

Minutes Strategic Board meeting

Date	15/08/2022
Time	16:00 - 18:00
Location	Zoom
Chair	Sandra Stock
Explanation	Present: Mrs Sandra Stock -Chair Mr Laurie Boles - Vice Chair Mr Derek Adam - Board Member Mr Martin Fleming - Board Member Mrs Fiona Barr - Board Member Mr Stephen Clark - Board Member Mr Brian Gallacher - Board Member Mrs Kate Dewar - Co-opted Board Member In attendance: Mrs Nicki Donaldson - Chief Executive (CE) Mr Derek Banks - Director of Finance, Governance and Assets (DoFGA), Company Secretary Mrs Beverley Graham - Director of Housing (DoH) Mrs Caroline O'Donnell - Director of Operations (DoO) Miss Laura Grieve - Chief Executive and Governance Assistant (CEGA) Secretariat

1 Procedural

1.1 Welcome and apologies

Minutes:

Apologies were received in advance from:
Mr Ron Eldridge
Mr Colin Miller
Mr Rhodri Davies
Mrs Lynne Pascal
Mr Scott Gillon, Wylie and Bisset, external Auditor

1.2 Declaration of Interest

Presenter: Chair

Minutes:

There were no declarations of interest received.

1.3 Minute of the previous meeting

Presenter: Chair

Minutes:

There were no amendments to the previous minute.

Agreed: The minute of the previous meeting was discussed and approved.

1.4 Matters arising

Presenter: Chair

1.5 Action points

Presenter: Chief Executive

Minutes:

416 Short life working group

There was no further update.

533 Health & Safety Annual Review

This will be picked up as part of the Annual Assurance Statement.

2 For Update

2.1 Chairperson (verbal)

Presenter: Chair

Minutes:

Annual Appraisal Action Points

The Chair advised that the action points have been collated as part of the appraisal process and noted there had been very little feedback or input received from Board. The Chair updated with the comments received and this document is presented for information.

Skills Matrix

The Chair asked Board members what action they propose to address any areas of perceived weakness or development areas. There was no direction received from Board members and, therefore, the Chair asked the DoO to pull together a training plan of how we can address these areas and present a draft to the next Board meeting.

SHARE training

The CEGA emailed all Board members last week with relevant training opportunities offered by SHARE. Should any board members wish to attend any courses please get in touch.

Payment of Board Members

The Chair asked Board members if they wished to revisit the payment of Board members and if so, it is proposed that we approach [REDACTED] to consult on the advantages and disadvantages of this.

Board members discussed that it could help attract a more diverse Board going forward, however, with the cost of living increasing it would be hard to justify the payment to tenants when they are seeing rent increases. The CE clarified that payment would only be considered for some Board members but not all following the implementation of an appropriate policy.

The Board unanimously agreed for the CE to approach [REDACTED] to carry out a review of Board remuneration.

Evidence Bank

The CEGA explained that the Audit and Risk Committee requested items from the Evidence Bank ahead of their meeting and these items were subsequently approved at their meeting on the 8 August 2022. The Board are now required to approve the Evidence Bank and members have been asked to request an item from the evidence bank that they would like to see. Members are asked to email the CEGA with their requests immediately after the meeting in order to be approved prior to the September Board meeting.

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

2.2 Chief Executive's update

Presenter: Chief Executive

Minutes:

External Contractor - McGills

Board members may be aware from the media over the last few weeks, construction firm McGill's Facilities Management Limited has submitted a notice of intent to appoint administrators with the Court of Session, placing 120 jobs at risk. The Group currently use McGill's to provide our Gas servicing contract alongside our other contractor City Technical. We are in the strong position to have two gas contractors appointed to undertake gas servicing in our stock, a decision we took at the tendering process.

The CE added that we have worked with City Technical over the past 2 years and the working relationship is very good and they have already

picked up the outstanding work from McGills.

Business Plan 2023-26

Following the Board Strategic Awayday, the feedback and strategic direction discussed will form the basis for drafting a revised Business Plan for 2023-26. This work has commenced for Board approval later in the year.

CONFIDENTIAL Terms and Conditions Working Group

This group has now met twice and the two separate consultants are progressing the work requested of them. This work is due to be completed by the end of October 2022 and it is expected that any recommendation to the Board from this group will be made at the November 2022 meeting.

