encourage healthy lifestyle choices in partnership with public health services and the voluntary sector, encouraging our staff and tenants to remain physically and mentally active. Helping reduce anxiety and depression and extend the healthy life expectancy level.

Social wellbeing – We will continue to celebrate our local communities and the good news stories that come from them. We will encourage social interaction and promote community spaces, our tenant forum, and volunteering opportunities within the community.

Financial wellbeing – We will continue to promote financial wellbeing by guiding people towards budgeting support, benefits advice, and hardship funds like fuel vouchers/food vouchers if they require it.



WHAT WE WILL DO

Over the period of this strategy, we will work with you to focus on these four aims to ensure that all engagement is meaningful.



AIM 1

MENTAL WELLBEING

WHAT WE ALREADY DO

We currently have a trained mental health first aider in our Stornoway Office who can help staff members with issues

they may be facing. Additionally, we offer flexible working to our staff members with flexi time and the opportunity to work from home, which provides staff with the opportunity achieve a work-life balance that works for them. Our Housing Officers currently carry out welfare checks on tenants they believe may be struggling with poor mental health. We will continue to invest in their learning and development to help them identify the signs of poor mental health before it becomes a major issue. We also carry out quarterly pulse surveys for our staff, which provides them with the opportunity to highlight any issues they are experiencing at work.

WHAT WE WILL DO

Create a tenant wellbeing hub on our website with links and contact details to relevant agencies. We will support various nationwide initiatives such as Dementia Awareness Week. To support our staff we will offer them volunteering opportunities as well as becoming a menopause friendly employer.

Wellness Action Plans (WAPs): We will encourage our staff members to complete wellness action plans. This will help staff members identify what keeps them well at work and what causes stress and mental health issues. It can open up dialogue between management and their team as a wellness action plan will allow managers to understand their team members needs and the best ways to support their mental health. Our strategy will be people focused including space for grief, recognising that healing is not linear and may be different for everyone.



AIM 1

MENTAL WELLBEING

HOW WE WILL DO IT

Mental wellbeing will continue to be a priority for the organisation. Surveys and focus groups will be conducted with staff

and tenants to identify current challenges and gaps in wellbeing support. The tenant portal as well as social media channels and newsletters will be used to promote wellbeing initiatives. We will continue to equip our staff with the information and training they need order to recognise the challenges our tenants may be facing to direct them to the best source of support. Where feasible we will support wider infrastructure projects within our communities that help people to lead healthier lives such as green spaces and community hubs.



AIM 2

PHYSICAL WELLBEING

WHAT DO WE ALREADY DO

We currently offer our staff members a cycle to work scheme and encourage physical activity.

We promote local sport and fitness events that staff can get involved in through our weekly newsletter. Staff are also encouraged to eat away from their desks.

WHAT WE WILL DO

We will promote community initiatives like 5k park runs/walks to our staff and tenants to encourage physical movement and social interaction. We will also work with local organisations to encourage people to keep on top of their health as well by promoting health campaigns. We will encourage the use of local community hubs to deliver healthy and sustainable activities/classes.

HOW WE WILL DO IT

We will have a stronger presence on our social media channels as well as our website to promote initiatives that may improve physical wellbeing. Staff will also be encouraged to remain active through encouraging lunchtime walks and our cycle to work scheme.



AIM 3

SOCIAL WELLBEING

WHAT DO WE ALREADY DO

We currently support two registered tenants' organisations the Cearns Community Association and the

Western Isles Housing Association Community Forum. The Cearns Community Association are a long-standing community association, who have developed a local improvement plan and delivered a number of projects to improve the social, physical, and mental wellbeing of the Cearns community. We offer support to the Western Isles Housing Association Community Forum. This forum is an umbrella group for tenants in the Western Isles. We offer financial support to the forum which permits them to act independently and make proactive decisions for the development of tenant participation groups. For staff members we provide them with the ability to give back to their local community with a paid make a difference day, which can be used to volunteer at a local community event or provide support to a charity. Finally, we assist with projects within the local community as well as developing play facilities within local schemes, in the current financial year we have supported small scale community projects with grants amounting to £6,932.

WHAT WE WILL DO

We will promote and support community events that reduce isolation and foster neighbourly relationships within our communities. We will continue to develop green spaces within our developments to encourage social interaction between tenants. We will strengthen our relationships with local charities and services to encourage peer support networks for those who may need it.

HOW WE WILL DO IT

We will remain tenant focused and engage with any feedback tenants have given us on how to help their social wellbeing. Our staff members will be trained to ensure they notice the signs of social isolation for vulnerable members of the community.



AIM 4

FINANCIAL WELLBEING

WHAT DO WE ALREADY DO

We already provide our tenants who are struggling financially with fuel and food vouchers to try to tackle fuel

poverty and hunger. Over the last year we have handed out over £40,000 worth of fuel vouchers and £25,000 worth of Co-op vouchers to tenants in need. We will also continue to support community initiatives such as the Cearns Community Fridge, which has delivered a vital service to those in need within the Cearns Community. We offer tenants moving into new properties the opportunity to leave the current furniture and furnishings that were already in the property prior to their tenancy beginning. This can significantly decrease the financial burden when having to furnish a new property for the tenant. Through our tenant engagement programme we also ran a free computer skills class for tenants, strengthening their skills to help with finding work as well as providing social interaction. We are a living wage and living pension employer, which ensures that all of our staff members are paid a fair wage and pension therefore reducing anxiety about having enough saved to retire comfortably.

WHAT WE WILL DO

We will partner with the local agencies that can provide our tenants with sound advice on stressful topics such as budgeting, debt and benefits. Our staff members are well trained to provide early intervention for rent arrears through supportive conversations, with flexible and supportive arrangements being made when possible. Staff will also have the same access to financial advice should they require it as the cost of living is rising for everyone.

HOW WE WILL DO IT

We will ensure that our staff receive sufficient training to provide tenants with advice or point them in the direction of help should they require it. We will partner with local organisations that can offer financial support or advice for our tenants and staff members.

DEVELOPING THE STRATEGY & ACTION PLAN

Developing the Strategy – Whilst creating this strategy we have undertaken significant research and benchmarking against other Housing Associations to see where we compare. The research identified that although we already have wellbeing initiatives in place there is more that we can do to support the health and wellbeing of our staff and tenants.

To carry out this strategy a proactive approach is required, people's wellbeing can fluctuate regularly due to numerous factors and stressors within their life. As the strategy progresses and develops all employees and tenants will be made aware of the strategy through social media channels. They will also be reminded of all the resources that are available to them.

The Wellbeing Strategy will be included in the employee handbook, as well as in induction packs. It will be posted onto the website along with contact details of local agencies that staff or tenants may need to contact in a time of need. The strategy will be updated regularly to remain in line with changes in legislation and social trends.

All staff will be reminded that they also have a role in improving their own wellbeing, as well as being reminded that they can always raise any issues or concerns, and seek help from a line manager, HR, occupational health, or a mental health first aider should they need to do so.

Reviewing and monitoring – The Chief Executive/HR will be responsible for reviewing the wellbeing strategy as well as monitoring its effectiveness. The strategies effectiveness can be measured through:

- Regular staff and tenant engagement surveys
- Feedback from staff and tenants
- Regular mental health and wellbeing at work risk assessments.
- Staff sickness, presenteeism and staff turnover levels.
- Exit interviews
- Use of occupational health or counselling services
- Staff complaints or referrals
- Feedback from the company's mental health lead, or qualified mental health first aiders.

Other formats – We will make the strategy available in other formats/languages on request. Please contact us on 0300 123 0773 for further information or copies

Strategy Review and update – This strategy will be reviewed annually to ensure it is still a relevant and proactive approach to improving health and wellbeing.

ANNUAL FINANCING STRATEGY 2026/27

Board 24 March 2026

Report by Director of Finance & Corporate Services

Purpose of Report

- 1.1 To provide the Board with an overview of our borrowing strategy for 2026/27.

Summary

- 2.1 The Treasury Management Policy requires a Financing Strategy to be prepared and approved by the Board on an annual basis. The 2026/27 Annual Financing Strategy is at Appendix 1.
- 2.2 The strategy has been updated to reflect the current economic climate and a monthly cashflow statement has been prepared for 2026/27 at Appendix 1 of the Strategy.
- 2.3 The previous strategy showed peak debt of £19.5M in 2026/27 which has now decreased by £2.5M to £17M in the same year. This is mainly driven by slippage in our Development Programme and the additional grant monies received from Scottish Government with respect to the Net Zero Heat Fund. The strategy shows the first capital repayment on our drawn debt with £0.8M paid in 2031/32.

Competence

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

Recommendations

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

APPENDIX 1 2026/27 Annual Financing Strategy

Background Papers: None

Writer of Report: Donald MacLeod

Tel: 0300 123 0773

5.1 Compliance Checklist

COMPLIANCE CHECKLIST	
Financial	The financial implications arising directly out of consideration of this report will be met within existing budgets. The strategy outlines a reduction in the required drawdown of £2.5M. The Annual Financing Strategy is supported by 30 year financial projections, 5 year projections and the annual budget for 2026/27. Our current funding facility is for £25m. We can borrow up to 91% of the value of our stock; this means based on the 2024 Valuation we can borrow up to £56m. The Board have set a threshold for our borrowing at £11,500 per house (£27.91M).
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	Our strategy mitigates interest rate risk by ensuring we are appropriately hedged. With 91% of drawn debt fixed, this risk is significantly reduced as outlined in our risk register at item 3 with an inherent risk of 9 and residual risk of 6.
ESG	There is no ESG impact arising from the consideration of this report.
Equalities	We are committed to promoting equality, diversity and inclusion. There are no equalities implications arising from the approval of this report.
Communication	Following approval of this report the strategy will be made available to all staff.

Annual Financing Strategy

APPROVED BY HHP BOARD:

EFFECTIVE DATE:
March 2026



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INTRODUCTION

- 1.1 Treasury Management is about managing cash flow, borrowings and cash investments to support our finances for the benefit of our tenants.
- 1.2 The Treasury Management service is therefore an important part of the overall financial management of the Partnership's affairs.
- 1.3 Treasury Management activities are strictly regulated by statutory requirements and a professional code of practice. We adopted the Code of Practice on Treasury Management on April 2006 and amendments on 1 February 2012. Further amendments to the code of practice, published in 2021, are captured in our Treasury Management Policy.
- 1.4 The Director of Finance & Corporate Services has delegated powers to effect the arrangements for borrowing and lending of money as required by the Partnership in accordance with the Partnership's borrowing and lending policies and the CIPFA Treasury Management in Housing Partnerships: A Code of Practice.
- 1.5 We are required to update our 30 year Cashflow forecasts for submission to Funders and The Scottish Housing Regulator on an annual basis.
- 1.6 Our annual financing strategy is the mechanism that allocates financial resources within a given financial year to ensure our strategic goals can be delivered while maintaining long-term financial sustainability.
- 1.7 The strategy ensures we can fund both day-to-day property upkeep and long-term asset investment without compromising financial viability and rent affordability.

REGULATORY FRAMEWORK

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

The RSL manages its resources to ensure its financial well-being, while maintaining rents at a level that tenants can afford to pay.

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

SUMMARY

- 3.1 30 year cash flow forecasts are submitted to our Funders and the Scottish Housing Regulator annually following the March Board meeting. These forecasts take account of the rent increase for the year and any revisions to our Investment and Development Programmes.
- 3.2 Cash balances at the end of December 2025 were £8.041M.
- 3.3 The overdraft facility for the year is £250K and is available for the whole year.

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

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

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

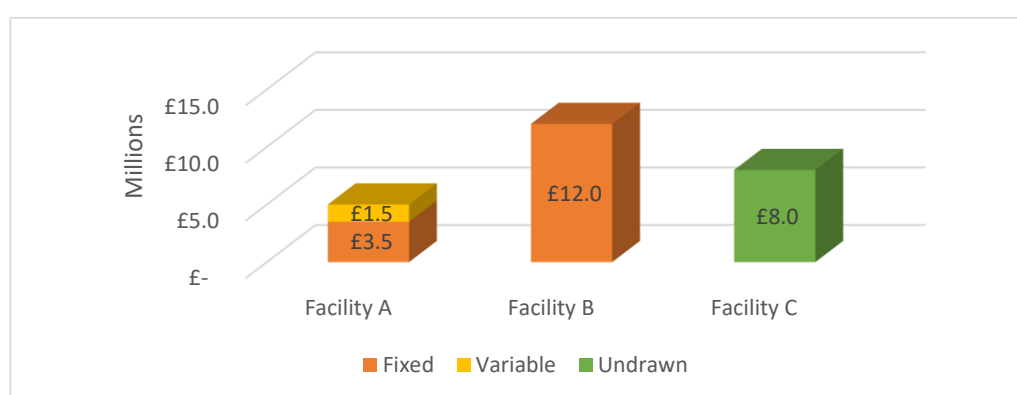
3.6 In December 2021, we entered into an accreting fixed rate loan (i.e. a fixed rate loan where the amount covered by the fixed rate increases over time). In this case the fixed rate loan increased from £5M, at December 2021, to £8M at June 2022 and to £12M at September 2022. This drawdown profile was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

3.7 The total amount of drawn debt covered by fixed rate loans is currently £15.5M. Accordingly HHP is currently 91% hedged and no further hedging is recommended at this time.

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

CURRENT PORTFOLIO POSITION

- 4.1 The tables below show our treasury portfolio position at 31 December 2025:



- 4.2 Cash Holdings

	Feb-28
	£000's
DEPOSIT ACCOUNTS	
Royal Bank	3,750
CWS	0
BOS	46
Santander	95
Total Deposit	3,891
CURRENT ACCOUNTS	
General Account	2,581
Standing Order	580
Direct Debit	750
Office/Cash	750
Property Factoring	17
Total current	4,678
Total	8,569

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

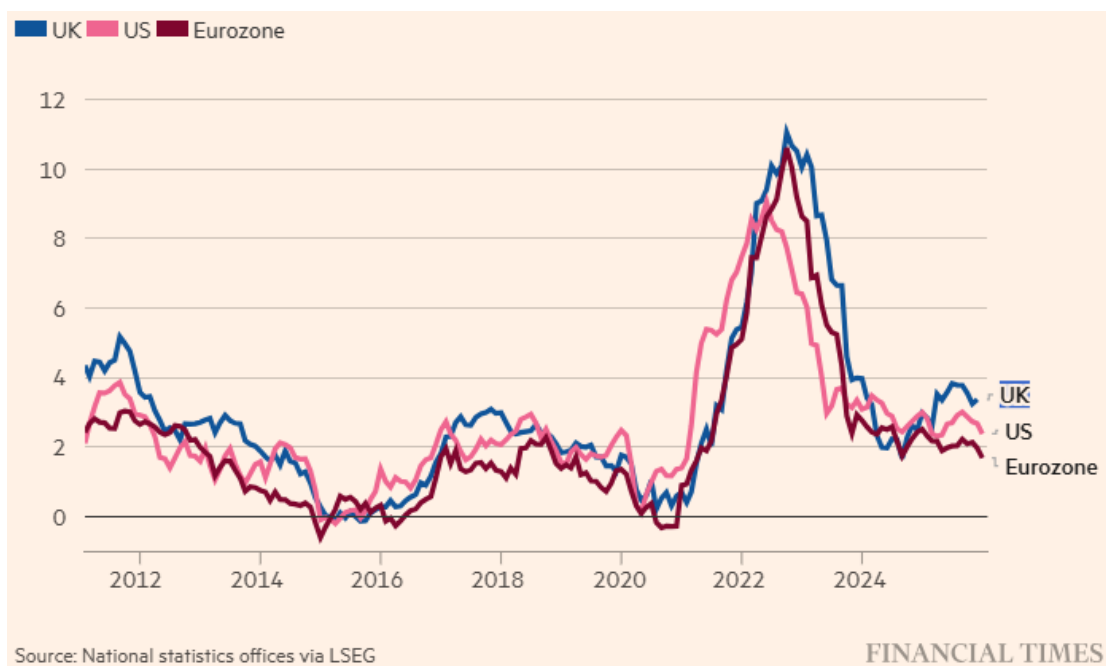
- 4.3 Forecasts have been prepared for the period to 31 March 2056. A detailed cash flow forecast for 2026/27 is at Appendix 1.
- 4.4 The Covenant definitions required by our funding facility are at Appendix 2. Forecasts indicate that Covenants levels for 2026/27 will be met.
- 4.5 Our current business plan forecasts we will hit a peak debt of £22.365M (including £5.365M of deferred Right to Buy receipts) in 2026/27. The RBS facility is forecast to be drawn down as follows:

Anticipated level of borrowing to 2032			
Year	2026/27 Est	AFS Forecast	Variance
	£m	£m	£m
2026/27	17.000	17.000	-
2027/28	17.000	17.000	-
2028/29	17.000	17.000	-
2029/30	17.000	17.000	-
2030/31	17.000	17.000	-
2031/32	16.200	16.200	-

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

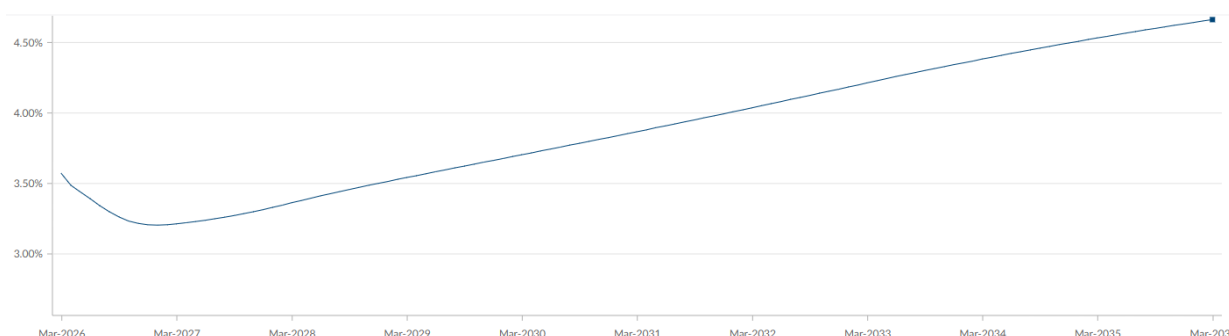
INTEREST RATES & INFLATION

- 5.1 The Chart below shows historic inflation trends across major economic areas, using the Consumer Prices Index (CPI) as the benchmark rate for UK inflation.



