

## Minutes of the Strategic Board meeting

<b>Date</b>	14/08/2023
<b>Time</b>	16:00 – 18:30
<b>Location</b>	Zoom
<b>Chair</b>	Sandra Stock
<b>Explanation</b>	<p>Present:</p> <p>Mrs Sandra Stock -Chair</p> <p>Mr Laurie Boles - Vice Chair</p> <p>Mr Stephen Clark - Board Member</p> <p>Mr Brian Gallacher - Board Member</p> <p>Mr Rhodri Davies - Board Member</p> <p>Mr Ricky McAulay - Yourplace Chair, Board Member</p> <p>Mr Brian Fisher - Co-opted Board Member</p> <p>Mr James Wilson - Co-opted Board Member</p> <p>Mr Chris Gray - Co-opted Board Member</p> <p>In attendance:</p> <p>Mrs Nicki Donaldson - Chief Executive (CE)</p> <p>Mr Derek Banks - Director of Finance, Governance and Assets (DoFGA), Company Secretary</p> <p>Mrs Beverley Graham - Director of Housing (DoH)</p> <p>Mrs Caroline O'Donnell - Director of Operations (DoO)</p> <p>Miss Laura Grieve - Chief Executive and Governance Assistant (CEGA), Secretariat</p> <p>Mr Markus Hieman – Carbon Change (Sustainability Strategy only)</p> <p>Mr Scott Gillon - Wylie &amp; Bissett, external auditor (Annual Accounts only)</p>

### 1 Procedural

#### 1.1 Welcome and apologies

Presenter: Chair

The Chair welcomed everyone to the meeting and apologies were received from:

Mr Ron Eldridge, Board member  
 Mrs Lynne Pascal, Board member  
 Mr Derek Adam, Board member  
 Mrs Fiona Barr - Board Member

#### 1.2 Declaration of Interest

Presenter: Chair

The CE, DoH, DoO, DoFGA and CEGA declared an interest in the Extension to FHG Operating Model and it was agreed that the CE, DoH, DoO and DoFGA would leave the meeting and the CEGA would remain in the meeting to record the minute.

Mr Stephen Clark also declared an interest in agenda item 3.6 and it was agreed that Mr Clark would present to the Board and then be held in the virtual waiting room until the Board reached a decision.

### **1.3 Minute of the previous meeting**

Presenter: Chair

**Agreed: The Board unanimously approved the minutes of the previous meeting.**

### **1.4 Matters arising**

Presenter: Chair

There were no matters arising not already on the agenda.

### **1.5 Action points**

Presenter: Chief Executive

There were no further updates to the action points.

## **2 For Update**

### **2.1 Chairperson**

Presenter: Chair

#### **Annual General Meeting (AGM) Attendance**

As Board members will be aware the AGM is in person this year at the Carnegie Conference Centre so can Board members please confirm their attendance or submit apologies in advance of the meeting.

#### **November Board meeting**

The November Board meeting will be moved to Monday 11 December 2023 followed by a Board Christmas lunch at Louie Browns in Dalgety Bay.

#### **Board Days**

The Chair proposed moving Board meeting days to Tuesdays to avoid public holidays from the next calendar year and Board members confirmed they were happy with this change.

### **Annual Assurance Statement**

The Convenor of the Audit and Risk Committee is leading on this but will require input from Board members.

### **Salary Benchmarking**

The Chair is seeking approval from Board members to progress the salary benchmarking as agreed as part of the Terms and Conditions review and Board members approved this. The Chair, therefore, requested that the CE progress with the Benchmarking tender and report back to Board in due course.

### **Colleague and Governance Committee**

The Chair asked the DoO to progress any non-financial elements from the Reward and Recognition report.

### **Board Away Day**

The Chair asked Board members to consider topics for discussion at the next strategic away day which will be agreed upon at the December 2023 Board meeting.

### **Chair Appraisal**

Feedback from the Chair's appraisal is that Board members are interested to know what the Chair is involved in outwith Board meetings so the Chair confirmed her activities as follows:

- Attended Glen Albyn opening with 2 other Board members;
- Attended the Housing Minister's visit to Glen Albyn;
- Attended all Terms and Conditions Working Group meetings;
- Met with the Chief Executive and Vice Chair for 2 monthly meetings;
- Carried out the Chief Executive's quarterly 1-2-1;
- Attended a Grievance appeal meeting;
- Met with Colleague Consultation Group (CCG) representatives
- YourPlace board meeting; and
- Progressed succession planning.

