

Minutes Confidential Strategic Board meeting

Date	29/05/2023
Time	14:45 - 18:00
Location	Pitbauchlie House Hotel
Chair	Sandra Stock
Explanation	Present: Mrs Sandra Stock -Chair Mr Laurie Boles - Vice Chair Mr Derek Adam - Board Member Mr Ron Eldridge - Board Member Mr Stephen Clark - Board Member Mr Brian Gallacher - Board Member Mr Rhodri Davies - Board Member Mr Ricky McAulay - Yourplace Chair, Board Member Mr Brian Fisher - Co-opted Board Member Mr James Wilson - 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 2.45 pm Board Self Assessment

2 Procedural

2.1 Welcome and apologies

Presenter: Chair

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

Chris Gray
Fiona Barr
Lynne Pascal

2.2 Declaration of interest

Presenter: Chair

The Chief Executive, Director of Finance, Governance and Assets, Director of Operations, Director of Housing and Chief Executive and Governance Assistant declared an interest in the Terms and Conditions Cost of Living Review and it was agreed that they would remain in the meeting as no decisions are being made.

2.3 Minute of the previous meeting

Presenter: Chair

Minutes:

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

2.4 Matters arising

Presenter: Chair

2.5 Action points

Presenter: Chief Executive

Minutes:

Business Continuity Plan

The CE advised that the DoFGA is looking into this and the deadline has been updated accordingly.

SHARE training

The Share e-learning portal is being re-launched in August 2023 so will await confirmation of the upgrades before progressing. A Board member asked that we keep the action point marked as pending, to ensure the action is completed in the future, and it was agreed that this would be amended.

3 For Update

3.1 Chairperson's verbal update (including appraisals)

Presenter: Chair

Minutes:

Board email addresses:

The Chair advised that the CEGA has set all Board members up with Fife Housing Group (FHG) email addresses and has provided login details to all board members at this Board meeting, with a step-by-step guide on how to add the email address to your devices. The Chair asked if Board members can confirm when their new email is active and we will update our records accordingly.

Terms and Conditions Review

The Chair provided an update on the meeting held with colleagues with the Vice Chair in attendance, to announce the decision to transfer pension provision to a new Defined Contribution (DC) scheme. The meeting was tense and a very difficult message for colleagues.

The Convenor of the Terms and Conditions Working Group (TCWG) then provided an update on the consultation exercise, indicating that the group had received more than 50 questions to answer. The Convenor thanked members for their prompt responses to draft answers put forward by the Convenor.

Stephen Clark joined the meeting virtually at this time.

It was agreed that the consultation questions that the TCWG have provided final responses to will be circulated to colleagues and any questions that require further clarification will be discussed at the TCWG meeting tomorrow. A special Board meeting will take place later this week for all Board members to consider the recommendations discussed at the TCWG meeting held on 30 May 2023.

Special recognition was given by all Board members to the DoO and Human Resources Manager for organising and facilitating the colleague consultation process.

Appraisals

The Chair advised that all Board member appraisals were completed with special thanks to Linda Ewart and they thanked Board members for their contribution. A report will be produced and presented to the August 2023 Board meeting.

The Vice-Chair also advised that the Chair's appraisal had been carried out with the assistance of Linda Ewart.

Scottish Housing Regulator (SHR) Board Meeting

The Chair advised that we are still in discussions with the SHR regarding setting up an agreeable time for them to meet with the Board. The Chair will advise Board members in due course once a date has been agreed.

3.2

Chief Executive's report

Presenter: Chief Executive

Minutes:

The CE presented the report and highlighted the following key points of the report:

Business Plan 2023-26

The financial element of the Business Plan has been prepared and is a substantive item on the agenda. Our Engagement Plan with the Scottish Housing Regulator (SHR) set out that this was requested by 30 April 2023 but this was not possible because of the Board scheduled meetings and annual accounts process. The SHR has been advised that it is being presented to the Board today for approval and will be submitted thereafter. The full narrative of the Business Plan has been temporarily put on hold whilst other priorities have been carried out. It is expected to be in the draft over the next couple of months for the Board to review.

