

Minutes Strategic Board meeting

Date	11/02/2025
Time	16:00 - 18:00
Location	Zoom
Chair	Brian Fisher
Explanation	<p>Present:</p> <p>Mr Brian Fisher - Chair</p> <p>Mr Brian Gallacher - Vice Chair</p> <p>Mr Stephen Clark - Board Member</p> <p>Mr Rhodri Davies - Board Member</p> <p>Mr Ricky McAulay - Board Member</p> <p>Mr James Wilson – Board Member</p> <p>Mr Chris Gray - Board Member</p> <p>Ms Kirsty Noble - Board Member</p> <p>Mr Stephen Lynas - Board Member</p> <p>Mrs Juliet Hamilton Lee - 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>

1 Procedural

1.1 Welcome and apologies

Presenter: Chair

Apologies were received in advance from Ron Eldridge and no apologies were received in advance from Lynne Pascal.

1.2 Declaration of Interest

Presenter: Chair

There were no declarations of interest.

1.3 Minute of the previous meeting

Presenter: Chair

Agreed: The Board 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

The Chief Executive provided an update on the outstanding action points.

2 For Update

2.1 Chairperson's report

Presenter: Chair

Board conversations

The Chair advised that it is part of the regulatory requirements to have an individual Board discussion once a year. There has been significant work over the past month to prepare for the Board conversations, in particular the review and development of a revised self-assessment. The key changes are as follows:

- Minor changes to the skills that are self-assessed to align with 4 areas: Business, Housing, Tenant and Board with revisions to the ratings used.
- A revised self-assessment section to focus on "At the Board", "In between Board meetings" and "Self-development" with the assessment ratings amended to 4 point scale to encourage more self-reflection and support a consistent assessment by each board member.
- Minor amends to the questions on "How have you done over the year" to make them flow better and strengthen the questions to support development over the next year.

Board Share Training

The Chair provided the latest position for the agreed compulsory training and reminded Board members that the agreed completion date is 31 March 2025 (with new Board members having until 30 September 2025). If any Board members have been unable to access the portal please contact the CEGA.

Board Development Day

The agenda for the Board Development Day on 19 March 2025 at the Pitbauchlie House Hotel will be issued in due course.

Agreed: The Board noted the contents of the update.

2.2

Chief Executive's report

Presenter: Chief Executive

The Chief Executive presented the report and discussed the following:

Scottish Housing Regulator (SHR)

The Business Leadership Team (BLT) met with the SHR on 11 December 2024. Very positive feedback was received from them on our Business Plan including our main business activities. We continue to keep in contact with them to update on our Electrical Installation Condition Report (EICR) position.

Development

A meeting of the Fife Housing Association Allocation (FHAA) development group has confirmed that there will be no Fife Housing Association (FHA) development within 2025/26 essentially because of the reduced Scottish Government funding and pausing of our programme due to this. However, the process for assessing future developments has begun with the Strategic Housing Investment Plan (SHIP) remaining flexible, to accommodate partner requests within the available funding.

Housing Officers

The operational workload has been challenging as we've navigated a reduced team for more than a month in addition to a peak holiday season. We are tackling more and more social issues and property condition cases, driven by failed EICR accesses, dampness and mould in properties and RAG visits. This is increasing our enforcement levels in cases of this nature and we are likely to see more of these kinds of cases in court in 2025.

Brian Gallacher joined the meeting at this time.

A Board member asked about reporting the main issues that Housing Officers are dealing with such as damp and mould properties, estate management issues, court cases and Anti-Social Behaviour (ASB). It was agreed that the DoH and Chair would discuss this further outside the meeting. (ACTION – BG).

A Board member asked about the progress of the Universal Credit migration and the DoH confirmed that this remains ongoing.

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

2.3 Management Accounts

Presenter: Director of Finance, Governance and Assets

The DoFGA presented the management accounts and advised that trends from previous months are continuing, however, the volume of reactive maintenance and works appears to be slowing down.

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

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

2.4 Performance Dashboard

Presenter: Director of Housing

The DoH presented the performance dashboard and advised that there have been a few changes in terms of the overall indicators in each category.

