

Minutes Confidential Strategic Board meeting

Date	28/05/2024
Time	16:45 - 18:45
Location	Pitbauchlie House Hotel
Chair	Sandra Stock
Explanation	<p>Present:</p> <p>Mrs Sandra Stock - Chair</p> <p>Mr Brian Fisher - Vice Chair</p> <p>Mr Derek Adam - Board Member</p> <p>Mrs Lynne Pascal - Board Member</p> <p>Mr Ron Eldridge - Board Member</p> <p>Mr Stephen Clark - Board Member (virtually)</p> <p>Mr Brian Gallacher - Board Member (virtually)</p> <p>Mr Rhodri Davies - Board Member</p> <p>Mr Ricky McAulay - Yourplace Chair, Board Member</p> <p>Mr Chris Gray - Board Member</p> <p>Mr Gary Keddie - Co-opted Board Member</p> <p>Ms Kirsty Noble - Board Observer</p> <p>Mr Stephen Lynas - Board Observer</p> <p>Mrs Juliet Hamilton Lee - Board Observer</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>

1 Procedural

1.1 Welcome and apologies

Presenter: Chair

The Chair welcomed the 3 Board Observers and all those in attendance provided introductions.

Apologies were received from Mr Laurie Boles and Mr James Wilson.

1.2 Declaration of Interest

Presenter: Chair

There were no declarations of interest.

1.3 **Minute of the previous meeting**

Presenter: Chair

There were no amendments to the previous minutes.

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

1.4 **Matters arising**

Presenter: Chair

There were no matters arising.

1.5 **Action points**

Presenter: Chief Executive

The Chief Executive provided an update on the outstanding action points and there were no further updates.

2 **For Update**

2.1 **Chairperson's verbal update (including appraisals)**

Presenter: Chair

SHARE Modules

The CEGA has now assigned the majority of compulsory modules on SHARE and we will be reporting progress at every board meeting.

Board appraisals (including Board recommendation actions from last year)

The Chair provided an update on the appraisal process and advised that the majority of Board members felt that the SHARE modules would satisfy their training needs and that any additional training needs would be included in the training plan.

The main discussion points at the appraisals were investing in stock, engagement with tenants and colleagues, and training.

Fife Council's Housing Emergency

The Chair advised that they had been invited to attend a meeting with Fife Council Leadership and the Fife Housing Association Alliance (FHAA) on 5 June 2024. This meeting is to discuss the housing supply in the run-up to their Cabinet meeting on 6 June, at which the initial paper on the Council declared Housing Emergency (HE) will be on the agenda.

FHG Tablet devices

Going forward we will be installing 'TeamViewer' software to all Fife Housing Group (FHG) tablets which will allow IT to remotely log in to fix any IT issues that you may experience.

Special Board meeting (2 July 2024 @ 4pm via Zoom)

We are holding a special board meeting to discuss the recommendations from the Benchmarking Working Group and this will be held virtually.

Chair activities since the last meeting:

- Board appraisals
- Board interviews
- 2 x Chief Executive / Chair / Vice Chair meetings
- Chief Executive 1-2-1/ appraisal

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

2.2 Chief Executive's report

Presenter: Chief Executive

The Chief Executive presented their report and highlighted the following key areas of the report:

Scotland's Housing Emergency

The Chief Executive attended a workshop of the Fife Housing Partnership following Fife Council's announcement of their Housing Emergency in March 2024. The purpose of this meeting was to provide information on the Action Plan being prepared and to seek assistance from all partners in the area.

Fife Council have further requested a meeting with the Chairs and the Chief Executives and Chairs of the FHAA on 5 June 2024 to discuss the affordable housing programme.

Scottish Housing Regulator (SHR)

Monthly updates have been provided to the SHR on our progress in carrying out the Electrical Installation Condition Reports (EICR). We will still have around 50 no accesses by our preferred completion date of 22 May 2024 but these will be reported as "in abeyance" as per the guidelines following which the SHR have advised that they will reconsider our Engagement Plan. The Business Leadership Team (BLT) will continue to monitor the position weekly.

External audit

The audit plans have been received and were reviewed by the Audit and Risk Committee on 7 May 2024. The audit reviews are due to commence on 6 May 2024 for Yourplace and 27 May 2024 for Fife Housing Association.

There have been no new or increased risks identified that have changed the audit plans.