Annual General Meeting (AGM)

We are holding our 26th AGM on Monday 12 September 2022 and welcome all board members to attend this virtually.

Tenant Profiling

Housing Officers are continuing with their profiling visits to each tenant within their patch. The information collected is being used to draw up future plans for inspections, and affordability and is also adding to our evidence gathering as part of our Equality and Diversity Plan.

Digital transformation – website and tenant portal

Testing is now underway and it is hoped that we will be in a position to undertake a soft launch for both the website and the portal week commencing 10 August 2022.

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

The Chair passed on her thanks on behalf of the Board to the Communications and Marketing Manager and the team for all the hard work in achieving the new website and portal.

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

2.3 Management Accounts for period ending 30 June 2022

Presenter: Director of Finance, Governance and Assets

Minutes:

The DoFHA presented the management accounts for the period ending 30 June 2022.

The Association generated a surplus of £827.5k against a budgeted surplus of £646.5k, therefore, producing a favourable variance of £181k.

The large reduction in cash in June 2022 is as a result of a £4.5m repayment to the revolving credit facility (RCF) which will reduce future interest payments. The positive variance from budget is largely due to the timing of payments for loan interest and, the planned and MCR works which are slightly behind schedule. We do not envisage drawing down cash from the RCF for the Glen Albyn development. There have been no changes to contract pricing and we will continue to monitor any increases due to inflation.

We are slightly behind schedule on planned works and this is largely due to difficulty in the recruitment of trades, and receiving few or no returns to tender invitations, however, we are confident that we will complete the budget programme before the end of the financial year. Overall it is a good financial position to be in for the first quarter and Board members were invited to ask questions.

A Board member asked about the increase in spend for reactive repairs and if this was a direct result of planned maintenance being underspent. The DoFGA responded that in terms of reactive repairs that has been reducing over the past few years because we are doing more planned works and picking up things before they need repair which is proving to be more effective. When carrying out large rendering works we are taking a different approach and doing the full street rather than adhoc properties. The DoFGA confirmed that nothing is arising to cause concern at this time but we will continue to monitor. A Board member asked about the Aareon contract and updating our Stock Condition Survey. The DoFGA confirmed that the Stock Condition Survey started in 2017 had been uploaded to the Aareon system with changes being made as the planned programme is delivered, however, a complete new stock condition survey has been commissioned to be carried out over the next three years.

The DoO added that we are working smarter now and we have reduced the budget on reactive repairs significantly over the last few years as a result of improved efficiency and effectiveness of the planned works.

A Board member asked about the tendering process and the reason for the poor response and asked if there was any risk to FHG by not getting tenders. The DoFGA confirmed that contractors are generally overwhelmed with work at the moment and we are monitoring this

situation through regular performance monitoring meetings. There is also an issue that we ask contractors to provide tenders over a three to five year period and due to the volatility of the market just now, contractors are reluctant to provide pricing and prefer to pick up work on an adhoc or yearly basis to avoid future pricing risks.

The DoO commented that we had adjusted our approach to tendering by offering contractors the opportunity to price each year separately with contract breaks for each year, even with this flexibility it has been difficult to appoint contractors.

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

2.4 Update from Audit and Risk Committee meeting (including Annual Assurance Statement)

Presenter: Audit and Risk Chair

Minutes:

The Audit and Risk Chair advised that the Committee met last week and it was a very positive meeting.

Committee members had the opportunity to have time with the internal and external auditors without the Business Leadership Team (BLT), the feedback was very positive with both audit teams very impressed with how Fife Housing Group (FHG) is managed. Committee members were reassured that controls are in place to minimise risk and ensure compliance with laws and regulations. The option for the Board to meet with the Auditors without the presence of the BLT is always available.

Annual Accounts

The Annual Accounts were presented which were unqualified with no required adjustments or control improvement recommendations. There were a couple of typos contained within the accounts and these have been amended and the updated copy is presented at tonight's meeting.

Management Accounts

The management accounts were reviewed and there were no areas of concern.

