

**Fife Housing Association Limited
Board of Management
Minutes from the meeting held via Workplace Video Conference
on Monday 30 March 2020**

Present:

Ms Helen Boath - Chairperson
 Mrs Sandra Stock - Vice Chair
 Mrs Maureen Garvie - Board Member
 Mr Derek Adam - Board Member
 Mr Martin Fleming - Board Member
 Mr Laurie Boles - Board Member
 Mr Stephen Clark - Board Member
 Mrs Lynne Pascal - Board Member
 Mr Ron Eldridge - Board Member
 Mr Colin Miller - 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

Meeting start: 4:00pm
 Meeting end: 6:30pm

Ref		Action
B307.	Welcome and apologies Ms Boath welcomed everyone to the meeting. Apologies were received from Mr Colin McNeil and Mrs Fiona Barr.	
B308.	Declaration of Interest Mrs Donaldson, Mrs Bramley, Mrs O'Donnell, Miss Grieve and Mr Banks all declared an interest in the Colleague Salary Setting report and it was agreed that they would remain on the call but would not be involved in the discussion.	
B309.	Resignation/Appointment of PACT Chair Ms Boath advised that Mrs Dewar has now resigned as Chair of the PACT Board which automatically resigns her from the Strategic Board. Mrs Stock only has intimidated her interest in becoming the PACT Chair following Kate Dewar's resignation. Agreed: The Board unanimously approved the appointment of Mrs Stock to Chair of the PACT Board.	
B310.	Minute of the previous meeting held 3 February 2020 Agreed: The minute of the previous meeting was noted and unanimously approved.	

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<p>B311. Matters arising There were no matters arising.</p>	
<p>B312. Action points B192 Board Remuneration: Mrs Donaldson confirmed that the outcome of the Board Strategy Day was that Board members confirmed that they do not wish to pursue Board remuneration at this time and will review in three years' time.</p>	
<p>B313. Chairpersons report Ms Boath provided the following updates:</p> <p>Fife Housing Association Alliance Meeting (FHAA) CEO / Chairs meeting Ms Boath and Mrs Donaldson attended the annual FHAA meeting and the main point of discussion for updating was potential joint Board member training that could be used at some point in the future.</p> <p>Appraisals Ms Boath reminded Board members who had not yet scheduled their appraisal to do so this week and confirm which method of communication they would prefer. The Scottish Housing Regulator (SHR) have confirmed that appraisals using videoconferencing is acceptable in the current circumstances.</p>	
<p>B314. Chief Executive's report (standing item) Mrs Donaldson confirmed that a COVID-19 Contingency Plan had been circulated to Board members. She further confirmed that the office was closed on the 23 March 2020 following Government guidance. Mrs Donaldson advised that the team were able to quickly adapt to home working as the Business Leadership Teams (BLT) had prepared for this in advance. All office based colleagues at this time are fully operational but this is under weekly review by the BLT. The trade colleagues (with the exception of the painters and semi-skilled labourers) were providing emergency cover only and all void work had ceased meantime. We would continue to support Fife Council to meet homeless allocations where possible.</p> <p>Mrs O'Donnell added that we have two gas contractors and that gas servicing appointments have still been going ahead so far but may be subject to change depending on Government Guidance.</p> <p>Mrs Donaldson advised that BLT are due to have a discussion on 2 April 2020 around the likely impact of COVID-19 pandemic on the Business over the short to medium term and that a further update would be provided to the Board via email.</p> <p>Board members congratulated the BLT for being so prepared in getting the team ready in advance for working from home.</p>	

