

**Fife Housing Association Limited
Board of Management
Minutes from the meeting held virtually via Zoom
on Monday 17 August 2020**

Present:

Miss Helen Boath - Chair
Mrs Sandra Stock - Vice Chair
Mr Martin Fleming - Board Member
Mrs Lynne Pascal - Board Member
Mr Colin Miller - Board Member
Mr Ron Eldridge - Board Member
Mrs Fiona Barr - Board Member
Mr Laurie Boles - Board Member

In attendance:

Mrs Nicki Donaldson - Chief Executive
Mr Derek Banks - Director of Finance and Governance, Company Secretary
Mrs Su Bramley - Director of Housing
Mrs Caroline O'Donnell - Director of Operations
Miss Laura Grieve - Secretariat
[REDACTED] - Wylie & Bisset (Item 364 only)

Meeting start: 4:00pm

Meeting end: 6:10pm

Ref		Action
B354.	<p>Welcome and apologies Miss Boath welcomed everyone to the meeting including Wylie & Bisset as our external auditors.</p> <p>Apologies were received from the following Board members: Mr Derek Adam; Mrs Maureen Garvie; and Mr Stephen Clark.</p>	
B355.	<p>Declaration of interests</p> <p>Mrs Stock, Mrs Donaldson, Mrs Bramley and Mr Banks all declared an interest in PACT Enterprises Ltd</p>	
B356.	<p>Minutes of the previous meeting</p> <p>The minutes of the previous meeting were reviewed.</p> <p>Agreed: The Board unanimously approved the minutes of the previous meeting.</p>	
B357.	<p>Matters Arising</p> <p>There were no matters arising.</p>	
B358.	<p>Action points</p>	

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	There were no further updates to the action points.	
B359.	<p>Chairpersons verbal report</p> <p>Rescheduled training Board members previously agreed to hold the rescheduled 'Constructively Challenge' training virtually on the afternoon of the 14 September from 2pm – 4pm. Board members to confirm attendance as soon as possible.</p> <p>Agreed: The Board noted the verbal update.</p>	
B360.	<p>Chief Executive's report (standing item)</p> <p>COVID-19 Mrs Donaldson commented that our response to COVID-19 continues to be at the forefront of our planning with daily monitoring of the Government guidelines and updates.</p> <p>Trade colleagues have been back working full-time from 29 June 2020 having only being able to provide an emergency service and carry out repairs in voids to support Fife Council's Homelessness strategy.</p> <p>All office based colleagues continue to work from home in line with Government guidelines.</p> <p>From August, 1-2-1 meetings are being held with the relevant colleague in the office to allow us a better understanding of our colleagues' health and wellbeing.</p> <p>The Business Leadership Team (BLT) will provide colleagues with guidance on the process in the event they have to self-isolate due to themselves or anyone in their household experiencing COVID-19 related symptoms.</p> <p>AGM Mrs Donaldson advised that in order for the Annual General Meeting (AGM) and Special General Meeting (SGM) to be held this year it will need to be carried out virtually. The Scottish Federation of Housing Associations (SFHA) has developed guidance on how this should be carried out which we are following.</p> <p>Agreed: The Board unanimously approved both the SGM and AGM being held virtually this year.</p> <p>Annual Report Mrs Donaldson advised that work is underway on our Annual Report, which we are intending to deliver differently this year, taking a combined approach to reach a greater audience by producing both an online and printed version.</p>	

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	<p>Arrears Case Study Board members will recall previous updates on a long standing arrears case which we were granted a decree to evict back in August 2019. The tenant appealed this decision and due to court delays we await the decree for eviction prior to the pandemic and subsequently have been unable to progress due to COVID-19. The Scottish Government are considering extending the no eviction policy for a further six months. Mrs Donaldson has been in contact with the Scottish Federation of Housing Associations who have agreed to take forward this example as a case study with Scottish Ministers to support the lobbying to allow exemptions from the existing policy.</p> <p>Recruitment Mrs Donaldson advised that the new HR Manager, Paula Skelton, commenced her employment with us on 3 August 2020. The remaining members of the team in trades have also been recruited so the team are now at full compliment.</p> <p>A Board member asked about what considerations are made surrounding blended working for colleagues. Mrs Donaldson confirmed that she had been in discussions with BLT regarding flexible working arrangements before the COVID pandemic and that the new HR Manager will be researching options as a priority.</p> <p>Agreed: The Board noted the contents of this report and approved the Virtual Special General Meeting (SGM) and Annual General Meeting (AGM).</p>	
B361.	<p>Audit & Risk Committee update from meeting held on 13 August 2020</p> <p>Mr Boles provided a verbal update of the Audit and Risk Committee meeting held on 13 August 2020.</p> <p>Agreed: The Board noted the contents of the verbal update.</p>	
B362.	<p>Management Accounts for period ending 30 June 2020</p> <p>Mr Banks presented the management accounts and stated that they show a positive financial position.</p> <p>In regards to rent void losses, this shows an adverse variance of (£██████) in the year to date because of the length of the lockdown period. However, the adverse variance is expected to reduce as restrictions are eased, and are better than the potential loss due to Fife Council renting properties in the interim to support their homelessness Strategy.</p>	

