

**Fife Housing Association Limited  
Board of Management  
Minutes from the meeting held via Workplace Video Conference  
on Monday 25 May 2020**

**Present:**

Miss Helen Boath - Chair  
Mrs Sandra Stock - Vice Chair  
Mrs Maureen Garvie - Board Member  
Mr Derek Adam - Board Member  
Mr Martin Fleming - Board Member  
Mr Stephen Clark - Board Member  
Mrs Lynne Pascal - Board Member  
Mr Ron Eldridge - 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: 5:50pm

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<b>B332.</b>	<b>Welcome and apologies</b> Miss Boath welcomed everyone to the meeting and apologies were received from the following Board member:  Mrs Fiona Barr.	
<b>B333.</b>	<b>Declaration of interests</b>  None.	
<b>B334.</b>	<b>Minutes of the previous meeting held on 30 March 2020</b>  The minutes of the previous meeting were reviewed.  <b>Agreed: The Board unanimously approved the minutes of the previous meeting held on 30 March 2020.</b>	
<b>B335.</b>	<b>Matters Arising</b>  There were no matters arising.	
<b>B336.</b>	<b>Action points</b>  There were no further updates to the action points.	
<b>B337.</b>	<b>Chairpersons verbal report</b>	

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	<p><b>Board Training Plan</b> Board members confirmed their approval of the training plan that is included in the Business Plan.</p> <p><b>Board Self-Assessment</b> Miss Boath advised that Miss Grieve will be sending out a doodle poll for Board members to hold a virtual meeting to discuss the self-assessment results.</p> <p><b>Agreed: The Board noted the verbal update.</b></p>	LG
B338.	<p><b>Vice Chairpersons verbal update on CE &amp; Chair appraisal</b></p> <p><b>Chief Executive Appraisal</b> Mrs Stock advised that on 16 April 2020 she carried out the Chief Executive's appraisal along with Miss Boath and Mr Miller.</p> <p>Mrs Stock advised that all objectives set had been achieved and overall it had been a good year with great improvements particularly with the planned maintenance programme and achieving the Best Companies Award.</p> <p>The Chief Executive's objectives for 2020-21 were set and Miss Grieve will email all Board members a copy of these for information following the Board meeting.</p> <p><b>Chair Appraisal</b> Mrs Stock advised that herself, Mr Eldridge and Mr Boles carried out the Chair's appraisal on 17 April 2020 using feedback that had been received from Board members and the Business Leadership Team (BLT). The Chair took on board all of the comments that had been raised and agreed to focus on improving on suggested procedural areas.</p> <p><b>Agreed: The Board noted the contents of the update.</b></p>	LG
B339.	<p><b>Chief Executive's report (standing item)</b></p> <p><b>COVID-19</b> Mrs Donaldson advised that the Chair has been appraised on a weekly basis regarding our approach to COVID-19. The Business Leadership Team (BLT) continue to meet on a daily basis to ensure the Action Plan continues to meet the needs of the business during the lockdown: the focus has been to ensure we can operate as many services as possible with all office based colleagues working from home and our operations colleagues dealing with emergencies, voids for Fife Council homeless strategy and external work where social distancing can be applied.</p> <p>As previously advised the Scottish Housing Regulator (SHR) is focussed on monitoring the effects of COVID-19 and they have</p>	

