

Agenda Confidential Strategic Board meeting

Date	27/05/2025
Time	15:00 - 18:00
Location	Pitbauchlie House Hotel
Chair	Brian Fisher
Explanation	<p>Present:</p> <p>Mr Brian Fisher - Chair</p> <p>Mr Brian Gallacher - Vice Chair</p> <p>Mr Ron Eldridge - Board Member</p> <p>Mr Stephen Clark - Board Member (virtually)</p> <p>Mr James Wilson – 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 Officer (CEO)</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>Mrs Christine Dolan - PA & Governance Officer (PGO), Secretariat</p> <p>Mrs Linda Ewart – Governance Consultant (Collective Board Assessment Only)</p>

Collective Board Assessment

Presenter: Linda Ewart
3pm - 4pm

The Chair and Mrs Linda Ewart (LE) presented the results of the Collective Assessment and Skills Audit and highlighted key gaps of knowledge under three areas:

Housing, Property and Development

- Experience in holding a tenancy
- Public Sector Partnership working

Tenants, Community and Neighbourhood

- Involvement with community
- Knowledge of developments and communities served by Fife Housing Group (FHG)

Board Skills

- Regulatory requirements from the Scottish Housing Regulator (SHR)

The Chair encouraged professional curiosity and urged Board members to utilise resources available including: the Business Leadership Team (BLT), online training, and the Scottish Federation of Housing Associations (SFHA) and SHR websites, to gain a better understanding of the sector regulations and policies in practice.

Board members were reminded to ensure they are checking their emails for communications and updates between meetings and to ensure any points of understanding are raised with the BLT prior to Board meetings. The structure of future Board meetings will be reviewed to ensure papers and the subjects covered align with the key focus areas.

A review of the current Committees will take place, including reviewing the current Colleague and Governance Committee, which is not currently being fully utilised. It is imperative to ensure that as the business evolves, there is a plan in place to ensure the governance procedures grow and adapt with it. The CEO advised that the Standing Orders and Financial Regulations are currently due for review and this will be taken into consideration.

The Board discussed the changing political landscape and acknowledged that this is a shared responsibility. A Board member asked if there was a method of sharing information other than by email and the CEO confirmed that Slack is being introduced as a communication sharing platform.

Mrs Juliet Hamilton-Lee joined the meeting at this point.

LE stressed the importance of Board members having a broad understanding of the business including; the current profile, who the tenants are, community pressures, and current waiting lists. It was noted during discussions that Board members would appreciate tours of FHG stock. This is offered at recruitment stage, however, not often picked up by new Board members. The Chair suggested Board members take a self guided stock tour.

Agreed: The Board discussed the presentation and will receive a copy for their comments and approval.

Mr Stephen Clark joined the meeting virtually at this point.

Mrs Linda Ewart left the meeting at this point.

1.1 **Welcome and Apologies**

Presenter: Chair

The Chair welcomed everyone to the meeting and advised that apologies were received in advance from Mr Rhodri Davies, Mr Chris Gray and Mr Ricky McAulay.

1.2 **Declaration of Interest**

Presenter: Chair

There were no declarations of interest.

1.3 **Leave of Absence - Kirsty Noble**

Presenter: Chair

The Chair advised the Board that a request has been received from Miss Kirsty Noble for a six month leave of absence for personal reasons.

Agreed: The Board approved the request for a leave of absence for Kirsty Noble.

1.4 **Minute of the Previous Meeting**

Presenter: Chair

Agreed: The Board approved the minutes of the previous meeting

1.5 **Matters Arising**

Presenter: Chair

There were no matters arising that were not already on the agenda.

1.6 **Action Points**

Presenter: Chief Executive Officer

Action 1241: Benchmarking Working Group

Although this item is not due until 2027, the BLT are keeping this action on their objectives to ensure a good lead in time.

Action 1292: Housing Issues

The CEO advised this would be covered in the Housing Activities report by the DoH. This action can now be closed.

Action: 1242: Property Sustainability

An agreed approach will be discussed with the Board at a later date.

2 For Update

2.1 Chairperson

Presenter: Chair

The Chair presented the update and advised that he, the CEO and the DoFGA will be interviewing five Board candidates on 28 May 2025. These candidates provide a good mix of Finance, IT and Customer Service skills.

Some Board members appear to have ongoing difficulties logging into either, or both, FHG email, and the Share training platform. The Chair pressed Board members that if they are having difficulties, to contact the PGO who will assist in resolving.

The Chair invited questions and none were received.

2.2 Chief Executive Officer

Presenter: Chief Executive Officer

Scottish Housing Regulator (SHR)

The SHR met with the Chair, CEO and DoFGA on 21 May 2025 to discuss the process that FHG follows when preparing the Annual Assurance Statement (AAS)

The meeting went well, with a couple of action points for FHG including further information to be added to the Evidence Bank.