- 5.2 There is an inherent risk in applying short term data trends to longer term business planning in the social housing sector. However, the past year has undoubtedly been volatile, with inflation remaining above the Bank of England 2% target.
- 5.3 Following a generally downward trend in 2024 (see Chart above), inflation (CPI) increased to 3.0% for the 12 months to January 2026. Inflation peaked at 3.8% in the 3-month period from June to August 2025. The Government and the Bank of England are looking for a sustained downward trend in the inflation data to support further interest rate cuts.
- 5.4 There were four UK Base Rate cuts during 2025, all 25bps/0.25% in February, May, August and December. Consequently, UK Base Rate has fallen from the high of 5.25% to the current level of 3.75%. The next Monetary Policy Committee interest rate decision is due 19 March 2026. The market is currently pricing in two further 25bps cuts by the end of 2026, although the Bank of England's commentary remains cautious, and these cuts are dependent on the path of inflation. The following Chart sets out

the projected UK forward interest rates curve (using 3-month compounded SONIA). It is worthwhile to note that current projections showing the rate falling to c3.20%. This does have implications for HA business plans as it implies an all in cost of funds at 4.5%+ for the short term:



Source: [SONIA - Market Rates | Chatham Financial](#)

- 5.5 On a global level, significant risks remain in respect of the conflicts in Eastern Europe and the Middle East and the prospect of US imposed trade tariffs and the latter's inflationary impact. At a UK level, gilts have started 2026 strongly, with yields falling to multi-year lows on easing inflation, expected BoE rate cuts, reduced gilt issuance, and improving macro sentiment—though geopolitical tensions and political risks continue to create short-term volatility.
- 5.6 Short term shifts in long term gilt pricing (and therefore longer dated interest rates) do not tend to materially impact HA business plans of themselves. However, the likely impacts in the short-to-medium term are:
- HAs remain cautious about locking in long-dated fixed-rate funding, reflecting broader market behaviour where long-dated issuance across the economy has slowed due to uncertainty around rate-cut timing and lingering inflation risks.
 - The sector's earlier shift toward shorter-dated bank facilities continues to drive high refinancing volumes through 2026. This remains a key pressure point as large tranches of short-term debt roll off and require refinancing.
 - Sustainability-linked lending and energy-efficiency retrofit financing continue to expand in availability, with banks and investors remaining active in this segment

despite the wider rate environment. This provides diversification options for HAs beyond conventional funding.

- 5.7 Over recent years, the relevance of CPI/RPI as a measure of inflation for both RSLs and tenants has increasingly been called into question. Although social rents are no longer formally tied to CPI/RPI and rent decisions now sit with Boards, rent setting still tends to be indirectly “anchored” to these indices. However, the actual inflation experienced by housing associations—particularly in areas such as capital investment, insurance, and staffing—and the inflation faced by tenants, especially in energy, transport, and fuel costs relative to benefit uprating, has continued to diverge significantly from headline CPI/RPI.
- 5.8 RSL budgets for the upcoming financial year continue to be heavily affected by rising wage costs with the primary driver being the tax changes announced in the November 2024 budget, notably the increase in employer National Insurance contributions from 13.8% to 15%, and the reduction in the secondary threshold from April 2025. This change came in after many RSL’s had set their rents for 2025/26. These measures have materially increased payroll and third party labour costs and added further pressure to RSL budgets at a time when income growth remains constrained.

APPROVED INVESTMENT ORGANISATIONS

- 6.1 The credit rating and list of approved counterparties, currently approved for investment are set out below. The table below displays Standard & Poor’s, Moody’s and Fitch’s long term ratings as stated at February 2025:

	Counterparty	S&P	Moody's	Fitch
1	Lloyds Bank plc*	A+	A1	AA-
2	National Westminster Group plc*	A+	A1	AA- (Previously A+)
3	Santander UK plc	A	A1	A+

*ring-fenced entity

- 6.2 In July 2020 Royal Bank of Scotland Group plc changed its name to National Westminster Group plc. Products and services continue to be served through the Royal Bank of Scotland brand.
- 6.3 The only change over the past year is where National Westminster Group plc has improved its Fitch rating from A+ to AA-. All the ratings are for the "ring-fenced" bank entities. Different (often lower) ratings apply to other banks within these banking groups.

APPENDIX 1 – 2026/27 CASHFLOWS

Monthly Cash Flow Forecast

Year Ended 31-Mar-26	30-Apr-25 Month 1	31-May-25 Month 2	30-Jun-25 Month 3	31-Jul-25 Month 4	31-Aug-25 Month 5	30-Sep-25 Month 6	31-Oct-25 Month 7	30-Nov-25 Month 8	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	2,529,004	2,657,949	2,855,523	2,183,642	1,786,507	1,224,017	1,378,755	1,116,130	2,200,703	1,372,954	1,752,272	1,819,553	1,712,556
Cash Receipts													
Rent	1,363,513	1,231,948	802,085	1,295,163	978,517	839,013	1,385,761	1,115,072	786,807	1,328,782	1,057,986	1,142,625	13,327,271
Grant Income	222,795	193,005	208,755	180,655	275,005	178,755	468,305	677,425	1,218,755	1,214,005	1,079,875	966,255	6,883,590
Bank Interest	-	-	9,675	-	-	9,675	-	-	9,675	-	-	9,675	38,700
Transfer from Deposit	-	-	-	-	-	1,500,000	-	1,500,000	-	-	-	-	3,000,000
Total	1,586,308	1,424,953	1,020,515	1,475,818	1,253,522	2,527,443	1,854,066	3,292,497	2,015,237	2,542,787	2,137,861	2,118,555	23,249,561
Total Cash Available	4,115,312	4,082,902	3,876,038	3,659,460	3,040,029	3,751,460	3,232,821	4,408,627	4,215,940	3,915,741	3,890,132	3,938,108	
Cash Paid Out													
Payroll	232,910	232,910	232,910	232,910	232,910	232,910	235,110	235,110	235,110	235,110	235,110	235,110	2,808,120
Management Costs	71,487	71,487	71,487	71,487	71,487	396,867	71,487	71,487	71,487	71,487	71,487	71,487	1,183,223
Repairs	604,787	10,096	263,707	520,898	311,797	266,330	312,220	287,082	295,044	228,917	262,586	435,035	3,798,500
Investment	-	-	83,295	461,333	515,933	666,555	573,461	673,807	481,554	331,542	234,833	73,324	4,095,636
Development	546,179	910,886	853,747	584,324	681,884	612,794	922,413	938,438	1,557,541	1,294,414	1,264,564	1,198,046	11,365,230
Total	1,455,363	1,225,379	1,505,146	1,870,953	1,814,012	2,175,456	2,114,691	2,205,924	2,640,736	2,161,470	2,068,579	2,013,002	23,250,709
Cash Paid Out (Non P & L)													
Loan Interest	-	-	185,250	-	-	185,250	-	-	185,250	-	-	185,250	741,000
Capital Purchase	-	-	-	-	-	10,000	-	-	15,000	-	-	25,300	50,300
Refunds	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Total	2,000	2,000	187,250	2,000	2,000	197,250	2,000	2,000	202,250	2,000	2,000	212,550	815,300
Total Cash Paid out	1,457,363	1,227,379	1,692,396	1,872,953	1,816,012	2,372,706	2,116,691	2,207,924	2,842,986	2,163,470	2,070,579	2,225,552	
Cash Position at End of Month	2,657,949	2,855,523	2,183,642	1,786,507	1,224,017	1,378,755	1,116,130	2,200,703	1,372,954	1,752,272	1,819,553	1,712,556	-
Deposit Acct At end of Month	6,372,766	6,372,766	6,372,766	6,372,766	6,372,766	4,872,766	4,872,766	3,372,766	3,372,766	3,372,766	3,372,766	3,372,766	
Total Funds Available	9,030,715	9,228,289	8,556,408	8,159,273	7,596,783	6,251,521	5,988,896	5,573,469	4,745,720	5,125,038	5,192,319	5,085,322	

APPENDIX 2 – FINANCIAL COVENANTS

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

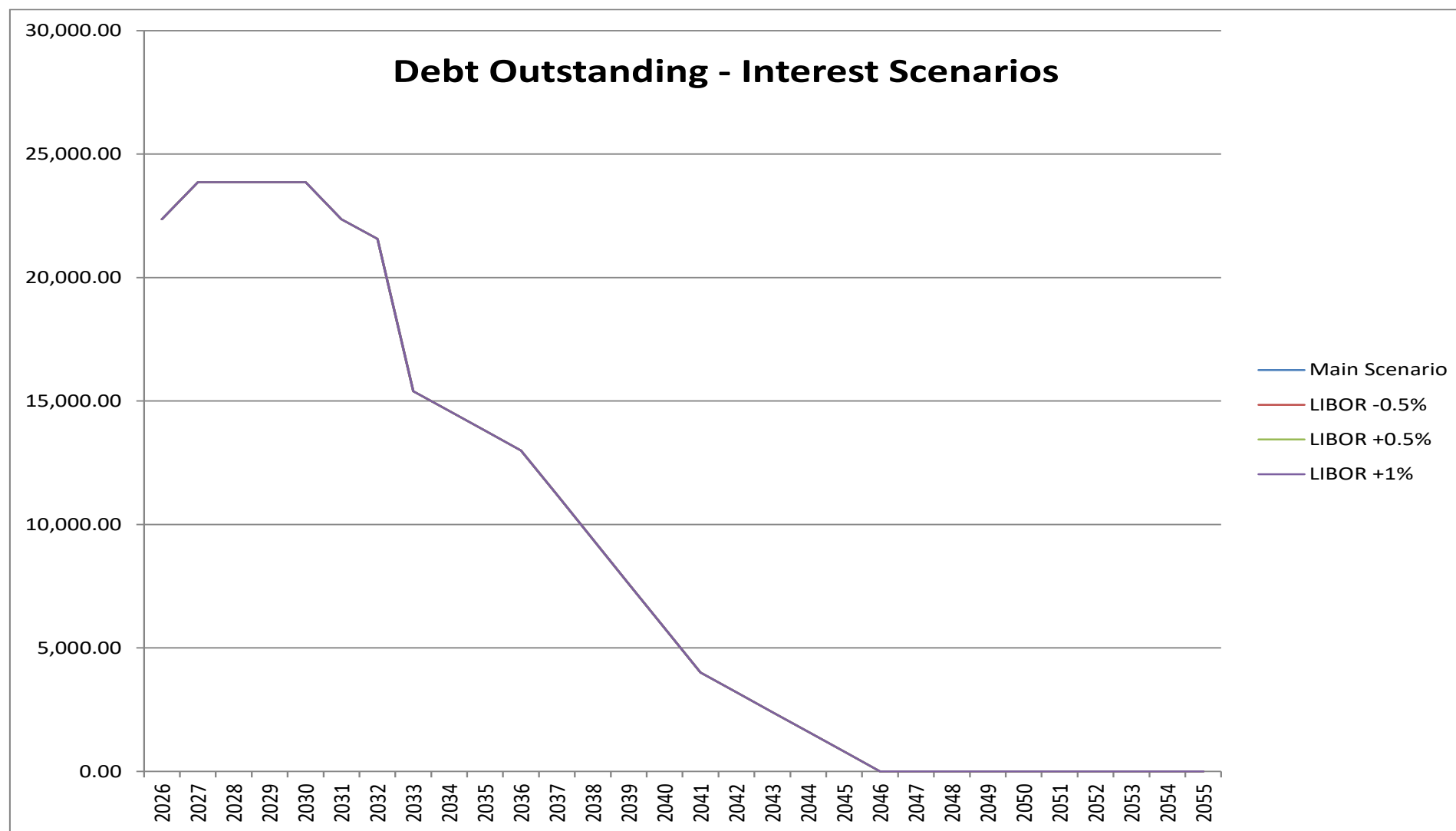
Interest Cover

- **Minimum 1.5 : 1** in any financial year, and calculated as: **Adjusted Operating Surplus : Net Interest Payable** (means Interest Payable less interest receivable that is attributable to cash deposits (for the avoidance of doubt this excludes any interest received through intracompany loans or such similar arrangements)).
- The Interest Cover covenant will be monitored on a cumulative quarterly basis by reference to the latest financial information delivered by the Borrower to the Lender, but tested annually against the Audited Accounts of the Borrower most recently delivered to the Lender.

Gearing

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

APPENDIX 3 - IMPACT OF INTEREST RATE CHANGE ON DEBT PROFILE



INTERPRETATIONS & ABBREVIATIONS

The following interpretation and abbreviations are used in this policy:

WORD	INTERPRETATION
<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>CIPFA</i>	Chartered Institute of Public Finance & Accountancy
<i>SONIA</i>	Sterling Overnight Index Average Rate
<i>EBITDA-(MRI)</i>	Earnings Before Interest Tax Depreciation & Amortisation with Major Repairs Included
<i>CPI</i>	Consumer Prices Index
<i>RPI</i>	Retail Prices Index
All references to the masculine gender in this policy shall read as equally applicable to the feminine gender	

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



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

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AI ACCEPTABLE USE POLICY

Board 24 March 2026

Report by Chief Executive

Purpose of Report

- 1.1 The purpose of this report is to present the AI Acceptable Use Policy for approval.

Summary

- 2.1 The Policy at Appendix 1 sets out expectations and responsibilities relating to the use of Generative Artificial Intelligence (GenAI) tools for staff and Board members, to ensure we use AI safely, ethically, transparently and in accordance with legal and regulatory requirements.
- 2.2 This is a new Policy and is based on the SFHA's Model Policy.
- 2.3 As a social landlord, we are required by GDPR, the Equality Act 2010, and the Public Sector Equality Duty to use AI in a safe, fair, and responsible manner.
- 2.4 Board Members and staff have undertaken AI training through MyIHS and Breathe.

Competence

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

Recommendations

- 4.1 **It is recommended that the Board:**
- a) approve the AI Acceptable Use Policy at Appendix 1; and**
 - b) note the AI Guidelines at Appendix 2.**

APPENDIX 1: AI Acceptable Use Policy

APPENDIX 2: AI Guidelines

Background Papers: None

Writer of Report: Iona France

Report Details

Approved Use

- 5.1 Approved AI tools may be used for drafting routine communications, summarising documents, producing draft reports, data analysis, automating tasks, and generating insights. All outputs must be reviewed for accuracy, fairness, and bias.

Prohibited Use

AI tools must not be used for generating or sharing personal data in public tools, making autonomous decisions, producing legal tenant communications, creating biased or misleading content, circumventing legal obligations, or impersonating individuals.

Data Privacy & Security

- 5.3 Staff must not use any personal, tenant, or financial data in non-approved public AI tools. Protecting sensitive information is essential, and the use of unapproved platforms increases the risk of unauthorised data exposure. In the event of any accidental sharing or exposure of such data, staff are required to report the incident to the Data Protection Officer.

Training and Oversight

- 5.4 Staff will be required to complete training before using AI tools. This training ensures that users understand the appropriate use of AI and are aware of the associated responsibilities.
- 5.5 In addition to the initial training, annual refresher sessions will be provided to all staff. These refreshers are designed to keep users updated on best practices, emerging risks, and any changes to the AI Acceptable Use Policy or Guidelines.
- 5.6 Managers are responsible for conducting audits of AI use within their teams. This oversight helps maintain compliance with policy requirements and ensures that AI tools are being used appropriately.
- 5.7 Staff will be responsible for verifying the accuracy of all content generated by AI tools, checking AI-generated content for correctness, fairness and absence of bias.

6.1 Compliance Section

COMPLIANCE CHECKLIST	
Financial	There is no financial constraint arising from the recommendation to this report being implemented. AI training is included in existing budgets.
Legal	The Policy takes into consideration UKGDPR, Data Protection Act 2018, Equalities Act 2010 and ISO/IEC 42001:2023
Regulatory	The Regulatory Standards checklist has been completed and there is nothing in the report which would result in a breach of the standards. The Policy is based on SFHA's Model Policy which meets SHR expectations.
Risk	Risks include data breaches, reputational harm, biased outputs and lack of transparency. The Policy and accompanying guidelines help mitigate these risks. Reputational risk and data security and integrity are items on our Risk Register with residual risks of 9, which is considered medium and 6 which is deemed low.
ESG	This policy supports our ESG commitments by strengthening governance over AI use and encouraging digital first work practices.
Equalities	We are committed to promoting equality, diversity and inclusion. Equalities, Diversity and Human Rights Impact Assessments are carried out at each Policy review. The Policy includes safeguards to ensure compliance with the Public Sector Equality Duty.
Communication	Following consideration of this report the AI Guidelines will be issued to all staff and Board Members and will be available on our Staff Handbook and the Resources section of One Advanced.

AI ACCEPTABLE USE POLICY

APPROVED BY HHP BOARD:
EFFECTIVE DATE:



hebridean housing
partnership

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INTRODUCTION

- 1.1 This policy outlines the acceptable use of Generative Artificial Intelligence (GenAI) technologies within HHP.
- 1.2 This policy applies to all Board Members, employees (including temporary staff and students) and organisations acting on our behalf. It applies to all locations where information and data are accessed and used.
- 1.3 AI usage must be assessed for potential equality impacts to ensure compliance with the Public Sector Equality Duty and avoid disproportionate impacts on protected groups.

AIMS

- 2.1 The Policy aims to ensure responsible, ethical, and secure use of Generative AI tools to support operational efficiency, innovation, sustainability, and service delivery.
- 2.2 GenAI is currently the main type of artificial intelligence that most people in both work and home settings are using (or considering using) to create new content such as text, images, code, and music based on user prompts. It learns from vast datasets and uses that information to generate specific outputs—ranging from answering questions and summarising information to creating art and writing stories. Its benefits include increased productivity, creative support and the ability to automate repetitive tasks, freeing up time for higher-value work. However, its output may not always be accurate and can contain biases arising from the data used, so it's crucial to review generated content critically to ensure fair and representative content is used.

OUR GENERATIVE AI POSITION STATEMENT

- 3.1 The below details our Generative Artificial Intelligence position statement. This statement defines our responsible, ethical, transparent and strategic principles, that guide our organisational adoption, governance, and use of generative AI.

“HHP aims to promote AI as a positive platform to enhance the work of staff and Board in the workplace by setting direction and boundaries for its use while maintaining the human element of decision making and intervention. AI usage must uphold fairness, avoid bias and reflect our commitment to equality, diversity and inclusion”

APPROVED TOOLS

- 4.1 Only GenAI tools approved by Executive Team and IT Corporate Resources Manager may be used.
- 4.2 The policy governs GenAI usage across all work environments, including both offices and any remote or hybrid arrangements.
- 4.3 This policy encompasses both:

In-house GenAI tools: These are AI-enabled services integrated within internal systems and applications and managed under our IT security protocols. Examples include Microsoft 365 Copilot, Copilot Chat, and other AI services within secure cloud data-centres. These tools operate under organisation governance controls, including access security, identity management and data retention policies.

Publicly Available and free GenAI tools: These are commercial, web-based AI platforms accessible over the internet that operate on shared infrastructure not managed or administered internally. Examples include ChatGPT (OpenAI), Microsoft Copilot (personal), Google Gemini, Anthropic Claude, xAI, Perplexity, and other services.

These tools do not comply with organisation security standards and present higher risks related to data handling, privacy and reliability meaning they are more likely to cause a data breach or cyber incident.

4.4 Our approved tools are listed below:

- Microsoft Copilot (Enterprise or approved version)
- Canva AI
- Adobe AI

4.5 This approved list may be added to as business needs, technology capabilities, and organisational risk assessments evolve. Any additions will be subject to review and approval by the Executive Team and Corporate Resources Manager to ensure compliance with security, governance, and data protection requirements.

ACCEPTABLE USE

5.1 Approved GenAI tools may be used for:

- Drafting simple/repetitive/acknowledgement communications, summarising documents, creating simple draft reports based on our documents and policies.
- Data analysis and visualisation
- Enhancing customer service (e.g., approved, vetted and established in sector chatbots)
- Automating repetitive tasks
- Supporting data driven decision-making with insights

5.2 All outputs must be checked for potential bias or equality impacts prior to use in decision making.

PROHIBITED USE

6.1 GenAI tools must not be used for:

- Generating or sharing sensitive personal data without explicit consent
- Making autonomous decisions that affect tenants or staff without human oversight
- Generating communications to tenants that are impersonal and vague with no human intervention
- Drafting complex communications to tenants – i.e. legal notices or any other types of communications that will confuse individuals with excessive amounts of information drawn from multiple sources
- Creating biased, discriminatory, or offensive content
- Generating content that could be misleading or misrepresentative of our mission, values, or policies
- Circumventing legal, regulatory or contractual obligations
- Any activity that violates data protection laws (e.g., GDPR)
- Impersonating any member of staff, board member, supplier of goods and services or a customer

6.2 GenAI must not be used to generate or support any decision that may disproportionately disadvantage individuals with protected characteristics.