Annual Assurance Statement

Committee members tested the following items from the evidence bank and these were approved by members as being faultless:

- 7.3 Tenant Consultation Documents and Feedback Reports

- 6.12 Policy on Payment for GBMs
- 5.9 Scheme of Delegation (responsibility for overseeing investigations)
- 4.11 Appraisal Records for senior officer (not scrutinised – just assurance that they exist and are appropriately reported to the Governing Body)
- 3.3 Feedback from Tenant Consultations
- 2.13 Notifiable Events policy / procedure
- 1.1 Strategic Planning Process (notes of Away Days, Governing Body reports etc.)

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

2.5 Performance Dashboard

Presenter: Director of Finance, Governance and Assets

Minutes:

The DoFGA presented the Performance Dashboard for the period in 2022/2023 to 30 June 2022.

% rent collection - to total rent due

There was a movement of 7.34% between periods, however, it is not uncommon to have significant fluctuations as this fluctuates depending on the number of accounts in credit each month. Additionally, there could be a delay in payments given the 30 June 2022 was the colleague conference therefore colleagues were not present to take payments or follow up with tenants, we can expect a high number of payments being processed in July, for June.

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

Agreed: The Board discussed the update and noted performance to 30 June 2022.

2.6 Equality and Diversity

Presenter: Director of Operations

Minutes:

The DoO presented the Equalities and Diversity report and advised that the Board are asked to note the outcome of the recent Equality Audit undertaken by our external consultants (ChangeHR).

The Equality Audit has led to the introduction of an Equalities Working Group who will lead in the implementation of the newly created action

plan. The Working Group held their first meeting in March 2022. Members of the group represent each of the teams across the organisation. The working group is led by the Chief Executive and Governance Assistant with the assistance of the Director of Operations and four members of our Operational Leadership Team (OLT) alongside two other interested colleagues.

Given the attention being directed to the most recent guidance from the Scottish Federation of Housing Associations (SFHA) and the Scottish Housing Regulator (SHR), the Board should be able to find reassurance in the work being undertaken to allow them to sign off their Assurance Statement. Over the course of the last few months colleagues and board members have undertaken equalities training from an external provider (Change HR). The consultant has worked closely with the SFHA and the SHR over a number of months to provide guidance and information around the SHR's requirement to report on equalities through the Board's Assurance Statement.

A Board member asked about recruitment of Board members and how we will seek to recruit from underrepresented groups. The DoO confirmed that this will be considered in further recruitment exercises.

A Board member commented that they welcomed the update and there was good points contained within the report. The Board member would like more time to consider the report and come back to the DoO with comments by email.

Agreed: The Board discussed the update report and it was agreed that Board members would further consider the report and email the DoO with any comments and the report would be re-submitted to the September Board meeting.

2.7

Governance

Presenter: Director of Finance, Governance and Assets

Minutes:

The DoFGA presented the report and advised that the purpose of this report is to provide a six monthly update to Board members on relevant Governance arrangements.

FOI Requests

In terms of Freedom of Information (FOI) requests, we are seeing more lawyers continue to use FOI as a means of obtaining information pertaining to potential claims. We continue to work with insurers to

ensure provision of information meets FOI requirements and also does not expose the organisation to increased risk.

Board Training Plan

Key training areas were identified as part of the Board member Appraisal process, as at 2.1 the DoO will consolidate all training into a single plan, including training opportunities provided by SHARE.

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

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

Ms Fiona Barr left the meeting at this point.

3 For Approval

3.1 FHA Annual Accounts / Letter of Representation

Presenter: Director of Finance, Governance and Assets

Minutes:

The DoFGA presented the Annual Accounts and Letter of Representation and advised that the minor amendments highlighted at the Audit and Risk Committee have been updated.

The DoFGA advised that the external auditors attended the Audit and Risk Committee to present the Annual Accounts and confirmed that there were no audit points and were an unqualified opinion, with no control recommendations or adjustments required.

In regards to the Group Statement of Comprehensive Income for the year ended 31 March 2022, the biggest movement is the Actuarial gain/(loss) in respect of the pension scheme and this significant change is due to the market reacting to the effects of Covid.

The Chair passed on her thanks on behalf of the Board to the Finance team and the wider organisation for another successful year.

Agreed: The Board approved the contents of the Annual Accounts and Letter of Representation.