Ref		Action
	<p>requested information on a monthly basis from April 2020 onwards with our first return complete.</p> <p>As advised at the last Board meeting we have not used furlough for any colleague as all colleagues have been able to work to some extent, although a few colleagues have found it difficult due to caring responsibilities.</p> <p>Board members went on to have a lengthy discussion around furloughing and decided that a firm but fair approach needs to be continued. However, this will be reviewed regularly and on an individual basis.</p> <p>The Board expects all colleagues to be working a normal 7 hour day in the near future, however, Board members felt that we need to be more flexible around the '9am-5pm' working day and it was suggested by one Board member that colleagues could potentially work part time and use annual leave days to alleviate any childcare issues over the summer holidays.</p> <p>Board members highlighted that we are here to provide a service and also to support our colleagues. In regards to working from home, it is important for both Business and Operational Leadership teams to manage this and ensure that the work is completed with a degree of flexibility.</p> <p>Mrs Donaldson confirmed that colleagues will be encouraged to work from home for the foreseeable future unless they have a need to be in the office. Mrs Donaldson added that it raises a question for Board to consider if we want to encourage more working from home and flexibility for colleagues in the future. The board agreed to review this at a later date.</p> <p>A Board member commented that it is important that we do not have a situation where colleagues have built up their annual leave until the end of the year. Mrs Donaldson confirmed that we are encouraging colleagues to continue to use their annual leave allowance throughout the pandemic to avoid too many colleagues accruing leave over the year.</p> <p>In summary, it was agreed that the Board will be kept up to date of the current situation and the impact that the pandemic is having internally on the organisation and if necessary a further meeting will be arranged and held remotely.</p> <p>A Board member commented that it is important to check if our insurance cover for colleagues working from home for a substantial period.</p>	<p>DB</p>



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	<p>Mr Banks advised that the management accounts were discussed in detail at the recent Audit and Risk Committee and after highlighting key points of the report asked if Board members had any questions. No questions were raised.</p> <p><b>Agreed: The Board noted the contents of this report.</b></p>	
<b>B342.</b>	<p><b>Strategic Risk Register</b></p> <p>Mr Banks presented the Strategic Risk Register and advised that the Audit &amp; Risk Committee routinely review the risk register at all meetings and that there has only been incremental changes to the risk register over the last year with all risks now at or below the desired mitigated risk score.</p> <p>Board members indicated that they were satisfied with the Strategic Risk Register.</p> <p><b>Agreed: The Board noted the contents of this report and unanimously approved the Strategic Risk Matrix at Appendix One.</b></p>	
<b>B343.</b>	<p><b>Fife Housing Group Business Plan 2020-23</b></p> <p>Mrs Donaldson presented the Fife Housing Group (FHG) Business Plan for 2020-23 and advised that the PACT Strategy is included at the end of the document. The PACT Board were happy for this content to be included as part of the FHG Business Plan.</p> <p>The Scottish Housing Regulator (SHR) had requested for further information to be included in the Business Plan during their quarterly meeting in October 2019 and this has been included as part of the appendices.</p> <p>Mr Banks asked Board members to consider the scenarios presented and the potential impacts detailed in pages 29 - 34 of the Business Plan. Mr Banks commented that it is important to ensure that the Business continues to be sustainable, agile and flexible as part of the ongoing changes due the COVID-19 pandemic.</p> <p>Mr Banks referred to page 34 of the Business Plan in reference to a combined risk scenario. Mr Banks added that this would be a worst case scenario and the assumptions would still result in a positive cash balance at the end of the 30 years (£██████), however, there would need to be significant restructuring on finance and detailed work on planned and development programmes, in order to meet covenants and cash requirements year on year.</p> <p>Mr Banks confirmed that we are still compliant with our covenants and are in a stronger position this year than in previous years. Mr Banks added that he is in discussions with ██████████</p>	

Ref		Action
	<p>regarding exploring further loan options in the future. ■■■ confirmed that in principle they would be happy to extend the loan in terms of potential development opportunities.</p> <p>Mr Banks invited questions from Board members.</p> <p>A Board member asked about the potential for increased colleagues as a result of the development programme. Mr Banks confirmed that there would not be a requirement for additional colleagues as maintenance and repair costs are recognised in each of the development programmes on an average cost per unit basis mainly carried out by contractors. We are still receiving rental income and there are no costs associated with having more units to manage.</p> <p>There was a discussion around the possibility of future long term funding from ■■■ which could be beneficial given the current low rates indicated. Mr Banks indicated that the current penalties for exiting the existing loan arrangements are significant in the first few years but confirmed that this long term funding could be utilised for further development programmes.</p> <p>A Board member asked if there had been any rental income issues as a result of the COVID-19 pandemic. Mr Banks confirmed that there have been a number of direct debit cancellations although some tenants had later made payments through Allpay and others had indicated that they had applied for Universal Credit (UC) and this is being monitored on a weekly basis.</p> <p>Mrs Bramley added that the Housing Officers are in contact on an individual basis with every tenant who fails to pay their rent to find out more information on their circumstances.</p> <p>Board members complimented the team on their efforts in producing the Business Plan and commented that it was well laid out and presentable. Mrs Donaldson confirmed that there will be a summary document of the Business Plan being uploaded to the website in the coming weeks.</p> <p><b>Agreed: The Board considered the scenarios presented and the impacts on the Business Plan and approved the Fife Housing Group Business Plan for submission to the SHR and our lender.</b></p>	
B344.	<p><b>SHR Annual Loan Portfolio Return</b></p> <p>Mr Banks presented the report and advised that Fife Housing Association is required to submit an annual Loan Portfolio Return normally by the end of June.</p> <p>The main change from the 2019 year return is the alteration to the intercompany loan to PACT Enterprises Ltd which occurred on the 1</p>	