DATA PRIVACY & SECURITY

7.1 Protecting data privacy and security is crucial when users enter information into AI systems.

- Users must not input personally identifiable information (PII), financial data, or confidential tenant information into public GenAI tools. For the avoidance of doubt only those listed on the 'Approved List' at Para 4.4 should be used. The input of PII, financial data or confidential tenant information into public GenAI tools will be

considered a reportable breach in accordance with GDPR regulations and a breach of the Gen AI Acceptable Usage policy.

- All data processed by GenAI must comply with our Privacy Policy and GDPR requirements.
- Only GenAI technologies listed in the approved section of this policy can be used for work purposes and must comply with all applicable laws and regulations, for example UK General Data Protection Regulations, Data Protection Act 2018 ISO/IEC 42001:2023 and/or the EU AI Act 2027.

7.2 If GenAI tools unintentionally generate or expose PII this must be reported immediately to the Data Protection Officer as a data incident.

TRANSPARENCY

8.1 Users should clearly indicate when content has been wholly generated by GenAI to maintain transparency.

ACCOUNTABILITY & OVERSIGHT

9.1 Users are responsible for verifying the accuracy and appropriateness of GenAI-generated content.

9.2 Managers must ensure staff are trained in GenAI usage and understand the risks and limitations.

9.3 Managers should conduct periodic audits of GenAI usage to include bias and hallucination detection. This involves reviewing outputs for signs of bias, where the AI may reflect unfair or prejudiced assumptions, and hallucinations, where the AI

generates false or misleading information that appears plausible but lacks factual basis.

These audits help ensure responsible, accurate and equitable use of AI tools.

- 9.4 Individual staff are responsible for checking the generated content produced by GenAI. All outputs must be reviewed by staff before use in critical decisions or external communications.

INTELLECTUAL PROPERTY

- 10.1 GenAI content may be subject to copyright or licensing restrictions. Users must ensure proper attribution and usage rights in accordance with copyright restrictions. This extends to all media such as audio, video, photographs and text.
- 10.2 HHP retains ownership of GenAI generated content created for business purposes.

TRAINING & AWARENESS

- 11.1 All staff must complete mandatory training on GenAI usage, risks, legal and ethical considerations before using these tools.

Breathe Module – Ethical AI for business writing

My1HS – AI Awareness

Refresher training will be provided annually.

REPORTING & ENFORCEMENT

- 12.1 Any misuse or suspected breach of this policy must be reported to the IT team immediately.
- 12.2 Employees are encouraged to report any concerns or issues related to the use of GenAI tools in the workplace as this helps in identifying potential training issues/development areas early and enables us to address them proactively.

12.3 Breaches may result in disciplinary action in accordance with our HR policies.

RELATED POLICIES & DOCUMENTATION

13.1 This policy should be used in conjunction with the following documents:

- IT Security Policy
- Communication Policy
- Openness & Confidentiality Policy
- Privacy Policy
- Use of AI Guidelines
- Equality & Diversity Policy
- Digital Transformation Policy

MONITORING AND REVIEW OF POLICY

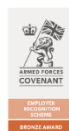
14.1 This policy will be reviewed every 3 years unless legislation, business or sector developments require otherwise to ensure it meets the stated objectives and takes account of best practice development.

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>Accountability</i>	The obligation of individuals and teams to ensure AI tools are used responsibly and in compliance with policy and regulations.
<i>Approved Tools</i>	AI platforms and applications that have been vetted and authorised by the IT department for use within the organisation.
<i>Bias</i>	Artificial Intelligence systems, and the use of structured collections of data used to train, validate, and test these and machine learning (ML) models
<i>EU AI Acct</i>	A forthcoming European regulation establishing requirements and standards for the safe and ethical use of artificial intelligence
<i>Generative Artificial Intelligence (GenAI)</i>	AI systems capable of producing text, images, or other content based on input prompts. GenAI tools can automate tasks, generate communications, and provide insights to support operational efficiency and innovation.
<i>GDPR</i>	General Data Protection Regulation
<i>Hallucination</i>	When an AI system generates content that is factually incorrect, misleading or not based on real data
<i>Human Oversight</i>	The requirement that all critical decisions or external communications generated by AI must be reviewed by a human before implementation
<i>In house GenAI Tools</i>	AI-enabled services integrated within the organisation's systems and managed under its IT security protocols. These tools operate within the secure cloud tenant, governed by identity

WORD	INTERPRETATION
	management and data retention policies (e.g., Microsoft 365 Copilot, Copilot Chat).
<i>Intellectual Property</i>	Legal rights that protect creations of the mind, such as inventions, literary and artistic works, and symbols, names, and images used in commerce.
<i>ISO/IEC 42001:2023</i>	An international standard for AI management systems, outlining requirements for responsible governance, risk management, and lifecycle oversight of AI technologies.
<i>Personally Identifiable Information (PII)</i>	Any data that can be used to identify an individual, such as names, addresses, contact details, financial information, or tenant records. PII must not be entered into public GenAI tools.
<i>Publicly Available GenAI Tools</i>	Commercial, web-based AI platforms accessible over the internet that operate on shared infrastructure not controlled by the organisation. These present higher risks related to data handling, privacy, and reliability (e.g., ChatGPT, Google Gemini, Anthropic Claude)
<i>Transparency</i>	Openness in how Gen AI tools are used including clear communication when AI content is generated
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: 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



AI Usage Guidelines

Purpose

- 1.1 There is a growing use of Artificial Intelligence (AI) tools within the workplace such as MS Copilot (licenced or free version) ChatGPT, Google Gemini, Canva AI, etc.
- 1.2 These guidelines outline expectations, protocols and best practice for the responsible use of AI tools and to ensure AI is used ethically and securely.

Principles

Human Oversight

- 2.1 While AI tools can assist with decision-making processes, they should not be seen as a replacement for human judgment. You should review and evaluate the content generated by AI ensuring final decisions are made using human expertise and critical thinking.

Transparency

- 2.2 It is important to maintain transparency when using AI tools when creating documents or communications. You must disclose when content has been generated or significantly assisted by AI.

Accuracy

- 2.3 It is essential all outputs generated by AI are checked for accuracy, potential bias and compliance with relevant guidelines before sharing or distributing the contents.

Data Protection and Security

- 3.1 AI must not be used to process confidential, personal or sensitive data, such as tenant details.
- 3.2 Staff must comply with GDPR, Equality & Diversity and Information Security policies when using AI tools and in accordance with UK laws on privacy, copyright and intellectual property.
- 3.3 AI generated content must be reviewed before use to ensure accuracy and appropriateness.
- 3.4 Free or third-party AI tools must be evaluated for security risks before use.

Uses of AI Tools

Acceptable Use

- 4.1 AI tools may be utilised for a variety of tasks that enhance productivity and efficiency. The following activities are considered acceptable:

Drafting Reports, Presentations and Summaries: AI can assist in putting together first drafts of reports or to quickly sum up information, making it easier and faster to share information.

Summarising Meetings: AI tools can be used to summarise meeting discussions and outcomes, ensuring key points, decisions and actions are clearly documented.

Generating Ideas: AI tools may be used to support brainstorming sessions or to suggest new concepts, helping teams to be more creative and find new solutions.

Summarising Large Documents: AI can be used to condense lengthy documents, making key information more accessible and easier to review and understand.

Prohibited Use

- 4.2 The following activities are strictly prohibited when using AI tools within the organisation:

Employment Decisions: AI tools must not be used to make decisions related to recruitment, performance reviews, or any other aspect of employment.

Decisions About Tenants: The use of AI for making determinations or decisions regarding tenants is not permitted.

Legal or Compliance Advice: AI-generated content must not be relied upon to provide legal or compliance advice.

Uploading Proprietary or Sensitive Data: Proprietary or sensitive data must not be uploaded to external AI services under any circumstances

Risk Management

- 5.1 It is essential to monitor AI output for potential bias and discrimination. Regularly reviewing the results generated by AI tools help to identify any unintended biases or discriminatory patterns.
- 5.2 Staff members should promptly report anomalies or security concerns related to AI tool usage to the IT team immediately.

Training

- 6.1 There will be basic AI training for all staff.

EXPENSES POLICIES

Board 24 March 2026

Report by Director of Finance & Corporate Services

Purpose of Report

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

Summary

- 2.1 The Members & Staff Expenses Policies are reviewed annually.
- 2.2 Minor updates are proposed to the policies to bring allowances in line with the HMRC/EVH approved position and to increase the hotel rate by £30/night to reflect the increasing cost of accommodation both locally and nationally.
- 2.3 The Members Expenses policy has also been updated to include Tenant Board Panel members.

Competence

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

Recommendations

- 4.1 It is recommended the Board approve the:
- a) **Staff Expenses Policy at Appendix 1 for consultation with staff and the Union;**
 - b) **if there are no material changes to the Staff Expenses Policy arising from the consultation, that the Policy is approved, otherwise a revised Policy be presented to the next meeting of the Board; and**
 - b) **Members Expenses Policy at Appendix 2.**

APPENDIX 1: Staff Expenses Policy

APPENDIX 2: Members Expenses Policy

Background Papers: None

Writer of Report: Donald Macleod

Tel: 0300 123 0773

Competence Checklist

Financial	The financial implications arising directly out of consideration of this report will be met within existing budgets.
Legal	There are no legal implications arising from the consideration of this report.
Regulatory	The Regulatory Standards Checklist has been completed and there is nothing in this report which would breach these standards.
Risk	The risk of not updating policies can lead to breaches in regulatory codes of governance and recommended practice and leave the Partnership open to legal action. Governance is highlighted on our Risk Register with a residual risk rating of 3 which is considered low risk.
ESG	These policies look to have a positive ESG impact by promoting car sharing, the use of public transport and bicycles where appropriate.
Equalities	We are committed to promoting equality, diversity and inclusion. There are no equalities implications arising from the approval of this report.
Communication	Following approval of this report we will consult with Unison & Staff on the changes. Policies will be made available to all staff, Board members and our payroll provider (CNES).

STAFF EXPENSES & ALLOWANCES POLICY

APPROVED BY HHP BOARD:
March 2025
EFFECTIVE DATE:
March 2025



hebridean housing
partnership

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INTRODUCTION

- 1.1 We will pay the costs and expenses wholly and necessarily incurred on our business by our employees. This includes extended periods of travel as a result of weather delays.
- 1.2 Current guidance relating to Payments and Benefits paid by RSLs is given in the 'SHR Regulatory Standards of Governance and Financial Management' which is the reference document used for our policy on Control of Payments and Benefits.

AIMS

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

SUBSISTENCE

- 3.1 For an overnight absence from an employees usual place of residence, we will book accommodation in advance, up to a maximum of the rates (including VAT) below:

Accommodation		Amount (inc Vat)
In Hotel or Guest House	Mainland/Inter island	£150
	London	£220
	Outside UK	£220
	Overnight Incidentals	£5

- 3.2 Various local authorities are currently consulting on implementing a visitor levy. The above rates exclude any levies which may be applied.
- 3.3 Where accommodation and meals cannot be obtained for the standard rates, the actual costs should only be accepted following the prior approval of a director being obtained.
- 3.4 Under exceptional circumstances, the Partnership will reimburse unplanned expenses and pay subsistence up to the maximum limits, but this will require explanation and evidence to be provided, and an appropriate sign off by a director.

- 3.5 Subsistence will be payable to employees who are prevented by their duties from taking a meal at their home, administrative centre or establishment where they normally take their meals, and thereby incur additional expenditure; an employee may be required by the manager to certify this.
- 3.6 The allowances do not apply to staff that are required to make journeys on a regular basis as part of their employment with us.
- 3.7 A meal is defined as a combination of food and drink and would take a normal dictionary meaning. Breakfast rate will only apply if the Employee leaves home, to commence their journey, before 6.00 am and incurs a cost on breakfast taken away from home after the qualifying journey has started. Breakfast rate will not be paid if the cost of an overnight stay includes breakfast.

- 3.8 The maximum amounts which will be paid for subsistence are:

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

- 3.9 The allowance shall not be paid where a suitable meal is provided for as part of an accommodation or course package where payment is made otherwise in accordance with any other provisions for personal expenses.
- 3.10 Expenditure will require to be accompanied by appropriate receipts.
- 3.11 Where the above subsistence rates are exceeded, expenditure should be appropriately authorised with an explanation provided as to why the expenditure exceeds the permitted allowance.

CAR ALLOWANCE

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

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

- 4.2 Where employees travel with a fellow employee (Or Board member) in a car or van on journeys which are also qualifying work journeys for them, an additional 5p per passenger per business mile for carrying fellow employees can be claimed. To qualify for this allowance the passenger must be a member of staff or Board member and claimants must provide the full name of the passenger when making a claim.
- 4.3 Permission must be given by a Director before a car is hired. Where permission is given and a car is hired, the cost of the fuel used should be claimed via appropriate receipts and not by way of a mileage allowance.
- 4.4 The allowance payable to an employee who chooses to travel by car rather than by public transport shall not exceed the amount of the allowance which would have been payable had public transport been used.

MOTORCYCLE ALLOWANCE

- 5.1 The allowance payable to an employee who uses a motorcycle when travelling on HHP's business shall be as per the HMRC approved rate (Currently 24p per mile).
- 5.2 Employees shall only be entitled to use a motorcycle for business travel when it has been properly authorised in advance and where appropriate insurance is in place.

CYCLE ALLOWANCE

- 6.1 Employees who use their bicycles for travel on official business are eligible to claim a bicycle mileage allowance.
- 6.2 The cycle mileage rate payable under the scheme will be as per the HMRC approved rate (Currently 20p per mile).
- 6.3 Employees are required to make arrangements to ensure that they are adequately covered under their Household Insurance policy or other appropriate Bicycle Insurance

arrangements. Evidence of these arrangements is required prior to authorisation being given.

- 6.4 Employees wishing to use their bicycle for official business travel must sign declarations form verifying that they will observe the appropriate safety conditions.
 - 6.5 The Manager, taking accounts of the needs of the service, will determine where for operational reasons, it is practical to use a bicycle for official business travel.
-

PUBLIC TRANSPORT & PARKING

- 7.1 All employees will travel Second Class on Public Transport wherever possible.
- 7.2 All expenses must be evidenced by appropriate receipts or tickets.
- 7.3 All journeys must be properly authorised prior to being undertaken.
- 7.4 All parking fees will be re-imbursed in respect of authorised business.
- 7.5 When travelling on the mainland, taxis should only be used where public transport is not available or where its use would lead to:
 - a) Partnership business or a travel connection being missed; or
 - b) a wait in excess of 90 minutes for the start of a public transport journey not exceeding 10 miles; or
 - c) difficulties for disabled travellers.

FIRST AID ALLOWANCE

- 8.1 Employees who have a current approved First Aid Certificate and who are designated First Aid Officers, shall receive an annual allowance at a rate as determined by EVH (Employers in Voluntary Housing). This allowance is currently set at a rate of £577 per annum and is payable monthly along with the Employee's salary.
- 8.2 This does not apply to these employees who have, as a condition of employment, the need to hold such a certificate or who have to have a basic awareness of first aid.

MOBILE PHONES

- 9.1 We make mobile phones available to employees where the circumstances of their role make that appropriate. In that case, we will pay for any service charges and all calls of a business nature.
- 9.2 Mobile phones are provided for general business purposes. Personal use will be recharged to the staff in the event of any extra costs being incurred. The employee will be invoiced for any such costs and will be expected to pay such invoice within 30 days.

PROFESSIONAL FEES

- 10.1 Where membership of a professional body or association is required by us for appointment to a particular post, we will pay for the annual subscription. If the employee leaves during the year, the appropriate amount of the Professional Fee must be repaid.
- 10.2 The qualifications recognised for the purposes of this section will be those determined from time to time by us and detailed in a list held by the Personal Assistant.

PRIVATE USE OF VANS OWNED BY HHP

- 11.1 Where a van is provided to our employee, it is done on the basis that its use is intended for business and insignificant private use only. Insignificant private use means as an exception to normal business usage for short periods on exceptional and irregular instances. This distinction is made to ensure that HMRC do not view the provision of the van as a benefit in kind.
- 11.2 Specific review by HMRC as to what would be considered as private use would be dealt with on a case-by-case basis, but it is important that any private use for a significant time or purpose is approved in advance by the employee's line manager. For the avoidance of doubt, ordinary commuting (as defined in clause 11.4 below) is deemed to be an appropriate private use.
- 11.3 Failure to comply with the above may mean that we will have to report the use of the van as a benefit in kind, which could also potentially result in an increased tax and NIC liability for the employee concerned. (2025/26, Benefit in Kind charge to tax of £4,020 if there is no payment for private use).
- 11.4 Provision of fuel for private use is classed as a benefit in kind by HMRC unless paid for by the employee. In order to ensure compliance with this, employees are required to reimburse HHP for all private use of these assets. The repayment per mile is set out in the quarterly Advisory Fuel Rates published by HMRC.

RE-SETTLEMENT ALLOWANCE

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

- a) Where there has been difficulty in recruitment for particular posts out with the Executive Team, the appropriate Director should make the case for a re-settlement package to the Chief Executive. It will be delegated to the Chief Executive whether a re-settlement allowance should be payable;
- b) Employees who have received a re-settlement allowance must sign an undertaking to remain in our employment for a period of 2 years from the date of appointment or repay the amount in full;
- c) Employees shall pay the full expenses in the first instance. They should thereafter submit all receipts, tender documents and necessary information for approval by the Director. Completed Claim Forms with all the appropriate documentation should be forwarded to the Director for authorisation before reimbursement, which should be within the normal time frame for re-imbursement of expenses;
- d) The total allowance payable is subject to a limit of £5,000. Claims must be submitted within 2 years of taking up appointment; and
- e) Any payment made to the employee's family/partner relating to relocation expenses must be declared on the claim form and a proportion may be deductible from the total claim payable by HHP.

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

OTHER PAYMENTS

- 13.1 Staff who are also tenants may be entitled to other payments relating directly to their tenancies if those payments would be made to any other tenant under a similar tenancy. Such payments should be recorded in the Employee Benefits & Payments register and include, inter alia:
- a) Decoration allowance;
 - b) Disturbance allowance;
 - c) Compensation payment;
 - d) Home loss payment; and
 - e) Refund of rent.

CLAIMING OF EXPENSES & ALLOWANCES

- 14.1 All expenses and allowances must be claimed at the end of every calendar month using an approved Claim Form.
- 14.2 The Claim Form must have all appropriate receipts attached, be signed by the claimant and approved by the appropriate Manager or Director.
- 14.3 Chief Executive expense claims will be reviewed by the Director of Finance and Corporate Services and approved by the Board Chair or Vice Chair in their absence.
- 14.4 Payment will be included in the following monthly salary transfer.
- 14.5 The period allowances are paid shall be from 1 April to the following 31 March.

DRIVING LICENSE AND INSURANCE CHECKS

- 15.1 We will inspect the driving licence of any employees who before they are allowed to drive any Partnership vehicles.
- 15.2 It is a requirement that any employees who use their own vehicles for company business must submit the required documents for inclusion in a Corporate Resources register:
- a) Driving licence;

- b) Insurance policy confirming cover for business use; and
 - c) MOT certificate (where appropriate).
- 15.3 It is the responsibility of all employees to inform the Corporate Resources Officer of any changes in relation to the above.