The SHR asked how FHG involve tenants in the AAS process to which they were advised that we have a Resident Voices group, although they are not directly involved in this process. It became apparent during the conversation, that no other housing associations have evidenced tenant involvement in this process.

Another minor point raised by the SHR was around minute taking, they noted there were some differences in style between the minutes over time. The CEO believes this may have been due to the changes made to comply with the SHR's meeting guidance, therefore, minutes produced in the most recent months will differ slightly from minutes produced prior to the SHR guidance being issued.

The Chair is keen to review the current process for the AAS and put together a clear document detailing the process so that it can be provided to the SHR during any future visits. The process can be continually updated and refined if there are changes to guidance or legislation. He also suggested that testing, currently completed during the Audit and Risk Committee meetings, should be done at Board level as well.

A Board member suggested that the AGM is an opportunity to include Resident Voices and the CEO agreed, however, despite the best efforts of the Communications and Engagement team, there continues to be difficulty in getting tenants to attend.

Fife Housing Association Alliance (FHAA)

The Core 2025/26 programme is £[REDACTED] with the Fife region share of this programme as at April 2025 as follows:

- FHAA - £[REDACTED] (49%)
- Fife Council - £[REDACTED] (51%)

Figures include overprovision to allow for slippage.

The programme includes an allowance for acquisitions by FHAA – six each for Ore Valley Association and FHG. We do currently have projects ongoing and this allows us to bring these forward.

A Board member asked if there was a possibility of further acquisitions beyond six and the CEO advised that if other associations do not use their allocation then there is a possibility it can be reallocated.

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

2.3

Management Accounts

Presenter: Director of Finance, Governance and Assets

The DoFGA presented the Management Accounts and advised this was for the 12 months up to the end of March 2025.

There continues to be ongoing issues around maintenance including voids, reactive repairs, and damp and mould. An amendment to the budget paper has been approved by the Board to recognise these ongoing issues. Procedures have been put in place to bring costs back down including cutting back on the use of contractors.

A Board member asked how we intend to monitor the success of damp and mould provision and whether there are instances of damp and mould re-emerging.

The DoO advised her team complete an analysis of the percentage of reoccurring cases annually, and a report will be made available to the Board for the next meeting to show trends of the last few years.

Action: The DoO to prepare a report showing the percentage of reoccurring damp and mould cases.

A Board member asked if there had been an increase in spending on power tools over the last financial year and the DoO explained that there had been changes in health and safety legislation, therefore, we had to invest in new power tools to comply.

A Board member asked about the difference in the spending for planned electrical works, which is significantly less than the amount budgeted for, and what the reasons were for this. The DoFGA explained that the £155k in the table was the annual budget and the £38k was the underspend, so there was not an underspend of £118k. The underspend of £38k relates to the timing of programmed works being delayed because of contractor availability.

A further question was received from a Board member, who asked, if there had been an overspend on Energy Performance Certificates and Stock Condition Surveys to get ahead of the curve, the DoFGA confirmed that we are trying to do as many as possible to ensure we have a good picture of all our properties that can then inform the business plan.

A Board member also observed that there had been an underspend on the PR and Marketing budget and asked whether this could have been used to encourage more tenant engagement. The DoH explained that when setting the PR Marketing budget the team will include all the activities the team wish to achieve over the year, however, if funding is received, they will use this, instead of the budgeted amount, which can result in what appears as an underspend.

The Chair asked if the Communications and Engagement team successfully achieved all their targets for 2024/25 and the DoH confirmed that they had.

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

2.4

Performance Dashboard

Presenter: Director of Housing

The DoH presented the performance dashboard and noted that the 46 indicators are not ARC indicators.

The only exceptions listed in the report are voids and reactivates, and performance is being closely monitored by both the BLT and supervisors.

Void loss has been improving and we are now confident in the stats we are providing for Scottish Housing Quality Standard (SHQS).

A Board member noted that 82 emergency repairs did not meet target and is keen to understand why this is the case and whether this will have an impact on the organisational reputation.

The DoO explained that the repair target for emergency repairs is four hours and we met that target. The repairs out of target were routine repairs (non-emergency), where our internal target is 10 days, while the regulatory target is 15 days. Measures are in place to get repairs down to where we would want them internally. The Chair is keen to ensure that the Board has access to a business view of these figures versus an ARC view to gain a better understanding of the targets and how FHG meets these targets or otherwise. It was noted that some internal targets set are stricter than regulatory set targets.

The Chair notified Board members that a session would take place in December 2025 to look further at how targets are set and how they compare to other housing associations.

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

2.5

Housing Activities 2024-25

Presenter: Director of Housing

The DoH presented and summarised the housing activities report for 2024/25 for activities not reported through the ARC.

