

Minutes Strategic Board meeting

Date 28/11/2022
Time 9:30 - 11:30
Location Dalgety Bay Parish Church
Chair Sandra Stock
Explanation Present:
Mrs Sandra Stock -Chair
Mr Laurie Boles - Vice Chair
Mrs Lynne Pascal - Board Member
Mr Ron Eldridge - Board Member
Mrs Fiona Barr - Board Member
Mr Stephen Clark - Board Member
Mr Brian Gallacher - Board Member
Mr Ricky McAulay - Yourplace Chair
Mr Rhodri Davies - 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

Presenter: Chair

Minutes:

The Chair welcomed everyone to the meeting and apologies were received in advance from Mr Derek Adam.

1.2 Declaration of Interest

Presenter: Chair

Minutes:

Mr Rhodri Davies declared an interest in the rent proposals discussion and it was agreed that he would remain in the room for the discussion but would not be involved in the decision making process.

1.3 Minute of the previous meeting

Presenter: Chair

Minutes:

Agreed: The minute of the previous meeting was unanimously approved.

1.4 Matters arising

Presenter: Chair

Minutes:

There were no matters arising.

1.5 Action points

Presenter: Chief Executive

Minutes:

There were no further action point updates.

2 For Update

2.1 Chairperson's verbal report

Presenter: Chair

Minutes:

Declarations of Interest / Code of Conduct

The Chair reminded Board members who had not already done so to submit their forms to the CEGA at their earliest convenience.

Board Training Sessions

Board training requirements were identified as part of the Appraisal process this year. The following training sessions have been scheduled for 2023 and are open to all Board members:

- 23 January @ 3pm: Management accounts / budgeting
- 6 February @ 3pm: Regulation of social housing
- 2 March @ 4pm: Board member training - Understanding the Housing situation in Fife & Needs of vulnerable tenants.

Board Appraisals

The Board appraisals are scheduled for week commencing 4 April 2023 and it will be a slightly different process as these will be face to face and [REDACTED] will be assisting the Chair in the appraisals. If Board members think you will be unavailable that week please let the CEGA know as soon as possible.

Policies for approval

There are a number of policies coming up for approval and these will be uploaded to ibabs in the coming weeks and homologated at the February 2023 Board meeting.

Board Strategy Day

We are proposing that our Annual Board Strategy Day takes place on 1 March 2023 and there will be a facilitator for the day.

Attendance at meetings

Board members discussed attendance at meetings and it was agreed that there will be face to face meetings for two Board meetings and the Strategy Day, Annual General Meeting (AGM) and any future important agenda items that require a face to face meeting.

BLT members left the meeting at this point.

Cost of Living Support

The Chair advised that she would like to acknowledge the contributions by colleagues during another difficult year and specifically the challenges of the additional Cost of Living crisis not just for tenants but for colleagues. This will be a one off situation and out with any proposals for Cost of Living increase on salaries for the financial year 2023/24. The Chair proposed a Cost of Living payment to acknowledge the rising energy and general living costs which is non consolidated payment and is subject to take as follows:

22 December 2022 - £150

28 January 2023 - £150

28 February 2023 - £150

Board members confirmed that they were fully supportive of this decision and unanimously approved the proposal.

BLT re-joined the meeting at this point.

2.2 Chief Executive's report

Presenter: Chief Executive

Minutes:

The CE presented the chief executive's report and highlighted the following areas:

Cost of Living (Tenant Protection) (Scotland) Act 2022

The Board have been kept apprised of the Scottish Government's position and that of the Scottish Federation of Housing Associations (SFHA). This Act is now in place with temporary restrictions on rent increases and certain evictions until 31 March 2023. The Scottish Government is working with the sector to fully understand how this impacts but it is not expected that we will have any clear guidance until 14 January 2023. The SFHA requested information on the likely impact of any rent capping in order to fully inform the Scottish Government from a sector wide view, the information was provide and collated by the SFHA.