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

- 16.1 Air miles, petrol tokens, credit card/loyalty points etc. acquired by an employee are not taxable if they were acquired in the same way as applies to any other member of the general public, for instance by buying goods or services on which such benefits are given.
- 16.2 Provided the vouchers, air miles or points belong to the employee rather than the employer, they are not considered as being provided by reason of their employment even if the goods or services giving rise to them happen to be purchased as part of the employee's business travel or using a credit card provided by the employer.
- 16.3 Compensation being provided by Airlines for delayed travel is payable to the passenger in accordance with European Union Regulation 261/2004.

STANDBY PAYMENTS

- 17.1 There will be some occasions, i.e. weather events, where in order to ensure a repairs service is provided, staff will be required to be on standby.
- 17.2 The Partnership recognises that standby may disrupt and inconvenience those who carry it out, and this policy provides details of the payments employees will receive and highlights the obligations placed on both management and operational staff in successfully operating such schemes.
- 17.3 The overriding principle of standby is employee Health & Safety.
- 17.4 Standby payment arrangements apply to all employees except the Executive Team and covers the times when the office is closed.
- 17.5 The purpose of the Standby payment is to compensate the employee for the limitations on their activities which are substantial. Alternatively, it may be where the employee cannot use the time effectively for their own purposes.
- 17.6 A payment of £30.74 a day will be made to employees on standby. It does not apply to the situation where an employee is actually asked to work. Where an employee is asked to work, they will be paid for their time as detailed below:

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

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

EQUALITIES MONITORING

- 18.1 This policy will be applied fairly and consistently to all employees, ensuring that no individual is disadvantaged on the basis of any protected characteristic.

MONITORING AND REVIEW OF POLICY

Review

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

Breaches

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

INTERPRETATIONS & ABBREVIATIONS

The following interpretations 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>Close relative and/or Member of the family</i>	A person is a close relative or a member of the family if: he or she is the spouse of, or cohabits with, that person (whether the same or different sexes), or he or she is that person's parent, grandparent, child, stepchild, grandchild, brother, sister.
<i>Claim Form</i>	Expenses Claim Form
<i>Executive Team</i>	Chief Executive, Director of Finance & Corporate Services, Director of Operations and Head of Executive Office.
<i>HMRC</i>	His Majesties Revenue and Customs
All references to the masculine gender in this policy shall read as equally applicable to the feminine gender	

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



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

APPENDIX 1

Conditions to re-settlement allowance

Removal

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

Sale of former residence

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

Breaking of tenancy agreement

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

Purchasing of property

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

Disturbance and/or settling in allowance

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

Lodging allowance

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

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

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

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

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

MEMBERS EXPENSES POLICY

APPROVED BY HHP BOARD:
March 2025
EFFECTIVE DATE:
March 2025



hebridean housing
partnership

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INTRODUCTION

- 1.1 We will pay the cost and expenses wholly and necessarily incurred on its business by Board Members. This includes extended periods of travel as a result of weather delays.
- 1.2 It is recognised that Board Members will incur necessary expenses in the pursuit of their duties, and it has been determined that reasonable expenses will be reimbursed, subject to the conditions set out in this Policy.
- 1.3 The provisions in this Policy will also apply to Tenant Board Panel Members.

AIMS

- 2.1 To enable Board Members to be properly reimbursed on a fair and equitable basis for expenses incurred in connection with the duties of HHP having regard to relevant guidance including:
 - a) SHR Regulatory Standards of Governance and Financial Management;
 - b) HHP Entitlements Payments & Benefits Policy;
 - c) HMRC published guidance on expenses and benefits.

SUBSISTENCE

- 3.1 For an overnight absence from a members usual place of residence, we will book accommodation in advance, up to a maximum of the rates (including VAT) below:

Hotel or Bed & Breakfast	£150 per night
Hotel rates - London	£220 per night
Hotel Rates – non UK	£220 per night
Overnight Incidentals	£5 per night

- 3.2 Various local authorities are currently consulting on implementing a visitor levy. The above rates exclude any levies which may be applied.
- 3.3 Where accommodation and meals cannot be obtained for the standard rates, the actual costs will only be accepted following the prior approval of a director has been obtained:

3.4 Under exceptional circumstances, the Partnership will reimburse unplanned expenses and pay subsistence up to the maximum limits, but this will require explanation and evidence to be provided, and a subsequent sign off by a director.

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

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

Breakfast rate	£15
Lunch Meal	£15
Evening meal	£30

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

3.8 Expenditure will require to be accompanied by appropriate receipts.

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

CAR ALLOWANCE

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

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

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

member and claimants must provide the full name of the passenger when making a claim.

- 4.3 It is the responsibility of the Board Member to ensure that their vehicle insurance policy includes a clause which:
- a) permits the vehicle to be used in connection with the official business of the Partnership; and
 - b) indemnifies the Partnership against all third party claims, including those concerning passengers, arising out of the use of their vehicle on official business for the Partnership.

PUBLIC TRANSPORT

- 5.1 All Board Members will travel Second Class on Public Transport wherever possible.
- 5.2 All expenses must be evidenced by appropriate receipts or tickets.
- 5.3 All parking fees will be re-imbursed in respect of authorised business.
- 5.4 When travelling on the mainland, taxis should only be used where public transport is not available or where its use would lead to:
 - a) partnership business or a travel connection being missed; or
 - b) a wait in excess of 90 minutes for the start of a public transport journey not exceeding 10 miles; or
 - c) difficulties for disabled travellers.

CHILDMINDER OR CARERS ALLOWANCE

- 6.1 If in order to attend a Board Meeting or training event, a Board Member is required to use the services of a childminder or a carer for a dependent relative the cost will be reimbursed as follows:
 - a) Payments will be made for dependent children under 16 years of age and for adult dependants who are in receipt of Attendance Allowance;
 - b) No payment will be made if the childminder or carer is another member of the household. A maximum of eight hours will be paid except where a Board Member is required to be away from their home overnight.
 - c) Payment will be at a maximum of the Living Wage per hour per child.

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

LOSS OF EARNINGS

- 7.1 The Partnership may make payment of loss of earnings to a Board Member where:
 - a) the payment is made in respect of a routine meeting held within the Outer Hebrides; and
 - b) the loss of earnings are directly attributable to travel time; and
 - c) attendance by the member claiming loss of earnings was important; and
 - d) it was not possible to hold meetings at a time when loss of salary/annual leave would not result; and
 - e) the member certifies their loss by completing the appropriate Form (copy at Appendix 2); and
 - f) the loss of earnings will be broadly in line with jury level expenses (those currently in force are as detailed at Appendix 3). These rates are determined by HM Courts Service and are updated on a regular basis.
- 7.2 Loss of Earnings may not be claimed by a Board Member who is self-employed.

CLAIMING EXPENSES

- 8.1 Expenses shall be claimed at the end of every calendar month using the approved Claim Form as at Appendix 4.
- 8.2 The Claim Form must have all receipts attached and be signed by the Board Member.
- 8.3 The Claim Form will be checked and approved for payment by the Governance Officer.
- 8.4 Payment will be made within 10 working days of submission of an approved Claim Form.

- 8.5 Where Board Members would find difficulty in paying expenses, they may receive an advance on account from the Partnership, subject to submitting a signed claim form at least 10 days prior to when the monies are required.
- 8.6 Any potential tax liability arising from the payment of expenses will be the responsibility of the claimant.

APPROVED CONFERENCES

- 9.1 The following conferences are classed as approved:
- a) Chartered Institute of Housing annual housing conference; Scotland;
 - b) Scottish Federation of Housing Associations annual conference;
 - c) Tenant Participation Advisory Service annual conference.
 - d) RIHAF annual conference
 - e) EVH annual conference
- 9.2 Attendance at any other conferences will require to be approved by the Board.

AIR MILES, PETROL TOKENS, CREDIT CARDS AND LOYALTY POINTS

- 10.1 Air miles, petrol tokens, credit card/loyalty points etc. acquired by a member are not taxable if they were acquired in the same way as applies to any other member of the general public, for instance by buying goods or services on which such benefits are given.
- 10.2 Provided the vouchers, air miles or points belong to the member rather than us, they are not considered as being provided by reason of employment even if the goods or services giving rise to them happen to be purchased as part of the members business travel.
- 10.3 Compensation being provided by Airlines for delayed travel is payable to the passenger in accordance with European Union Regulation 261/2004.

MONITORING AND REVIEW OF POLICY

Review

- 11.1 This policy will be reviewed on an annual basis to ensure that the rates are reasonable and consistent with recommended practice.
- 11.2 Following the end of each financial year, in a format approved by the Board, a report will be presented to the Board detailing expenses paid to each Member of the Board and Area Committees. That report will be made available to the Board within three months of the financial year-end.

Breaches

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

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>Close relative and/or Member of the family</i>	A person is a close relative or a member of the family if: he or she is the spouse of, or cohabits with, that person (whether the same or different sexes), or he or she is that person's parent, grandparent, child, stepchild, grandchild, brother, sister.
<i>Claim Form</i>	Expenses Claim Form
<i>HMRC</i>	His Majesties Revenue and Customs
All references to the masculine gender in this policy shall read as equally applicable to the feminine gender	

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



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Email: info@hebrideanhousing.co.uk

Web: www.hebrideanhousing.co.uk

APPENDIX 1

CHILDMINDER AND CARER CLAIM FORM



CLAIM FOR CHILDMINDING OR CARER COSTS
BOARD MEMBER

Claimant's Details

Name	
Address	
Position	
Claim for Period Ending	

--

Childminder/Carer Details

Name	
------	--

Address	

Address if the child is minded at a different address	

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

If yes, please give the registration number	
---	--

If no, what is the Childminder/Carer's relationship to the Board Member	
---	--

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

Certification

To be completed by the Childminder/Carer

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

Signed	
--------	--

Date	
------	--

To be completed by the Board Member

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

Signed	
--------	--

Date	
------	--

APPENDIX 2

LOSS OF EARNINGS CLAIM FORM



Claimant's Details

Name	
Address	
Position	
Claim for Period Ending	

--

Employer's Details

Name	
Address	

--

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

Certification

To be completed by the Board member

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

Signed	
--------	--

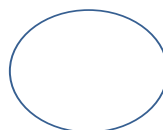
Date	
------	--

To be completed by the Employer

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

Signed	
--------	--

Date	
------	--



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

APPENDIX 3

LOSS OF EARNINGS ALLOWANCE

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

Calculation of Travel Time

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

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

APPENDIX 4

CLAIM FORM FOR REFUND OF EXPENSES



CLAIM FORM FOR REFUND OF EXPENSES

CLAIMANT'S DETAILS	
Name	
Address	
Car Reg No	
CLAIM FOR PERIOD ENDING	

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

DECLARATION	
1.	I declare that :-
a)	the travelling expenses detailed above were actually incurred by me to enable me to perform approved duties of the Partnership;
b)	The subsistence allowances detailed above are claimed in consequence of my duties for the Partnership which prevented me from sleeping at home or taking a meal at home or premises where I normally take a meal; and
c)	All amounts claimed are in accordance with the rates and allowances determined by the Partnership
2.	I declare that I am not in receipt of travelling and subsistence expenses from any other public body for items claimed on this form.

Signature of Claimant: _____ Date: _____

CERTIFICATION	
I have checked the above claim and hereby approve it for payment.	
Director/Chairman	Date:
_____	_____

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

PROCUREMENT POLICY

Board 24 March 2026

Report by Director of Finance & Corporate Services

Purpose of Report

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

Summary

- 2.1 For the past eighteen months, we have participated in Scotland Excel's Continuous Improvement Programme for Procurement (CIPP) assessment for Housing Associations.
- 2.2 We have used the lessons learned in the above process to revise and update the Procurement Policy.
- 2.3 The policy has been expanded to better define, formalise and provide guidance on:
- a) Pre-purchasing requirements;
 - b) The sustainable procurement duty;
 - c) Procurement where there is little or no supplier availability;
 - d) The use of 'Frameworks';
 - e) Tender Scoring;
 - f) Community Benefit; and
 - g) Post award contract management;
- 2.4 We reviewed procurement thresholds and processes to clarify distinctions between regulated and non-regulated procurement, especially regarding requirements for goods, services, works, and construction.

Competence

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

Recommendations

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

APPENDIX 1: Procurement Policy

Background Papers: None

Writer of Report: Angus Smith

Tel: 0300 123 0773

5.1 Competence Checklist

COMPLIANCE CHECKLIST	
Financial	There are no financial costs arising directly from consideration of this report.
Legal	IHHP, for procurement purposes, is treated as a public body. In Scotland, public procurement is governed by a "twin-track" legal framework comprising the Procurement Reform (Scotland) Act 2014 and The Public Contracts (Scotland) Regulations 2015. These address the five core legal requirements and principles that underpin all Scottish public procurement activity: • Adherence to the five Fundamental legal Principles of equal treatment; non-discrimination; transparency, proportionality and mutual recognition; • We must consider the Sustainable Procurement Duty; • We must follow the Financial Thresholds and Regulated Procurement procedures; • To ensure a fair market, we must follow Publication and Transparency Obligations; and • Consider Community Benefit Requirements (including Fair Work First).
Regulatory	The Regulatory Standards checklist has been completed and there is nothing in the report which would result in a breach of the standards. This report provides ongoing assurance of evidence RS2.2, RS4.6 and RS5 in relation to our Annual Assurance Statement.
Risk	Ensuring we have a Procurement Policy in place reduces the risk of non-compliance with procurement legislation and the risk of challenge from suppliers. Our risk register includes 2 main procurement related risks. Construction/Supply Chain has an inherent risk of 20 and a residual risk of 12. Lack of competition in insurance market has an inherent risk of 12 and a residual risk of 6.
ESG	Our procurement objectives will support our ESG strategy and FWF principles where relevant.
Equalities	We are committed to promoting equality, diversity and inclusion. This is embodied in our use of FWF principles in our procurement. There are no equalities implications arising from the approval of this report.
Communication	Following approval of this report, the Policy will be made available to all staff and will be published on our website.

PROCUREMENT POLICY

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



hebridean housing
partnership

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INTRODUCTION

- 1.1 This policy governs all Hebridean Housing Partnership (HHP) procurement.
- 1.2 'Procurement' is defined as our acquisition of goods, services and works from third parties, whether under formal contract or otherwise, in relation to the delivery of affordable homes and our associated support services.
- 1.3 This can relate to the purchase of routine supplies and services as well as formal tendering processes for larger projects and undertakings.
- 1.4 Contractors, consultants, suppliers and professional organisations are all referred to within this policy as 'suppliers'.
- 1.5 This policy describes how suppliers will be selected and awarded contracts by HHP, and how these contracts will be managed.

AIMS

- 2.1 This policy seeks to ensure that we comply with the relevant legislation, regulations and guidance regulating our procurement activities, and that we follow best practice wherever possible.
- 2.2 As part of our Business Plan and Value for Money strategy, we are required to demonstrate value for money and to promote quality, efficiency and effectiveness on an ongoing basis.
- 2.3 In addition, our procurement process is based on the following principles:
 - To treat relevant economic operators equally and without discrimination;
 - To act in a transparent and proportionate manner;
 - To comply with the sustainable procurement duty;
 - To improve the economic, social (reducing inequality) and environmental wellbeing of the islands;
 - To use procurement to support our ESG Strategy action plan;
 - To facilitate the involvement of small and medium enterprises, third sector bodies and supported business in the process; and
 - To promote innovative procurement methods.
- 2.4 We will seek out and collaborate with other organisations in relation to shared procurement opportunities where there are identified benefits in doing so.

THE BASIS FOR PROCUREMENT

PRIMARY PROCUREMENT LEGISLATION

3.1 We are, in relation to procurement, defined as a 'Public Contracting Authority' in Scotland. In this regard, therefore, we are bound by specific legislation. These include:

- The Procurement Reform (Scotland) Act 2014;
- The Public Contracts (Scotland) Regulations 2015;
- The Procurement Scotland Regulations (2016);
- The Public Procurement etc. (EU Exit) (Scotland) (Amendment) Regulations 2020

OTHER RELEVANT LEGISLATION

- Late Payment of Commercial Debts (interest) Act 1988;
 - Health & Safety at Work Act 1974;
 - Prevention of Corruption Act 1906; and
 - UK General Data Protection Regulation and the Data Protection Act 2018
- 3.2 The UK Procurement Act of 2023, which came into effect in February 2023, while focusing on England, Wales, and Northern Ireland marked a broader shift away from European-derived legislation than the current Scottish Regulations.
- 3.3 While the UK Act will not be relevant in the majority of our procurement, we may fall under its jurisdiction in relation to direct UK Government spending and initiatives in Scotland, or through participation in UK-wide frameworks. If there is any doubt, advice should be sought.

OTHER INTERNAL HHP CONTROLS

- 3.4 This policy and any procurement process should be read in conjunction with the following HHP policies, strategies and related procedures:
- a) Standing Orders
 - b) Financial Regulations
 - c) Financial Authorities
 - d) Entitlements, Payments, and Benefits Policy
 - e) Procurement Strategy
 - f) Environmental, Social and Governance Strategy

PROCUREMENT DEFINITIONS

- 4.1 In relation to public procurement and this policy the definitions can be found at the end of the policy.
- 4.2 Details on procurement thresholds can be found at Appendix 1 of this policy.

HHP'S INTERNAL PROCUREMENT FUNCTION

- 5.1 We will operate an internal procurement function in order to provide a single point of enquiry for suppliers and to facilitate adequate separation of duties between Procuring Officers and suppliers.
- 5.2 Responsibility for administration of Procurement lies with the Director of Finance and Corporate Services, with oversight by the Development & Finance Committee.
- 5.3 We will ensure our internal auditors review the procurement process in each audit plan period to test that our internal control systems are adequate and effective.
- 5.4 The day-to-day procurement function is carried out by a member of the Corporate Resources Team, hereafter the 'Procurement Administrator'.

DEFINING PROCUREMENT NEEDS

- 6.1 A 'Procuring Officer' will normally be the budget manager/officer within HHP within whose remit the item to be procured falls.
- 6.2 Before starting the procurement process, the Procuring Officer should complete the pre procurement checklist as supplied by the Procurement Administrator, ensuring this is signed by the budget manager or appropriate Director.

THE PROCUREMENT JOURNEY

- 7.1 We may use several formal procedures depending on complexity. The Procurement Administrator will offer guidance on appropriateness:

Category	Description
Unregulated	Direct awards allowed for items below £2K with budget manager sign-off. Use 'Quick Quotes' via PCS to at least three suppliers.
Open Procedure	Any interested supplier may submit a tender; no initial selection stage.
Restricted Procedure	Two-stage process; only pre-qualified suppliers invited to tender.

Competitive Procedure with Negotiation	Used for complex needs; negotiation of initial tenders to refine outcomes.
Competitive Dialogue	Used for highly complex projects; solution developed through dialogue with bidders.
Innovation Partnership	For development and purchase of goods/services not yet on the market.
Non-Competitive Action (NCA)	Direct award without competition in exceptional cases (e.g., urgency, sole supplier).
Frameworks	See relevant framework arrangements for additional procurement routes.