**Agreed: The Board noted the contents of the update.**

## **2.2 Chief Executive**

Presenter: Chief Executive

The CE presented the report and highlighted a few key areas from the report.

### **Business Plan 2023-28**

Work has commenced again on the new Business Plan following a pause to allow the review of the outcome of the Terms and Conditions

review to be implemented. This has been discussed with the Chair and it is expected that approval will be sought at the December 2023 Board meeting.

### **Terms and Conditions Working Group (TCWG)**

The new pension arrangements went live on 1 July 2023. Fife Pension Fund (FPF) has been informed of the Board's decision to close the scheme and has indicated that it will be approximately two months before a cessation position will be finalised. The CE confirmed that Mrs Linda Ewart, Governance Consultant, will be conducting a lessons learned exercise from the process and Mrs Ewart will be meeting with the Board before the December 2023 Board meeting.

### **Fife Housing Association Alliance (FHAA)**

The CE met with Tom Barclay, Chief Executive at Kingdom Housing Association to discuss development opportunities as part of our Business Planning process. It was agreed to progress a joint discussion at the next FHAA meeting later this month to ascertain all of the Associations' positions and aspirations for the future but we acknowledged the continuing financial challenges.

A Board member asked about aspirations for development opportunities and it was agreed that the CE would provide an update at the December 2023 Board meeting.

The CE advised that a meeting has now been arranged with the JR Group and Kingdom Housing Association on 17 August 2023 to consider future plans.

An update on our development work has been provided to Fife Council as strategic lead for the Strategic Housing Investment Plan (SHIP).

### **Office Extension**

We have now received a successful tender from Green Cat Contracting to undertake the extension to our office to accommodate the trade team. Work will commence the week of 14 August for 24 weeks. Drew Moore, our Asset Manager is leading this project with regular updates being provided to the Business Leadership Team (BLT).

**Agreed: The Board discussed and noted the contents of this update report.**

## **2.3 Management Accounts for the period ending 31 June 2023**

Presenter: Director of Finance, Governance and Assets

The DoFGA presented the report and advised that the Association generated a surplus of [REDACTED] against a budgeted surplus of

[REDACTED], therefore, producing an adverse variance of [REDACTED].

The reported position is based on known Income and Expenditure at the time of writing with assumptions made regarding maintenance and Major Component Replacement (MCR) costs which are not fully discernible due to integration issues between Oneserve and QL.

A Board member asked the DoFGA if there is likely to be a solution to the issues and the DoFGA confirmed that the Project Team, Oneserve and QL are working to find a workable resolution.

**Agreed: The Board noted the contents of this update report.**

## 2.4 Performance Dashboard

Presenter: Director of Finance, Governance and Assets

The DoFGA commented that this report has been discussed in detail at the recent Audit and Risk Committee meeting.

The DoFGA advised that the overall number of indicators has not changed, however, there have been additions and deletions to recognise new and improved reporting through the Health and Safety Committee and issues that we are experiencing with the performance of contractors. The KPI exceptions were discussed in detail, noting at this point in the financial year there are no emerging trends or significant issues that need any further action, although the issues with the integration of Oneserve and QL have a knock-on effect on the KPIs. A detailed review of the data will occur once the systems are synchronised for June and July.

**Agreed: The Board discussed the update and noted performance to 30 June 2023.**

## 2.5 Mould, Condensation and Dampness

Presenter: Director of Operations / Director of Housing

The DoO advised that this report seeks to provide reassurance to the Board that Fife Housing Group (FHG) have the appropriate processes and provision in place to address mould, condensation and dampness in our properties.

The Board can be reassured that all appropriate policies and procedures are in place to manage mould, condensation and dampness with many areas of good practice and new technologies being considered to further enhance and develop our processes further. The issue is dealt with like

any other health and safety concern with forced access to properties considered as a last resort.

We are also currently in the process of re-tendering our mould, condensation and dampness specialist contract and as part of the tender process, we have asked that our appointed specialist review the market for new technologies in tackling mould, condensation and dampness and make us aware of these. In addition, we will continue to undertake our research on products and technology that can help us tackle this issue moving forward.

