

Confidential Strategic Board meeting Minutes

Date	27/01/2026
Time	16:00 - 18:00
Location	Zoom
Chair	Brian Fisher
Explanation	<p>Present: Mr Brian Fisher – Chair, Mr Ron Eldridge - Board Member, Mr Stephen Clark - Board Member, Mr Rhodri Davies - Board Member, Mr Ricky McAulay - Board Member, Mr Stephen Lynas - Board Member, Mrs Juliet Hamilton Lee - Board Member, Mr Andrew Wilson - Board Member</p> <p>In attendance: Mrs Nicki Donaldson - Chief Executive Officer (CEO), 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)</p> <p>Mrs Christine Dolan - PA and Governance Officer (PAGO)</p>

1 Procedural

1.1 Welcome and apologies

Presenter: Chair

The Chair welcomed everyone to the meeting. Apologies were received from Jayne Currie. No apologies were received from Kathy Gourlay and Chris Gray.

1.2 Declaration of Interest

Presenter: Chair

There were no declarations of interest.

1.3 Minutes of the previous meeting

Presenter: Chair

Agreed: The minutes of the previous meeting were approved.

1.4 Matters arising

Presenter: Chair

There were no matters arising not already on the agenda.

1.5

Action points

Presenter: CEO

1241 – Benchmarking Working Group

There is no update for this action as the deadline is 2027.

1452 – Permanent Establishment of Income Maximisation Officer (IMO) and Tenancy Support Officer (TSO)

The DoH reminded Board members of the discussion at the previous meeting regarding bringing the IMO and TSO functions in-house from 1 April 2026. These posts are currently temporary, jointly funded positions through the Fife Housing Association Alliance (FHAA).

The FHAA has since expressed an interest in continuing to share these services, which is currently being explored in terms of cost and service implications. The DoH will prepare a report for presentation to the Board later in the year.

Agreed: The Board discussed and agreed to review this position later in 2026.

1242 – Property Sustainability

There is no further update, and the action deadline is May 2026.

A Board member sent some suggestions via email to the DoFGA and asked if these were useful. The DoFGA confirmed that all suggestions are considered, however, they would need to be risk-assessed. The DoFGA encouraged Board members to continue to send suggestions.

1380 – Session to Discuss EESSH2

The CEO confirmed that Nick Clark, CEO of Ore Valley Housing Association, will deliver a presentation to the Board during the Strategy Day in March 2026.

1387 – AI Report

There is no further update and the action deadline is March 2026.

2

Chair Update

2.1

Chair's report

Presenter: Chair

The Chair provided a written report and highlighted the following areas:

Board Composition

James Wilson has tendered his resignation effective from 14 January 2026.

Brian Gallacher has requested a six-month leave of absence for personal reasons.

Agreed: The Board unanimously approved a six-month leave of absence for Brian Gallacher.

The Chair and CEO interviewed Mr David Reynolds, who has accepted a place on the Board. He will attend the Strategy Day as well as the March 2026 Board meeting as an observer.

Board member 1-2-1s

Board member 1-2-1s will take place in March 2026, and the paperwork will be issued within the next couple of weeks to assist Board members with preparing for these meetings.

The Chair invited questions, and none were received.

3 For Approval

3.1 Draft Budget 2026/27

Presenter: DoFGA

The DoFGA gave an overview of the Draft Budget for 2026/27 and highlighted that a surplus of £2,583k is expected compared to a budgeted surplus of £2,478k in 2025/26, an increase of £60.1k.

The Capital and Major Component Replacement (MCR) expenditure is higher than in previous years and this is primarily due to the British Iron and Steel Federation (BISF) property improvements.

Due to the investment in the BISF properties, the interest cover is 165% which is lower than previous years and will need in-year management to ensure loan covenant compliance. The aim is to get as much through the 2025/26 budget to increase the headroom over the 110% covenant for 2026/27.

The DoFGA explained that the costs shown within the budget take a cautious view.

A Board Member asked if it would be sensible to compare the 2026/27 budget against the 2025/26 forecast, and the DoFGA

confirmed that ideally this would be the case, however, the timing of the budget preparation is at the end of period 6 and, therefore, the forecast can be subject to significant change. In order to mitigate any significant deviations from outturn to next year's budget a review is carried in March of each year.

A further question was raised regarding the direct maintenance costs and the management costs, particularly regarding a £2million gap in terms of what has not been analysed. The DoFGA explained that this is reconciled further in the report, however, for future budget papers, the table provided will be separated into the functional elements for ease of reconciliation.