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	<p>April 2020, changing the rate from LIBOR + 2.5% margin to ██████% fixed rate.</p> <p>Mr Banks asked Board members if they had any question on the report and no questions were received.</p> <p><b>Agreed: The Board noted the contents of this report and unanimously approved the attached SHR Loan Portfolio Return at Appendix One.</b></p>	
B345.	<p><b>Annual Return on the Charter 2019-20</b></p> <p>Mrs Bramley presented her report and advised that with the introduction of the Assurance Statements last year, the SHR has removed the requirement for a number of governance indicators and has also merged the ESSH data into the ARC.</p> <p>The deadline has been extended to July 2020 as a result of the COVID-19 pandemic, however, we anticipate to submit within the original deadline of June 2020.</p> <p>Mrs Bramley included trend graphs which show a positive continual improvement in repairs and maintenance, along with the complaints upheld which shows the positive effect that the in-house work that is being done on bathrooms and kitchens is having.</p> <p>Mrs Bramley commented that there is a visible improvement of the management of medical adaptations now in place including a more positive relationship with the Scottish Government. Due to COVID-19 all medical adaptations were halted mid-March.</p> <p>The customer satisfaction survey is due to be carried out in February 2021.</p> <p>Mrs Bramley asked Board members if they had any questions on the report.</p> <p>A Board member asked about the repairs and satisfaction levels and how this is carried out. Mrs Bramley confirmed that tenants receive a text message asking them to rate the service. Mrs Bramley added that this is managed well by the Operations team.</p> <p>There was a discussion over court actions and why two out of three cases did not lead to an eviction. Mrs Bramley confirmed that this was mainly due to the tenant making a payment at the very last minute prior to their pending court case or having settled the court action leading to eviction. There has been a significant improvement in recovering historic debts due to the work of the Debt Recovery Officer.</p>	

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Board members complimented Mrs Bramley on the report and in particular the easy to read graphs.

**Agreed: The Board discussed and unanimously approved the Annual Return on the Charter for submission to the Scottish Housing Regulator by 31 July 2020.**

**B346. Asset Management Strategy**

Mrs Bramley advised that this strategy takes account of the planned developments and is calculated using the recent 31 March 2020 approved budget and draft Business Plan.

Point 4.6 of the Strategy shows that most of FHA's housing stock is located within purpose-built estates and predominantly within urban areas of Fife.

Mrs Bramley referred to point 6.13 of the Strategy and commented that recently we have received terminations of tenancies where the tenant has lived in the property for over 30 years and has refused essential maintenance works and this has artificially increased our void loss rate and led to significantly increased costs.

The top four areas for void rent loss measured across the past three years were as follows:

Kirkcaldy	[REDACTED]
Rosyth	[REDACTED]
Kennoway	[REDACTED]
Kennoway	[REDACTED]

FHA owns and manages a number of garage sites across Fife and predominantly located close to other areas of high concentration of its rented property. A number of these garages require repair and a programme has been put in place over the next few years.

Estate Inspections are carried out by the respective Housing Officers throughout the year and at times they will be done in conjunction with Councillors and Council officers. Any issues identified are prioritised and funding agreed, sometimes with a partnership approach.

Mrs Bramley referred to section 8 of the Strategy and commented that in order to inform an assessment of sustainability we have performed an evaluation of the FHA housing stock through financial modelling of net present value (NPV).