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	<p>A Board member asked what we are doing in terms of colleague wellbeing over the coming weeks and Mrs Donaldson confirmed that she is on the internal Wellbeing group and are currently discussing ideas to support colleagues.</p> <p>A Board member asked what we are doing to ensure the security of the building and Mrs O'Donnell confirmed that [REDACTED] company are still on call and we have colleagues going into the office on a regular basis to check mail.</p> <p>Agreed: The Board noted the contents of this report.</p>	
B315.	<p>Audit & Risk Committee update from meeting held on 30 January 2020</p> <p>Item was not discussed during the meeting, however, Board members were asked to contact the Convener of the Committee directly for information.</p>	
B316.	<p>Management Accounts for period ending 29 February 2020</p> <p>Item was not discussed during the meeting, however, Board members were asked to contact Mr Banks if they had any questions in relation to the report.</p>	
B317.	<p>Business Plan Financials 2020/21</p> <p>Mr Banks advised that the Scottish Housing Regulator (SHR) requires each Registered Social Landlord (RSL) to provide certain information each year, including a Five Year Financial Projection (FYFP) on line by 30 June.</p> <p>In addition to this statutory return the Association is required to submit its annual 30 year Business Plan to both the SHR, as part of our engagement plan, and our lenders. The current lenders require the plan to be submitted within 90 days of the year end, this being 28 June 2020.</p> <p>Mr Banks added that there is no longer an impact of the Mark to Market position and that the plan includes draft closing balances, for the year ended 31 March 2020, in the statement of Financial Position. This is because the year-end results have yet to be finalised and these will be available after the year-end audit completes at the end of May 2020.</p> <p>The Board discussed the content of the report and a Board member asked what impact does income received have in the short time as a result of the COVID-19 pandemic. Mr Banks responded by saying at this point there is no indication of any impact, however, it would be monitored on a monthly basis.</p> <p>There was a general concern from Board members about the financial impact that the COVID-19 pandemic, including: loss of income, increased costs and ability to meet current planned programmes.</p>	

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	<p>All Board members unaimously indicated their preference to future rent increases this is ■■■% 20/21, ■■■% from 21/22 to 27/28, and ■■■% thereafter.</p> <p>Mr Banks confirmed that he will carry out a sensitivity analysis on these preferred assumptions, including a a scenario on potential impact of COVID-19, with the results be communicated to the Board for approval at the May 2020 Board meeting.</p> <p>Agreed: The Board discussed the plans presented and selected a preferred plan to perform sensitivity analysis on. The results of the sensitivity analysis will be communicated to the Board for approval and then the submission of the Business Plan to the SHR by the 30 June 2020, and lenders by 28 June 2020.</p>	
B318.	<p>Colleague Salary Setting 2020/21</p> <p>Mr Banks introduced the report explained that it provides an analysis of the potential salary increase to be included in the 2020/21 budget. As previously indicated to the Board a full review of conditions and salary scales will be carried out later this year.</p> <p>The report uses limited benchmarking information along with the 2019/20 G8 and Glasgow and West of Scotland Forum Business Planning assumptions from 2019/20 to 2048/49 as comparators to the potential increases.</p> <p>The report was discussed and a Board member asked about essential car allowances given oil prices have plummeted recently due to the COVID-19 pandemic. Mrs O'Donnell clarified the position and advised that there were different mileage rates and essential car allowance is an annual payment of ■■■■ for wear and tear of the car.</p> <p>Agreed: The Board reviewed the report and the benchmarking findings and agreed a salary and essential car user allowance increase of ■■■% for the financial year 2020/21.</p>	
B319.	<p>Budget 2020/21</p> <p>Mr Banks presented the draft budget for 2020/21 to the Board for consideration and approval. This report outlines the process, assumptions and restrictions associated with the 2020/21 budget.</p> <p>Mr Banks added that the budget includes adjustments for the following:</p> <ul style="list-style-type: none"> • The full year effect of recruitment of additional colleagues to support the introduction of the in-house kitchen and bathroom programme; • The effect of the increased trades team for reactive and programmed work to reduce reliance on and cost of contractors; • The completion of the new ICT project; • Capital and Major Component Replacement expenditure requirements of £1.03m against £1.5m in 2019/20. The MCR 	