A Board Member asked if there was confidence that the 2026/27 direct maintenance budget would be lower than the 2025/26 forecast, and the DoFGA explained that the normal approach is to take a zero-based budget and consider any trends. The first six months of 2025/26 incurred higher spend than expected, however, since then, costs have been coming down. Using the present forecast, this looks reasonable, however, there are another three months to go, and, therefore, these costs will be reviewed in March 2026.

Agreed: The Board discussed and approved the Draft Budget for 2026/27, subject to a further review to take place in March 2026.

3.2 Rent Setting Options 2026/27 (22 mins)

Presenter: DoH and DoFGA

The DoFGA presented the Rent Setting options for 2026/27 and reminded Board members about the need to ensure there is sufficient income from rent to meet the business plan. The business plan suggests a 3% annual increase, however, the DoFGA referred back to the draft budget, where it was highlighted that costs are increasing.

The DoH explained that the chemist shop in Dysart, Fife Housing Group's (FHG) only commercial property, will be considered for an increase after assessing the local retail market.

Historically, factoring fees have increased in line with property rent. The DoH gave an overview of the factoring income and the breakdown of how rent is charged. Feedback from tenants is that although rent is increased annually, there are no improvements made to the lock-ups, and this is something that is being reviewed,

and a paper will be presented to the Board regarding lock-ups during 2026.

Mr Stephen Lynas joined the meeting at 16:28.

Tenant consultation on rent took place in October and November 2025 for either 3.5% or 4% increase. There were 300 returns, which is approximately 11% of tenants and 92.7% supported a 3.5% increase, with the remainder supporting 4%. Of the returns 75.6% of tenants understood the reasons for the rent increase.

Comments and feedback received have been shared with the Operational Leadership Team (OLT), who will arrange for the tenants to be contacted with a suitable response.

FHG has been consistently lower with rent increases in recent years, however, it should be noted that a rent harmonisation project was undertaken for larger properties to bring them back in line with other Housing Associations. Compared to other Registered Social Landlords, a 3.5% increase would be one of the lowest increases, with the average increase being 5.06%.

The DoH explained that every 0.5% in rental income equates to approximately £79k difference.

A Board member referenced the feedback and comments from tenants and asked if this was from one demographic or if it was across the board. The DoH advised that it was across the spectrum of our tenants and properties and that the consultation goes to everyone in the property, therefore, it is likely that if one member of the household has a complaint, then the others will likely have the same complaint.

The Board discussed the increase in maintenance costs and noted that implementing a 3.5% rent increase would not fully cover these additional costs. The DoFGA confirmed that, if maintenance costs continue to rise at the current rate, this would result in an additional £6 million of costs within the current business plan over 30 years. The Board also noted that other costs may also increase during this time.

The DoFGA explained that a cautious view is taken when estimating maintenance costs, however, they were particularly high during early 2025/26, and these have now stabilised. The Business Leadership Team (BLT) are confident that this will continue with the recruitment of the new Operations Manager.

A Board member felt that, as the majority of tenants voted for a 3.5% increase, it was correct and fair to implement this. For future consultations, the Board agreed that having as much information prior to setting the consultation rates would be required to allow meaningful discussion and to ensure that we were consulting on figures that would cover current and future costs.

Agreed: The Board noted the Rent Consultation process for 2026/27 and approved a 3.5% rent increase for mainstream properties, factoring fees, garages and garage sites. The Board approved a review of the rent for the commercial property, and authorised officers to apply the rent increase following the review.

3.3

Strategic Funding Options (verbal)

Presenter: CEO

The CEO provided a verbal update and notified Board members that a report will be presented at a later date.

The CEO sought confirmation from the Board about their preference for the remainder of the Fife Council Cessation payment, which is currently £1.2million. The Board had previously discussed and agreed that £500k should be kept in an interest-bearing account and that interest would be used for the benefit of FHG tenants.

There are two areas currently being considered as part of this project, the first being sustainability, which will be discussed in more detail during the Strategy Day in March 2026. The second is the lock-ups. As discussed during the rent consultation, rent is increased annually, but no improvements have been made to their condition.

The Board discussed the condition of the lock-up sites and ongoing estate issues, as well as the possibility of developing for housing. The DoH said that while all options should be considered, the garage sites are a good source of income for FHG.

A Board member asked if there were any other projects that the remainder of the money could be allocated to, and the CEO confirmed that while there was, none of the projects require a large investment and would likely be covered by the annual budget. The Board also discussed the possibility of further acquisitions to the portfolio.

A Board member asked what the current rate of interest rate was and the DoFGA confirmed that it is currently in a business instant access account with a relatively low rate of interest. However, he would get more information about the 90-day access account and report back the interest rate for that and what difference that would make to the annual interest.