- 7.2 Other procurement, such as Developer led land proposals, do not follow standard 'public procurement legislation for goods, works or services and so must follow specific legislative guidance. On a case-by-case basis (See also para. 12.4).
- 7.3 Guidance on the tendering periods and standstill times to be used for our regulated procurement can be found at Appendix 2.
- 7.4 We are permitted to employ agents to handle procurement activities, however this should only generally apply if the necessary expertise is not available in-house. They will report to the Procuring Officer, and strict rules apply to ensure accountability and legal compliance:

Compliance	Description
Formal Public Contract	The appointment of an agent must itself be treated as a formal public contract.
Compliance Obligations	The agent must be contractually required to follow all relevant public procurement rules and HHP policies and procedures.
Clear Responsibilities	There must be a clear allocation of roles and responsibilities between the HHP and the agent.
Indemnity	Agents are typically required to provide indemnity to HHP against any costs resulting from a failure to comply with the legal procurement framework.

FRAMEWORKS

COLLABORATIVE PROCUREMENT

- 8.1 Procuring officers should check to see if there is already an existing national or sectoral frameworks for procurement in operation.

These could be:

Category	Description
Category A	National contracts for common goods/services (e.g., utilities) managed by the Scottish Government.
Category B	Sector-specific contracts (e.g., for housing associations via Scotland Excel).
Category C/C1	Local or regional contracts between one or more specific public bodies

HHP FRAMEWORKS

- 8.2 Frameworks can be an effective way of securing suppliers efficiently and quickly.
- 8.3 HHP may choose to put a Framework Agreement of its own in place where it considers this appropriate.
- 8.4 Scenarios may include:

Category	Description
No Existing Arrangements	When there are no current frameworks available through Scottish Procurement or other collaborative procurement routes that cover the specific goods or services you need.
Repeated Requirement	When we have a recurring need for goods or services over a period, but the exact quantities or delivery timings are unknown at the outset.
Best Value for Money	If our procurement analysis demonstrates that a bespoke framework tailored to our specific technical or geographic needs would deliver better value than using a generic multi-user framework.
Specific Compliance or Technical Needs	When our requirements involve unique technical standards, brand guidelines, or specific local issues or community benefits that are not adequately addressed by existing broad-scope frameworks.

COMMUNITY BENEFIT/SOCIAL VALUE

- 9.1 If we are procuring a regulated contract worth more than £4M we must consider whether to impose any community benefit or social value requirements as part of the contract. The below table provides some examples:

Category	Examples of Benefit
Skills & Employment	Providing apprenticeships or training opportunities; Hiring long-term unemployed people, care leavers, or disabled individuals; Prioritising SMEs and VCSEs in the supply chain.
Community Support	Staff volunteering hours to local causes; Donating to local charities or community projects; Sponsoring youth clubs or neighbourhood initiatives; Supporting biodiversity.
Wellbeing & Inclusivity	Supporting physical and mental health initiatives; Offering training or job opportunities for disabled individuals.
Environmental Sustainability	Proposing carbon reduction solutions (e.g., EV fleets); Reducing waste and single-use plastics; Using sustainable materials; Improving biodiversity and tree-planting.
Ethical Sourcing	Ensuring sustainable supply chains; Requiring staff and subcontractors to comply with Fair Work commitments.

- 9.2 We will include a statement on either the community benefits we expect to be delivered, or our community benefit methodology, via the contract in the tender notice.
- 9.3 If a community benefit/social value requirement is deemed appropriate, then the basis for this and how it is to be evaluated and weighted within the tender documentation should be made clear.
- 9.4 If we do not intend to include any community benefit/social value requirements, we should still ask tendering parties for a summary of what they are doing (if anything) in relation to the environment or sustainability.
- 9.5 A Community Benefit register, as part of our regulated procurement, will also be shown on our website, and the benefit will be promoted through our social media channels and through our tenant newsletter.

SUSTAINABLE PROCUREMENT DUTY

- 10.1 The sustainable procurement duty requires that any Procuring Officer undertaking a regulated procurement must consider:
- how we can improve the social, environmental and economic wellbeing of the area in which we operate, with a particular focus on reducing inequality

- how our procurement processes can facilitate the involvement of SMEs, third sector bodies and supported business
- how public procurement can be used to promote innovation

FAIR WORK FIRST

- 11.1 All HHP regulated procurement processes will incorporate and implement the Governments 'Fair Work First' (FWF) principles and use them where relevant and proportionate in all contract evaluation and monitoring.
- 11.2 The principles of FWF relate to businesses bidding for a public contract, and asks them to commit to adopting and evidencing the following:
- a) Providing appropriate channels for effective voice, such as trade union recognition;
 - b) Investing in workforce development;
 - c) Making no inappropriate use of zero hours contracts;
 - d) Taking action to tackle the gender pay gap and create a more diverse and inclusive workplace;
 - e) Providing fair pay for workers (for example, payment of the real Living Wage);
 - f) Offering flexible and family friendly working practices for all workers from day one of employment;
 - g) Opposing the use of fire and rehire practices.
- 11.3 The FWF principles also apply to any agency or sub-contractor workers involved with the contract delivery.

EMERGENCIES & LIMITED SUPPLIER AVAILABILITY

- 12.1 In exceptional circumstances, the Procuring Officer can look to invoke a non-competitive action (NCA) where a direct appointment of a supplier is made out with the normal tendering process due to an emergency situation that must be dealt with expediently.
- 12.2 An exceptional situation could include one that could have an immediate potential to impact on our organisation financially or reputationally, such as where an immediate resolution is required to comply with an Emergency Statutory Instruction or to prevent one being imposed; or where there could be a serious adverse impact on life or property in terms of Health & Safety.

- 12.3 Any such use of an NCA will require the approval of the Chief Executive or nominated deputy. A full written case will be required to be approved, and evidence should be provided as to why this alternative procedure was required.
- 12.4 When no bids or suitable tenders are received in a regulated procurement exercise, or where we can evidence that there are no suitable suppliers for our procurement, we can award contracts under strictly controlled procedures in the legislation:

Category	Description
A Negotiated Procedure without Prior Publication (NPwPP):	This allows us to award a contract directly to a supplier without re-advertising. It is permitted if no tenders, no suitable tenders, or no requests to participate were submitted in response to an initial open or restricted procedure. The initial tender requirement (e.g., specifications, value) must not be "substantially altered".
Direct Award	We may award a contract directly if there is only one possible supplier
Switching to Competitive Dialogue	If only "irregular" or "unacceptable" tenders were received (e.g., bids exceeding the budget or failing selection criteria), we may opt to switch to a Competitive Dialogue or Competitive Procedure with Negotiation without re-advertising, providing we include all the original tenderers who met the selection criteria.

REGULATED PROCUREMENT

- 13.1 The procurement journey required will depend on the procurement type and its value. See para. 4.1 and Appendix 1 for further information.
- 13.2 If the estimated value of a contract falls on the borderline between two thresholds, the procedure for the higher value threshold should be used.
- 13.3 For all tenders and quick quotes a contract specification, pricing document, quality questionnaire (if required) and standard SPD (if required) should be used.
- 13.4 For all contracts with a value over £50,000 all contract terms must be included within the tender documents.
- 13.5 A form of tender must be completed which will include a statement that the tenderer will provide and complete the whole of the works described in accordance with the Brief, conditions of contract, form of tender and declaration.

TENDER SCORING

- 14.1 The breakdown and weighting of scoring between price, quality and sustainability/social benefit scoring should be reviewed on a procurement-by-procurement basis and should reflect the factors relating to that procurement and its value.
- 14.2 Clear guidance on the criteria to be used for scoring should be included in the tender.
- 14.3 Detail of how we manage standstill periods can be found at Appendix 2.
- 14.4 After due evaluation and consideration, contracts may be awarded and the relevant parties notified.
- 14.5 If we do not find a supplier who meets all the required criteria, we reserve the right to cancel and re-run the process, again after duly notifying parties with the reasons for doing so.

TENDER AWARDS

- 15.1 The Procuring Officer is responsible for lodging the tender award with the Procurement Administrator, who will then update the award on the Public Contracts Scotland portal. The Procuring Officer will also deal with any appeals or requests for feedback.
- 15.2 We will provide feedback within 30 days to any tenderers excluded from a regulated tendering process and will give all unsuccessful tenderers:
 - the names of the economic operators who have not been excluded;
 - the criteria used to exclude the tenderer; and
 - our scoring against those criteria.
- 15.3 After awarding a contract we will provide all tenderers with:
 - the name of the successful tenderer;
 - the criteria used to award the contract; and
 - our scoring, against those criteria, of the unsuccessful tenderers and the successful tenderer.
- 15.4 If we receive requests for further information within 30 days of these notices, we will provide unsuccessful tenders, within 30 days, those reasons why they were excluded from tendering or why their tender was unsuccessful, and the characteristics and relative advantages of the successful contractor's tender.

- 15.5 After awarding the contract the Procuring Officer is responsible for ensuring any contract is signed by both HHP and contractor representatives before any work on the contract starts.
- 15.6 It is not sufficient to rely on contract terms included for information in the tender documents.
- 15.7 Our Standing orders state which members of staff are authorised to procure or sign a contract on behalf of the Partnership.
- 15.8 Contracts will usually be in writing, although electronic contracts and signatures are legally recognised and increasingly standard, though their use is governed by specific regulations to ensure validity and security. Procurement Officers have the discretion to define requirements here, based on the risk and value of the contract.
- 15.9 Suppliers will be notified that goods, services and works should only be provided on receipt of an appropriate contract or purchase order.
- 15.10 Payments for contracts will be made within the agreed terms, on the basis that the goods or services have been provided. Where no prior payment terms are agreed, within 7 working days of receipt of a valid invoice following delivery of the relevant goods or service.

CONTRACT REGISTER

- 16.1 We maintain a register of those contracts we have entered into as a result of a regulated procurement.
- 16.2 Our contracts register will be updated to add new or to remove completed or terminated contracts.
- 16.3 Our Contracts Register is published on the HHP website.

POST AWARD CONTRACT MANAGEMENT

- 17.1 The Procuring Officer will be responsible for both implementing the procurement and for managing the contract once it is signed.
- 17.2 The Procuring Officer will be responsible for ensuring compliance with:
- Contract Delivery Requirements;
 - Regular Insurance and other supporting checks as defined in contract;
 - Budget Management;

- the holding of regular (as appropriate) Contract Management meetings (and at least annually) over the lifetime of the contract; and
- reporting any identified risks or contract issues to their Director.

REVIEW OF POLICY

- 18.1 The Procurement Policy will be reviewed every 3 years or earlier if there is any relevant updated guidance or legislation.
- 18.2 Periodically the Scottish Government will update regulations and issue notifications such as updated tender value thresholds. We will comply with such changes from the date that they come into effect and automatically amend our policy and processes to comply.

INTERPRETATIONS & ABBREVIATIONS

The following interpretation and abbreviations are used in this policy:

WORD	INTERPRETATION
<i>We/Our</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>RFQ</i>	Request for Quotation
<i>ITT</i>	Invitation to Tender
<i>FWF</i>	Fair Work First
<i>Standstill Period</i>	A mandatory pause, typically at least 10 calendar days, between notifying bidders of a tender award decision and officially signing a contract. It allows unsuccessful bidders to review feedback and, if necessary, challenge the decision before the contract is finalized
<i>Goods</i>	Tangible items purchased to support operations. Examples: Boilers, smoke alarms, IT equipment, stationery, staff uniforms.
<i>Services</i>	Purchase of professional time, skills, or expertise. Examples: Grounds maintenance, legal advice, architectural design.
<i>Works</i>	Major physical construction, refurbishment, repair, or installation activities. Examples: Estate-wide kitchen replacements, installation of heating systems.
<i>Construction</i>	A subset of Works involving new build projects or major structural alterations, often combining works, goods, and services. Example: Building a new block of energy-efficient flats.
<i>Contract Value</i>	All contract values are calculated net of VAT. The estimated contract value is the total expected payable amount over the contract lifetime, including any extension periods.
<i>Unregulated Procurement</i>	Applies to goods and services below £50,000 (ex VAT) and works below £2 million (ex VAT).
<i>Regulated Procurement</i>	Applies to goods and services above £50,000 (ex VAT) and works above £2 million (ex VAT).
<i>Government Procurement Agreement (GPA)</i>	Applies when procurement value exceeds international threshold levels, triggering post-Brexit WTO GPA obligations. Thresholds reviewed periodically (most recently January 2026).
All references to the masculine gender in this policy shall read as equally applicable to the feminine gender	

APPENDIX 1 – PROCUREMENT THRESHOLDS

A.1 The thresholds below are net of VAT and the GPA (Government Procurement Agreement) thresholds are updated every two years (shown as at 1st January 2026)

	Goods & Services	Works
Scottish Regulated Procurement Thresholds (SRPT)*	£50,000	£2,000,000
GPA thresholds (GPAT)*	£173,100	£4,327,500

GOODS & SERVICES

Value Range	Procurement Journey
£0 – £1,999	1 written quotation
£2,000 – £24,999	2 written quotations
£25,000 – £50,000 (SRPT)	Route 1 (Quick Quote or Simplified PCS Tender)
£50,000 (SRPT) – £173,100 (GPAT)	Route 2 (Full PCS Tender)
Over £173,100 (GPAT)	Route 3 (Full PCS tender, bespoke contracts requiring enhanced governance)

WORKS

Value Range	Procurement Journey
£0 – £24,999	1 written quotation
£25,000 – £349,999	2 written quotations
£350,000 – £499,000	Quick Quote issued to min. 3 suppliers
£500,000 – £1,999,999 (SRPT)	Route 1 (Quick Quote or Simplified PCS Tender)
£2,000,000 – £4,327,500 (GPAT)	Route 2 (Full PCS Tender)
Over £4,327,500 (GPAT)	Route 3 (Full PCS tender, bespoke contracts requiring enhanced governance)

CONSTRUCTION

Value Range	Procurement Journey
£0 – £349,999	PCS Quick Quotes (CPR 1A)
£350,000 – £1,999,999 (SRPT)	PCS Tender Process (CPR 1B)
£2,000,000 – £4,327,500 (GPAT)	PCS Tender Process (CPR 2A)
Over £4,327,500 (GPAT)	PCS Tender Process (CPR 2B)

APPENDIX 2 - MANDATORY MINIMUM TENDER TIMESCALES IN RELATION TO THE 2015 REGULATIONS

- 1.1 Reduced timescales limit the opportunity for suppliers to participate, so should be avoided wherever possible. A statement explaining any reduction should be provided by the Procuring Officer.
- 1.2 These timescales apply to all our regulated tenders and begin from the date the contract notice is submitted for publication, and available to suppliers on the PCS website.

Procurement Type	Standard Minimum Tender Period
Open Procedure:	35 calendar days. (30 days if tender submitted electronically)
Restricted Procedure (Two-stage):	
Stage 1	(Request to Participate): 30 calendar days.
Stage 2	30 calendar days (25 days if tender submitted electronically)
Competitive Procedure with Negotiation:	
Stage 1 (Request to Participate)	30 calendar days.
Stage 2 (Initial Tender):	30 calendar days (can be reduced to 25 days if electronic).
Competitive Dialogue / Innovation Partnership:	
Min. request to participate period:	30 calendar days.
Accelerated Procedures - In cases of duly substantiated urgency where standard limits are impractical, "accelerated" timescales apply.	
Accelerated Open:	15 calendar days.
Accelerated Restricted/Negotiated:	
Stage 1:	15 calendar days.
Stage 2:	10 calendar days.
Post-Award Timescales	Minimum Periods
Standstill Period - A mandatory pause before contract signature to allow for challenges.	10 calendar days if the award notice is sent electronically.
	15 calendar days if the notice is sent by other means (e.g., post).
Contract Award Notice:	Must be sent for publication within 30 calendar days of the contract award.

PROCUREMENT PLAN & PERFORMANCE

Board 24 March 2026

Report by Director of Finance & Corporate Services

Purpose of Report

- 1.1 To approve the 2026/27 Procurement Plan, to advise the Board of the outcome of our assessment with Scotland Excel and to provide details on procurement activity and performance during the year

Summary

- 2.1 Over the last eighteen months, we have engaged with Scotland Excel through its Continuous Improvement Programme for Procurement (CIPP) assessment framework for Housing Associations. At our formal assessment in February 2026, we achieved a score of 93% across all 14 review areas
- 2.3 Our Procurement Plan for 2026/27 is at Appendix 1 for approval.
- 2.4 The Scottish Government Procurement Return, Procurement Performance Report for 2025, and our Contracts & Community Benefits Registers can be found at Appendices 2 to 6.

Compliance

- 3.1 The competence issues relating to this report are at section 8.1 of the report

Recommendations

4.1 It is recommended that the Board:

- a) approve the Procurement Plan for 2026/27 at Appendix 1;**
- b) note the Scottish Government Procurement Return at Appendix 2**
- c) note the Scotland Excel report at Appendix 3;**
- d) note the procurement performance for 2025 set out in Appendix 4; and**
- e) note the Contracts & Community Benefits Registers at Appendix 5 & 6.**

APPENDIX 1:	Procurement Plan 2026/27
APPENDIX 2:	Scottish Government Procurement Return 2025
APPENDIX 3:	Scotland Excel Report
APPENDIX 4:	HHP Procurement Performance Report 2025
APPENDIX 5:	Contracts Register 2026
APPENDIX 6:	Community Benefit Register 2026
Background Papers:	None
Writer of Report:	Angus Smith

Tel: 0300 123 0773

Report Details

Scotland Excel

- 5.1 The evaluation of our procurement function by Scotland Excel took place by interview over two days in February 2026.
- 5.2 Fourteen questions were asked, and based on the evidence and practice provided, we were assessed at level one, level two or level three for each requirement. The scoring was as follows:
- Level 1 Has shown basic procurement compliance
 - Level 2 Indicates a solid foundation
 - Level 3 Demonstrates advanced procurement capability
- 5.3 The questions asked and the scores received are at Appendix 3 of the report.
- 5.4 We obtained level three assessments for 13 of the 14 categories, and a single level one assessment.
- 5.5 The level one scoring reflects the local procurement difficulties we face in the Outer Hebrides, with a small supplier base, and limited opportunities to engage with and procure from the third sector and supported businesses.

Procurement Performance

- 6.1 The amount of procurement activity in 2025 was again lower than our five-year average. This was mainly due to cyclical factors, longer contract lengths and with few major contracts coming up for renewal.
- 6.2 The majority of new procurement activity was driven by the Investment Framework.

Type	Number
Regulated	2
Quick Quotes	0
Investment Framework	25
Total	27

- 6.3 The procurement performance for 2025 can be found at Appendix 4.
- 6.4 The performance for 2025 is broadly similar to that of 2024. The fall in the score at No. 7 this year is as a result of architect fees in relation to our development programme and our investment in insulation and roughcasting – both provided by mainland firms.

Contracts and Community Benefit Registers

- 7.1 Our updated Contracts Registers is at Appendix 5 of the report and will be published on our website.
- 7.2 We had no new tenders with community benefit/social value requirements in 2025. Ongoing projects with benefits are reported at Appendix 6.

