

Minutes Confidential Strategic Board meeting

Date	24/05/2021
Time	15:30 - 17:00
Location	Zoom
Chair	Helen Boath
Explanation	Present: Miss Helen Boath - Chair Mrs Sandra Stock - Vice Chair Mr Derek Adam - Board Member 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 Stephen Clark - Board Member Mrs Esther Robertson - Co-opted Board Member Mr Brian Gallacher - Co-opted 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
Mrs Beverley Graham - Housing Manager
Miss Laura Grieve - Secretariat

3.30pm Board Self-Assurance Assessment

Presenter: Chair

1 Procedural

Presenter: Chair

1.1 Co-option of Board members

Presenter: Chair

Minutes

The Board unanimously approved the co-option of Mrs Robertson and Mr Gallacher to the Strategic Board. Mrs Robertson and Mr Gallacher joined the meeting after approval.

1.2 Welcome and apologies

Presenter: Chair

Minutes

The Chair welcomed everyone to the meeting and there were no apologies received.

1.3 Declaration of Interest

Presenter: Chair

Minutes

There were no declarations of interest.

1.4 Minute of the previous meeting

Presenter: Chair

Minutes

There were no amendments to the minute of the previous meeting.

Agreed: The Board unanimously approved the minute of the previous meeting.

1.5 Matters arising

Presenter: Chair

1.6 Action points

Presenter: Chief Executive

Minutes

There were no further action point updates.

2 For Update

2.1 Chairperson's verbal report

Presenter: Chair

Minutes

G8 Meeting

The Chair advised that Fife Housing Group (FHG) hosted the last G8 Chairs meeting with the main discussion item being the impact of the COVID-19 pandemic and expectations of tenants as we move out of lockdown. The Chair added that the minutes would be available on iBabs for Board members to view.

Strategy Feedback

The Chair advised that feedback from the Board Strategy Day event was overall very positive and asked if there was anything further that Board members would like to add. One Board member would have liked more time to discuss Any Other Business (AOB) matters.

Scottish Federation of Housing Associations (SFHA) Social Value for Board members

This SFHA webinar will equip housing association boards with a better understanding of the use, and importance, of social value measurements in order to incorporate this approach into their strategic outlook and resource allocation. If Board members would like to attend please contact Miss Grieve for more information.

Policies for Approval

The following additional policies have been uploaded to iBabs and we ask you to provide any comments/and or approval to Miss Grieve by 7 June 2021 and they will be homologated at the next Board meeting:

- Factoring Policy
- Rent Setting

Board members should contact Miss Grieve and if no contact is made then we will assume that you are happy to approve the policies.

Board drop-in session

Board members are always encouraged to speak to the relevant Director ahead of a Board meeting should they have any questions regarding any of the Board papers.

In addition to this, for the Board meeting this evening we trialled offering Board members a drop-in-session with Derek Banks on Friday afternoon from 2pm-4pm to discuss any specific queries that Board members wished to raise before the meeting. This was not taken up by any Board members on this occasion, however, if this is something that you think would be beneficial going forward, can you please let Miss Grieve know and we can offer this time out again, whether it is via a telephone call or a ZOOM meeting.

2.2

Vice Chairperson verbal update on CE & Chair's appraisal

Presenter: Chair & Vice Chair

Minutes

Chief Executive Appraisal

The Vice Chair advised Board members that the Chief Executive's appraisal was carried out with the assistance of a few members of the Colleague and Governance Committee on 1 April 2021. It was recognised that it had been a very challenging year and that the Chief Executive has performed exceptionally well and was thanked on behalf of the Board for their hard work. The Chief Executive's objectives for 2021-22 were agreed and circulated to Board members on 8 April 2021 and the Chief Executive is confident that they will be delivered by 31 March 2022.

Chair Appraisal

The Vice Chair advised that the Chair's appraisals was carried out along with one other Board member and thanked all Board members for their feedback on the Chair performance and added that the Chair has made minor procedural changes in Board meetings as a result of the feedback received.

2.3

Chief Executive's report

Presenter: Chief Executive

Minutes

Mrs Barr left the meeting.

The Chief Executive highlighted a few areas of the report.

Return to Work Action Plan

The guidance from the Scottish Government's most recent Strategic Framework outlines that even in Level 0 the default position remains working from home but phased and limited return to the office can begin. The Business Leadership Team are, therefore, drafting plans to allow this to potentially happen from July 2021 onwards but with the caution that this is subject to change.

Flexible Working

As discussed at the Board Strategic Day we are working on a flexible working policy which may impact on a full return to the office but this is subject to any recommendations being approved by the Board.

Recruitment

The Director of Housing has tendered her resignation and will be leaving the organisation on 3 September 2021. The Director of Housing has been instrumental in the significant progress made by Fife Housing Group and will be greatly missed by the Leadership Team and colleagues alike. There will be a leaving dinner for the Director of Housing at a date to be arranged in August 2021.

