

BUIDHEANN TIGHEADAS LOCH AILLSE AGUS AN
EILEIN SGITHEANAICH LTD
LOCHALSH AND SKYE HOUSING ASSOCIATION

BUSINESS PLAN

2026-2031

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1. INTRODUCTION

- 1.1 Buidheann Tigheadas Loch Aillse agus an Eilein Sgitheanaich Limited, also known as Lochalsh and Skye Housing Association (LSHA), was set up in 1983 as an independent non-profit making housing organisation to develop, manage and maintain housing for rent, for those unable to meet their needs in the open market. Since that time there has been significant growth in the size and geographical spread of the Association's social housing stock within Skye and Lochalsh and the range of related services provided to deliver for other customers and communities.
- 1.2 LSHA has invested significant resources in the provision of new housing in Skye and Lochalsh with a current rented housing stock of more than 854 properties, generating an annual rental income in the region of £4.8 million in 2025-26, plus 18 shared ownership properties.
- 1.3 A voluntary Board provides oversight and strategic direction for the Association which directly employs around 50 members of staff. The main activities are to provide:-
- Development and Management of affordable housing for rent
 - Affordable housing for low-cost home ownership (LCHO)
 - Care and Repair Services
 - Handyperson and Technology Enabled Care Services
 - Disabled and medical aids and adaptations
 - Property and Technical Services
 - Factoring Services
 - Energy Advice and Tenancy Sustainment Services
- 1.4 In addition to its role in addressing housing market inequality and poverty, LSHA is a community anchor contributing towards the regeneration and resilience of communities of place and interest and making a positive contribution towards protecting and improving the social, economic, health and cultural well-being of the whole community. It collaborates with a range of partners including the Scottish Government, the Highland Council and the NHS to achieve their strategic objectives.
- 1.5 The Association is registered with the following:-
- The Financial Conduct Authority under the Co-operative and Community Benefit Societies Act 2014, No. 2132 RS
 - The Scottish Housing Regulator as a Registered Social Landlord, No. 324
 - The Office of the Scottish Charity Regulator as a Charity, No. SC038019
 - The Scottish Government as a Property Factor No. PF 000139
 - Information Commissioner's Office, Registration Reference Z6024339

The Association operates under Rules based on the Scottish Federation of Housing Associations' Charitable Model Rules (Scotland) 2020.

2. CHAIRPERSON'S FOREWORD

Lochalsh and Skye Housing Association's Business Plan 2026-2031 demonstrates how we deliver against our strategic objectives. In 2025-26 we made good progress in developing our strategic plans and this continues in this Business Plan. In 2026-27 we will continue to be a successful and important contributor to the local economy, as an employer, an investor, and a community focused business. We are an organisation with serious ambitions, and our key strategic goals in this Business Plan set out what we want to achieve for the people we serve in our communities.

The financial climate still remains difficult for us all – for our tenants and other customers and as a business. As always, we will continue to take a resilient approach, adapting to any changes and managing risk, and continuing to provide an excellent, cost-effective service.

Ian H. Young - Chairperson, Lochalsh and Skye Housing Association

3. DRIVERS FOR CHANGE

- 3.1 The drivers below are derived from analysis of our context, including the Highland Housing Needs and Demand Assessment (HNDA), strategic direction from the Highland Local Housing Strategy and from Scottish Government Policy and Housing 2040. Our strategic goals therefore aim to respond to these drivers;
- The lack of affordable housing in Skye and Lochalsh is significant and persistent.
 - Improved understanding of housing needs at local level, including on a range of special needs, and impact on the local economy.
 - The need to develop new supply identified in The Highland Council [2021 HNDA](#) (new HNDA expected Summer 2026) and the [Highland Local Housing Strategy 2023-28](#).
 - The need to modernise service delivery to become more person-centred, accessible remotely, and robust in the face of digital risks, changing technology, cybersecurity and AI. This includes building digital inclusion capacity with our customers.
 - The climate crisis, fuel poverty and Social Housing Net Zero Standard (SHNZS) are complex and sometimes contradictory challenges, especially in our dispersed island and rural communities, which need investment and may cost more than the benefits for current tenants.

4. KEY PRINCIPLES

4.1 The Key Principles which support our Strategic Objectives are:-

SUSTAINABLE HOUSING AND COMMUNITY - FOCUSSED

- To be a customer centred landlord, keeping the needs of tenants and other customers at the forefront of how we design services
- To make sure housing costs are affordable for our customers

- To help create balanced, successful and sustainable communities through the provision of housing that best meet local needs
- To embrace our wider, community anchor role, improving and protecting the environment, economy, health and wellbeing of our customers and the communities we serve.