There was a discussion about the lettable standard and in particular, the decor allowance, which allows tenants to decorate the properties to their own preference negating the need for our trade team to bring it up to lettable standard, but could be considered generous in comparison to other Registered Social Landlords.

The repairs completed right-first-time performance is still consistently below the target. Further analysis has been carried out and we have identified that follow-on jobs are an issue, this is being monitored closely. In addition, reduced resources during peak holiday times are having a significant impact on statistics.

There was a discussion around the reactive works and void numbers and this has been due to the availability of trades and more complex jobs required.

The DoH confirmed that the performance dashboard is currently being reviewed so that it is more visual and is working with the Chair and other Board members to receive their input.

A Board member asked about contractor performance and the DoO confirmed that there are new processes in place to monitor and agree on actions to improve performance.

A Board member asked if we have looked at modern ways of painting properties such as airless spraying and the DoO confirmed that they would investigate this further. (ACTION – COD).

Agreed: The Board discussed this update and noted performance to 31 December 2024.

2.5 Audit & Risk meeting verbal update

Presenter: Audit and Risk Convenor

The Audit and Risk Convenor provided a verbal update on the recent meeting and advised that the meeting was well attended and the Committee received a presentation from Azets, our internal auditors, on the Fife Housing Group (FHG) Staff Learning and Development Audit and advised that there are well-designed and effective processes in place to ensure successful staff learning and development within the organisation.

The DoFGA presented the insurance renewal and advised that the renewal has increased by 2.5% this year (£20k increase) and renewed as of 1 February 2025.

There was also a discussion regarding the pressures of the recent storm resulting in approximately 85 roof repairs and approximately 50 fence repairs.

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

3 For Approval

3.1 Draft Budget

Presenter: Director of Finance, Governance and Assets

The DoFGA presented the report and advised that the draft budget for the financial year 2025/26 is being presented to the Board for consideration and approval. This report outlines the process, assumptions and limitations associated with the 2025/26 budget.

The budget has been created through a zero-based approach carefully considering the impact of numerous streams of work and emerging trends on inflation, to meet the business objectives and current business plan. The Business Leadership Team (BLT) has reviewed and recommended the draft budget to the Board.

The budget has been prepared using a rent increase figure of 5% for all properties, however, this may change depending on what the Board decide.

The Revolving Credit Facility (RCF) of £10, which was originally drawn in 2019, has now been repaid leaving only the £45m fixed rate loan outstanding. The RCF is in place to enable the development of properties. There will be no repayments towards the £45m loan as this would incur penalties which would exceed any benefit to reducing the loan interest.

The DoFGA confirmed that there are no issues with the covenants and no deviation from the original Business Plan. The MCR spend has been aligned to the 2017-2019 Stock Condition Survey (SCS) as results of the current ongoing SCS are yet to be completed in any significant numbers to alter the plan.

There was a discussion about the Kitchens and Bathrooms being carried out in-house and the significant savings achieved by doing so.

Agreed: The Board approved the draft budget for 2025/26.

3.2

17:13

Rent Setting Options 2025/26

Presenter: Director of Housing

The DoH advised that the purpose of this report is to set out possible options for the Board to consider regarding rent setting for the financial year 2025/26 for Fife Housing Association Limited (FHA).

The Board is being asked to consider the information provided in this report and set the rent increases from 1 April 2025 for mainstream properties, factoring fees, lock-ups and garage sites to meet the strategic aims. The chemist shop in Dysart, our only commercial property will be assessed for an increase after assessing the local retail market.

A rent increase of 4.00% has been assumed in the Association's approved Business Plan. Following the issue of the Rent Consultation Report in early November 2024, the Board decided to consult with tenants on one rent increase proposal of 4.00%. However, following the announcement in the budget to increase National Insurance rates for employers, which will increase by £101k per annum, the Board reviewed their decision and decided to consult on a 5.00% rent increase proposal.

Consultation with all of our tenants on the proposed rent increase for the financial year 2025/26 was completed on 29 November 2024. The full outcomes from this rent consultation are shown in Appendix one of the

report. To summarise, 26.1% agreed with the increase, 48.9% disagreed and 25% were neutral. All comments made by tenants as part of the consultation process have been passed to our Operational Team Leaders and responses to all of these were completed by 31 December 2024.