HR Dashboard

The Human Resources Dashboard details the activities in terms of people management across the year from April 2023 – March 2024.

The Chair commented that it was good to see the report.

Hybrid Operating

The Chief Executive advised that approximately half of office-based colleagues are considering the 4 day condensed week proposal.

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

2.3 Management Accounts

Presenter: Director of Finance, Governance and Assets

The Association generated a surplus of £5.4m against a budgeted surplus of £2.7m, therefore, producing a favourable variance of £2.7m. The period itself has returned a (£334k) deficit.

A Board member asked about the significant costs on environmental and the DoFGA confirmed that these were for specialist trade services and could not be carried out in-house. A Board member asked if there were any unknown costs for estate maintenance and the DoFGA confirmed that we are not aware of any since there are regular estate visits by Housing Officers and maintenance colleagues to proactively identify potential issues.

There was a discussion on the Glen Albyn defect costs and that these are related to the pre-existing draining costs not associated with the development.

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

2.4 Performance Dashboard

Presenter: Director of Finance, Governance and Assets

The DoFGA presented the report and advised that the report should read 46 indicators and not 45. The DoFGA commented that there are currently no issues or trends emerging.

The ARC Improvement Group are meeting this week to discuss KPI targets for the coming year and it is important to make the targets achievable and challenging.

A Board member asked if we are doing any work to achieve net zero. The DoFGA confirmed that there is a 10-year plan included within the current business plan which has identified key improvements based on Energy Performance Certificate (EPC) data. The data has been shared with our energy consultants who are reviewing to determine the most effective methods and technologies to implement that benefit the tenant and meet the NetZero ambitions.

Agreed: The Board discussed the update and noted performance to 29 February 2024.

2.5 Audit and Risk Committee (verbal)

Presenter: Convenor of Audit and Risk Committee

The Convenor of the Audit and Risk Committee provided an update on the recent meeting.

Board Members Recruitment and Training Internal Audit Report 2023/24

An update was provided on the recent internal audit report which confirmed that there are well-designed controls in place concerning the recruitment and training of Board members. Testing found that the recruitment process had been followed, as set out in the Board Membership Policy, and training needs are also identified as part of the annual appraisal process and are delivered via a training plan.

The SHARE online training portal has been set up to include mandatory training modules for Board members and this will be closely monitored to ensure compliance.

Fife Housing Group - Health and Safety Final Report 22-03-2024

The audit found that there is an effective approach to health and safety supported by a Health and Safety Strategy and a suite of related policies and procedures. There is sufficient scrutiny and oversight of health and safety matters and performance by the Health and Safety Working Group and the Health and Safety Committee with regular reports presented to both groups.

External Audit Plan

Wylie & Bisset presented the external audit plan and outlined the audit approach to be taken, indicating there were no changes to the identified risks or audit method.

Strategic Risk Update

The main risk to the organisation continues to be around the Energy Efficiency Standard for Social Housing 2 (ESSH2)/ Net Zero plans and are awaiting the Scottish Government issuing their guidance.

Management Accounts

There was a discussion about the dampness and mould issue in properties and the DoFGA commented that there is a message being included in the next tenant newsletter to continue to encourage tenants to report any damp and mould issues they may be experiencing.

Performance Dashboard

Overall there has been a performance improvement but there are still issues around the % repairs completed 'right first time' FHG (Monthly) and % repairs completed 'right first time' Combined (Monthly) due to continuing issues with weather and damp and mould repairs impacting on the ability to complete repairs on the first visit.

Internal Audit

We have been notified the Internal Auditors are carrying out a harmonisation exercise across the sectors in that they provide services which will increase the annual fee by [REDACTED]. The Committee agreed to accept this year's terms and go out to tender next year.

The Chair advised that feedback from the appraisals was that some Board members wanted to see an annual Risk update and it was agreed that this would be included in the appraisal action plan. (ACTION)

A Board member asked what would cause a notice to evict a tenant and the DoH confirmed that each case can be different and, therefore, has to be assessed carefully, but in general, it is generally a result of non-payment of rent, repeated anti-social behaviour or a conviction for which would not permit the tenant to stay in the property e.g. drug dealing.

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

2.6 Housing Activities 2023/24

Presenter: Director of Housing

The DoH provided an update to the Board on the activities and tasks provided by the Housing Team during the year 2023/24.