8.1 Competence Checklist

COMPLIANCE CHECKLIST	
Financial	There are no financial costs arising directly from consideration of this report.
Legal	Our Procurement Strategy (2025-2029) was approved by Board in March 2025. HHP, for procurement purposes, is treated as a public body In Scotland, public procurement is governed by a "twin-track" legal framework comprising the Procurement Reform (Scotland) Act 2014 and The Public Contracts (Scotland) Regulations 2015. These address the five core legal requirements and principles that underpin all Scottish public procurement activity: • Adherence to the five Fundamental legal Principles of equal treatment; non-discrimination; transparency, proportionality and mutual recognition; • We must consider the Sustainable Procurement Duty; • We must follow the Financial Thresholds and Regulated Procurement procedures; • To ensure a fair market, we must follow Publication and Transparency Obligations; and • Consider Community Benefit Requirements (including Fair Work First).
Regulatory	The Regulatory Standards checklist has been completed and there is nothing in the report which would result in a breach of the standards. This report provides ongoing assurance of evidence RS2.2, RS4.6 and RS5 in relation to our Annual Assurance Statement.
Risk	Ensuring we have a procurement policy in place reduces the risk of non-compliance with procurement legislation and the risk of challenge from suppliers. Our risk register includes 2 main procurement related risks. Construction/Supply Chain has an inherent risk of 20 and a residual risk of 12. Lack of competition in insurance market has an inherent risk of 12 and a residual risk of 6.
ESG	Our procurement objectives will support our ESG strategy and FWF principles where relevant.
Equalities	We are committed to promoting equality, diversity and inclusion. This is embodied in our use of FWF principles in our procurement. There are no equalities implications arising from the approval of this report.

COMPLIANCE CHECKLIST	
Communication	Following approval of this report, appendices 4-6 will be published on our website.



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HHP PROCUREMENT PLAN 2026/27

Contract	Quantities/Length of Contract	Procurement Method	Planned Procurement Date	Planned Contract Start Date
lochar, South Uist – 6 homes	12 months	PCS	March 2026	May 2026
Low Flyer, Balivanich – 4 units	12 months	PCS	March 2026	May 2026
Grimsay, North Uist Development – 8 units	18 Months	PCS	April 2026	August 2026
Scott Road, Harris Development – 24 units	3 Years	PCS	April 2026	September 2026
Gravir, South Lochs – 4 units	8 Months	PCS	February 2026	May 2026
Breacleite, Bernera – 4 units	8 Months	PCS	June 2026	November 2026
Melbost West – 12 units	18 Months	PCS	December 2025	March 2026
Carloway Care unit – 1 unit	3 months	PCS	February 2026	April 2026
50 Macaulay Road – 1 unit	3 months	PCS	February 2026	April 2026
Legal Services	3-5 Years	PCS	June 2026	September 2026
ICT Hosting and Support	3 years + 2 years +2 Years	PCS	July 2026	October 2026
Funders Valuations	TBD	PCS	January 2027	March 2027
Consultant Services for Design, Project Management & Administration for New Developments	TBD	PCS	TBD	TBD

APPENDIX 1

Contract	Quantities/Length of Contract	Procurement Method	Planned Procurement Date	Planned Contract Start Date
Feasibility Services	TBD	PCS	TBD	TBD
Investment Framework 2027-2031	4 years	PCS	August 2026	April 2027

Notes:

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

Annual Procurement Report template

[NOTE: reference to contract is also to be construed as meaning a framework agreement]

1. Organisation and report details	
a) Contracting Authority Name	Hebridean Housing Partnership
b) Period of the annual procurement report	1 st January 2025 – 31 st Dec 2025
c) Required by s18 Procurement Reform (Scotland) Act 2014 to prepare an annual procurement report? (Yes / No)	Yes
2. Summary of Regulated Procurements Completed	
a) Total number of regulated contracts awarded within the report period	1
b) Total value of regulated contracts awarded within the report period	£300K
c) Total number of unique suppliers awarded a place on a regulated contract awarded during the period	1
i) how many of these unique suppliers are SMEs	0
ii) how many of these unique suppliers are Third sector bodies	0
3. Review of Regulated Procurements Compliance	
a) Number of regulated contracts awarded within the period that complied with your Procurement Strategy	1
b) Number of regulated contracts awarded within the period that did not comply with your Procurement Strategy	0
4. Community Benefit Requirements Summary	
Use of Community Benefit Requirements in Procurement:	
a) Total Number of regulated contracts awarded with a value of £4 million or greater.	0
b) Total Number of regulated contracts awarded with a value of £4 million or greater that contain Community Benefit Requirements.	0
c) Total Number of regulated contracts awarded with a value of less than £4 million that contain Community Benefit Requirements	0

Key Contract Information on community benefit requirements imposed as part of a regulated procurement that were fulfilled during the period:

- d) Number of Jobs Filled by Priority Groups (Each contracting authority sets its own priority groups)
- e) Number of Apprenticeships Filled by Priority Groups
- f) Number of Work Placements for Priority Groups
- g) Number of Qualifications Achieved Through Training by Priority Groups
- h) Total Value of contracts sub-contracted to SMEs
- i) Total Value of contracts sub-contracted to Social Enterprises
- j) Total Value of contracts sub-contracted to Supported Businesses
- k) Other community benefit(s) fulfilled

0
0
0
0
0
0
0
0

5. Fair Work and the real Living Wage

- a) Number of regulated contracts awarded during the period that included a Fair Work First criterion.
- b) Number of unique suppliers who have committed to pay the real Living Wage in the delivery of a regulated contract awarded during the period.
- c) Number of unique suppliers who are accredited Living Wage employers and were awarded a regulated contract during the period.

0
0
0

6. Payment performance

- a) Number of valid invoices received during the reporting period.
- b) Percentage of invoices paid on time during the period ("On time" means within the time period set out in the contract terms.)
- c) Number of regulated contracts awarded during the period containing a contract term requiring the prompt payment of invoices in public contract supply chains.
- d) Number of concerns raised by sub-contractors about the timely payment of invoices within the supply chain of public contracts.

2453
99%
0
0

7. Supported Businesses Summary

- a) Total number of regulated contracts awarded to supported businesses during the period
- b) Total spend with supported businesses during the period covered by the report, including:
- i) spend within the reporting year on regulated contracts
 - ii) spend within the reporting year on non-regulated contracts

0
0
0
0

8. Spend and Savings Summary

- a) Total procurement spend for the period covered by the annual procurement report.
- b) Total procurement spend with SMEs during the period covered by the annual procurement report.
- c) Total procurement spend with third sector bodies during the period covered by the report.
- d) Percentage of total procurement spend through collaborative contracts.
- e) Total delivered cash savings for the period covered by the annual procurement report
- f) Total non-cash savings value for the period covered by the annual procurement report

£17,430,830
£11,081,150
£54,610
0

0

0

9. Future regulated procurements

- a) Total number of regulated procurements expected to commence in the next two financial years
- b) Total estimated value of regulated procurements expected to commence in the next two financial years

10
£16.1M

NOTES

- Reference to contract is also to be construed as meaning a framework agreement.
- Please provide exact figures wherever possible, rather than estimations.
- Please distinguish between the 'zero' value and where information is either not recorded or not available.

1. Organisation and report details

- Enter the name of the contracting authority to which the report refers.
- Enter the actual period of the report (for example, 01 April 2024 to 31 March 2025 or 1 August 2024 to 31 July 2025.)
- Has the report been prepared because there is a requirement to do so under [Section 18 of the 2014 Act](#)?

2. Summary of regulated procurements completed

- This is the total number of all regulated contracts that were awarded during the reporting period as a result of regulated procurements.
- This is the total estimated value (excluding VAT) of all regulated contracts that were awarded during the reporting period as a result of regulated procurements.
- This is the total number of unique suppliers that were awarded a place on a regulated contract which was awarded during the reporting period (where a supplier has been awarded more than one framework, or contract only one instance should be recorded).
 - Number of unique SME suppliers that were awarded a place on a contract awarded during the reporting period (an SME means an enterprise which employs less than 250 staff) (where a SME supplier has been awarded more than one framework, or contract only one instance should be recorded).
 - Number of unique third sector suppliers that were awarded a place on a contract awarded during the reporting period (where a third sector supplier has been awarded more than one framework, or contract only one instance should be recorded).

3. Review of regulated procurements compliance

- Total number of regulated contracts awarded within the reporting period that complied with the commitments and policies set out in your corporate procurement strategy.
- Total number of regulated contracts awarded within the reporting period that did not comply with commitments and policies set out in the corporate procurement strategy.

4. Community benefit requirements summary

- Total number of individual regulated contracts awarded within the reporting period with a value of £4 million or greater.
- Total number of individual regulated contracts awarded within the reporting period with a value of £4 million or greater that contain Community Benefit requirements.
- Total number of regulated contracts with a value of less than £4 million that contain Community Benefit requirements.
- Total number of jobs filled by individuals within a priority group during the period of the report.
- Total number of apprenticeships filled by priority groups during the period of the report.
- Total number of work placements delivered for priority groups during the period of the report.
- Number of qualifications achieved during the period of the report through training by priority groups.
- Total value of contracts subcontracted to SMEs during the period of the report
- Total value of contracts subcontracted to Social Enterprises during the period of the report.
- Total value of contracts subcontracted to Supported Businesses during the period of the report.
- Other community benefits that were fulfilled during the period of the report that do not fall into one of the preceding categories.

[Scottish Procurement Policy Note 10/2020](#) clarifies the Scottish Government's policy on measuring social impact through procurement and support for application of this policy in the form of the sustainable procurement duty tools and accompanying guides.

5. Fair Work and the real Living Wage

- a) Number of regulated contracts awarded during the reporting period that include a scored Fair Work First criterion where it was relevant to do so. The Scottish Government asks employers to adopt fair working practices, specifically: Appropriate channels for effective voice, such as trade union recognition; Investment in workforce development; No inappropriate use of zero-hours contracts; Action to tackle the gender pay gap and create a more diverse and inclusive workplace; Payment of the real Living Wage; Offer flexible and family friendly working practices for all workers from day one of employment; Oppose the use of fire and rehire practice.
- b) Total number of unique suppliers that have committed to pay the real Living Wage to persons involved in producing, providing or constructing the subject matter of regulated procurements; this number will include suppliers who are awarded onto a framework agreement and will also reflect those suppliers who are accredited as Living Wage employers.
- c) Number of unique suppliers who are accredited Living Wage employers and were awarded a regulated contract during the period of the report; this number will include suppliers who are awarded onto a framework agreement.

[Fair Work First: guidance](#) outlines our Fair Work First approach and exemplifies the Fair Work First criteria in practice. It should be used by those involved in awarding public sector grants, other funding, and public contracts as well as those who receive funding through public sector grants, sponsorship arrangements with the Scottish Government and/or are involved in the delivery of contracts.

6. Payment performance

- a) Total number of valid invoices received during the period of the report.
- b) The percentage of valid invoices received during the period of the report that were paid on time (for example, within the time period set out in the contract terms).
- c) Total number of regulated contracts awarded during the period of the report that contained a contract term requiring the prompt payment of invoices in public contract supply chains.
- d) Total number of concerns raised by sub-contractors within the timeframe covered by the report about timely payment of invoices relating to the supply chain of public contracts.

[Scottish Procurement Policy Note \(SPPN\) 02/2022](#) provides details of how public bodies are to embed prompt payment performance in the supply chain through procurement processes.

7. Supported businesses summary

- a) Total number of all regulated contracts that were awarded to supported businesses during the reporting period (this includes contracts reserved for supported businesses)
- b) Total amount of spend with supported businesses during the reporting period (through regulated and non-regulated contracts).
 - i) Total spend with supported businesses during the reporting period through regulated contracts (*including spend within the period on contracts placed before the period*).
 - ii) Total spend with supported businesses during the reporting period through non-regulated contracts (*including spend within the period on contracts placed before the period*).

Organisations as defined by [regulation 21 of the Public Contracts \(Scotland\) Regulations 2015](#) are commonly referred to as supported businesses. [Scottish Procurement Policy Note \(SPPN\) 1/2025](#) contains information on: determining whether an organisation meets the definition of a supported business for the purposes of public procurement legislation; identifying supported businesses; and monitoring and reporting.

8. Spend and savings summary

- a) Total amount of procurement spend during the reporting period.
- b) Total amount of procurement spend with SMEs during the reporting period.

- c) Total amount of procurement spend with third Sector bodies during the reporting period.
- d) Percentage of total procurement spend during the reporting period that is through collaborative contracts.
- e) Total amount of cash savings delivered for the period of the report.
- f) Total non-cash savings value for the period covered by the annual procurement report.

[Procurement benefits reporting: guidance](#) is available to help procurement teams identify savings and benefits from procurement activity. It is also important that these savings and benefits are reported in a consistent manner across sectors.

9. Future regulated procurements

- a) Total number of all regulated contracts that are expected to commence in the next two financial years.
- b) Total estimated value of all regulated contracts that are expected to commence in the next two financial years.

While it is acknowledged that at the time a contracting authority prepares its annual procurement report, it is unlikely to know what its precise requirements will be over the course of the next two financial years, it should be in a position to provide a brief forward plan of anticipated procurements relevant and proportionate to the contracting authority's size and spend.

Scotland Excel CIPP (Continuous Improvement Programme for Procurement) Assessment – February 2026.

Question		Final Score
1.1	What is the procurement representation and influence over major and routine procurement activity in your organisation and what does it deliver? e.g. using the Procurement Journey	3.0
1.2	In what way is the Procurement Strategy linked to the organisation's corporate strategy and is it delivering the strategic objectives relevant to the sector? e.g. Local Economic Agenda, and/or National Outcomes etc.?	3.0
1.3	What resources and skills level requirements have been identified to deliver the procurement strategy, associated strategic objectives and business needs?	3.0
1.4	What does the organisation do to develop existing procurement individuals and future talent?	3.0
1.5	What does the organisation do to ensure that it continually improves its procurement activity, promotes commercial competence and ensures that these are embedded within its organisation and culture?	3.0
1.6	How are the organisations processes and procedures adequate and effective in relation to managing risk and countering fraud?	2.5
2.1	How does the organisation understand its spend in order to drive best value?	3.0
2.2	In what ways are specifications for procurement exercises (mini-competitions and Cat C procurement exercises) being developed to maximise value for the organisation and its customers?	3.0
2.3	What is the organisations approach to evaluation to maximise efficiency and effectiveness?	3.0
2.4	What does the organisation deliver in relation to Environmental, Social and Economic sustainability in its procurement practices and processes?	1.0
3.1	What does the organisation do to manage contracts and suppliers?	3.0
3.2	What does the organisation do to work with suppliers throughout the life of a contract to ensure contractual obligations are met and to identify and deliver additional benefits to both parties?	3.0
3.3	What does the organisation do to increase contract coverage, ensure contract compliance and reduce maverick spend?	2.5
4.1	What does the organisation do to receive goods/services/minor works, and what is the process for authorising payment?	3.0

Scoring	1	Has shown basic procurement compliance
	2	Indicates a solid foundation
	3	Demonstrates advanced procurement capability

Overall, a score of 93% across all 14 elements was obtained.

HHP Procurement Performance Report 2025

1.1 Performance data for the procurement function have now been collected for the 5 calendar years up until December 2025.

No		2021	2022	2023	2024	2025	Target
1	Compliance with Procurement Legislation (tenders)	100% (21)	100% (29)	100% (32)	100% (17)	100% (26)	100%
2	% of Suppliers paid within terms (previously 30 days) (invoices)	94% (1872)	95% (1871)	98% (2074)	99% (2290)	99% (2453)	100%
3	Number of renewal contracts with savings etc.	100% (1 of 1)	50% (1 of 2)	40% (2 of 5)	0% (only 1 renewal contract)	100% (1 of 1)	50%
4	Tenders notified within the target timescales	100%	100%	100%	100%	100%	100%
5	% of HHP spend being tendered*	96 %	98%	92%	93%	92%	90%
6	% of Tenders with local supplier involvement (tenders)*	91% (21)	93% (27)	88% (28)	82% (17)	96% (27)	95%
7	% of spend with local suppliers*	96% (1074)	94% (1068)	89% (1097)	91% (1183)	89% (1133)	90%
8	% of invoices received electronically (invoices)	98% (1074)	94% (1063)	96% (1052)	91% (1974)	93% (2035)	95%
9	Customer Satisfaction with Contractor Performance (Repairs Surveys)	97% (126)	98% (205)	94% (90)	91% (100)	91% (284)	90%
11	Contract Compliance	100%	100%	100%	100%	100%	100%

Notes

- 2.1 Given a general move to longer term contracts to drive cost efficiencies, and the use of Government Framework agreements, 2025 was a fairly quiet year in relation to procurement and tendering, with only 27 formal procurement processes undertaken – 25 of which related to investment works under an existing framework agreement.
- 2.2 Our Electricity requirements was the only renewal contract that was tendered in the period. It is estimated that up to £30K per annum might be saved through this procurement.
- 2.3 No. 4: is defined as being the contracts in place prior to target timescales.
- 2.4 No. 5: Not all of HHP's spending requires to go through a regulated tender process.
- 2.5 No 6 & 7: Not all of HHP's procurement requirements can be delivered through local providers where specialist skills may be unavailable locally. The fall in the score this year is as a result of architect fees in relation to our development program and our investment in insulation and roughcasting – both provided by mainland firms.
- 2.6 No 9: Satisfaction with overall service is rated highly albeit on a limited sample. Sample size will increase as resources permit.
- 2.7 There were no regulated procurements that required to be considered in relation to FWF.

HHP's Regulated Contract Register							
Date of Award	Description of Works/Services Supplied under Contract (Total Contract Works Exceeding £50k)	Contractor	Estimated Value (£k)	Start Date	End date	Current Extended End Date	Extension Available (Months)
02.12.2009	Legal Services	Harper Macleod	£73k	01.01.2010	31.08.2026		
01.09.2018	ICT 2018 - 2022 Hosting & Support	Kick ICT	£106k	01.10.2018	31.09.2022	31.09.2026	
29.11.2022	Investment Framework 2023-2027	Alex Murray Construction	£16,000k	01.04.2023	31.03.2027		
		A Campbell Electrical Services					
		FES FM					
		Neil Mackay & Co					
		O'Mac Construction					
04.12.2019	Planned, Cyclical & Responsive Maintenance Services & Void Works	FES FM	£14,000k	01.04.2020	31.03.2025	31.03.2027	24
07.06.2021	Housing Management System	Civica UK Ltd	£450k	01.05.2021	07.03.2028		
31.08.2022	Social Housing Insurance	Aviva		01.10.2025	30.09.2026		
30.09.2024	Barra Ph 2 Development, Isle of Barra	Macinnes Bros	£1,776K	22.11.2024	08.09.2025	21.04.2026	
31.03.2022	Blackwater Development, Isle of Lewis	Calmax Construction	£13,329k	14.07.2022	31.03.2025	07.04.2026	
08.01.2025	External Auditors	CT Audit	£66K	01.04.2024	31.03.2028		
03.09.2024	Electricity Contract for HHP Offices	SSE	£80K	01.10.2024	30.09.2026		
24.11.2025	Electricity Contract for HHP Properties	British Gas	£300K	29.12.2025	30.09.2029		

HHP COMMUNITY BENEFIT OBTAINED IN 2025*			APPENDIX 6
Project	Start Date	End Date	Community Benefit
Planned, Cyclical & Responsive Maintenance Services & Void Works	01.04.2020	31.03.2027	FES Apprenticeship Scheme New apprenticeship positions Work Placement Provide a structured period of work experience for a Nicolson Institute pupil SME Engagement Work with Scottish Enterprise and other stakeholders such as the local Chamber of Commerce on opportunities for economic development, training and other funded assistance to help support the and maximise the potential positive influences on the local communities, economies and supply chain. Social Enterprises: Our Endeavours Continually striving to work with Social Enterprises on our projects and believe strongly in the social, economic and environmental contributions which can be made to the local and wider community by doing so. Community Enhancement Deliver community projects in association with HHP Contribute to local charities and organisations
Blackwater Development, Isle of Lewis	14.07.2022	26.02.2026	•River flood defences / river bank reinforcement in two separate areas (west section at 25m length and east section at 40m length) of the Newmarket playpark. Import rock armour aggregate. and lay these stones individually at the toe of the river bank, in accordance with the SEPA green bank guidelines. Infill ground level above rock armour with clay to marry in with surrounding ground levels, capped with soil and grass seeded. Estimate costs for labour, plant and materials £35,000.00 •Gate replacement at playpark Flying Fox - £1,500 contribution towards installation costs. •Footpath repair following flooding damage sustained on the pathway to "Mexico City" - £500 costs contributed for the labour, plant and material to carry out repairs to the footpath. •The provision of a level footpath for Gleann Dubh residents to easily access bus stop in front of Newmarket playpark. Calmax contributing an estimated amount of £8K towards the total cost of the work and carrying out the work.
Barra Ph 2 Development, Isle of Barra	22.11.2024	21.04.2026	Various options have been discussed - contractor to put a credit account in place so that the handyman for the local childcare place can purchase materials. Still be to confirmed.