There was a discussion about engaging with tenants proactively to help them identify the problem quickly and simple remedies to prevent escalation of the issue. The DoO confirmed that we have issued a number of communications to tenants with simple guides on how to manage their properties to prevent the issue arising and if it does arise how to treat it simply. In addition, when the contractor attends a property the tenant is provided with a leaflet to help prevent mould and dampness. The DoH confirmed that an educational video has been added to the website so that all tenants have access. This was created in partnership with the G8 Group.

The DoO advised that a mould and dampness seminar has been set up for the end of the month for all Fife-based Housing Associations.

**Agreed: The Board noted the contents of this update report and the response FHG is undertaking to minimise the risk of mould, condensation and dampness in our properties and the action taken to resolve the issue.**

## **2.6 Audit and Risk Committee (ARC) meeting held 8 August 2023 (verbal including Annual Assurance Statement)**

Presenter: Chair of Audit and Risk Committee

The Convenor of the ARC provided an update to the meeting held on 8 August 2023 and advised that the meeting was attended by both internal and external auditors.

The Convenor also advised that the internal audit report presented was 100% satisfactory and there were no recommendations. The Convenor congratulated the DoFGA and their team for their continuous hard work. The upcoming timetable of the audit was agreed and it was confirmed that there are 20 audit days allocated.

### **Performance dashboard**

The ARC agreed with the changes contained within the performance dashboard report.

There was a discussion about the overall board attendance and whilst it is appreciated that the Board have had additional meetings to attend over the last few months there was overall positive attendance and the Convenor encouraged full attendance at meetings moving forward.

### **Annual General Meeting**

The ARC will be seeking volunteers at the post-AGM Board meeting and would encourage those interested to contact the CEGA.

## **2.7**

### **Governance**

Presenter; Chief Executive and Governance Assistant

### **SHARE training**

The Board agreed to take forward the SHARE e-learning training modules with suggested mandatory modules for the next three years. We will await confirmation of the relaunch of the e-learning portal due to take place in August 2023 before progressing further.

### **Board Self-Assessment**

The Board self-assessment was carried out by the Governance Consultant, Linda Ewart, in May 2023 and the results are included as part of the Annual Board Effectiveness Review 2023 at Appendix one. The key actions to arise from the review are included in Appendix two of the report. Both the Board and the BLT are responsible for some actions which will be required to be progressed in the coming months and the Board confirmed that they were satisfied with the timescales.

### **AGM Re-elections**

Under the terms of Rule 39.1, there is a requirement that one-third of the elected Board members shall retire. Board members can seek nomination to be re-elected to the Board at the Annual General Meeting (AGM).

The members who are due to retire are Stephen Clark, Derek Adam and Sandra Stock and have confirmed that they are willing to stand for re-election. In addition, co-opted Board members Brian Fisher, Chris Gray and James Wilson will also be seeking election to the Board of Management.

### **SHR Regulation of Social Housing: A Discussion Paper**

The SHR has issued a discussion paper to the sector on the Regulatory Framework to set out the regulatory priorities in a new Strategy for 2024-27. They are looking for feedback on the questions by 11 August following which formal consultation will be carried out over the autumn. The SHR aims to implement the new Framework on 1 April 2024. A copy of this discussion paper is included in Appendix six of the report. It was

noted that the CE and DoH have both attended events where they have both input to discussions. A full consultation will be rolled out in the Autumn.

**Agreed: The Board noted the content of this update report.**

## 2.8 Health and Safety

Presenter: Director of Operations

The DoO presented the report and advised that the Board has delegated responsibility to the Audit and Risk Committee to review the Health and Safety Committee's performance and strategy, making recommendations to the Board as necessary. The Audit and Risk Committee has delegated the day-to-day management of Health and Safety to the Business Leadership Team (BLT) through the Health and Safety Committee.

The Health and Safety Committee has met on four occasions over the financial year 1 April 2022 – 31 March 2023 and the report details the annual review of our Health and Safety obligations.

The DoO invited questions from Board members and none were received.

**Agreed: The Board noted the updated review of work concerning health and safety carried out in the year 1 April 2022 - 31 March 2023.**

## 3 For Approval

### 3.1 Sustainability Strategy

Presenter: Director of Finance, Governance and Assets

*Mr Markus Hiemann joined the meeting at this time.*

The DoFGA presented the report and advised that this strategy aims to outline FHG's approach to sustainability over years 2023-28 to support and align it with the Business Plan 2023-2028.