Terms and Conditions Working Group (TCWG)

Colleagues attended a meeting with the Chair, Vice Chair and consultants on 4 May 2023 to hear the proposal for replacing the existing pension schemes. The forty-five-day consultation ends on 18 June 2023, this period will also include 1-2-1s with the consultants and consultation meetings with the Director of Operations. The TCWG are scheduled to meet again on 30 May 2023.

Scottish Housing Regulator (SHR) – Urban Landlord Group

The CE attended their first meeting on 12 May 2023 with discussions being held around political changes and what issues we want the SHR to raise with the new Housing Minister, Paul McLennan; these included EESSH, mould and damp, SHR Regulatory Framework consultation, the Annual Assurance Statement, and regulatory status. It is proposed that the next meeting will focus on the Regulatory Framework. The meeting was really useful to share ideas and hear from the SHR on their key priorities.

Fife Housing Association Alliance (FHAA)

The CE of Kingdom and Ore Valley HAs have changed recently. The FHAA met this month and have identified a number of joint initiatives and areas of shared interest, we aim to review: mould/damp processes and rectification, Operating Models, Development, retrofit to meet EESSH2 guidance, and planned work

programmes. Our next meeting will focus specifically on future heating strategies with asset colleagues being invited to also participate.

Investment opportunities

We are continuing to try to make contact with the agent of the owner of several properties at [REDACTED] to purchase these as part of the Yourplace portfolio. A Board member asked how many properties we are looking to acquire and the DoH confirmed that we currently have 8 properties with this single owner, and an additional 14 properties with other owners, bringing the total to 22 properties.

3.3 Management Accounts for the period ending 31 March 2023

Presenter: Director of Finance, Governance and Assets

Minutes:

The DoFGA presented the management accounts and advised that the Audit and Risk Committee (ARC) had already reviewed and scrutinised the accounts in detail at their recent meeting on 9 May 2023.

The DoFGA advised that the external audit for Fife Housing Association (FHA) was in progress and due to complete this week.

The DoFGA provided an update to the pension liability and advised that it would be marked as a zero balance on the financial accounts, as a pension asset is not recognisable.

An update was also provided on the bad debt provision, indicating that the level of bad debt is rising which may be due to the pressures of the cost of living increases.

The DoFGA invited questions from Board members and there were no further questions.

Agreed: The Board noted the contents of the report.

3.4 Performance Dashboard

Presenter: Director of Finance, Governance and Assets

Minutes:

The DoFGA presented the performance dashboard and advised that the Audit and Risk Committee (ARC) had already reviewed and scrutinised the dashboard in detail at their recent meeting on 9 May 2023.

The DoFGA advised that there has been a significant increase in the number of jobs, approximately 20% over the last four months, primarily as a result of the media coverage of damp and mould issues. These types of jobs and the inclement weather over the winter months have required multiple visits to resolve issues. It is expected that the damp jobs will not be resolved until the end of May 2023, so may continue to negatively affect performance.

A Board member asked what the longer-term strategy is for mould and dampness and the DoO advised that there are three systems currently being piloted and a position report will be presented to the August Board. The DoFGA advised that an additional £100k has been added to the budget for mould and damping for 2023/24.

A Board member commented that it seems unfair for jobs that were never going to be right the first time for matters outwith our control to be included in the Key Performance Indicators. A Board member commented that in this case it would be helpful to maximise the commentary around the figures and include the total number of jobs in brackets.

The Board discussed the Scottish Housing Quality Standard (SHQS) and that a full cleanse of all SHQS and Energy Efficiency Standard for Social Housing (EESH) data has resulted in a drop in SHQS compliance. SHQS fails now include all properties that currently fail EESH. In our SHQS compliance, we also include all properties that do not yet have valid Electrical Installation condition reports (EICR).