*The two Benefits above were not obtained in 2025, but are still being delivered alongside the relevant contracts, with full delivery to be with the terms of the contract dates.

MANAGEMENT REPORT TO 28 FEBRUARY 2026

Board 24 March 2026

Report by Director of Finance & Corporate Services

Purpose of Report

- 1.1 To present the Management Report for the month ended 28 February 2026 to the Board for review.

Summary

- 2.1 Financial covenants will be met based on the updated covenant structure. This requires a minimum interest cover of 150% and does not require major repairs/investments to be deducted from our operating surplus.
- 2.2 The £73K reduction in total debt is primarily due to the timing of payments received, backdated benefits, and payments from tenants referred to the legal system.
- 2.3 We have committed £248K of Aids & Adaptations cost and subsequent grant. We will not achieve full grant drawdown but all referred works will have been completed by the end of March 2026 with one exception due to delivery constraints. As a result of this the out turn on both cost and grant have reduced by £70K
- 2.4 Delays in roofing, roughcast, windows, and heating caused by contractor limitations and bad weather have prevented completion of work, reducing the investment programme by £731K.

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 note the:
- a) Management Report at 28 February 2026 and revised forecast out turn at 31 March 2026 at Appendix 1; and
 - b) total debt owed to HHP at 8 March 2026 as £779,800 and current legal action on live arrears at Appendix 2.

APPENDIX 1 Management Report to 28 February 2026

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 £2.32M 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 £23K has been spent on legal fees on arrears action during the financial period 2025/26. In the previous financial year, £23K 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.

COMPLIANCE CHECKLIST	
	The value of affordability and security is outlined in our ESG action plan with an associated target of arrears being less than 2%.
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 28 February 2026



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INTRODUCTION

The Management Report to 28 February 2026 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		All aids & adaptations referred works will have been completed by the end of the year with one exception. We will not achieve full grant drawdown
	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, Heating, Roof and Windows forecast has reduced as planned works will not be able to go ahead this year.
	REPAIRS & MAINTENANCE		General repairs budgets are being monitored with void repairs having a high overspend in the first half of the year now looking at coming within budget in the latter half.
	MANAGEMENT COSTS		A reduction in the investment programme is resulting in a corresponding reduction in management income recognised this year.
	INTEREST		

	No Issues - On Track
	Requires Monitoring
	Issues

SECTION 2: MANAGEMENT ACCOUNTS

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Statement of Financial Position at 28 February 2026	5
Debt Management at 8 March 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 28-Feb-26 £	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	12,627,205	11,804,377	822,828	7%	(181)	12,627,023
2	Non Dwelling rents (net)	19,000	19,000	18,088	912	5%	-	19,000
3	Profit/(Loss) on Disposal of Assets	(45,000)	(157,312)	(157,353)	41	0%	(5,000)	(162,312)
4	Grant Funding	465,090	773,090	607,528	165,562	21%	(70,149)	702,941
5	Other Income	218,250	220,265	204,017	16,248	7%	-	220,265
6	TOTAL INCOME	13,101,150	13,482,248	12,476,657	1,005,591	7%	(75,330)	13,406,917
7	Supervision & Management	3,348,560	3,292,931	2,988,780	304,151	9%	36,718	3,329,648
8	Response Repairs	2,161,130	2,434,944	2,244,035	190,908	8%	(2,488)	2,432,456
9	Estate Works	145,060	140,684	77,337	63,348	45%	-	140,684
10	Planned/Cyclical Maintenance	1,492,310	1,556,227	1,390,026	166,201	11%	(15,243)	1,540,984
11	Total Operating Expenditure	7,147,060	7,424,786	6,700,178	724,608	10%	18,987	7,443,773
12	Operating Surplus/(Deficit)	5,954,090	6,057,462	5,776,479	280,983	5%	(94,317)	5,963,145
13	Interest received	38,700	201,017	186,969	14,048	7%	-	201,017
14	Interest paid	741,000	735,000	667,037	67,963	9%	-	735,000
15	Surplus/(Deficit)	5,251,790	5,523,479	5,296,411	227,068	4%	(94,317)	5,429,162
16	Depreciation	5,173,300	5,223,300	4,755,433	467,867	9%	-	5,223,300
17	Grant Amortisation	(2,050,170)	(2,110,170)	(1,899,791)	(210,379)	10%	-	(2,110,170)
18	Surplus/(Deficit)	2,128,660	2,410,349	2,440,769	(30,420)	-1%	(94,317)	2,316,032
19	CAPITAL INVESTMENT							
20	Aids & Adaptations	30,000	318,149	192,112	126,037	40%	(70,149)	248,000
21	Housing Investment Programme	4,475,200	4,474,185	2,546,197	1,927,987	43%	-	4,474,185
22	Non Housing Investment	5,150	90,277	4,047	86,230	96%	-	90,277
23	Development Programme	4,927,990	4,147,000	3,282,404	864,596	21%	(464,477)	3,682,523
		9,438,340	9,029,610	6,024,760	3,004,850	33%	(534,626)	8,494,984

Commentary on Performance**Income**

Dwelling Rents are £5.7K ahead of budget due to strong performance on voids, with current levels at 0.51% against a budget assumption of 1%. All Aids & Adaptations referrals will be completed by the end of March 2026 except for one stair lift where supplier delivery will not allow completion this year. We anticipate a reduction in grant drawn of £70K. Profit/(loss) on disposal of assets forecast loss has been increased by £5K due to unplanned heating replacements.

Expenditure

Response Repairs overspend of £29K is due to an increase in the number and increased cost of responsive repairs. The overspend on void repairs continues to reduce and is anticipated to finish within budget.

Supervision & Management full year out turn has increased mainly due to a £43K reduction in Management Income. There is additional slippage in the investment programme where works have

slipped into April/May 2026 due to contractor availability and this has reduced the amount of internal fees that can be recognised this year.

STATEMENT OF FINANCIAL POSITION

Line	Heading	Notes	28-Feb-26 £	31-Jan-26 £	31-Mar-25 £
	Fixed Assets				
1	Tangible assets-social housing	1	137,370,280	137,104,332	139,372,269
2	Development & Investment Programme		3,674,006	3,495,854	-
3	Tangible assets - property, plant and equipment	1	715,225	728,518	860,361
4	Landbank		626,660	626,660	626,660
5	Investments		2	2	2
6	Total Fixed Assets		142,386,173	141,955,365	140,859,292
	Current Assets				
7	Stock		25,651	25,651	25,651
8	Trade and other debtors due within one year	2	762,279	1,677,491	1,262,494
9	Debtors due after more than one year		131,514	132,681	144,355
10	Short-term deposits	3	3,902,654	5,893,278	7,861,122
11	Cash at bank and in hand	3	4,584,296	2,316,682	1,315,403
12	Loan to subsidiary		18,905	18,905	18,905
13	Total Current Assets		9,425,298	10,064,688	10,627,930
14	Creditors: amounts falling due within one year		(1,456,269)	(1,769,889)	(2,106,895)
15	Net current assets		7,969,030	8,294,800	8,521,035
16	Total assets less current liabilities		150,355,202	150,250,165	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		(77,481,151)	(77,587,795)	(79,025,801)
19	Pension Liability		-	-	-
20	Net Assets		50,508,719	50,297,038	47,989,194
	Capital and Reserves				
21	Share Capital		85	85	86
22	Revenue Reserve		50,508,634	50,296,953	47,989,108
23	Total Capital and Reserves		50,508,719	50,297,038	47,989,194

Commentary on Performance

Note 1 (Tangible Assets) – Tangible assets have increased £266K from the prior month as the value of assets capitalised exceeds the value of depreciation.

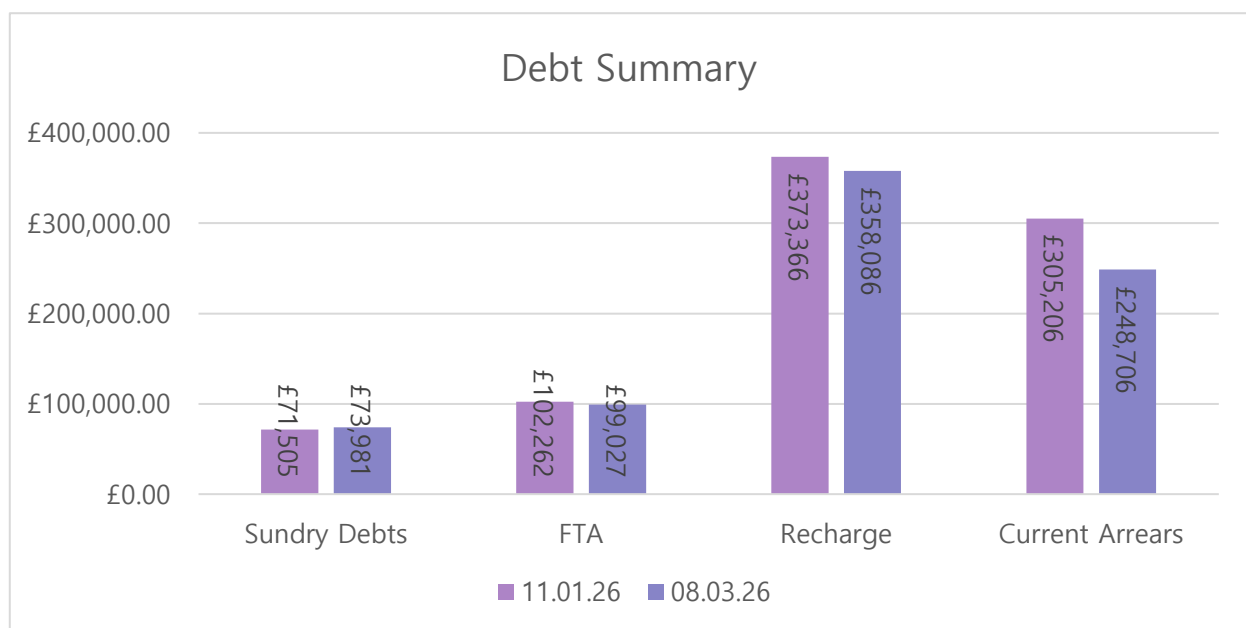
Note 2 (Trade and other debtors due within one year) – The £915K decrease is primarily due to the payment of an invoice raised for SEN initial works funding for Melbost West.

Note 3 (Cash) – £2M was received from deposit at the end of February.

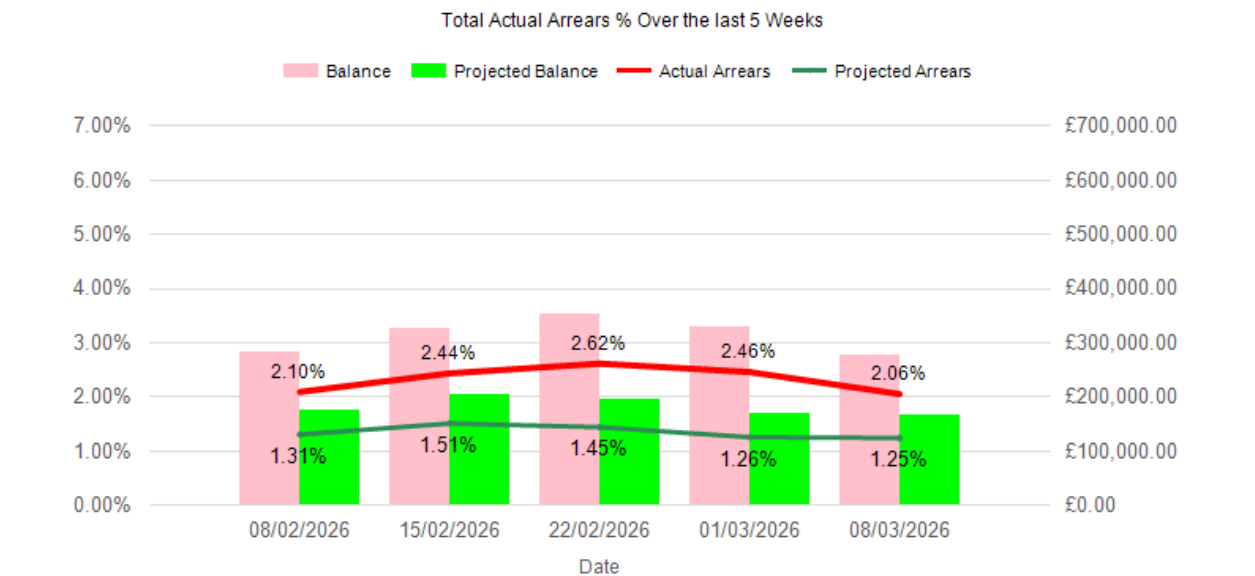
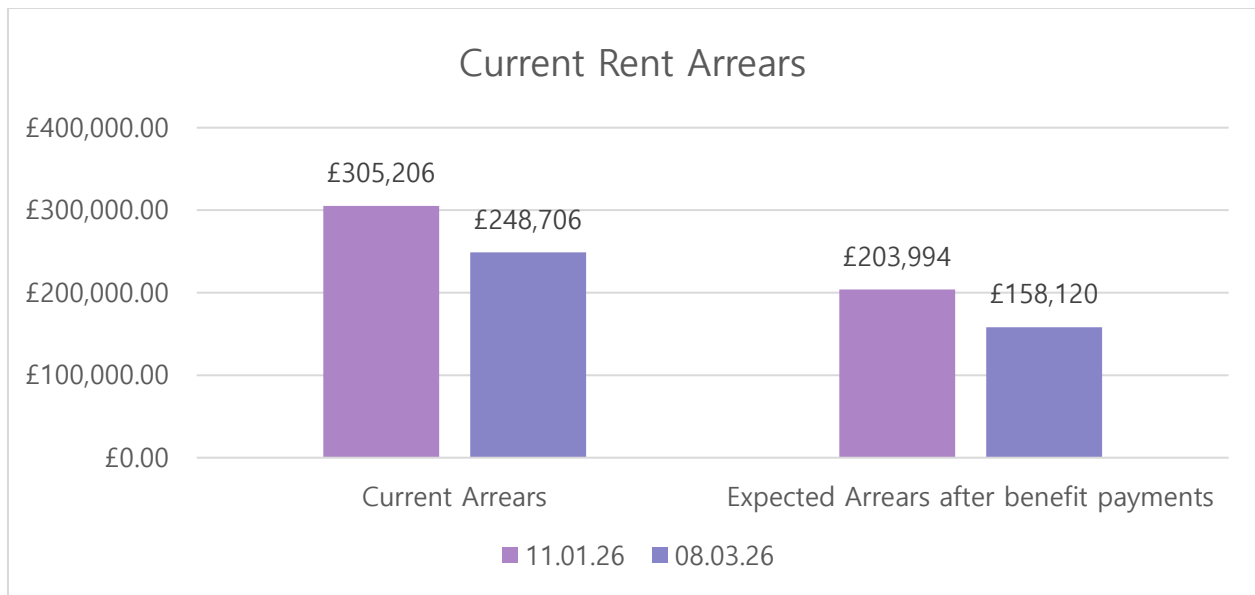
DEBT MANAGEMENT

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

	At 11 January 2026	At 8 March 2026
Total Gross Debt	£852,388	£779,800
Total Debt (Adjusted for expected benefit)	£751,177	£689,214



Debt Class	Movement	Commentary
Current Rent Arrears decrease	£56,550	Decrease due to timing of payments during the period and backdated benefit payments. £6K was received with respect to tenants referred to legal now having made payment towards arrears.
Former Rent Arrears decrease	£3,235	Raised 5 invoices (£2,375) and received £5,610 in payments.
Sundry Debts increase	£2,477	91 Invoices raised (£808,706) with payments received of £806,100. One credit note raised (£129).
Rechargeable Repairs decrease	£15,280	9 Invoices raised (£7,792) with payments received totalling £8,061 as well as 4 write offs (£13,441) and 4 credit notes (£1,570)
Total decrease in Debt	£72,588	



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	£ 2,920,837	£ 2,850,015
2	Add back Depreciation	£ 4,755,433	£ 5,223,300
3	Add back Profit/(Loss) on sale of LIFT properties	£ -	£ -
4	Deduct Pension Contributions	£ -	£ -
5	Deduct Amortisation	(£ 1,899,791)	(£ 2,110,170)
6	Adjusted Operating Surplus	£ 5,776,479	£ 5,963,145
7	Interest Payable	£ 667,037	£ 735,000
8	Interest Receivable	£ 186,969	£ 201,017
9	Net Interest Payable	£ 480,068	£ 533,983
10	Covenant for 25/26	150%	150%
11	Adjusted Operating Surplus as percentage of Net interest Payable	1203%	1117%
12	Historic Cost of Properties	£ 175,453,881	£ 179,198,133
13	Financial Indebtedness	£ 17,000,000	£ 17,000,000
14	Gearing Covenant for 25/26	30%	30%
15	Gearing	10%	9%

FINANCIAL RATIOS

Key Ratios			
	Current	Forecast	2024/25
Current Ratio	6.38	4.71	5.61
(Current Assets / Current Liabilities)			
Net Debt Per Unit			
Borrowing / stock units	£6,996	£6,905	£7,005
Voids%	0.52%	0.58%	0.52%
Voids as % of Rental Income Due			
Bad Debts %	0.32%	2.00%	0.23%
Bad Debts written off as % of Rental Income Due			
Staff Cost/Turnover %	19.76%	21.17%	19.57%

CASH FLOW FORECAST 2025/26

The below cash flow shows the anticipated cash position as at 28 February 2026 and a forecast for the remainder of the 25/26 Financial Year:

Monthly Cash Flow Forecast

	Year Ended 31-Mar-26	28-Feb-26 Month 11	31-Mar-26 Month 12	Total
Cash on Hand at beginning of month		2,429,928	4,684,959	2,838,957
Cash Receipts				
Rent		1,072,796	854,736	13,385,651
Grant Income		1,027,161	150,395	3,369,301
Bank Interest		27,630	9,675	208,281
Insurance Claims		-	-	29,720
Other income		35,290	-	262,383
Transfer from Deposit		3,500,000	-	23,500,000
Total		5,662,876	1,014,806	40,755,334
Total Cash Available		8,092,804	5,699,765	
Cash Paid Out				
Payroll		230,363	235,110	2,742,796
Management Costs		131,952	104,924	1,188,019
Repairs		242,522	795,035	4,284,021
Investment		948,236	996,566	4,468,924
Development		352,494	634,873	6,227,114
Total		1,905,567	2,766,508	18,910,874
Cash Paid Out (Non P & L)				
Loan Interest		-	15,000	722,379
Capital Purchase		-	77,300	77,300
Refunds		2,279	2,000	68,081
Transfer to Deposit Account		1,500,000	-	19,500,000
Total		1,502,279	94,300	20,367,760
Total Cash Paid out		3,407,845	2,860,808	
Cash Position at End of Month		4,684,959	2,838,957	-
Deposit Acct At end of Month		3,880,198	3,880,198	
Total Funds Available		8,565,157	6,719,155	

STOCK LEVELS 2025/26

The below shows the current stock level position at 28 February 2026:

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	2	3	-	-
Supported Housing Accommodation	28	28	-	-
Total Housing Stock	<u>2,461</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 36 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. HHP's share in a Shared Ownership Property at Ranol Court was sold in January 2026.