The DoH advised that a video has been produced as part of the Rent Freeze proposals that details some of the additional work that is carried out specifically in the communities that is often not recognised. This video has been shared with the G8 Benchmarking Group and has received very positive feedback.

Business Plan 2023-26

Drafting of the Business Plan has commenced following the Board awayday earlier in the year but this has become complex given the continuing impact of Covid on governmental finances and the resultant dynamic inflationary pressures will make business planning exceptionally difficult. The added rent capping at 0% imposed by the Scottish Government until 31 March 2023 adds to the uncertainty for business planning purposes. As part of this process the whole Business Plan will be reviewed with the Business Leadership Team with a view to bringing potential scenarios for the Board to consider at a date to be confirmed with the Chair in 2023. A draft will be presented to the Board for further comment and consultation will be carried out with tenants in the coming months.

Terms and Conditions Working Group

This Working Group has now met twice and the two separate consultants are progressing the work requested of them. This work was due to be completed by the end of October 2022, however, this has still not been received and as soon as we have received the report a meeting with the Working Group will be scheduled. The CE expressed disappointment that despite the assurances of the consultants, they have failed to meet the deadlines agreed upon and as yet have not confirmed a new date.

[REDACTED]

Investors in People (IIP)

We had been asked by IIP to apply for the Employer of the Year Award. The submission was provided but unfortunately this time around we did not make the shortlist. However, we have been encouraged to apply for the IIP Wellbeing award and surveys are being carried out with all colleagues and we hope to receive initial feedback by early December 2022.

Scottish Housing Regulator (SHR) Forum

The CE advised that she had received an email from the SHR inviting FHG to attend a series of forums with senior people from Registered Social Landlords (RSLs) to have regular discussions regarding the important issues facing the social housing sector in Scotland.

The CE invited questions from members at this point. A Board member referred to point 3.2.5 of the report and commented that we should be looking at our infrastructure in relation to the climate change agenda. The DoFGA responded that a recent audit on our carbon footprint showed that we were already very efficient and only found 3 minor recommendations for the office which would only save a few hundred pounds per year. The DoFGA added that as part of our office refurbishment we are looking at ways of redesigning the office to achieve net zero by 2030. The CE added that we are working with Thenu and West of Scotland Housing Associations to develop a Carbon Strategy going forward. The DoO also added that her team are researching all types of fleet vehicles and in particular electric vehicles.

2.3 Management Accounts for period ending 31 September 2022

Presenter: Director of Finance, Governance and Assets

Minutes:

The DoFGA presented the management accounts and advised that trends are consistent with prior months.

The report tabled a selection of price increases from across the business as a result of Covid. The DoFGA stated that the organisation had been relatively protected from some price increases because of the decision to create an inhouse trade team

It is worth noting in the management accounts that the office refurbishment budget of £75k is underspent this year and will remain largely unspent by the year end, and the Glen Albyn development site is 2 months behind schedule due to factors outwith our control which will result in costs being incurred in 2023/24. However, the total cost will not exceed the authorised contract value.

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

2.4 Performance Dashboard

Presenter: Director of Finance, Governance and Assets

Minutes:

The DoFGA advised that this report presents the Performance Dashboard for the period in 2022/2023 to 30 September 2022.

Performance against each Key Performance Indicator (KPI) is detailed in Appendix one of the report including explanations of significant variances from target. We are monitoring trends going forward and particularly the repairs where we are checking the data quality and accuracy.

The DoFGA invited questions from Board members and no questions were received.

Agreed: The Board discussed this update and noted performance to 30 September 2022.

3 For Approval

3.1 Rent Proposals

Presenter: Director of Housing

Minutes:

The DoH presented the rent proposals report and advised that the rent setting process is required to ensure we have sufficient funds to meet our operating costs such as reactive repairs, cyclical repairs, major repairs and management costs. This report takes into account our known financial requirements for the forthcoming year, external information received from other housing providers and references regulatory expectations.