Action: CEO to prepare a report to be presented to Board with the different options for allocation of the remaining funds circa £700,000.

Action: The DoFGA to confirm the rate of interest in the 90-day access bank account, and the annual return expected.

Agreed: The Board agreed to retain £500k reserved for use for the tenants as previously set out.

Mr Stephen Lynas left the meeting at 17:28.

3.4 **Property Acquisitions Report**

Presenter: DoH

The DoH presented the report on Property Acquisitions and advised that as lead developer, the FHAA agreed to set aside £300k of development grant for Fife Housing Association (FHA) property acquisitions from their funding allocation from Fife's development plan.

The DoH reminded the Board that the BLT has delegated authority as per the Standing Orders and Financial Rules for authorising in principle the purchase of property for FHA up to a limit of £1million, however, any capital property purchase in excess of £100k requires Board approval.

Over the previous three-month period, FHA has purchased five properties, three of which are over the £100k threshold. One purchase, in Kirkcaldy, completed in November 2025, and, therefore, the DoH sought retrospective approval from the Board.

The two other properties over £100k have had verbal offers approved, but have not yet completed.

A further property has also been identified, which will require Board approval. The DoH will issue a report to the Board before completion, with the decision to be homologated at the next Board meeting.

The Standing Orders are currently being reviewed by the DoFGA, and the £100k authority level, with Board approval, will be adjusted to reflect market trends over the last few years.

The Board discussed setting up a smaller group to authorise property acquisitions and agreed that this is something the Emergency Committee could have responsibility for. The Standing Orders will be updated to reflect this.

Agreed: The Board gave retrospective approval for the property purchased in November 2025. The Board also gave authority for two further purchases over £100k and noted the additional two purchases under £100k. In addition, the Board agreed that the DoH will have delegated authority to make offers over £100k, following which a report will be issued to the Emergency Committee for a decision. A formal offer will only be submitted once approval from the Board is received. For property acquisitions under £100k, the BLT will use their delegated authority to make a decision on these, and an update report will be presented at the next Board meeting.

Mr Stephen Lynas rejoined the meeting at 17:42.

3.5

Memberships

Presenter: PAGO

The PAGO presented a new membership application and advised that this had been reviewed by the DoFGA, and there was no reason why the membership should not be approved. The current membership total is 58.

It was noted that the application is from someone who has recently joined Resident Voices.

Agreed: The Board discussed and approved the new membership application.

4

For Update

4.1

Chief Executive Officer's report

Presenter: CEO

The CEO highlighted regulator correspondence during December 2025, in which they requested an update on the EICR compliance, which the DoFGA provided.

The CEO invited questions, and none were received.

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

4.2 **Management Accounts**

Presenter: DoFGA

The DoFGA presented the Management Accounts to the end of November 2025, however, explained that the December 2025 accounts are now complete.

Reactive and void maintenance costs are reducing, however, damp and mould continues to be an issue and will likely continue to be. The DoO is doing trend analysis and will present a paper to the Board in due course.

The DoFGA invited questions, and none were received.

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

4.3 **Performance Dashboard**

Presenter: DoH

The DoH presented the Performance Dashboard to the end of November 2025 and explained that figures to end of December 2025 were not ready in time for the Board meeting.

A new format will be issued to the Board in March 2026, and Board members have been asked to provide their feedback.

The DoH highlighted the length of time to re-let had improved; however, recently, one property had birds nesting, which meant no work could take place until the birds had left. This has resulted in the re-let timescale figure increasing.

There has been an improvement in at work attendance during November 2025, although this has dipped again in December 2026 due to seasonal colds and flus.

The DoH invited questions, and none were received.

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

5 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.

5.1 Operational Workplans Q3 update

5.2 Minutes for noting

5.2.1 Yourplace Meeting minutes

5.3 For Homologation

Audit and Risk Committee Minutes

Agreed: The Board homologated the Audit and Risk Committee Minutes.

5.4 Policy Review Schedule

Mr Stephen Clark left the meeting at 17:52.

6 Other

6.1 AOCB

The CEO advised Board members that Slack will be rolled out to everyone during February 2026, and this will run alongside iBabs until any issues are identified and resolved.

An Annual Assurance session will take place online, via Zoom, on Tuesday, 24 February 2026 at 4pm, the Evidence Bank will be available to view on Slack, and the PAGO will also have the Word version available.

The Chair advised that he has asked Resident Voices to be involved in the Annual Assurance process for 2025/26. The group will also attend the Strategy Day in March 2026 for lunch.

6.2 Date of next meeting

Tuesday, 24 March 2026
Online via Zoom