The strategy sets out our strategic aims and the key milestones to help us become a business that reduces its impact, considers communities and peoples' well-being, builds resilience, and restores planetary health for today's and tomorrow's generations.

By using the Key Components of the Science Based Targets initiative (SBTi) Net-Zero Standard we can use our pre-pandemic 2019/20



baseline as our predefined base year and set near-term (2030) and long-term (2050 at the latest) targets. Science-based targets provide a clearly defined pathway for companies to reduce greenhouse gas (GHG) emissions, helping prevent the worst impacts of climate change and future-proof business growth. GHG emissions are categorised as:

- Scope 1 – Direct emissions from direct fuel use across buildings and owned fleet, e.g. gas, diesel, etc;
- Scope 2 – Indirect emissions from the generation of purchased energy; and
- Scope 3 – All other indirect emissions from purchased goods, business and commuter travel, waste disposal, leased assets, etc.

Despite the addition of working from home emissions, the impact of reducing the “daily commute” is much greater with a 2/3 reduction in indirect operations. When comparing direct operations with the 2019/20 baseline, FHG achieved a 22% reduction over three years.

Another key driver for the sector is the Energy Efficiency Standard for Social Housing (ESSH). Since its introduction in 2014, it has set milestones for the energy efficiency ratings of social rented homes to reduce fuel poverty and greenhouse gas emissions. It should be acknowledged that we are still awaiting guidance from the Scottish Government concerning the Energy Efficiency in Social Housing (ESSH2).

There was a lengthy discussion about electric vehicles and access to charging points and looking at ways to achieve this as this will be a huge benefit that we can further reduce our carbon reduction.

A Board member asked about the Environmental, Social, and Corporate Governance (ESG) aspects and if the Social element be implemented in due course and this was confirmed.

A Board member asked about the maturity of technological solutions and do we have a view about how we decide on what technologies are mature enough or whether are they going to be trial cases. The DoFGA advised that there are no favoured technologies at this time and FHG are trialling alternative solutions, installing Tesla batteries to 3 properties within the Glen Albyn. There will be a review of the performance of this system compared to three traditionally heated properties in the development

Mr Hiemann commented that he did not have anything further to add to the discussions but commented that technology is evolving very fast and

there is a lot of trial and error going on and improving efficiencies of what we already have in place. Decarbonising the electricity grid reduces the emissions produced.

Mr Hiemann commented that it is positive that FHG is part of the G8 Group.

The DoFGA confirmed that we have secured funding for external wall installation so we can progress that this year.

*Mr Markus Hiemann left the meeting at this time.*

**Agreed: The Board discussed and approved the Sustainability Strategy as attached in Appendix one.**

### **3.2 FHA Annual Accounts / Letter of Representation**

Presenter: Director of Finance, Governance and Assets

Mr Gillon presented the Annual Accounts and confirmed that in their opinion the financial statements give a true and fair view of the state of the Group and Association's affairs as of 31 March 2023. Mr Gillon believes that the audit evidence that has been obtained is sufficient and appropriate to provide a basis for their opinion. In auditing the financial statements, we have concluded that the Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Mr Gillon confirmed that the Balance Sheet was in a healthy position.

#### **Annual Report**

Mr Gillon confirmed that they expect to issue an unqualified opinion on the accounts of Fife Housing Association Limited for the year ended 31 March 2023.

There were no new recommendations during the current year and there were none brought to the attention of the Board last year. Mr Gillon added that this is very rare and is a testament to the team and the quality of the audit papers submitted.

Mr Gillon is satisfied that the company operates appropriate Governance procedures and that management has adequate arrangements in place covering standards of conduct.

The Annual Accounts have not yet been approved by the Audit and Risk Committee as the meeting was not quorate.

**Agreed: The Board unanimously approved the Annual Accounts for the year Ended 31 March 2023.**

**3.3 CONFIDENTIAL ITEM**

[REDACTED]

**3.4 Colleague Handbook**

Presenter: Director of Operations

The DoO presented the report and advised that some of the changes proposed are minor and merely a tidy-up of the handbook or provide some additional clarity to what is meant within some of the processes and procedures we operate.