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<p>The variance in Direct Maintenance Costs is made up of adverse variances in Planned Repairs (primarily Asbestos) of (£■■■■), in Void costs of (£■■■■), in Skip Hire of (£■■■■) and in Employment Costs of (£■■■■). These offset against favourable variances in Reactive Costs of £■■■■ and in Stair Heat and Light of £■■■■.</p> <p>The adverse variance in colleague costs is due to the non-capitalisation of colleague costs associated with Major Component Repair (MCR) works during the lockdown period. These costs have been incurred in part for reactive and void works.</p> <p>Mr Banks confirmed that the budget has been re-profiled taking into account the COVID-19 impact as we do not expect contractors to carry out all planned works during financial year.</p> <p>Agreed: The Board noted the contents of this report.</p>	
<p>B363. Performance Dashboard</p> <p>Mrs Bramley advised that this report presents the Performance Dashboard for the period to 30 June 2020.</p> <p>Mrs Bramley commented that Board members have been kept up to date with issues in gaining access for gas servicing during the pandemic and the failure rate has also been reported as a notifiable event to the Scottish Housing Regulator.</p> <p>The average relet days figure is higher as we have been unable to let properties other than for urgent homelessness, therefore, voids have increased.</p> <p>Mrs Bramley added that it was agreed at the recent Audit and Risk Committee that the layout of the performance dashboard will be changing with more of a Strategic impact than previous performance dashboards.</p> <p>Agreed: The Board noted the contents of this report.</p>	
<p>B364. FHA Annual Accounts / Letter of Representation</p> <p>■■■■ gave an overview of this year's external audit process and advised that the audit was carried out remotely as per Government restrictions and went very well. ■■■■ praised the team on their professionalism throughout the process and the timely manner in which they were able to provide requested information. It was evident that Fife Housing Group (FHG) had the necessary technology and equipment in place.</p> <p>■■■■ confirmed that they were able to offer a clean audit opinion and that there were no management letter points to follow up on from</p>	

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the previous year and no improvement points set for this year. [REDACTED] was satisfied that from a Governance and Fraud perspective that everything is in place and there are no areas for concern.

In terms of the Management letter, it is standard wording which the auditors are duty bound to have in place. Appendix B identifies the audit risks at the planning stage which outlines five risks and these key aspects have been considered the focus of the audit.

[REDACTED] brought to Board member's attention a potential pensions issue with Local Government Pensions Schemes (LGPS). He advised that the HM Treasury published a consultation on proposals to bring the unfunded public service pension schemes in line with the result of the McCloud/Sergeant case by removing age discrimination within the protections given to older members. The consultation sets out options to deliver the government's commitments, made in July 2019 and March 2020, to address the discrimination across the public service pension schemes and for all affected members.

Whilst [REDACTED] does not believe this will materially affect the Annual Accounts, [REDACTED] advised that he plans to speak to an Actuary at Hymans Robertson to find out whether this may have an impact on the pension's liability detailed within the Annual Accounts, therefore, at this point he is not in a position to approve the Annual Accounts.

A Board member asked about the defined pension scheme movement's year on year and asked if we should consider the potential impact of the pandemic on the future performance of the fund and make a note as a post balance sheet event in the annual accounts. [REDACTED] responded by saying that research shows that we expect to see a short term impact for the first quarter at least but the future impact remains vague and would, therefore, be too early to predict the position for March 2021.

Mr Banks confirmed that he contacted the pension provider to seek a view on the potential impact with the response being recorded at page eight of the accounts. He confirmed that he will formally ask for a full revaluation.

Board members confirmed that they were happy to approve the Annual Accounts subject to the outcome of the pension enquiry and commended Mr Banks and the wider team given the challenges faced by working remotely.

[REDACTED] *left the meeting at this point.*

Agreed: The Board approved the Annual Accounts subject to the outcome of the pension enquiry.