PEOPLE AND CULTURE

- To be a learning, efficient, effective and growing organisation
- To be an excellent employer, maximising staff potential through empowerment, and investing in training and development
- To foster a culture which commits to:
 - treat everyone fairly, equally and sensitively
 - be courteous, friendly and efficient
 - be as open, informative and accessible as possible whilst respecting confidentiality
 - strive to continuously improve our service standards
 - listen to our customers and act on their feedback
 - be open about our performance and our plans.

ENGAGEMENT AND COLLABORATION

- To promote tenant involvement, ensuring that tenants understand what we do, and can influence service provision, policies and procedures that affect them
- To collaborate with all our stakeholders to help achieve our aims and objectives.

5. PURPOSE, MISSION AND VISION FOR LSHA

- 5.1 The communities, public bodies and enterprises that Lochalsh and Skye Housing Association supports need more of what we do best, in new affordable housing, being a good landlord and investing in our existing homes. LSHA also needs to innovate to address serious dysfunctionality and gaps in the housing market.
- 5.2 A broad description of our purpose and mission below provides direction for the 30 Year Financial Plan. In the first five years the Business Plan focuses primarily on modernising our services, driving further efficiency and building the financial capacity to invest and expand over the 30 years of the Plan. LSHA will build on current services and also work with communities to innovate around current problems in housing, to develop new housing, invest in affordable warmth and other aspects of current house condition, and develop improved service models for Lochalsh and Skye.

MISSION

“Everyone has the right to a safe, well-maintained, warm place to live, and a secure and affordable home is at the heart of a civilised, caring society. To address the need for affordable housing and support, we give people dignity and equitable access to a home and key services that allow them quality of life. We want our contribution to shape balanced, sustainable and thriving communities, and improve health and wellbeing, education, economy, disposable income, inclusion, place and the environment across Lochalsh and Skye.”

VISION TO 2031

“We will have worked with our communities to understand what housing and services they need to thrive. We will have developed bespoke solutions designed around these needs and acquired developable land to support delivery. We have homes that are safe, well-maintained, and locally affordable. We are a proactive and agile organisation, and our people strategy is designed and resourced to put our tenants and other customers at the centre of what we do. Our services are inclusive and accessible and can demonstrate the benefits of social investment. We will be a centre of excellence for sustainable construction and related trades and help to retain the younger generation. We will have increased the supply of affordable housing solutions.”

VISION TO 2036

“All our tenants will have a warm, affordable home. Through our digital and people strategies we will have achieved optimum efficiency with 100% of our services accessible 24/7 on multiple channels. We are actively involved in helping communities of place and interest achieve their visions. We will have developed and delivered in partnership with the Council, NHS and third sector, supported housing models for a range of needs including older people.”

VISION TO 2056

“In partnership with our tenants and customers, we will have substantially addressed the variety of housing needs in the communities of Lochalsh & Skye, and its housing market. We will be supporting the wider community through a range of complementary services to address unmet needs, enabling people to live in homes longer and with dignity.”

Strategic Themes and Objectives

The Association will deliver the 2031 vision through the following strategic themes and key objectives. An internal Delivery Plan will set out the operational objectives and measures to accompany this Business Plan.

Strategic Themes	Objectives
1. Resilient LSHA	Financial: Build the financial capacity to withstand risks in the next five years, with net surpluses rising to £736k and minimum cash balances of £1,600k over the life of the plan. Digital: Become a more efficient, digitally mature landlord, with co-designed 24/7 digital access, for main transactions and for engagement. Assets: reduce fuel poverty and increase the provision of affordable warmth, with around half of the total £12 million asset management budget for the next five years and contribute to mitigating or adapting to climate change. Deliver our AMS - homes are safe, well – maintained, and upgraded based on stock condition evidence, intelligence and accurate data. Investment is prioritised effectively and the performance of homes and neighbourhoods is improved. Sustainability: Creation of a new strategy and developing a culture and operational service that aligns with our social, economic and environmental goals.
2. Sustainable growth of housing and communities	Build around 176 new affordable homes, in urban, rural and remote rural communities across Lochalsh and Skye. Understand the housing ambitions and housing need in local communities. Explore the feasibility of tenure choice and different housing models to increase provision of and access to affordable housing. Develop solutions for key workers and retaining young people. Influence and collaborate - Engage with tenants, community groups, government, sector policy makers, and partners to understand needs of Lochalsh and Skye's communities and participate in the delivery of joint solutions. Facilitate tenancy sustainability and tenant engagement with £78k over 5 years, Support independent living by retaining our Care and Repair and Handyperson/Technology Enabled Care services (NHS/THC funded): completing over 10,000 tasks and supporting around 70 households a year (owner-occupiers or tenants) with Care and Repair and adaptations services. Maximise tenancy sustainment through quality and timely advice and support, including welfare advice, energy advice and holistic services.