The significant change within the handbook is the recommendation to remove FHG's additional sick pay entitlement during probation periods. During the last year, there has been an increase in recruitment due to the difficulties experienced in the construction industry. There have been some examples where new colleagues joining FHG have signed off ill relatively quickly after employment and currently, they receive full sickness pay at the point of joining for a period of 5 weeks (full pay) and 5 weeks (half pay) for colleagues with up to one year service.

The DoO invited questions from Board members and none were received.

**Agreed: The Board approved the updated Colleague Handbook attached at Appendix two of the report.**

**3.5 Resident Voices**

The DoH presented the report for discussion and advised that the Resident VOICES group chose to scrutinise tenant satisfaction with the quality of their homes, as this was recorded at slightly lower levels than both their peer group(s) and the Scottish average.' within the 2022 Annual Return on the Charter (ARC).

The group are now keen for the Business Leadership Team and Board of Management to review and approve the recommendations associated with these (see Section 10).

The DoH advised that there are a number of changes and improvements highlighted in the report from the group that have already been put in place prior to the report being presented to the Board, such as increasing the decoration allowance.

The DoH also advised that now that we have damp and mould procedures in place there is no need for dehumidifiers in properties.

A Board member commented that they were very impressed with the report and would be important to provide feedback to the group and tenants on the outcomes.

**Agreed: The Board discussed and agreed that the recommendations would be considered at the Strategy Day next year.**

### 3.6 Board membership (verbal)

Presenter: Mr Stephen Clark

Mr Clark provided a short outline of the relevant skills and experience that he possesses working in the Housing Sector that would be beneficial for FHG's future business plan and objectives.

*Mr Clark left the meeting.*

The Chair proposed for Mr Clark to remain on the Board and Board members unanimously agreed with this proposal.

*Mr Clark re-joined the meeting.*

**Agreed: Mr Clark was unanimously approved by the Board to be re-elected at the Annual General Meeting.**

### 3.7 Shareholding Membership and Retirement (including re-elections)

Presenter; Chief Executive and Governance Assistant

The CEGA presented the report and advised that there is a requirement under the terms of Rule 39.1 that one-third of the elected Board members shall retire. If they wish they can seek nomination to be re-elected to the Board at the AGM to be held on 18 September 2023. The members who are due to retire are Sandra Stock, Derek Adam and Stephen Clark. All members have indicated their intention to seek re-election to the Board.

The membership application is attached in Appendix one of the report.

**Agreed: The Board noted the contents of this report and approved the membership application as attached in Appendix one.**

### 3.8 Company Secretary Annual Compliance

Presenter: Director of Finance, Governance and Assets

The DoFGA presented the report and advised that the purpose of this report is to assure the Board that the Company Secretary can duly confirm to the Board of Management in terms of Rule 68 that the requirements of Rules 62 to 67 have been followed.

The Board is asked to note that there have been no entries in the Fraud Register or the Register of Benefits and Payments – see Appendices one and two.

**Agreed: The Board approved that in terms of Rule 68, the requirements of Rules 62 to 67 have been properly adhered to by the Company Secretary. And noted that:**

- a) There are no entries in the Fraud Register; and**
- b) There are no entries in the Payments and Benefits Register and the Chairperson is required to sign the annual declaration to this effect.**

#### **4 For Noting**

##### **4.1 Operational Workplans Q1**

**Agreed: The Board noted the contents of this report.**

##### **4.2 Minutes for noting**

- Yourplace Meeting minutes 9 May 2023

**Agreed: The Board noted the contents of these minutes.**

##### **4.3 Minutes for homologation**

- Audit and Risk Committee minutes 9 May 2023
- Minute from virtual meeting 21 April 2023

**Agreed: The Board approved the minutes for homologation.**

#### **5 Other**

##### **Stock Tour**

The DoH asked Board members to provide their availability to the CEGA for a Stock Tour in September 2023.

##### **Scottish Housing Network (SHN)**

The DoH asked Board members what they would like to focus on for the benchmarking discussion in December 2023 and to send any suggestions to the CEGA.

**5.1**

**AOCB**

Date of next meeting:

**AGM**

Monday 18 September 2023 @ 5.00pm  
Carnegie Conference Centre

**Strategic Board meeting**

Monday 18 September 2023 @ 6pm  
Carnegie Conference Centre