hebridean housing partnership

ITEM NO 3.1

HEBRIDEAN HOUSING PARTNERSHIP

Board

Minutes of Meeting held remotely via Microsoft Teams on Tuesday, 24 March 2026 at 5.30pm

PRELIMINARY ITEM	
ATTENDANCE & APOLOGIES	
1	**Attendance & Apologies** Attendees via MS Teams / Staff & Consultants in Attendance 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) Colin Gilmour / Sawan Morrison (Development Manager) Norman Macdonald / In attendance for Public Items Only Apologies received / Angus Smith (Corporate Resources Manager) Christina Macneil / Angus E MacNeil (Assets & Contracts Manager) Peter O'Donnell (Investment Manager) The Chair, on behalf of HHP, wished Mr Malcolm Burr well in his new position as he steps down from the role of Chief Executive at CNES after more than 20 years.
PRELIMINARY PROCEDURAL MATTERS	
2	**Declaration of Interest** **The Chair declared an interest in Item 6.3. It was agreed this item would be taken after Item 8.4 and the Vice Chair would preside.**
3.1.1	**Minute of Board Meeting 10 February 2026** **The minute of the Board meeting of 10 February 2026 was submitted and approved as a true and accurate record of the proceedings of the meeting subject to the additional recommendations at Item 6.2 and 6.3.** **Item 6.2 Rent Setting & Cash Planning Limits** **Approved the non-tenant administrative charges are rounded up to the nearest pound.** **Item 6.3 Management Report** **Approved the inclusion of reserves in future Management Reports**
3.1.2	**Note of Tenant Board Panel 3 March 2026** **The note of the Tenant Board Panel meeting of 3 March 2026 was noted.**
3.2	**Action Sheet** **The Action Sheet was noted.**
4	**Date of Next Meeting** **It was agreed the date of the next meeting would be an additional meeting on 26 March 2026 and the next scheduled meeting 26 May 2026.**
5	**Health & Safety** The Director of Operations highlighted 2 properties where gas leaks were found during servicing work and a safety check at change of tenancy. One involved a meter issue which was reported to SGN and the other required pipe work within the property. The risks were considered limited.

ITEMS FOR DECISION	
6.1	**Business Plan** The Chief Executive advised a summary of changes from the last Business Plan, including updates to houses and turnover, was prepared using Co-Pilot and was available for review, Following the consultation with staff and tenants no further changes were made. The feedback from tenants highlighted the importance of external works alongside internal improvements and this will be considered for future investment planning. The feedback on performance indicators from the Operations Working Group meeting held on 6 March 2026 will be taken into account during the monitoring of the Business Plan. The Chief Executive confirmed there had been no changes to the Risk Appetite Statement since it was presented to the Board at the 10 February 2026 meeting. **The Board:** **a) approved the 2026 update to the Business Plan 2024/25 to 2028/29** **b) approved the Risk Appetite Statement: and** **c) noted the consultation outcome.**
6.2	**Budgets 2026/26** The Director of Finance & Corporate Services (D of F&CS) advised budgets had been updated to reflect the 4.5% rent increase. Total expenditure had decreased from £17.17 million in February to £15.76 million in March, primarily due to our Development Programme largely covered by grants in 2026/27. There was an investment carry over of approximately £900,000 for works deferred from 2025/26. Repairs and Maintenance provision had increased, including a £321,000 increase for initial EICR testing on properties built in 2021. The Development & Finance Committee scrutinised the budgets the previous day and proposed two additional recommendations for the Board to consider. The Committee recommended the £40K budgeted for the Tenant Satisfaction Survey, which has been postponed for a year, be retained as a contingency fund due to current geopolitical uncertainties and potential fuel cost impacts. Additionally, there was a suggestion of moving the budget-setting process to earlier in the year, potentially before rent-setting, to improve understanding of service delivery costs and financial flexibility prior to consultation and the Committee be actively engaged in budgetary planning and process improvements throughout the year. **The Board:** **a) approved the 2026/27 budgets;** **b) approved the £40K savings from the deferred Tenant Satisfaction Survey be retained for contingencies in 2026/27.** **c) agreed the Development & Finance Committee review organisational costs and sustainability in 2026/27 and incorporate stress test results in financial risk planning: and** **d) noted the cash planning limits and 30 year cashflow.**
6.3	**OCS Contract Extension** **Calum Mackay left the meeting during the discussion of this item. This item was taken after Item 8.4.** The purpose of this report was to recommend extension of the current Repairs & Maintenance Contract with OCS. The Investment Manager advised a SWOT analysis, comparing re-tendering the contract with extending it to March 2029, had been carried out. Re-tendering would allow for market testing but posed financial and operational risks due to the challenges within the island context. The Investment Manager further advised OCS would assume the risk for rising fuel costs. The next indices update was not due until March 2027 so recent fuel price increases had already been addressed by the last adjustment. **The Board approved the final two-year extension options for the Repairs & Maintenance contract be exercised to 31 March 2029.**
6.4	**Board Training 2026/27** The Board Training plan for 2026/27 was prepared developed based on the Board Skills Analysis completed in January 2026. The plan is aligned with our policy, as well as legislative and regulatory requirements. It incorporates a range of training formats, including in-house external, online, and digital options. The plan LAO addressed outstanding training needs from the previous year. The Governance Officer confirmed the continued use of My1HS modules for some health and safety training throughout the year. **The Board approved the 2026/27 Training Plan.**