The report also provides an update on the outcomes of the first year of our project 'The Big Idea' which is funded through the Scottish Government's Investing in Communities Fund until 31 March 2026.

Our rent arrears performance continues to be excellent, with net rent arrears sitting at 1.59% at 31 March 2024 compared to 1.79% at 31 March 2023.

We have introduced new rent arrears software, replacing Mobyssoft Rentsense with PANconnect's Rentsconnect, saving over █████ in software costs for this financial year.

A Board member asked to see a breakdown of all anti-social behaviour (ASB) cases in relation to geographical areas.

The Chair thanked the DoH for the report and that she found it very interesting to read.

A Board member asked if it would be worthwhile producing a tenant profiling exercise and it was agreed that BLT would consider and report back to the Board on the key elements to review.

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

3 For Approval

3.1 CONFIDENTIAL: Restructure of ICT Department

Presenter: Director of Finance, Governance and Assets

The DoFGA presented the report and advised that restructuring the teams in Infrastructure and Performance Improvement (formally ICT) will help FHG reflect a model that supports the updated Business Plan and supporting strategies. This report explains why the BLT are proposing making these changes and describes what the proposed new team will do.

The proposed restructure will separate the ICT function into two distinct teams but with overlapping strategic and operational requirements. The teams will be Infrastructure and Performance Improvement.

A Board member commented that whilst she thought it was a positive proposal, she felt that the current function name could be changed from Infrastructure and Performance Improvement.

A Board member commented that it would be useful to see the ratio of stock against staff costs. The DoFGA responded that the SHR uses the turnover to staff costs ratio as a benchmark using the 5-year Financial Plan submitted annually.

Agreed: The Board approved the restructuring of the ICT team and backfill as necessary the associated vacant posts in the Operations and Housing teams subject to changing the name.

3.2 Strategic Options

Presenter: Chief Executive

At the Board meeting on 24 February 2024, the Board were advised of a cessation payment (██████████) being made to the Association following FHG's exit from the Fife Pension Funding in June 2023.

It was requested that BLT provided an options paper on how this money may be allocated in line with the Board's priorities.

Options for consideration

The following options were presented to the Board for consideration and prioritisation, following which a more detailed report will be prepared for the options selected. A list of options was presented as follows:

1. British Iron and Steel Federation (BISF)
2. Tenant well-being and welfare
3. Carbon Change/Net Zero
4. Property Purchases/Development
5. Fabric First (insulation and render measures)

All of the options were discussed in detail and in relation to the BISF properties it was important to establish the highest risk of BISF properties. It was agreed that this option would be explored to determine its feasibility, long-term viability and affordability.

A Board member commented that it would be good to see an option around investing in hard-to-let properties and other Board members agreed with this proposal.

Ricky McAulay left the meeting at this time.

The Chair summarised the discussions and it was agreed to keep and remove the following options and the CE will prepare a more detailed report to present to a future Board meeting:

1. British Iron and Steel Federation (BISF) – **Include in the report**
2. Tenant well-being and welfare – **remove but include in the annual budget**
3. Carbon Change/Net Zero – **Include in the report**
4. Property Purchases/Development - **remove**
5. Fabric First (insulation and render measures) - **remove**

Mr Chris Gray left the meeting at this point.

3.3 Agreed: The Board discussed the options presented and agreed on the options to be progressed by the BLT. Annual Return on the Charter (ARC)

Presenter: Director of Housing

The DoH presented the ARC for 2023/24 for approval before submission to the SHR by the deadline of 31 May 2024.

The SHR concluded a review of the Regulatory Framework recently and has announced that they will be reviewing the ARC indicators during 2024/25. This includes developing new indicators for tenant and resident safety. A short-term working group will be established to support the SHR in this and we expect consultation formally on the revised indicators later this year.

The expectation is that the new indicator evidence will be collated during 2025/26 and be included in the ARC submission due at the end of May 2026.

Customer Satisfaction

The overall customer satisfaction survey was carried out by an independent organisation and measured all aspects of our customer service. Over the last few years, we have introduced many processes to measure our performance in this area.

Repairs and time to complete

The time to complete emergency repairs has improved slightly in the last year. The time for non-emergency repairs has increased slightly, however, this performance is within our target of 10 days and benchmarks very well against associations around the same size as Fife Housing Association in the G8 peer group. A number of jobs for external works had to be delayed due to storms which then required additional work.