A Board member commented that it is good to have confidence in the data and a plan to address the failures. The DoO advised that we now have an in-house team designated for this and a programme is in place.

The DoFGA advised that the interest cover, although shown in red against the budgeted level, is still above the level that the bank requires.

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

Agreed: The Board discussed the update and noted performance to 31 March 2023.

3.5

Convener's verbal update from Audit and Risk Committee meeting

Presenter: Chair of Audit and Risk Committee

Minutes:

The Convenor of the ARC provided an update on the recent meeting, indicating that the committee reviewed the management accounts and performance dashboard in detail. The Convenor added that there were no major issues to report.

In addition, the committee received the draft internal and external audit plans for the 2023/24 internal audits and annual accounts audit for 2022/23, respectively. The internal auditors provided feedback on the recent Information Management Systems internal audit where there were a few minor recommendations that relate to documenting the processes currently in place.

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

4 For Approval

4.1 Annual Return on the Charter

Presenter: Director of Housing

Minutes:

The DoH presented the report and advised that colleagues have collated the information required for the ARC and the Leadership Teams are satisfied that the document is an accurate reflection of our performance. The accuracy is essential as the ARC return is used by the SHR to assess risk and to determine what regulatory engagement is required to ensure the best interests of our tenants and other customers are met.

This year, we arranged for an audit of the outcomes to be carried out by the Scottish Housing Network (SHN) before this report came to the Board. This added to a further line of interrogation of the figures to ensure all responses adhered to the Technical Guidance provided by the SHR.

It was agreed that the Scottish Housing Network (SHN) would be invited to the November 2023 Board meeting to outline their findings and areas for improvement.

To ensure that we are on target to deliver the outcomes and locally agreed targets, the Board is required to monitor the delivery of our performance every quarter and this is currently achieved through the Performance Dashboard and reports presented to the Board.

Although EESSH does not form part of this year's ARC submission, the information has been collated and has been included in this report to give the Board clarity around the reasons why SHQS statistics have reduced significantly from last year.

Tenants who have had a repair carried out receive a very brief survey by text, asking them to score their level of satisfaction, using the indicators measured in the ARC. For those tenants who respond with a low score, they are given the option for someone from the Operations team to call them. Performance has deteriorated slightly this year and the response rate has reduced from 33% last year to 26.79% this year. Colleagues are continuing to monitor this trend and new systems can now allow us to drill down into specific trades and resources to try to identify the reasons for this reduction.

The Board agreed that a wider discussion needs to take place about how we are going to meet the EESSH2 requirements.

Agreed: The Board discussed and approved the Annual Return on the Charter for submission to the Scottish Housing Regulator by 31 May 2023.

4.2

5 Year Financial Projections

Presenter: Director of Finance, Governance and Assets

Minutes:

The DoFGA presented the report and advised that the SHR requires each registered social landlord (RSL) to provide certain information each year, including a Five Year Financial Projection (FYFP) online by 30 May 2023.

In addition to this statutory return, the Association is required to submit its annual 30-year Business Plan to both the SHR, as part of our engagement plan, and the lenders. The current lenders require the plan to be submitted within 90 days of the year-end, 28 June 2023.

The five-year plan is a subset of the 30-year plan and, therefore, uses the same underlying assumptions. The assumptions have been benchmarked against the G8 Group and are broadly in line with those comparators.

The FYFP is a snapshot in time and is derived from the updated thirty-year projections. A provision to meet EESSH2 has been

included at £12.5m (£3.5m increase from the 2022/23 Business Plan) between 2023/24 and 2031/32, this is approximately 65% of the estimated costs and excludes [REDACTED] properties that will not meet the “B” EPC rating. It has been assumed that 35% of the funding will be available from government sources.

It was agreed that the Board will shortly need to discuss and agree on future priorities to meet EESSH2. A Board Working Group was also suggested to concentrate on future priorities and assess what actions we are going to take in the long term.