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	<p>spend has been aligned to the stock condition survey, which includes the last tranche completed in March 2019; and</p> <ul style="list-style-type: none"> The Interest Cover of █████% is significantly higher than the level required by the current lender at █████%, this figure is higher than the 2019-2022 Business plan indicated at █████%. <p>A Board member asked what the impact would be if we delay the major works programmes and could we sustain a two to three month delay. Mrs O'Donnell confirmed that last year we started the programme late and successfully exceeded the target so do not anticipate this being a problem.</p> <p>There was a discussion about the bad debt provision as this had decreased from █████ last year down to █████ this year and with the COVID-19 pandemic, Board members were concerned about the effect this will have on our rental income next year. Mr Banks confirmed that when he is doing the end of year figures he will review this again as at the time of writing the paper the situation was different. The end of April 2020 will be the first indication of potential issues with rent payments and hence bad debts.</p> <p>A Board member asked about commercial outlets and rent loss and Mr Banks confirmed that we only have one commercial property and that is a pharmacy, therefore, he did not expect any rent losses.</p> <p>Board members unanimously approved the budget and would like to see the bad debt provision reviewed again after April 2020</p> <p>Agreed: The Board noted the budget assumptions and unanimously approved the draft 2020/21 budget.</p>	DB
B320.	<p>CONFIDENTIAL: Organisational Structure</p> <p>Mrs O'Donnell presented the organisational structure proposal to replace the current role of Human Resources Advisor with an Operational Leadership role of Human Resources Manager.</p> <p>Mrs O'Donnell added that during the recruitment process for the Director of Operations (DoO) position the Convener of the Colleague and Governance Committee suggested that the Chief Executive review the human resources arrangements in order that the DoO could fulfil their strategic role without having to provide operational HR support. Since April 2019 it has become increasingly apparent that whilst the role of human resources has been covered by the Director with assistance from the Human Resources Advisor, there are a number of important strategic projects that require priority attention and the opportunity to have the time to dedicate to these projects is becoming increasingly difficult.</p>	

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	<div data-bbox="347 241 1388 353" style="background-color: black; height: 50px; width: 100%;"></div> <p data-bbox="347 394 1385 725">Mrs O'Donnell added that she has met with the post holder four times so far and the post holder has asked whether the Board could consider retaining the Human Resources Advisor role alongside the proposed post of Human Resources Manager. The Business Leadership Team have considered the suggestion and believe that the role that has been proposed would be able to carry out the full function of human resources including the strategic projects and the work previously carried out by the Human Resources Advisor, therefore, there would not be a business requirement to have two posts.</p> <p data-bbox="347 763 1362 909">A Board member asked if Mrs O'Donnell had considered Human Resources consultancy as an alternative and Mrs O'Donnell confirmed that it had but the volume and level of work required would best be supported by a full-time permanent colleague.</p> <div data-bbox="347 943 1388 1055" style="background-color: black; height: 50px; width: 100%;"></div> <p data-bbox="347 1093 1382 1238">There was a discussion surrounding how quickly we are looking to fill the position and Mrs O'Donnell confirmed that she will have a conversation with the post-holder tomorrow who would hopefully remain in position until we recruit to the new position.</p> <p data-bbox="347 1276 1369 1422">A discussion followed on offering post employment support to the post-holder which Mrs O'Donnell confirmed was in place but that Skills Scotland in Dumfermline may also be recommended for the affected colleague.</p> <p data-bbox="347 1460 1382 1570">There was a discussion about redundancy enhancements and Mrs O'Donnell confirmed that this is included in the colleague handbook and has been previously approved by the Board.</p> <p data-bbox="347 1608 1366 1753">Agreed: The Board discussed and unanimously agreed to remove the Human Resources Advisor post from the organisational structure and to introduce, by open recruitment, a Human Resources Manager post.</p>	
B321.	<p data-bbox="347 1756 855 1794">Interim Apprenticeship Proposal</p> <p data-bbox="347 1794 1350 1973">Mrs O'Donnell introduced the report which sets out a proposal to fund Year One of an apprentice training programme using the Group's Community Benefit fund and sets out the proposal to work in partnership with Fife Council to help reduce costs and provide easy access to both training and funding.</p>	