3.2 Company Secretary report

Presenter: Director of Finance, Governance and Assets

Minutes:

The DoFGA presented the report and advised that the purpose is to provide assurance to 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 DoFGA invited questions from Board members and none were received.

Agreed: The Board approved that in terms of Rule 68 that 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) One entry in the Payments and Benefits Register and that the Chairperson is required to sign the annual declaration to this effect.**

3.3 New Build Development

Presenter: Director of Finance, Governance and Assets

Minutes:

The DoFGA presented the report and advised the current Strategic Housing Investment Plan (SHIP) includes three schemes for new-build development: Glen Albyn, Kirkcaldy, Brankholm Brae and Whinnyburn in Rosyth totalling 152 units.

The JR Group, current developers of the Glen Albyn, Kirkcaldy site, have proposed a change to the SHIP that would bring benefits to the Group and our tenants. The potential changes would have to be agreed by the Board, FHAA, Fife Council and the Scottish Government.

The draft Head of Terms (HoTs) issued by Kingdom Housing Association (KHA), as the lead partner in the Fife Housing Association Alliance (FHAA), required to be amended to ensure that risk sharing was appropriate and there was clarity on responsibilities. It has taken several months to get final agreement on the revised draft HoTs. The HoTs are designed to be broad principles for the development programme which will be supported by separate development agreements for each development, these will be more detailed and site specific.

The Chair invited questions regarding the Heads of Terms in the first instance and the CE advised that Kingdom requested a copy of the Board report and asked Board members for permission which was approved.

A Board member commented about how development risk will be managed. The DOFGA clarified that there would be a development agreement for each scheme with any risks being identified at the start of the process and built into the costs or level of fees that Kingdom may charge.

A Board member commented that having read the Heads of Terms it reads like a Service Level Agreement (SLA) and is not a strict legal document that does not cover everything you would require in a missive. It is more a statement of cooperation that sets out steps. As a Board member, we have the reassurance that the document has been negotiated by our lawyers and the Board should take comfort at that.

A Board member asked about the cost over-runs and how are they monitored over the course of the development. The DoFGA confirmed that there will be regular updates and monthly meetings.

Agreed: The Board approved the contents of this report and the revised HoTs and approved the request a copy of the report to be issued to KHA.

The Board discussed the cost risk attached to the cost sharing approach proposed by the JR Group. The DoFGA confirmed that there would be costs incurred at different stages of the planning process with the ability to withdraw from the process should any part of the process fail to meet the Group objectives and budget.

The DoFGA commented that we do not envisage there being any issues with the development site with the JR Group having already had preliminary discussions with Fife Council and there does not appear to be any adverse reaction to them at this time. The biggest stumbling block could be getting the grant funding to make up the shortfall. The DoFGA carried out analysis and worked out that we could sustain costs up to [REDACTED] and that would still break even in terms of the 30 year plan for developments.

A Board member asked if our lawyer has seen sight of the Land Led Development Schedule and the DoFGA confirmed that they had not seen it. The Board member commented that they do not want FHG investing money into something without getting that money back and would be worth asking our solicitors for their advice.

The DoFGA confirmed the [REDACTED] breakdown that was identified by the JR Group in order to get the site build ready:

Site investigations [REDACTED]
Statutory consent [REDACTED]
Design team fees [REDACTED]

A Board member commented that developments are risky and we always have to balance planning costs with the risk of getting approval without major objections or site remediation costs. The fact the land owner is willing to share the costs is a positive thing and all comes down to cost per unit and as long as we are confident at the outset that we can make a profit and understand the cost per unit from the beginning.

The DoFGA confirmed that we will ask Harper Macleod to review the broader principles of the document and, at the same time, will engage with Kingdom on whether the Scottish Government would be willing to fund the level of enhanced costs. The outcome of these discussions will determine if there is an appropriate and cost effective way of progressing the scheme. Board members confirmed that they were happy to proceed on this basis.

Agreed: The Board considered the JR Group's programme proposal and provided Business Leadership Team with the delegated authority to continue discussions with the JR Group, Fife Council, FHAA development group and the Scottish Government on future development programmes subject to a review of the land led document by Harper MacLeod.