POLICIES & STRATEGIES	
7.1	**Wellbeing Strategy** The Admin Officer presented the Wellbeing Strategy which was developed in alignment with our Tenant Engagement Strategy and reflected current efforts and future plans to support the wellbeing of tenants and staff. The Strategy was developed following thorough research and benchmarking against other RSLs and structured around four pillars of wellbeing: mental, physical, social, and financial. The Strategy was discussed at the Personnel Working Group on 18 February 2026 with recommendations being incorporated into the Strategy. **The Board approved:** **a) the Wellbeing Strategy for consultation with staff and tenants; and** **b) if there are no material comments arising from the consultation the Wellbeing Strategy be approved, otherwise a revised Strategy will be presented to the next meeting of the Board.**
7.2	**Annual Financing Strategy** The Director of F&CS presented the Annual Financing Strategy which outlined our approach to funding operations, including borrowing plans and cash positions. Peak debt has reduced from £19.5 million to £17 million due to delays in development and successful award of additional grants, notably from the Scottish Government's Net Zero Heat Fund. The Director of F&CS cautioned the report was prepared before recent geopolitical events in the Middle East, which could affect interest rates and inflation forecasts. The current borrowing was 85% fixed, meaning most loans were protected from interest rate changes. Only a small portion (£1.5 million) remained on a variable rate, which would be influenced by future rate fluctuations. **The Board approved the Annual Financing Strategy for 2026/27.**
7.3	**AI Acceptable Use Policy** The Governance Officer advised this was a new policy based on the SFHA's model to ensure compliance with GDPR, equalities, and internal governance standards. Only approved AI tools should be used, and certain activities—such as handling tenant or personal data—are prohibited. Staff and Board Members had received AI training, and clear guidelines for staff will be issued alongside the full Policy. It is proposed to use AI use impact assessments for each new project, similar to data impact assessments, and review to address any misleading information. If any new use of AI required a policy amendment Board approval would be required. The Corporate Resources Manager confirmed effective controls were in place to prevent the use of unauthorised AI tools. As AI technology is relatively new and continually evolving, it was agreed that the Policy would be reviewed initially on an annual basis. **The Board:** **a) approved the AI Acceptable Use Policy at Appendix 1;** **b) approved the Policy be reviewed initially on an annual basis; and** **c) noted the AI Guidelines at Appendix 2.**
7.4	**Expenses Policies** The Staff Expenses and Members' Expenses Policy were presented for approval. The accommodation rates per night were increased owing to the difficulty in securing rooms at the previous rate. The Members' policy was updated to include Tenant Board Panel members. **The Board approved:** **a) the Staff Expenses Policy for consultation with staff and Union;** **b) if there are no material comments arising from the consultation the Staff Expenses Policy be approved, otherwise a revised Strategy will be presented to the next meeting of the Board; and** **c) the Members Expenses Policy.**
7.5	**Procurement Policy** The Corporate Resources Manager advised the Procurement Policy had been revised in line with the work undertaken with Scotland Excel's continuous improvement programme, focussing on procurement as comprehensive end to end process. The Policy defined procurement requirements, considering factors such as sustainable development and other business objectives and managing contracts effectively. **The Board approved the Procurement Policy.**