3. People Development	Maximise our people potential and satisfaction with £86k available for investing in the skills, resourcing and capacity over the next five years to deliver for our communities. Strengthen and nurture our governing body membership; delivering training and development opportunities for Board Members, recruitment, onboarding and succession planning to ensure good governance is embedded.
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6. **FINANCIAL PLANNING AND RISK MANAGEMENT**

The Association continues to increase its capacity to achieve financial resilience and manage risk over the life of the Plan. There are challenges in the Financial Plan for 2026 - 31 in the provision of affordable warmth and ensuring rents remain affordable over the long term. The balance achieved in this Plan will require on-going monitoring and adjustment as each year progresses.

The key strategic risks to the delivery of our Business Plan, are identified below. These will be monitored and updated quarterly, and risk appetite reviewed with Board Members using our Strategic Risk Register to ensure the scoring and prioritisation reflects current internal and external factors affecting our operations.

Business Resilience: Ensure we can respond appropriately and effectively to known risks and events.

LSHA's business resilience risk appetite is predominantly defensive, with limited tolerance for uncertainty. Our priority is to protect core housing services and maintain trust with tenants and stakeholders, ensuring that any risk accepted is proportionate, justified, and managed within strict parameters.

Capability and capacity: Ensure our people (including leadership) have the capability & capacity to deliver our priorities & objectives.

LSHA's capability and capacity risk appetite reflects a constructive but controlled approach. We are willing to embrace opportunities that build skills, strengthen leadership, and improve organisational resilience, provided these risks are proportionate and aligned with clear benefits. Our priority is to ensure our people have the competence and capacity to deliver sustainable, high-quality housing services, while avoiding risks that could compromise wellbeing, performance, or compliance.

Digital infrastructure: Ensure our systems and infrastructure are accurate, innovative, resilient & secure.

LSHA's risk appetite for digital infrastructure is predominantly defensive, with a strong focus on security, compliance, and resilience. We will pursue incremental innovation to improve services, but never at the expense of data integrity or operational stability.

Collaboration and Engagement: Engage effectively & exceed the expectations of our communities, customers and stakeholders in line with our values & objectives.

LSHA's risk appetite for engagement is progressive and opportunity-focused, balancing ambition with strong governance and expectation management. We aim to exceed stakeholder expectations through innovative, inclusive, and transparent

engagement practices that strengthen trust and community impact. We aim to maximise partnership opportunities that deliver tangible benefits, while maintaining clear governance and risk controls to protect the association's interests.

Financial sustainability: Ensure we manage our finances appropriately and effectively to guarantee the long-term sustainability of the association and secure the delivery of our vision, ambitions and value.

LSHA's financial sustainability risk appetite is cautious but enabling. While we remain open to moderate, well-mitigated financial risk where it supports strategic priorities, our core focus is on protecting long-term stability, compliance, and service continuity. Any financial risk accepted must be proportionate, evidence-based, and aligned with our mission to deliver sustainable, affordable housing for our communities.

Governance, compliance and professionalism: Ensure we have the appropriate governance structures, principles and behaviours to help us deliver our priorities & objectives (inc legislation/ standards)

LSHA's risk appetite for governance, compliance, and professionalism is highly conservative, with very limited tolerance for uncertainty or deviation from required standards. Our priority is to uphold strong governance principles, maintain regulatory compliance, and ensure high professional standards across all activities. Any risk accepted must be minimal, justified, and tightly controlled to protect the Association's integrity, accountability, and reputation.

Growth: Strategic growth ambition: Ensure we can maximise sustainable opportunities to develop and grow in line with our 3-year objectives.

Growth: Development delivery and capacity: completion of our development programme within projected timeframes and budgets.

LSHA's risk appetite for growth is progressive but controlled, balancing ambition with sustainability. We aim to pursue strategic opportunities for expansion and development while maintaining robust governance, financial discipline, and operational capacity.

Quality of housing: Improve and maintain safe, energy efficient and good quality affordable homes in line with our priorities.

LSHA's risk appetite for housing quality and energy efficiency is moderate, supporting progressive improvement and safe innovation within a framework of financial prudence and strong governance. Our approach prioritises incremental upgrades, sustainability initiatives, and adaptive responses to external change, while avoiding high-risk or speculative projects. This appetite underpins our commitment to delivering safe, efficient, and affordable homes for tenants.

Safety and Security: Ensure we can effectively support, protect and improve the health, safety, security and wellbeing of both customers & staff.

LSHA's risk appetite for safety and security is zero tolerance for harm, with a strong emphasis on compliance, prevention, and continuous improvement. Protecting the health and wellbeing of staff and tenants is non-negotiable and underpins all decision-making.