Scottish Housing Regulator (SHR) Annual Loan Portfolio

The SHR would normally provide access to the Loan Portfolio return by the start of May each year, however, they have been experiencing technical issues. They had hoped to have the issues resolved by the 11 May 2021 but have not managed to achieve this date and are now unable to provide a firm date on when the return will be available. The SHR has stated that the deadline for submission will be extended in line with the length of the delay. There has been no changes to the loan portfolio so does not present a risk to the Group.

Business Plan

The Board agreed at the meeting of the 29 March 2021 to review the potential business plan (BP) options in line with information received from the Fife Housing Association Alliance concerning the potential development number over the next ten years. Preliminary information was received on the 11 May 2021 which needs to be discussed in detail before a more precise BP can be developed, which is likely to take approximately three weeks. A further report will be presented in due course.

External Audit

The PACT external audit has been carried out and has received positive feedback. The Fife Housing Association audit begins this week, 24 May 2021.

Board Annual Self-Assessment

The Board will undertake their Board Self Assurance Assessment prior to the Board meeting. An agreed date and time will need to be scheduled for submission of the Annual Assurance Statement prior to 31 October 2021.

Evictions

As Fife is now in tier 2 for Covid restrictions the previous restriction on evictions for anything except anti-social behaviour or criminal activity, that would have been in place until September 2021, will no

longer apply.

The Chief Executive invited questions from Board members and no questions were received.

Agreed: The Board noted the contents of this report.

2.4 **Management Accounts for period ending 31 March 2021**

Presenter: Director of Finance, Governance and Assets

Minutes

The Director of Finance, Governance and Assets presented the report and advised that the Association generated a surplus of ██████ against a budgeted surplus of ██████, producing a favourable variance of ██████. These results are prior to movements in Pension values as the Pension Valuation Report is yet to be received.

Costs have been incurred against Developments in the year to date resulting in an adverse variance of (£228k). The additional costs realised in the period relate to technical planning professional fees and tree work associated with the Glen Albyn development. We have received £262k in housing grants for the development works.

The Association has incurred £1.1m spend on Major Component Replacements which results in a (£58k) overspend in the year to date – increased on the previous period by an overspend in the period of £42k. Expenditure in the period relates mainly to £19k of Central Heating Costs, £3.5k of Bathroom Installations, £5k of Kitchen Installations and £17k of Roofing. Favourable variances exist for Environmental Works of £100k, Insulation of £53k, Bathrooms of £52k, Kitchens of £130k and Other MCR of £19k.

It was agreed that The Director of Finance, Governance and Assets would send the Pensions FRS102 valuation report to the working group ahead of the proposed meeting in June 2021.

The Director of Finance, Governance and Assets invited questions from Board members and no further questions were received.

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

2.5 **Performance Dashboard**

Presenter: Director of Finance, Governance and Assets

Minutes

The Director of Finance, Governance and Assets presented the report and advised that the report outlines the performance against the 40 indicators which includes 2 additional indicators added for March 2021 concerning absences due to Covid-19.

The report shows that there has been an improving position from the last reporting period and an increase from 10 to 16 within target.

The Director of Finance, Governance and Assets advised that we are now in discussions to set the performance dashboard targets for 2021-22 and this will be discussed further at the ARC Improvement Group on Thursday 26 May 2021.

The Director of Finance, Governance and Assets invited questions from Board members and no questions were received.

Agreed: The Board discussed this update and noted performance to 31 March 2021.

2.6

Audit & Risk Committee verbal update from meeting held on 13 May 2021

Presenter: Audit and Risk Committee Chair (absent)
Director of Finance, Governance and Assets

Minutes

The Director of Finance, Governance and Assets provided a verbal update of the meeting held 13 May 2021 and advised that the two internal audits were discussed.

Corporate Governance and Board Effectiveness Internal Audit Report

The Director of Finance, Governance and Assets advised that the internal auditors gained assurance that, in general, Fife Housing Group's corporate governance procedures have been well designed and are operating effectively. Fife Housing Group should aim to encourage applicants from BAME backgrounds to Board positions to ensure there is appropriate representation. However, it is recognised that over 95% of Fife's population is white and this presents a challenge for Fife Housing Group in appointing

members from BAME backgrounds.

Business Continuity Planning Internal Audit Report

The internal auditors found that an overarching policy is required and although a Business Continuity and Disaster Recovery plan is in place, it is not based upon a business impact assessment.

The Director of Finance, Governance and Assets asked Board members if they had any questions and no questions were received.

Agreed: The Board noted the verbal update.

3 For Approval

3.1 Annual Return on the Charter (ARC)

Presenter: Director of Housing

Minutes

The Housing Manager presented the report and advised that the ARC for 2020/2021 is for approval prior to submission to the Scottish Housing Regulator (SHR) by the deadline of 31 May 2021. The information reported on is solely for Fife Housing Association (FHA) and excludes PACT performance data.