SUMMARY OF LIVE ARREARS CASES

APPENDIX 2

SUMMARY OF CURRENT POSITION

Monitoring Level	Number of cases	Current Arrear	Arrear at 12 January
CASES MONITORED BY HOUSING OFFICERS			
L1 Letter	8	£6,210	£8,818
L2 Letter	4	£2,608	£3,313
Pre NOP Letter	9	£11,516	£12,839
NOP Notice Letter	16	£10,893	£9,604
Exec Team Approved (Monitor)	10	£9,824	£10,238
CASES UNDERGOING LEGAL ACTION			
Passed to Legal	2	£3,146	£5,208
Court calling date	5	£4,170	£3,294
Sisted	11	£14,925	£16,945
Continued	6	£4,151	£2,171
Decree Granted	1	£1,735	£0
<u>TOTAL</u>	<u>72</u>	<u>£69,177</u>	<u>£72,430</u>

Current Performance

Arrear at approval	Current arrear	Movement	As a %
£83,243	£69,177	(£14,065)	16.90%

Number of cases where arrear has increased/decreased since approval	
Decrease	53
Increase	19

INVESTMENT PROGRAMME

Board 24 Mar 2026

Report by Director of Operations

Purpose of Report

- 1.1 To provide an update on the 2025/26 and 2026/27 Investment Programmes.

Summary

2025/26 Investment Programme

- 2.1 The programme is generally advancing in line with expectations, although some delays have arisen due to contractor capacity and inclement weather affecting Lot 5B - Roofing and access and labour constraints impacting Lot 11 - Bathroom Replacements, Lot 6 - Electrical Works and Heating Lots. The programme slippage is affecting around 80 houses with a work value of £890K. Steps continue to be taken to minimize the schedule overrun into April.

- 2.2 A detailed update on the status of each lot is provided in Appendix 1.

2026/27 Investment Programme - Procurement

- 2.3 Tendering is underway and contract awards will be progressed following the approval of budgets in March 2026.

Aids and Adaptations 2025/26

- 2.4 We have committed or spent £248K of the Scottish Government grant award. We will not achieve full grant drawdown but all referred works will have been completed by the end of March 2026 with the exception of one stairlift installation due to delivery time constraints. 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 2025/26 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 28 Feb 2026

Writer of Report: Angus MacNeil

Tel: 0300 123 0773

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 Lot 5B (Roofing) – Progress is currently one week behind schedule due to adverse weather conditions. To minimise delay, the contractor is deploying further resources following the completion of other works.
- 5.3 Lot 6 (Electrical) – Progress has been delayed due to access issues in several properties. The contractor is undertaking a final round of visits to gain entry and complete the outstanding works.
- 5.4 The number of heating installs planned in our Net Zero funding programme was 120 but we are currently forecasting that 106 will be completed before the end of March 2026. We have Scottish Government approval to carry the completion of 14 properties into April 2026. Progress has been hampered due to a contractor withdrawing from Lot 2b, and the subsequent challenge to replace these installs. There have also been additional challenges due to late refusals and access issues.
- 5.5 Several elements of the programme have encountered challenges, including tender pricing pressures affecting roughcasting works in Lewis, insurance requirements relating to asbestos management for roofing in Uist and Barra, and contractor resource limitations impacting heating works and porch cladding to the Cearnas. The remaining components of the investment programme continue to progress satisfactorily with completion expected before the end of March 2026, Works will have been carried out to 348 houses amounting to £3.584M.

Aids and Adaptations position

- 6.1 The current position on General Adaptations is detailed in Appendix 2. The Scottish Government awarded a grant of £0.338M and this has enabled us to progress all referrals received timeously. However, there has been a downturn in referrals received in the final quarter and the OT service appear to be up to date with assessments. In addition, 2 wet room installations have been unable to progress due to tenant circumstances.
- 6.2 We currently have seven referrals in progress, with an estimated total value of £20K. One stairlift referral will be carried over into next year owing to a 6–8 week order lead-in period. This will be completed in the first quarter of 2026/27 and will be claimed against 26/27 grant allocation.

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 drawdown of £0.248M is anticipated. A grant award of £1.1M has been received from the Net Zero fund for the 2025/26 programme. We are working towards full drawdown. The cash planning limit for Investment budget for 2026/27 is £4.830M. The programme was approved on 18 November 2025. Final budgets will be subject to approval at March Board. Works to the value of £889.8K are being carried forward from the 2025/26 programme. This is almost 20% of the 25/26 budget. These are able to be carried due to changes in our financial covenants.
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.

COMPLIANCE CHECKLIST	
	• 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	Tenants will be advised of programmes and timescales and consultation will be 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

Works		Lot	Contractor	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Impact on 2026/27	
Uist & Barra	Lewis & Harris	Windows & Doors	1A	Alex Murray (Construction) Ltd									
		Windows & Doors	1B	Alex Murray (Construction) Ltd									Porches to be carried to 2026/27
		Windows & Doors	1C	Alex Murray (Construction) Ltd									1 house to be carried to 2026/28
		Heating	2A	Alex Murray (Construction) Ltd									
		Heating	2B	Alex Murray (Construction) Ltd									Elizabeth Haldane Court. 16 flats postponed till 2026/27. Change of contractor for 6 flats only
		Heating	2C	OCS Techical Services Ltd									
		Heating	2D	OCS Techical Services Ltd									
		Heating	2E	Alex Murray (Construction) Ltd									Refusals and non-access issues may affect completions
		Bathroom/Showers	3	OCS Techical Services Ltd									
		Kitchens	4	Alex Murray (Construction) Ltd									
		Roofing	5A	Alex Murray (Construction) Ltd									
		Roofing	5B	Alex Murray (Construction) Ltd									Weather delay (rain). Monitoring progress.
		Roughcast	5C	Alex Murray (Construction) Ltd									No contractor available. To be carried to 2026/27
		Electrical	6	A.Campbell Electrical Services									
		Environmental	7	Alex Murray (Construction) Ltd									
Uist & Barra		Heating	10	Alex Murray (Construction) Ltd									
		Bathroom/Showers	11	OCS Techical Services Ltd									Started final house (previous access issues)
		Kitchens	12	Alex Murray (Construction) Ltd									On track with exception of 1 house with access issues
		Roofing	13A	N/A									No contractor available. To be carried to 2026/27
		Roughcast	13B	BCA Group									
		Roughcast	13B	BCA Group									
		Environmental	14	OCS Techical Services Ltd									



APPENDIX 2

Occupational Therapy Referrals Update	2025/26
Number of Properties	78
Number of Referrals received (some properties have more than one referral)	92
Number of tasks on Referrals received (a referral can have multiple tasks)	150
Number of Referrals completed	85
Number of Referral tasks completed	143
Number of Referral tasks awaiting issue/ completion	7
Total Estimate of Referrals	£0.248M
Grant Allocation – General Adaptations	£0.338M
Expenditure to 28 Feb 2026	£0.210M
Remaining spend for works committed	£0.038M

DEVELOPMENT REPORT

Board 24 March 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 Completion of the final phase of 14 homes at Blackwater has been delayed until April 2026. The meter supplies have now been fitted so this should be in line for delivery.
- 2.3 Following planning consent for Scott Road, we are progressing tender preparation and project team formation for the completion of the enabling works and delivery of phase 1. We are also awaiting the outcome of the resumption application to enable the site acquisition to be completed.
- 2.4 We have tendered 73 homes at Melbost West (Ph 1 & 2) and are finalising negotiations with the contractor. Discussions are also ongoing with SSEN and Scottish Government regarding costs and funding agreements.
- 2.5 We have submitted a planning application for Grimsay and consultants have been appointed to carry out further specialist surveys required by the planning process.
- 2.6 The acquisition of Carloway Care unit is being progressed and a tender has been issued for the conversion work.
- 2.7 We have commissioned work to progress 6 homes on the site at lochdar.

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 the updated Development Plan.**

APPENDIX 1:	New Build Updates
APPENDIX 2:	Development Plan Progress
APPENDIX 3:	Projects under construction
APPENDIX 4:	Scott Road Planning Conditions
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 expect to draw down £1.6M. Following the signing of the Initial Works agreement with SSEN, a claim of £799K has been paid 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

COMPLIANCE CHECKLIST	
	• infrastructure failure with a residual risk rating of 4 (low); 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 Summer following discussions with CNES and SG.

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 underway		4			
RENT	Stornoway	Melbost West	23	Tender underway for Ph 1 & 2			23		
RENT	Harris	Scott Road	24	Planning permission granted. Procurement options being explored			24		
RENT	Uist	North Uist - Grimsay	8	Planning permission submitted.Further surveys needed.			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	Negotiations ongoing with contractor.			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	28	73	4	10

New Build Plan Updates

APPENDIX 1

Table 1.3 Additional Development Opportunities

Area	Location	Total Units	Stage
Stornoway	Melbost West	50	Planning for the full 160 unit site has been approved. The tender for Ph 1 & 2 which includes 23 social rented units is currently awaiting funding approval from SSEN & SG.
Stornoway	50 Macaulay Road	1	The tendering of this project was unsuccessful first time and we have re-tendered as we had some success with tendering Carloway Care Unit.
Rural Lewis	Carloway Care Unit	1	Tender being assessed and funding being sourced.

SOCIAL VALUE REPORT TO 31 MARCH 2025

Board 24 March 2026

Report by Director of Finance & Corporate Services

Purpose of Report

- 1.1 The purpose of the report is to provide the Board with a view on how we delivered Social Value in 2024/25.

Summary

- 2.1 Strategic Goal 4.8 of our Delivery Plan is to develop and produce an annual Social Value Report.
- 2.2 We have created the Social Value Report based on the themes identified in the Sustainability Reporting Standard for Social Housing (SRS).
- 2.3 The Social Value Report 2024/25 is the first we have produced. The 2025/26 Social Value Report 2025/26 will be available in June 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 annual Social Value Report at 31 March 2025 at Appendix 1.**

APPENDIX 1: Social Value Report for Year ended 31 March 2025

Background Papers: None

Writer of Report: Christine Chlad

Tel: 0300 123 0773

Report Details

Scottish Social Housing Charter

- 6.1 The Scottish Social Housing Charter sets out the standards and outcomes that social landlords should aim to achieve, including aspects related to tenant participation, housing quality, and value for money.
- 6.2 Although not explicitly mandating social value reporting, the Charter's emphasis on outcomes provides a framework within which RSLs can report on social value activities.

Sustainability Reporting Standard for Social Housing (SRS)

- 7.1 The SRS is a voluntary framework developed to help housing providers report on ESG (Environmental, Social & Governance) performance in a consistent and transparent manner, and we can link our agreed social value items to these.
- 7.2 There are 12 themes defined in the SRS:

ESG Area	Theme #	Theme Name
Social	T1	Affordability and Security
	T2	Building Safety and Quality
	T3	Resident Voice
	T4	Resident Support
	T5	Placemaking
Environmental	T6	Climate Change
	T7	Ecology
	T8	Resource Management
Governance	T9	Structure and Governance
	T10	Board and Trustees
	T11	Staff Wellbeing
	T12	Supply Chain Management

- 7.3 We have adopted the above in our ESG strategy and report on each theme through an action plan with targets to ensure we deliver on each theme. The Social value report expands on this and report on themes 1-5.

5.1 Compliance Section

COMPLIANCE CHECKLIST	
Financial	There are no financial implications arising directly from the consideration of this report.
Legal	There is currently no legal requirement to provide an Annual Social Value report, although this may change.
Regulatory	The Regulatory Standards checklist has been completed and there is nothing in the report which would result in a breach of the standards.
Risk	The development of the social value report ensures that we appropriately articulate the social value being derived from our operations.
ESG	This report deals specifically with the Social element 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	Outcomes from the social value report will be communicated to Board, staff and tenants.



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APPENDIX 1



Social Value Report 2024/2025

What is Social Value?



- Social value is the wider benefit created for individuals, communities, the environment, and the local economy through our activities, investments, and partnerships.
- It goes beyond the provision of safe, affordable homes. It reflects the positive and measurable difference we make in people's lives and in the places where they live.
- This Social Value Report measures Hebridean Housing Partnerships wider social, economic and environmental impacts through activities beyond our traditional financial performance.



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The Social Value Report looks at 9 indicators aligning with emerging ESG reporting frameworks used across the housing sector, including the Sustainability Reporting Standard for Social Housing (SRS) and the principles outlined in the Social Value Act.



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SUMMARY

Hebridean Housing Partnership delivers strong social value by providing affordable, high-quality homes while investing in communities and supporting residents' wellbeing.



Service Delivery

2.2 Days

Average non-emergency repair time

Best in peer group



Repair Quality

93.4%

Repairs completed right first time



Affordability

£95.27

Average weekly rent

5.12% below peers



Investment

£4.2M

Planned maintenance & upgrades



Energy Efficiency

75%

Homes EPC Band D or above



Affordability & Security

Average weekly rent is £95.27

5.12% less than other RSLs in our Peer Group.



Average time to complete non-emergency repairs 2.2 days.

Best performing in our peer group.



Our rolling investment programme ensures that all homes have replacement kitchens, bathrooms, windows, doors etc over set periods of time.



75% of our homes (1,812) are at Band C or above in the Energy Performance Certificate Scale.



£4.2 million spent on Investment & Planned Maintenance



Heating Systems – 112
Window Replacements – 66
Homes Re-roofed – 11
Homes Roughcasted – 17
External Wall insulation – 30

Reactive repairs completed right first time - 93.4%

5% better than Scottish average.



Better insulation:

Fewer draughts and less condensation
Greatly reduces issues like damp and mould

Improves comfort and health.





Sustainable Housing



Energy-efficient homes have modern ventilation systems that maintain air quality, which makes a real difference in respiratory health.

37 homes moved from EPC Band D to C
23 homes moved from EPC Band E to D/C
£400 estimated saving on energy costs per home

41 new energy-efficient homes were completed.

Well insulated homes can cut heating costs by 30-50%.

£800,000 grant funding to replace 115 inefficient electric heating systems with air source heat pump central heating systems.

Heat pumps don't burn fuel inside the home, reducing indoor air pollution and risks from carbon monoxide.

£43K provided to tenants for decoration or disturbance allowances.

98.5% clean heating systems in off-gas homes, 88% of which are heat pumps.

Homes that are Band C or above provide a positive environmental impact.



Poverty & Fuel Poverty Reduction

£20K of fuel vouchers were given to tenants. The funding for this was provided by the Islands Cost Crisis Emergency Fund.

Vouchers for heating or electricity ensures tenants stay warm in the winter, reducing the risk of illness and knowing that fuel costs are partially covered alleviates financial anxiety.

30 homes in Plasterfield were given external wall insulation.

This brings thermal and air quality improvements alongside lower fuel bills.

84 people were provided with homes from our Homeless Waiting List.

Stable housing provides a safe environment and improves life outcomes.

We are partnered with Western Isles Citizens Advice Service, enabling us to refer tenants for assistance with costs and provide food vouchers when required.

People with stable housing are more likely to access healthcare, and having a secure home reduces stress, anxiety and depression.

Warm home packs were distributed to families in need through collaboration with local schools.

Efficient insulation and heating systems mean tenants use less electricity and gas giving lower and more stable utility bills.





Resident Support



Referral process now in place with Penumbra

We have a Tenant Portal, where tenants can register and manage their tenancies.

£26K was spent this year on tenant related events and activities from various funding streams.

6-week block of IT training provided for tenants. 2-3 tenants have attended each week.

Travel & accommodation for 5 tenants to attend the Tenant Engagement Conference in Clydebank.

Tenant Engagement events carried out throughout the year across Lewis, Harris, Uist & Barra.

Seeds & garden tools purchased for tenants to enable them to get involved in a garden regeneration project.

We are partnered with Western Isles Citizens Advice Service, which enables us to refer tenants for assistance with costs and provide food vouchers when required.

£43K provided to tenants for decoration or disturbance allowances.

Our contractor OCS provides free decorating packs to all new tenants when a property is relet. The pack consists of:

- 9-inch roller and tray
- Radiator roller & tray,
- 3 brushes,
- hessian sheet & roll of masking tape,
- LED light bulbs



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Community Support



Casimir Community Garden
Uist

OCS cleared the garden and
Housing Officers and tenants
helped with the work.

A new gate was provided to
keep the garden secure.

Seeds and hand tools were
provided to tenants.

Casimir tenants submitted a
Community Grant
application which was
successful, providing them
with £964 of funds for
continued work on the
Community Garden.



Two 2-day sessions with Equal
Adventure, supporting
vulnerable tenants in
accessing the outdoors.

Each day included a beach
trip, a Castle Grounds outing
and a group lunch.



Cearns Community Association
Recent projects include creating
a poly tunnel area. They also
have a Women's Health Group,
Over 60's Group and bring
agencies into the community to
give advice and help.

Manor & Castle Residents Group
have been developing a
community space with 2 poly
tunnels and an outdoor seating
area.

The space has been designed with
community & social inclusion in
mind.

A defibrillator is now situated
outside our Stornoway office.
Staff have been trained in its
use.

Employment



This year we have 2 apprentices. One Modern Apprenticeship and one Housing Apprenticeship. Employing apprentices locally adds social value by creating jobs, improving skills, supporting the local economy.

We also offer work experience for school pupils.

We are a Living Wage and Living Pension Employer.

90% of our spend is with local suppliers.

90% of tenders have local supplier submissions.

As part of our commitment to delivering social value, we expect all contractors and suppliers to contribute to local employment through high-quality apprenticeships, and work-based learning opportunities.

OCS, our main supplier, currently has 5 apprentices in Lewis and 2 in Uist.



Resident Voice



Tenant Satisfaction Survey carried out in July 2024.

82.7% of tenants satisfied with overall service

61.6% of tenants satisfied with opportunities to participate in decision making

82.3% of tenants satisfied with how well informed they were kept

We hold regular Tenant Engagement Events across the Islands.

100% of complaints made by tenants are resolved on time.

Our Tenant Engagement Officer is extremely active in our communities and is always available for tenants to contact any queries or concerns.

We currently have 1 tenant member on our Board. We have 3 tenant member vacancies.



Charitable Contributions



£6000 was donated to local charities:

• LEWIS

- Advocacy Western Isles - £1000
- Western Isles Kidney Patients Association - £1000
- Eilean Siar Foodbank - £1000
- Eilidh Macleod Memorial Trust - £1000

• UIST

- SHARE/Daliburgh Thrift Shop

•

• BARRA

- Cobhair Bharraigh

Internally, our Social Committee raises money each year by hosting dress-down days raffles etc, and donates the monies raised to 2 charities voted for by staff:

- **Bethesda** - £500

- **WICCI** - £500





SUMMARY



Our work this year has shown that meaningful social value comes from collaboration, compassion and commitment.

Through supporting tenants, enhancing wellbeing and investing in sustainable homes, we are helping to create stronger, fairer and more resilient communities.

We remain dedicated to putting people at the heart of everything we do – building not just homes, but better futures.