3.5 Membership and retirement

Presenter: Director of Finance, Governance and Assets

Minutes:

The purpose of this report is to provide Board members with an updated position in regards to Board Membership – Retirement, Re-election, New Membership Applications and Terminations.

Mr Stephen Clark was re-elected to the Board in 2021 as part of the nine year rule and intends to stand for re-election for another year at the upcoming AGM subject to a presentation to the August 2022 Board.

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

Agreed: The Board noted the contents of this report.

3.5.1 Board membership (verbal)

Presenter: Mr Stephen Clark

Minutes:

Mr Clark provided a short outline about the relevant skills and experience that he possess working in the Housing Sector.

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

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

3.6 **Allocations Policy**

Presenter: Director of Housing

Minutes:

The DoH advised that the Allocations Policy has been reviewed by the Operations Manager and the Housing Manager. The policy was also reviewed by the Resident Voices Group on 10 August 2022 and there were no further changes.

The Housing (Scotland) Act 2014 introduced significant changes for social landlords across Scotland and the policy was renewed in its entirety in 2019. Consequently, only minor changes have been made to the policy during this review to reflect best practice or strengthen and clarify positions.

The Allocations Policy is supported by a number of in-house policies and procedures including the Housing Policy; Domestic Abuse Policy; the Mutual Exchange Procedure; and the Rent Arrears Recovery Procedure. The Policy is also supported by a number of Fife Housing Register (FHR) protocols.

The DoH commented that we have added the following section in regards to the Antisocial behaviour section:

"We have the right to suspend applications from applicants who have acted in an antisocial manner, or pursued a course of conduct which is antisocial, in relation to an employee of the social landlord in the course of making an application. A person remains an applicant until they become a tenant; and the whole process of application, pre-let, viewing and sign-up appointments are all included in the 'application process'."

In addition, we have added the Mobility within our own stock section to

strengthen the Mutual Exchange process:

"Tenants seeking a mutual exchange must have tenanted a SST satisfactorily for the 12 months prior to the date of application. If a household's housing needs have significantly changed before the 12 months have elapsed; exceptions can be made by the Housing Manager."

The DoH invited questions from Board members. A Board member asked in relation to exemptions and if the Housing Manager had delegated authority to make decisions and the DoH confirmed that this was the case.

Agreed: The Board approved the attached Allocations Policy.

4 For Noting

4.1 PACT Accounts (approved at PACT meeting)

Minutes:

The DoFGA presented the PACT Enterprises Limited Directors' Report and advised that for a fourth consecutive year there have been no management points or adjustments and noted the teams hard work throughout the year.

The PACT Management accounts were approved at the PACT Board meeting held on 1 August 2022 and are presented for noting only.

A Board member asked about the movement in property valuations and asked if we intend to gift aid and the DoFGA confirmed that he is presenting an options paper for consideration at the next PACT Board meeting.

Agreed: The Board noted the contents of the PACT accounts.

4.2 Operational workplans Q1 update

Presenter: Chief Executive

Minutes:

Agreed: The Board noted the contents of this report.

4.3 Minutes for noting

Presenter: Chair

PACT Meeting minutes

Minutes:

Agreed: The Board noted the contents of the minutes.

4.4 Minutes for homologation

- Audit and Risk Committee minutes
- Virtual minute from Disposal of Property
- Virtual minute from PACT Name Change Resolution
- Virtual minute from Increase in Colleague Mileage

Minutes:

Agreed: The Board unanimously approved the following minutes for homologation:

- **Audit and Risk Committee minutes**
- **Virtual minute from Disposal of Property**
- **Virtual minute from PACT Name Change Resolution**
- **Virtual minute from Increase in Colleague Mileage**

5 Other

5.1 AOCB

Minutes:

Inflation projections

A Board member asked as part of the Business Planning process, if the DoFGA could obtain new inflation projections and the DoFGA confirmed that he would request figures from Royal Bank of Scotland and Chatham Financial.

Board and Committee decisions schedule

A Board member asked if a Schedule for Committee decisions and expected timeline could be compiled and issued to identify when decisions are being made throughout the course of the year and the CEGA confirmed she would supply this.

5.2 Date of Next meeting

AGM

Monday 12 September @ 5.30pm

Post-Board meeting
Monday 12 September @ 6pm