The NPV has been assessed based on the results of our stock condition survey which is then expanded across all 2,473 of FHA-owned

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	<p>properties by using the component replacement life-cycles as outlined in Appendix C of the Strategy.</p> <p>Overall the results are very positive and reflects the significant work carried out as part of the planned programme over the past few years and there has been a reduction in costs over the past two years which have a long term beneficial effect on the NPV calculation.</p> <p>Mrs Bramley referred to point 8.6 of the Strategy and advised that these results will continue to be reviewed taking into account the particular characteristics of each property. In addition, we will present a summary to Board on the red and amber properties going forward.</p> <p>There was a discussion about the delay to the smoke detector programme due to the COVID-19 pandemic and Mrs Bramley confirmed that we are in discussions with the contractor about when it is likely that we will be able to restart the programme. We will also endeavour to carry out electrical testing at the same time as gas servicing.</p> <p>There was a discussion about the discount rate figure and Mrs Bramley confirmed that we use 2.2 as this is the same as the Government rate. It had previously been 2.7 two years ago. A Board member asked if we can document the rate for future reference.</p> <p>A further discussion took place about the NPV rate compared to the age of properties and what steps that we are taking to manage older stock. Mrs Bramley confirmed that our older stock tends to be in the Rosyth area where there is always very high demand and the rooms tend to be larger which is generally favoured.</p> <p>Board members commented that they were very impressed with the content of the Strategy and that it was interesting to see all of the information laid out clearly.</p> <p><b>Agreed: The Board discussed and unanimously approved the Asset Management Strategy.</b></p>	SB
B347.	<p><b>Colleague Strategy</b></p> <p>Mrs O'Donnell presented the report and advised that a review has been undertaken on the visual aspect of the strategy with a plan to upload it to the website and use it as part of our revised recruitment plans for the coming year.</p> <p>The next steps will include having the attached Colleague Strategy refreshed by our external media support so that we have a document that is fit for purpose and able to be displayed digitally on our website.</p>	

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	<p>The new strategy is split into four key areas that link directly back to the strategic objectives contained in the Group's Business Plan:</p> <ul style="list-style-type: none"> <li>• Recruit;</li> <li>• Develop;</li> <li>• Systems and process; and</li> <li>• Wellbeing.</li> </ul> <p>A Board member asked about the link between reward and performance and Mrs O'Donnell advised that a full review on salaries and benefits will be carried out as part of the new HR Manager's objectives and this will cover reviewing reward and performance.</p> <p><b>Agreed: The Board unanimously approved the Colleague Strategy as outlined at Appendix One.</b></p>	
<b>B348.</b>	<p><b>Operational Workplans Quarter 4 update</b></p> <p>This report was for noting, however, Board members were asked to contact Mrs Donaldson directly if they had any questions in relation to the workplans.</p> <p><b>Agreed: The Board noted the contents of this report.</b></p>	
<b>B349.</b>	<p><b>Operation Workplans 2020/21</b></p> <p>This report was for noting, however, Board members were asked to contact Mrs Donaldson directly if they had any questions in relation to the workplans.</p> <p><b>Agreed: The Board noted the contents of this report.</b></p>	
<b>B350.</b>	<p><b>Minutes for noting</b></p> <ul style="list-style-type: none"> <li>• PACT Meeting held 18 February 2020</li> <li>• Audit and Risk Committee held 30 January 2020</li> </ul>	
<b>B351.</b>	<p><b>For Homologation</b></p> <p><b><u>Development Report</u></b>  <b>Agreed: The Board unanimously approved the minutes of the virtual approval.</b></p> <p><b><u>Legionella Control Policy</u></b>  <b>Agreed: The Board unanimously approved the minutes of the virtual approval.</b></p>	
<b>B352.</b>	<p><b>AOCB</b></p> <p><b>Provisional date:</b>  Rearranged Constructively Challenge training with Helen Rudge  Monday 14 September (PM)</p>	
<b>B353.</b>	<p><b>Date of next meeting:</b>  Monday, 17 August 2020 at 4pm</p>	