A Board member commented that whilst this is a sector-wide issue, this is a clear example of a future where Board direction is required to shape future discussions.

Agreed: The Board approved the FYFP for submission to the SHR and agreed to how future EESSH2 requirements can be met.

4.3

Loan Portfolio Annual Return

Presenter: Director of Finance, Governance and Assets

Minutes:

The DoFGA presented the report and advised that Fife Housing Association (FHA) is required to submit an annual Loan Portfolio Return by the end of June to the SHR.

The SHR online portal performs validation checks on the information provided. The final validation check shows that no issues are outstanding.

The main change from the previous return is the repayment of £4.5m against the Revolving Credit Facility (RCF).

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

Agreed: The Board noted the contents of the report and approved the attached SHR Loan Portfolio Return in Appendix One of the report.

4.4

Strategic Risk Register

Presenter: Director of Finance, Governance and Assets

Minutes:

The DoFGA presented the report and advised that the ARC have reviewed the risk register in detail at their recent meeting and there are no changes to the current risks.

The DoFGA invited questions and no questions were received.

Agreed: The Board approved the Strategic Risk Register.

4.5

Colleague Strategy

Presenter: Director of Operations

Minutes:

The DoO presented the report and advised that the updated Colleague Strategy for the period 2023-26 aims to underpin FHG Business Plan and highlights how the different activities associated with managing people can enable the Group's strategy to be delivered more effectively.

The Strategy has been updated and covers the period 2023-2026. A new design and focus on "Stepping in, up and out" shapes the theme of the strategy.

The Colleague Strategy contains an action plan split into five key areas that link directly back to the strategic objectives contained in the current Business Plan.

A Board member asked about the 'Step forward' and how we can manage colleague morale as a result of the Terms and Conditions decision. The DoO responded that as the Reward and Recognition report is not being taken forward the Board will need to agree on what the next steps will be.

There was a discussion about the Colleague Consultation Group and what their remit will be going forward. The DoO confirmed that she will be carrying out a colleague satisfaction survey which the Board will need to develop an action plan to address the issues.

A Board member asked to see the age demographic of the workforce and the DoO confirmed she would provide this.

Agreed: The Board approved the Colleague Strategy as outlined in Appendix One of the report.

Stephen Clark left the meeting at this time.

4.6 Memberships

Presenter: Chief Executive and Governance Assistant

Minutes:

The CEGA presented the report and advised that 2 membership applications have been received from tenant members.

Agreed: The Board noted the contents of the report and approved the membership applications.

5 For Noting

5.1 Apprentice and Wellbeing Strategy

Presenter: Director of Operations

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

Minutes:

Agreed: The Board noted the contents of the report.

5.2 Operational Workplan Q4 2022/23

Minutes:

A Board member asked about the limited completion of the actions for the DoFGA. The CE indicated that there were reasons for the delay in implementing some tasks due to issues outwith our control.

5.3 Minutes for noting

5.3.1 Yourplace Meeting minutes

Agreed: The Board noted the content of the Yourplace Board minutes.

5.3.2 Health & Safety minutes

Minutes:

Agreed: The Board noted the content of the Health and Safety minutes.

5.4 For Homologation

5.4.1 Audit and Risk Committee

Minutes:

Agreed: The Board unanimously approved the Audit and Risk Committee minutes.

5.4.2 Virtual meeting held on 10 May 2023

Minutes:

Agreed: The Board unanimously approved the virtual meeting minutes.

5.4.3 Virtual meeting held on 12 May 2023

Minutes:

Agreed: The Board unanimously approved the virtual meeting minutes.

6 Other

6.1 AOCB

Minutes:

Glen Albyn Launch

The DoH advised that invitations have been sent out to all Board members to attend the Glen Albyn development launch. The DoH added that due to the volume of people attending this is for invitees only.

6.2 Date of next meeting

Monday 14 August 2023 @ 4 pm
Via ZOOM

Minutes:

The Chair advised that this date is subject to change but will be in contact in due course.