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<p>B365. Glen Albyn, Kirkcaldy</p> <p>Mr Bramley advised that this report presents the proposed design and layout for the new development of 49 homes in Glen Albyn, Kirkcaldy.</p> <p>The designs have been developed taking feedback from colleagues regarding liveability, housing management and maintenance with the aim to provide a high standard of design and sustainability. We are working to a planning approval date of January 2021.</p> <p>Our original aim was to lodge a full planning consent by July 2020, however, due to various consultants being furloughed it did not prove possible to obtain all of the engineering submissions and ground studies required in sufficient time. It is now our aim to achieve planning submission by the end of August 2020, if any significant changes are required then we will come back to Board for approval.</p> <p>A Board member asked about block R from the diagrams and asked for confirmation that there are footpaths to the property. Mrs Bramley referred memrs to the plans to confirm that they are in place.</p> <p>A Board member asked about the red boundary line and if it were to go slightly over this line then would this cause an issue. Mrs Bramley confirmed that it would not cause an issue in the area identified.</p> <p>A Board member commented that they believed gas boiler systems were being phased out and Mrs Bramely responded by advising that from 2024 all new homes in Scotland will use renewable or low-carbon for heating and that our preference for this scheme would be to continue with gas for 45 of the homes and, for the remaining four, test out an innovative low-carbon approach.</p> <p>Agreed: The Board discussed the proposed design and unanimously approved the scheme for submission for planning consent.</p>	
<p>B366. PACT On-lending</p> <p>Mr Banks presented the report and advised that the completion of the refinancing exercise in July 2019 confirmed the level of on-lending that Fife Housing Association (FHA) could make to the subsidiary PACT Enterprises Limited (PACT). The amount of £■■■ is consistent with the previous level when lending was provided by the Bank of Scotland.</p> <p>The Group has made significant progress in increasing efficiency and effectiveness resulting in major improvements to the Business Plan allowing the opportunity to develop and grow, this applies to both FHA and PACT.</p>	

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	<p>The Board has the opportunity to consider the on-lending to PACT and the potential impact this may have on the Group given the COVID-19 pandemic impact.</p> <p>The current Business Plan does not include any additional borrowing from FHA, however, during the options appraisal a scenario was considered with the purchase of [REDACTED] additional units in the same year. A Board member asked what PACT’s strategy would be should the Board agree to on-lending. Mr Banks confirmed that a detailed analysis of existing properties had been undertaken with yields consistently above [REDACTED]%, although properties are geographically spread which reduces efficiencies for repairs. Therefore, any future strategy would consider properties with a strong market and grouped with existing properties or in new groups. Mrs Bramley added that we are considering two options:</p> <ol style="list-style-type: none"> 1) New build development; and 2) Investing in old stock transfer properties. <p>Board members commented that when suitable properties become available then we need to act quickly. Mrs Bramley confirmed that once a decision is reached, then we will arrange viewings for later in the week and a virtual PACT meeting will be arranged for approval.</p> <p>A Board member asked if the properties would be let at full market rent and Mrs Bramley confirmed this would be the case.</p> <p>Agreed: The Board approved PACT On-lending up to £5million.</p>	
B367.	<p>Communications and Marketing Strategy</p> <p>Mrs Donaldson advised that the purpose of this report is to define the Communications and Marketing Strategy for the next three years, describing how this function can help support delivery of the objectives identified in our Business Plan and providing the framework around which specific marketing objectives will be built to create an action plan.</p> <p>Although the Strategy provides an overview of how it will support our strategic objectives, the underlying theme and main focus is delivery of the first stage of our digital transformation, a project which touches on all the objectives identified and is integral to the successful delivery of our Business Plan.</p> <p>Board members commented that they felt the Strategy was very well written and easy to read. Mrs Donaldson confirmed that she would pass on the comments to the Communications and Marketing Manager, the author.</p>	

Ref		Action
	<p>A Board member asked if we are looking for cost savings and Mrs Donaldson confirmed that the strategy should provide efficiencies but until the full plan is developed then it is not quantifiable.</p> <p>Agreed: The Board considered and unanimously approved the Communications and Marketing Strategy.</p>	
<p>B368.</p>	<p>Company Secretary Report</p> <p>Mr Banks advised that the purpose of this report is to provide assurance to the Board that the Company Secretary can duly confirm to the Board of Management under Rule 68 that the requirements of Rules 62 to 67 have been complied with.</p> <p>The Board is asked to note that there has been no entries in the Fraud Register and no entries in the Register of Benefits and Payments</p> <p>Rule 68 of the Rules of the Association requires that at the last meeting of the Board before the AGM, the Secretary has confirmed in writing that to the best of their knowledge the requirements of Rules 62 to 67 have been followed.</p> <p>Agreed: The Board approved that in terms of Rule 68 that the requirements of Rules 62 to 67 have been properly adhered to by the Company Secretary.</p>	
<p>B369.</p>	<p>Membership and Terminations</p> <p>Mr Banks presented the report and advised that there are a maximum of fifteen places for members on our Board of Management. At present there are twelve Board members.</p> <p>There is a requirement under the terms of Rule 39.1 that one third of the elected Board members shall retire. If they so wish they can seek nomination to be re-elected to the Board at the AGM to be held on 14 September 2020.</p> <p>It is FHG's policy for all membership applications and terminations to be considered by the Board of Management. The Rules of the Association also dictate the criteria for membership. A Membership form and a £1 fee was received and the membership application form is attached at Appendix one of this report. Board members confirmed that were happy to approve the membership application at Appendix one.</p> <p>Agreed: The Board unanimously approved the membership application as outlined at section 2.8 of the report.</p>	
<p>B370.</p>	<p>Pitreavie Office Extension</p> <p>Due to an administration error, this report had been omitted from Boardbookit but was uploaded during the meeting.</p>	