The report further outlines the proposed consultation process to be carried out and the draft rent consultation briefing document for tenants is also attached at Appendix one of the report.

The Scottish Government announced in September 2022 that emergency legislation would be introduced to put in place a rent freeze for all private sector tenants and social sector tenants until 31 March 2023. As such, the Bill, as passed commits the government to set out a

decision to provide certainty to the social rented sector, by the 14 January 2023 at the latest, as part of the 3 month reporting for the legislation. This requires Scottish Ministers to confirm whether they intend to raise the cap, suspend/expire the rent restrictions or continue with a 0% cap for the social sector. The Government's aim is to ensure the best possible balance between keeping rents affordable and continuing social rented sector investment of rental income in quality homes and appropriate support to tenants.

As agreed by the Board in 2021, a Rent Affordability project was undertaken this year by Arneil Johnson as we previously identified that affordability for the larger properties was problematic. This project took place during July and August 2022 and the outcome slides from this project are presented in Appendix two. A working group was set up to look at the outcomes from this study and discussed fully.

The Working Group then looked at the options for the 2023/24 rent increase consultation with tenants, taking into consideration the Business Plan assumptions and the current cost of living issues being experienced by tenants. The Working Group's consensus was that consultation should be carried out on 3 options – 5.0%, 5.5% and 6.0%.

There was a discussion about the impact of the rent increase for tenants and the DoH commented that we have applied for extra funding of £35k through the Winter Fuel Fund to provide support for tenants who are struggling to pay their energy bills and we are speaking to more people than ever in order to help tenants.

There was a discussion about under-occupancy in properties and the general reluctance for tenants and in particular older tenants to move out of the area that they have lived in for many years because their property is now under-occupied.

A Board member asked if there were any development opportunities in the Housing Strategy for any of the under-occupancy property areas such as Rosyth and the DoFGA confirmed that this is included within the Strategic Housing Investment Plan (SHIP) to be achieved by 2026.

The Board discussed that the rent consultation process should focus on reasons why 5.5% is the preferred option within the Business Plan and without achieving that then we cannot achieve the activities set out within our Business Plan and ultimately for the greater good of the tenant.

At this point Board members commented that they felt the tenant briefing document was very well produced and members liked that it was kept simple using infographics. The DoH also added that we are producing a short video to provide tenants with the basic information that is already detailed within the leaflet.

The Board acknowledged the following:

- Noted the need for a consultation process with tenants;
- Approved the rent consultation timetable;
- Agreed to authorising officers to perform a review of rent for the pharmacy and to apply the agreed rent;
- Considered the information contained in the report and recommended by the Rent affordability working group to approve the proposed rent increase options of 5%, 5.5% and 6% for consultation with tenants for rents from 1 April 2023 for mainstream properties, factoring fees, garages and garage sites in order to meet the strategic aims;
- Considered the recommendation from the Rent Affordability working group to review the increases for 5+Apt properties after the Scottish Government announcement on 14 January 2023; and
- Are aware that should the Scottish Government announce an extension of the rent freeze or a cap on rents after 1 April 2023 then the results of the consultation cannot be used.

3.2 Membership and Terminations

Presenter: Chief Executive and Governance Assistant

Minutes:

The CEGA advised that this report brings the Board up to date with members who have broken the '5 year rule' and shareholding members who no longer wish to be members.

As detailed in the Membership Policy there are five criteria, which terminate or end membership and One of these criteria, and per Rule no. 11.1.3, states 'For five annual general meetings in a row, you have not attended, submitted apologies, exercised a postal vote or appointed a representative to attend and vote on your behalf by proxy'.

A letter is issued prior to the upcoming Annual General Meeting (AGM) to advise shareholding members who have not attended for four consecutive years that their membership will be terminated should they not attend, submit apologies, exercised a postal vote or appointed a representative to attend and vote on your behalf by proxy'.