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	<p>Mrs O'Donnell added that a much wider scoping exercise will be carried out later in the year with a report being presented to the Board setting out the Group's Apprenticeship Strategy.</p> <p>Due to the COVID-19 pandemic Government restrictions we are unsure whether Fife Council will be continuing with their apprenticeship programme at this time.</p> <p>A Board member asked that at the end of the four year apprenticeship, is it our intention to retain the successful. Mrs O'Donnell responded that the initial stages would be to retain and grow the organisation but we will have a clearer idea when we have developed the wider strategy.</p> <p>Agreed: The Board unanimously agreed the initial proposal to start an apprentice within the Operations Team (Trades) using the funding from the Community Benefit Fund to support the initiative and noted that a further Apprenticeship Strategy covering all departments will be submitted to a future Board meeting.</p>	
B322.	<p>Future Developments</p> <p>Mrs Bramley presented the report and advised that Fife Housing Group has held back from new-build development since the completion of the Crombie development in 2018, pending the satisfactory conclusion of the refinancing exercise in 2019.</p> <p>In preparation for securing the new financing we have been planning three schemes for new-build development; this report seeks approval to progress with these projects. The sites are at Glen Albyn Drive; [REDACTED]; Rosyth as outlined in the appendices of the report.</p> <p>The scheme at Glen Albyn is included in the Scottish Governments' Affordable Supply Programme/Strategic Housing Investment Plan (SHIP) with a formal approval date of January 2021, and the other two schemes are awaiting budget and programme confirmation.</p> <p>There was a lengthy discussion about the allocations policy and specifically the housing mix, as a Board member felt that from the proposal it could be said that we are not providing enough single people properties and that we are providing too many three to four bedroom properties. Mrs Bramley confirmed that she can revisit the housing mix and associated planning and financial consequences. Mrs Bramley added that the aim is to take the Glen Albyn site for planning permission by July 2020.</p> <p>Mrs Bramley confirmed that the Glen Albyn site does not have landscape maintenance.</p>	

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<p>Mrs Bramley advised that the [REDACTED] site is expected to be a large private scheme and she had a discussion with the architect to consider potentially sharing costs and will further consider this in future but it is felt that the sooner these discussions are underway the better.</p> <p>Agreed: The Board considered the Glen Albyn development scheme for approval and requested a revised housing mix. It was agreed to provide a revision and present back to the Board for approval.</p> <p>Agreed: The Board approved the reviewed schemes at [REDACTED] [REDACTED] for in-principle consent; to enable us to continue to design and consultation stage.</p>	
<p>B323. Office Extension</p> <p>Mrs Donaldson advised that the purpose of this report is to provide Board members with information regarding the proposed storage facility adjacent to the office at Pitreavie Court and seek a decision on progressing to a tender exercise.</p> <p>Mrs Donaldson added that Board members will recall the decision to terminate the lease on the Lochgelly Office in 2018, however, this required us to hire a container which is situated at the rear of the office and the use of three of our lockups to store materials and equipment such as scaffolding, ladders, kitchen units, doors, windows etc. In addition, we have each trade van stocked with materials that are required for day to day work.</p> <p>Following the appointment of Oliver and Robb Architects to undertake a feasibility exercise and develop initial designs, an internal Office Development Group was established to provide ideas and assist with the proposed design of the facility.</p> <p>The proposed facility will provide a large area for trade stock storage and a small workshop. We would also aim to bulk buy materials which we cannot currently do which could make further savings.</p> <p>The expected costs of the proposed office extension as per the Cost Plan from Oliver and Robb / Hardies are [REDACTED] plus VAT and fees.</p> <p>Board members felt that the quote received seemed excessive for what was required and Board member unaimously agreed to take put this out to tender for comapritive costs.</p> <p>Agreed: The Board cconsidered the information provided and unaimously agreed that the office extension should proceed to tender stage.</p>	
<p>B324. Minutes for noting</p>	

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	<p>PACT Meeting held 11 November 20 The Board noted the previous PACT minutes.</p>	
B325.	<p>Standing Orders and Financial Rules</p> <p>Agreed: The Board unanimously approved the Standing Orders and financial rules.</p>	
B326.	<p>Asbestos Policy</p> <p>Agreed: The Board unanimously approved the Asbestos Policy.</p>	
B327.	<p>Former Tenant Arrears Write Off</p> <p>Agreed: The Board unanimously approved the Former Tenant Arrears Write Off.</p>	
B328.	<p>AOCB</p> <p>None.</p>	
B329.	<p>Date of next meeting: Monday, 25 May 2020 @ 4pm</p>	