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	<p>Mrs Donaldson gave an overview of the report and advised the purpose of this report is to request that the Board consider and approve a budget of up to £[REDACTED] (exclusive of VAT) to build a storage facility at the FHG office at Pitreavie Court, Dunfermline.</p> <p>The extension to the office will be a single-storey building independent from the office but will extend to the rear of the current building.</p> <p>Pitreavie Court is a dedicated office space and building is specifically for a dedicated storage space to support a more efficient and cost effective management of the trade element of our Business.</p> <p>If the construction does go ahead cost savings will be made for the storage container at the rear of the office at a cost of approximately £1,000 per annum and the three lockups at an approximate cost of £1,500 per annum. However, these will be offset by increases to depreciation and running costs.</p> <p>There was a discussion around the need for additional space if colleagues will be working from home more and Mrs Donaldson confirmed that the extension would only be for storage requirements.</p> <p>Due to the administration error, Miss Grieve confirmed that she would send an email to Board members tomorrow including the paper for consideration. Board members were asked to provide any comments to Mrs Donaldson and submit their approval to the report by email before Friday 21 August at 4pm.</p>	
B371.	<p>PACT Enterprises Ltd - External Audit / Annual Accounts / Letter of Representation</p> <p>Agreed: The Board noted the contents of this report.</p>	
B372.	<p>Governance Report</p> <p>Agreed: The Board noted the contents of this report.</p>	
B373.	<p>Register of Deeds (standing item)</p> <p>Agreed: The Board noted the contents of this report.</p>	
B374.	<p>Operational workplans Q1 update</p> <p>Agreed: The Board noted the contents of this report.</p>	
B375.	<p>Reports from Resident VOICES</p> <p>Agreed: The Board noted the contents of this report.</p>	
B376.	<p>Minutes for noting</p> <ul style="list-style-type: none"> • PACT May minutes; and • Audit and Risk Committee May minute. 	

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	Agreed: The Board noted the contents of the previous minutes.	
B377.	<p>Policies for homologation</p> <ul style="list-style-type: none"> • ICT Strategy; • Former Tenant Arrears Policy; and • Complaints Policy. <p>Agreed: The Board unanimously approved the virtual meeting minute for the above policies for homologation.</p>	
B378.	<p>AOCB</p> <p>Decision Time Board Software The contract with [REDACTED] is due for renewal on 17 October 2020 and we are trialling a software called [REDACTED].</p> <p>In order to utilise the full capabilities and functions of the system, [REDACTED] are offering a virtual training session to Board members. It is important that we get a full Board member attendance.</p>	
B379.	<p>Date of next meeting:</p> <p>Rescheduled Helen Rudge training Monday 14 September 2020 (PM TBC)</p> <p>Special General Meeting (SGM) Monday 14 September 2020 at 5.15pm</p> <p>AGM Monday 14 September 2020 at 5.30pm</p> <p>Post AGM Meeting Monday 14 September 2020 at 6pm</p>	
B380.	<p>CONFIDENTIAL</p> <p>Miss Boath advised Board members that [REDACTED] will have served as a Board Member for a continuous period of nine years at the AGM in September 2020 and should he wish to continue to serve on the Board then the Board must unanimously approve for him to be nominated for re-election.</p> <p>A meeting was held on 9 June 2020 between [REDACTED] and the Chair of the Colleague and Governance Committee to discuss his non-attendance and his lack of contact with the organisation since February 2020. It was also discussed that in accordance with point 37.6 of the 2013 Model Rules, [REDACTED] must demonstrate his continued effectiveness as a Board member through a presentation to Board members at the August 2020 Board meeting. However, despite phone calls and a letter sent to him, [REDACTED] failed to attend the Board meeting to deliver his presentation.</p>	DB

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One Board member discussed the importance of the Board applying the nine year rule and that as a Board we need to evaluate a Board member's contribution in order to make a decision as to whether they are re-elected at the AGM.

It was agreed by Board members that Mr Banks, as Company Secretary, would contact [REDACTED] tomorrow to enquire whether he wished the opportunity to discuss with the Board about the contribution he makes to justify his re-election to the Board after his nine year term ends in September 2020 at the next AGM.