7.6	**<u>Procurement Plan & Performance</u>** This report outlined 2025/26 procurement activities and plans for the upcoming year. Procurement in 2025 was relatively quiet, with most work completed through the investment framework. Performance indicators were good and consistent with previous years. The Board congratulated the procurement team on their excellent assessment score from Scotland Excel, noting that third-party costs for repairs, construction, IT, and professional services affected our expenses and procurement. Challenges in sourcing services, e.g. roughcasting in Uist, indicated that procurement issues are as significant as budgeting ones. As noted at the Development & Finance Committee meeting the previous day, tenant engagement could help ensure meaningful Community Benefits in future contracts. **The Board** **a) approved the Procurement Plan for 2026/27;** **b) noted the Scottish Government Procurement Return;** **c) noted the Scotland Excel report** **d) noted the procurement performance for 2025; and** **e) noted the Contracts & Community Benefits Registers.**

MONITORING REPORTS	
8.1	**<u>Management Report to 28 February 2026</u>** The Finance Manager confirmed we were expected to meet our covenant requirements for year ended 31 March 2026. Delays in the Aids & Adaptations programme and contractual delays resulting in work being postponed to the next financial year, will reduce this year's investment outturn. **The Board noted:** **a) the Management Report at 28 February 2026 and revised forecast out turn at 31 March 2026; and** **b) total debt owed to HHP at 8 March 2026 as £779,800 and current legal action.**
8.2	**<u>Investment Report</u>** This report provided an update on the 2025/26 Investment Programme with some major delays due to weather and access. There were also delays to the Aids & Adaptations programme due to several requests for wet rooms which were received too late to take advantage of the grant funding available. **The Board noted the update on:** **a) the 2025/2026 Investment Programme; and** **b) Aids and Adaptations and the waiting list.**
8.3	**<u>Development Report</u>** The Development Manager provided an update on the Development Programme highlighting some changes since the report was written. **Scott Road** Work was underway to prepare the tender for groundworks. Due to substantial planning conditions for the site it was intended to allow for an extended tendering period to ensure contractors have sufficient time to submit accurate bids, **Carloway Care Unit** Two tenders were received for this project and funding from Scottish Government confirmed. Negotiations with the contractor and council were underway to secure a fully funded project. **Gravir** No tenders were received so feedback will be sought from contractors to ascertain why. The Director of Operations confirmed contractor capacity was an issue for progress on both Development and Investment programmes. The nil return for Gravir highlighted limited contractor availability with existing contractors having full order books. **The Board noted the updated Development Plan.**

8.4	<u>**Social Value Report**</u> The Director of F&CS presented our first annual Social Value Report to 31 March 2025. The report was prepared using the sustainable reporting standard for social housing. The standard comprises 12 themes including affordability and security, building safety and quality, resident voice, resident support, and placemaking. We reviewed nine indicators illustrating our contributions to tenants, communities, staff, and the broader operating environment. The report demonstrated our commitment to supporting tenants, enhancing wellbeing and investing in sustainable homes, helping to create stronger, fairer and more resilient communities. As this report covered the period from March 2024 to March 2025 an updated report will be prepared in June 2026. **The Board noted the annual Social Value Report at 31 March 2025.**

Chairperson Mr Calum Mackay

SIGNED ………………………………………………………

DATE ………………………………………………………