Scottish Housing Quality Standard and EESSH property condition

The main indicators resulting in failures are 35 (SAP) rating and 45 for electrical systems.

We have a full programme of Electrical Testing agreed upon and continuing in Quarter One of 2024/25. Failures have been partly through failure to access properties to carry out testing works despite a robust lettering and appointment system for works, and we have had to introduce forced access to some properties.

There was a discussion around the homelessness allocations in section 23.3 of the Appendix report and the number of nominations from the Local Authority and the DoH commented that a total of 158 applicants were matched against the 43 properties let to homeless applicants. This is in line with the SHR's guidance for completion of the ARC, in that, every referral is counted when allocating through a common housing register.

A Board member asked about the sustainment of tenancies on page 37 and there seems to be more abandonments. The DoH confirmed that the report provides a breakdown that there are no trends or concerns about the numbers, and the results do fluctuate significantly year on year.

Void property days and refusals

The number of days a property remains void has increased during 2023/24. We have recorded a higher number of deaths in the year and many of these properties had been previously bypassed for major works, this has resulted in more work requiring to be carried out during the void period. The turnover in trade colleagues has also impacted this indicator.

It was also pointed out that there was currently a Local Lettings Initiative being carried out in one of our areas to help mitigate antisocial behaviour activity in the area and help to create a more balanced community. As a result of this, we are taking longer to allocate these properties. We have seen some allocated in the first quarter of this year with longer than normal void dates which has increased our re-let time average and we expect this to continue into the second quarter of the year until all of these properties are occupied.

Agreed: The Board discussed and approved the Annual Return on the Charter for submission to the Scottish Housing Regulator by 31 May 2024.

3.4 Five Year Financial Projections: SHR Regulatory Return & 30 year Business Plan

Presenter: Director of Finance, Governance and Assets

The SHR requires each registered social landlord (RSL) to provide certain information each year, including a Five five-year financial Projection (FYFP) online by 31 May.

The five year plan is a subset of the 30 year plan and represents a snapshot in time, using the same underlying assumptions. The assumptions have been benchmarked against the G8 Group and are broadly in line with those comparators apart from rent increases which in general are lower than the previous business plan.

The plan includes sensitivity analysis for rent and costs associated with repairs, maintenance and operations..

The DoFGA invited questions and there we no questions received.

Agreed: The Board discussed the plan presented and approved the submission to the SHR and lenders.

3.5 **Loan Portfolio Annual Return**

Presenter: Director of Finance, Governance and Assets

Fife Housing Association (FHA) is required to submit an annual Loan Portfolio Return by the end of June.

The main change from the previous return is the repayment of £5.5m against the Revolving Credit Facility (RCF) and on-lending to Yourplace.

The DoFGA invited questions and there we no questions received.

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

3.6 **Membership**

Presenter: Chief Executive and Governance Assistant

The CEGA presented the report and advised that it is Fife Housing Group's Policy for all membership applications to be considered by the Board of Management.

A Membership form and a £1 fee was received from Mr Brian Lawson for consideration by the Board

To comply with General Data Protection Regulations (GDPR) the application has not been included for consideration, however, there are no known reasons for the application not to be presented for consideration.

The membership currently stands at 53.

A Board member asked how an application is reviewed before being presented to the Board and the CEGA responded that internal checks are done by the CEGA and DoFGA.

Agreed: The Board noted the contents of this report and approved the new membership application.

4 For Noting

It will be assumed that these papers have been read in advance and they will not, therefore, be outlined at the meeting. Members will be invited to move to questions/discussions of any key points. This will free up time for Strategic Discussion.

4.1 Operational Workplans update for Q4

Presenter: Chief Executive

The Board is recommended to note the contents of this report.

4.2 Minutes for homologation

- Governing body member annual review guidance
- Governing Body Members' Guide

The Scottish Federation of Housing Associations (SFHA) has advised that they are just about to review the above policies in June for potential minor changes and ask Board members to refrain from approving until then.

The changes made to the current drafts that were issued were also minor so there is no increased risk to the organisation by not approving now.

5 Other

5.1 AOCB

5.2 Date of next meeting:

Tuesday 2 July 2024 @ 4.30pm via ZOOM

Tuesday 13 August 2024 @ 4pm via ZOOM