As Board members will be aware the Rent Affordability Group was resurrected in 2022 and part of the work the group undertook was to look at rent affordability across our stock. Outcomes identified that FHG rents for properties of 3, 4 and 5 bedrooms were around 10% higher than other social landlords in Fife. This equated to almost 50% of our stock. During this year's Rent Affordability Group discussion, the consensus was that a further cap should be taken into consideration from April 2025, which would help align our rents more appropriately. The Board are asked to debate the proposal to cap rent on our larger properties.

It was acknowledged that a decision must be agreed upon by Board members at the meeting as there is a strict timeline to follow to ensure that this is communicated with tenants by the end of this month.

The Board discussed the following approvals:

Review rent for the pharmacy

The DoH advised that the rent is reviewed every 5 years and it is proposed to retain the rent at its current rate of £14k per annum and this has been the same for the past 10 years, and is based on the local retail market

Board members approved for the rent to remain the same.

Set the rent increase from 1 April 2025 for mainstream properties, factoring fees, garages and garage sites

Board members debated this in great detail and in particular, Board members were mindful of the cost of living issues facing tenants through the consultation feedback. Members from different sectors supported differing levels of increase, with those within the housing sector indicating that a 5% was low in comparison to many Registered Social Landlords and Local Authorities.

A Board member asked if we were able to review the comments received from tenants on last year's rent consultation and compare it with this year to ensure that it was not the same feedback being received. The DoH confirmed that this is reviewed as part of the process.

After much discussion and debate, the Board approved the rent increase for 2025/2026 of 4.5% for garages, garage sites, factoring fees and all properties that have 1, 2 or 3 bedrooms. The DoFGA confirmed that they would run the impact of 4.5% on the Business Plan. (ACTION: DB)

Consider whether to cap the increase of larger properties' rents to below the agreed increase for all other properties for 2025/26.

There was a discussion around the larger properties and how they compare to other associations and there was a debate that all properties should remain affordable irrespective of size.

A lower increase of 4.00% will be applied from 1 April 2025 for larger properties with 4 bedrooms or more. This ensures our larger property rents are more aligned with our peers.

Agreed: The Board discussed and approved the following:

- **Noted the consultation process which has taken place;**
- **Reviewed rent for the pharmacy and agreed that there will be no change to the annual rental rate;**
- **The Board approved the rent increase for 2025/2026. The increase for garages, garage sites, factoring fees and all properties that have 1, 2 or 3 bedrooms will increase by 4.50% from 1 April 2025.**
- **Agreed a lower increase of 4.00% will be applied from 1 April 2025 for larger properties with 4 bedrooms or more.**

3.3 Colleague Handbook

Presenter: Director of Operations

The DoO presented the Colleague Handbook and advised that the handbook is reviewed on an annual basis and was last updated in March 2024. The report sets out some further updates to the handbook including some legislation changes in relation to sexual harassment that came into effect in October 2024.

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

Agreed: The Board discussed and approved the updated Colleague Handbook.

3.4 Shareholding membership

Presenter: Chief Executive and Governance Assistant

The CEGA presented the report and advised that this report brings the Board up to date with members who have broken the '5-year rule'.

A full review of the membership register found that 6 members have not met the 'five-year rule' and, therefore, their membership automatically terminates. The members have the following share numbers: 361, 486, 487, 546, 547, 548.

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

4 For Noting

4.1 Minutes for noting

- Yourplace Meeting minutes

Agreed: The Board noted the meeting minutes.

4.2 Operational Workplans Q3 update

Presenter: Chief Executive

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

5 For homologation

Meeting minutes

- Audit and Risk Committee minutes
- Colleague and Governance Committee virtual meeting
- SFHA fees virtual meeting

Policies:

- Yourplace Strategy
- SFHA Governing Body Guidance

Agreed: The Board homologated the contents of the virtual meeting minutes and policies.

6 Other

6.1 AOCB

Octopus Energy

A Board member provided an update on a recent presentation that they attended on Sustainability and agreed to share the presentation slides with all Board members. (ACTION: BG)

6.2 Date of next meeting

Board Development Day

Wednesday 19 March 2025
Pitbaulie House Hotel

Strategic Board Meeting

Tuesday 25 March 2025
Via ZOOM