The DoH highlighted that we are now in year three of The Big Idea Project and over the previous two years this has resulted in £514k of financial gains for tenants from the Income Maximisation

Officer's advice, £348k of which is related specifically to FHG tenants. Funding for this ends on 31 March 2026.

Since compiling the report, the DoH has been advised that we have been successful in securing £96k of funding for a Tenancy Support Worker. This partner project will align with The Big Idea project.

The DoH gave an overview of upcoming events and advised that these events can be found in our newsletter. The Board are encouraged to attend and volunteer at these events.

The next Giving Something Back event will be in September 2025 and the Chair will be asked, alongside a member of the BLT, to judge.

A Board member asked if there had been occasions where colleagues had been subject to any physical abuse.

The DoH advised there are no cases of physical abuse, however, colleagues frequently receive verbal abuse. Procedures are in place to ensure colleague safety and wellbeing.

A Board member asked if we have any vulnerable tenants, such as those who are in women's aid refuge.

The DoH confirmed that we do and that we work with colleagues and agencies to support those individuals and families to ensure we visit at the most suitable time for them and in the most productive way.

A Board member noted that this information would be good to know from an assurance point of view.

Agreed: The Board discussed and noted the update report.

2.6

Audit and Risk Committee (verbal)

Presenter: Convenor of Audit and Risk Committee

The Audit and Risk Convenor provided a verbal update on the recent meeting and advised that the meeting was well attended.

The Committee received a presentation from WBG, our external auditors, who went over the audit plan for 2024/25 and this was agreed by the Committee. Also in attendance was Azets who provided four internal audit reports. There were two minor outstanding actions regarding anti-social behaviour, but overall,

Azets were pleased with the outcome and provided reasonable assurance, which is the highest level they can offer.

TIAA has been successful as our new internal auditor for the next three years and will be sending over a plan for review.

The Convenor invited questions and none were received.

Agreed: The Board discussed and noted the content of the verbal update.

3 For Approval

3.1 SHR Loan Portfolio Annual Return

Presenter: Director of Finance, Governance and Assets

The DoFGA presented the report on the SHR Loan Portfolio Annual Return and explained this has to be submitted in a specified format by 31 May 2025 following Board approval.

The report looks at borrowing, undrawn balances and loans, loan covenants and inter-group financing. The only notable difference from the previous financial year relates to Yourplace property purchases.

The DoFGA invited questions and none were received.

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

3.2 Five Year Financial Projections

Presenter: Director of Finance, Governance and Assets

The DoFGA presented the report and explained that this return is a requirement of the SHR and sets out the five year financial plan and is a subset of the 30 year business plan, therefore, uses the same underlying assumptions.

The draft plan replicates the prior years assumptions, apart from the annual rent increase for 2025/26 which has changed from 4% for all properties, to 4% for properties with 4 bedrooms or more, and 4.5% for all other properties, to compensate for the increase in Employer National Insurance (NI) implemented from 1 April 2025. The sensitivity analysis has used standard variations in

assumptions and has been informed by prior years plans and financial performance in 2024/25.

The DoFGA noted an error within the report which states rental income change at sensitivity level 2 at 2.5%, but confirmed this should be 3% for 2026/27, and 2.5% thereafter. This is just a typo and does not affect the underlying business plan figures.

Based on the assumptions, the five and thirty year cashflow statement show that cash remains positive, with in year movements significantly affected by repayment of the loans.

Assumptions are based on the information available from the Government and lenders and FHG aims to take a balanced view of risks. Long term plans have an element of estimation, but are informed alongside advice from others, FHG benchmark against the G8 and are broadly in line with comparators.

A Board member asked if the regulator often comes back with any questions or feedback following the submission and the DoFGA advised they only usually come back if there has been any significant changes.

A Board member asked about Energy Efficiency in Social Housing (EESH) 2 and specifically the properties that will not meet the “B” Energy Performance Certificate (EPC) rating and how we come to that conclusion. The DoFGA advised that we use a system called SAVA which has all the EPCs in it, and this is used to determine which actions will get the best output and subsequently built into the business plan.

The Board discussed the risks attached to EESH 2 and the uncertainty around how the Scottish Government will deal with social rented properties that are unable to meet Net Zero requirements.

Action: The Chair advised this warrants a deeper discussion and a separate session will be arranged at a future date.

Agreed: The Board discussed and approved the Five Year Financial Plan for submission to the SHR.

3.3

Annual Return on the Charter (ARC)

Presenter: Director of Housing

The DoH presented the contents of the report to the Board and explained this is an annual report covering 2024/25 and sets out FHG's performance against the Scottish Social Housing Charter.