Following the 2022 AGM a full review of the membership register found

that 8 members had not met the 'five year rule' and, therefore, their membership automatically terminates. The members have the following share numbers:

371, 375, 376, 426, 477, 535, 536, 537.

Agreed: The Board noted the contents of this report and approved the cancellation or 'writing off' of the share memberships outlined at 2.5 of the report.

3.3 Model Leases

Presenter: Director of Housing

Minutes:

Fife Housing Group (FHG) has a number of leases in place with other housing partners. In November 2020, the Board were presented with a report that provided details of leases FHG had in place with partners and it was agreed that update reports would be presented annually.

We currently have 51 self-contained properties, which are subject to management agreements or leases with Fife Council.

There are 12 model leases that started in 2009; all properties are leased to Fife Council under a 3 year model lease. The next review on these leases is not due to take place until June 2024.

We have one commercial let in Dysart, currently let to [REDACTED]. The original lease was for 15 years until October 2025, however, the tenant contacted us in May 2022 to ask if they could exercise the clause to extend the lease by a further 10 years to October 2035 for business reasons. This extension was agreed.

Our 20-year lease, in place with the owner of Church Street, Kirkcaldy is due for renewal in July 2023. Our solicitor has already been instructed to progress discussions with the owner to identify whether he intends bringing the lease to an end on the current termination date or whether he would be amenable to discussing an extension of the period of the lease, assuming that mutually acceptable terms can be agreed. We would be keen to continue with this lease as it allows us to provide temporary housing for homeless people in Fife. We are currently waiting for a response from the owner.

Agreed: The Board noted the contents of this update report and approved the DoH entering into a revised extension of the lease with the

owner of Church Street, Kirkcaldy if the owner wishes to do so or agree an exit strategy if applicable.

3.4 Safeguarding Policy

Presenter: Director of Housing

Minutes:

The Safeguarding Policy was drafted in 2019 and has been reviewed in line with the agreed Policy review schedule for the organisation.

There have been no material changes in legislation or policy since the 2019 policy was approved, and the amendments proposed reflect minor changes including strengthened language. The policy provides a more conclusive list of the relevant legislation and policies that impact on compliance and best practice in safeguarding.

The reviewed policy takes into consideration comments and guidance offered during the Board training session provided by Share, held earlier this year.

The DoH invited questions from members and there were no questions received.

Agreed: The Board approved the reviewed Safeguarding Policy.

4 For Noting

4.1 Operational Workplans Q2

Minutes:

Agreed: The Board noted the contents of the report.

4.2 Minutes for noting

4.2.1 Yourplace Meeting minutes

Minutes:

Agreed: The Board noted the contents of the Yourplace meeting minutes.

4.3 Minutes for homologation

4.3.1 Audit and Risk Committee minutes

Minutes:

The Convenor of the Audit and Risk Committee provided an update of the recent Audit and Risk Committee and advised that the Committee discussed a draft Payroll and Expenses Internal Audit report which had one minor recommendation point that may be removed following further discussion with the internal auditors.

Agreed: The Board homologated the contents of the audit and risk committee meeting minutes.

5 Other

5.1 AOCB

Minutes:

Board recruitment

The CE provided an update to the current Board member recruitment exercise and advised that we have received three applications so far and interviews have been scheduled. A further update will be provided to Board members in due course.

Dampness / Condensation problems

The CE commented that there is a lot of discussion around dampness and condensation in the media at the moment. Board members discussed the importance of gaining access to properties to identify any potential issues with dampness. It was discussed that this should be given the same priority as gas inspections. BLT confirmed that there may be changes to the current processes, including the potential for forced entry, and more regular reporting of activity.

5.2 Governance Planner

The Board noted the contents of the governance planner.

5.3 Date of next meeting

Monday 6 February 2023 @ 4pm
Via ZOOM