The Housing Manager highlighted a few indicators detailed within the report to discuss and they were as follows:

Customer Satisfaction

In regards to customer satisfaction, the reduced results come through our 2020 Customer Satisfaction Survey and we believe the impact of lockdown and the restrictions during the year on services have resulted in the reduction of satisfaction levels.

Rent arrears

The current arrears benchmark well with our G8 partners most of whom have also seen rent arrear increases. Gross arrears are reported to the group annually and we are showing as one of the top performers in the group for this indicator. The impact of Covid-19 is still continuing to have an impact on arrears recovery methods. We continue to make use of alternative methods to carry out arrears interviews. The number of tenants furloughed has dropped considerably over the last few months as restrictions are lifting. There continues to be high levels of engagement with tenants

in arrears.

Void Days

The increase in void days has resulted in an increase of void loss, however, again we have seen a much smaller increase than any of our G8 partners.

The Housing Manager invited questions from Board members and one Board member asked about the reporting of the day to day repairs results and it was agreed that the Director of Housing would clarify the position and report findings to the Board prior to submission of the return.

A Board member also asked about the arrears level and the Housing Manager advised that we had already done a lot of work to reduce the arrears prior to lockdown. During lockdown we ensured that we were in contact with every tenant and early intervention and assistance for tenants claiming Universal Credit (UC) has helped. We still continue to increase video calling with tenants.

There was a discussion around the Mobyssoft rent sense software and it was advised that this is due to start in June 2021.

It was also discussed that it might be worth carrying out an external audit of the validation process for ARC as this is something that is required periodically.

Agreed: Board members unanimously approved the Annual Return of the Charter, subject to clarification on the repairs point above.

3.2

Strategic Risk Register

Presenter: Director of Finance, Governance and Assets

Minutes

The Director of Finance, Governance and Assets presented the report and advised that the Audit and Risk Committee approved the strategic risks set out at Appendix one on the 13 May 2021. The annual audit programme has confirmed that the organisation has strong controls in place, however, routine review is essential to ensure that the organisation can meet the risks arising in the future.

The Director of Finance, Governance and Assets added that a Board member with experience in Risk Management has offered to share their expertise in order to streamline the process and the way

in which risks are presented to the Board.

The Director of Finance, Governance and Assets asked Board members for feedback and asked if they agreed with the Risks outlined in the report and how they see risks being mitigated going forward. No further feedback was received.

Agreed: The Board unanimously approved the Strategic Risk Register.

3.3 **Memberships**

Presenter: Director of Finance, Governance and Assets

Minutes

Agreed: The Board noted the contents of this report and approved the membership application as outlined at section 2.5 of the report.

3.4 **Procurement and Contracting Policy**

Presenter: Director of Housing

Minutes

The Director of Housing presented the proposed changes to the policy.

The changes to the policy reflect the difficulty in receiving responses to quote requests due to the high level of quotes that our policy requires outside of the Framework. Having benchmarked our policy against others it does appear that our procurement levels should be increased, albeit we feel we remain prudent with limits set to reflect to our structure and expenditure.

Other than updating for organisational structure and post changes the only amendments proposed to this policy are to the procurement limits and the requirement to ensure segregation of duties between quotations and purchase order approval. Once approved, this change will necessitate the amendment and updating of the Standing Orders and Financial Rules.

The Director of Housing invited questions from Board members and one Board member asked about using tracked changes to the document and the Director of Housing advised that by using tracked changes on this document it made it more difficult to read.

Agreed: The Board considered the updated policy and approved the Procurement and Contracting Policy.

4 For Noting

4.1.1 Operational Workplans Quarter 4 update

Presenter: Chief Executive

Minutes

Agreed: The Board noted the contents of this report.

4.1.2 Operational Workplans for 2021-22

Presenter: Chief Executive

Minutes

Agreed: The Board noted the contents of this report.

4.1.3 Health and Safety Annual Review

Presenter: Director of Operations

Minutes

Agreed: The Board noted the review of work in relation to health and safety carried out in the year 1 April 2020 - 31 March 2021.

4.2 For Homologation

4.2.1 Colleague and Governance Committee 14 May 2021

Presenter: Director of Operations

Minutes

Agreed: The Board approved the Colleague and Governance Committee minutes.

4.3 Minutes for noting

Presenter: Chair

4.3.1 PACT Meeting held 18 January 2021

Presenter: Chair

Minutes

Agreed: The Board noted the contents of the PACT minutes.

4.3.2 Audit and Risk Committee held 28 January 2020

Presenter: Chair

Minutes

Agreed: The Board noted the contents of the Audit and Risk Committee minutes.

5

Other

5.1

AOCB

5.2

Date of next meeting

Monday 16 August 2021 @ 4pm

Chair: Miss Helen Boath

Via ZOOM