Members of the Board were invited to a session prior to the Board meeting for a full presentation of the report. The DoH thanked those who attended and invited further questions.

A Board member noted that approximately 5 – 6% of lets are going to transfer tenants which seems quite low and asked if FHG has any concerns about tenants waiting lengthy periods of time to be more suitably housed.

The DoH advised that this is not a concern and that FHG has a 15% quota for transfers but only 50% of this is for our own tenants to within FHG properties, due to the inter-organisation transfer system within Fife. The slight reduction this year, may be explained by the concentration of combating homelessness over the previous year.

A Board member asked if there were plans to undertake another tenant satisfaction survey and the DoH confirmed that following a tender process, Knowledge Partnership has been contracted to do this, and will be interviewing tenants in June and July 2025.

Agreed: The Board discussed the contents of the report and approved the Annual Return of the Charter for submission to the SHR.

3.4

Strategic Risk Register

Presenter: Director of Finance, Governance and Assets

The DoFGA presented the Strategic Risk Register and advised that following review, the recommendations are that scores stay the same as the previous year. The DoFGA recognised that markets are nervous so he is keeping an eye on financials, but it is difficult to assess risk.

The DoFGA had noted on the paper that the level for the adaptations budget has increased this year, despite having been reducing significantly in previous years. This allows funds to be made available for the implementation of 12 new wet rooms. The DoFGA advises caution, as although we are to receive that amount this year, it may reduce again in subsequent years.

A Board member noted the ongoing risk of the Scottish Government implementing rent controls and the CEO agreed that

this appears to be high on the agenda for politicians and is something that we are keeping a keen eye on and that has been accounted for in the Business Plan.

Agreed: The Board discussed and approved the Strategic Risk Register.

3.5

ICT Strategy

Presenter: Director of Finance, Governance and Assets

The DoFGA presented the report and explained that this sets out the digital transformation roadmap to support the organisation's vision of delivering high-quality, value-for-money services, to tenants and customers. It outlines a clear framework for enhancing operational effectiveness through modernised, secure, and user-focused ICT infrastructure. This strategy covers the period 2025–2029.

The strategy aims are to remain flexible and adaptable, due to ever changing technology including AI. Three projects have been identified within the strategy, however, the DoFGA will be researching the cost and capability of AI for use within FHG over the next year, and will report his findings to the Board at the end of this period.

The Board is supportive of further research into the use of AI within FHG, and agrees there is a place for this, however, it must be properly scrutinised before implementation.

Action: The DoFGA to research the cost, use, and timeline of AI.

Agreed: The Board discussed and agreed the ICT Strategy 2025-2029 on the basis that the DoFGA provides further information on the cost, use, and timeline of AI by 31 March 2026.

James Wilson left the meeting at this point.

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

Minutes for Noting

Yourplace Meeting Minutes

Agreed: The minutes of the Yourplace meeting were noted.

4.2 Operational Workplans Q4 Update

Presenter: Chief Executive Officer

Agreed: The Operational Workplans Q4 Updated were noted.

4.3 For Homologation

Draft Budget
Legionella Policy
Service Charge Policy
Procurement Policy
Anti-fraud Policy

Agreed: The Draft Budget and Policies were homologated.

4.4 Operational Workplans 2025/26

Presenter: Chief Executive Officer

The CEO presented the Operational Workplans for 2025/26.

Agreed: The Board noted the contents of the report.

5 Other

5.1 AOCB

GDPR Policy

The DoFGA presented the updated GDPR Policy and invited questions from Board members.

A Board member asked the following questions relating to the policy:

- The reference to the EU has been deleted in the initial summary but there are still references in some sections of the document to the EU and the 2018 date. The UK GDPR regulations came into play in 2021, should some of the references have been updated?
- In the initial summary we should include wording that gives leeway if the 2021 legislation is amended.
- In section it refers to a DSAR being completed within one month and in another on 20 working days

- In Appendix two it states it was last amended in 2018, at a minimum it should have been reviewed against the 2021 legislation.
- In Appendix two it states that the security application Avast Cloudcare will be used. The reference to a specific software should be removed.

The DoFGA will update the policy to reflect the above.

Agreed: The Board discussed the updates and approved the GDPR Policy.

Corporate Social Responsibility Statement

The DoFGA presented the updated Corporate Social Responsibility Statement.

Agreed: The Board discussed the updates and approved the Corporate Social Responsibility Statement.

Notifiable Event 31289

The CEO notified the Board that the matter of dismissal of an employee has now been settled out of court and the sum of £2k has been awarded and will be covered by our insurance company, with a small excess to be paid. The award value had been agreed with the Chair in advance of the settlement being made.

Agreed: The Board discussed the update and agreed with the outcome.

5.2

Date of Next Meeting

Tuesday 12 August 2025 @ 4pm
Online via Zoom