

Minutes Confidential Strategic Board meeting

Date 16/08/2021
Time 16:00 - 18:00
Location Zoom
Chair Helen Boath
Explanation Present:
Miss Helen Boath - Chair
Mr Derek Adam - 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 - Board Member (co-opted)
Mr Brian Gallacher - Board Member (co-opted)

In attendance:

Mrs Nicki Donaldson - Chief Executive (CE)
Mr Derek Banks - Director of Finance, Governance and Assets (CEGA), Company Secretary
Mrs Su Bramley - Director of Housing (DoH)
Mrs Beverley Graham - Director of Housing (DoH)
Mrs Caroline O'Donnell - Director of Operations (DoO)
Miss Laura Grieve – Chief Executive and Governance Assistant (CEGA)
Mr Scott Gillon - Wylie & Bisset (Point 1.2 only)

1 **Procedural**
Presenter: Chair

1.1 **Welcome and apologies**
Presenter: Chair

Minutes:

The Chair welcomed everyone to the meeting and advised that apologies had been received from Mrs Sandra Stock. There were no apologies received in advance of the meeting from Mr Laurie Boles, Mrs Lynne Pascal and Mr Martin Fleming.

The Chair welcomed Mr Scott Gillon from Wylie and Bisset to present the Annual Accounts.

1.2 **FHA Annual Accounts / Letter of Representation & Management Letter**

Presenter: Director of Finance, Governance and Assets

Minutes:

Mr Gillon advised that the Annual Accounts were presented to the Audit and Risk Committee at the meeting of the 12 August 2021.

Mr Gillon confirmed that they were able to confirm an unqualified opinion and that there were no management letter points to follow up on from the previous year and no improvement points set for this year nor any adjustments.

Mr Gillon 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. Mr Gillon praised the team on their professionalism throughout the process and the timely manner in which they were able to provide requested information.

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

Mr Gillon commented that it is worth stating that it is very rare to get a clean audit report for three years in a row and this is an asset to Fife Housing Association.

Board members were invited for questions and commented that it was a remarkable report and a compliment to the finance team and wider Group. A further Board member commented that they were very impressed with the Annual Accounts given the challenging year we have had due to the pandemic.

Agreed: Board members unanimously approved the Annual Accounts.

Mr Gillon left the meeting.

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

Minutes:

There were no matters arising.

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 feedback

The Chair provided a verbal update on the G8 meeting and advised that in regards to Sustainability, Heat and Energy Strategies the G8 Group are considering procuring a consultant collectively to look at potential new heating technologies and recommend those systems providing the most benefits. The Chair asked the CEGA to upload the meeting minutes to iBabs for Board members reference.

CEO Succession

Karen Fitzsimmons, a consultant, will present at the November G8 Chair's meeting to discuss CEO succession and the Chair will provide a further update following the meeting.

Board meeting format

The Chair asked Board members how they wish future Board

meetings to be held i.e. face-to-face, virtual or a hybrid approach bearing in mind the next meeting will be in November 2021. Board members discussed a preferred hybrid model but this would be reviewed further ahead of the November Board meeting.

AGM

The Chair advised that Board members will have now received a letter notifying them of the virtual AGM being held on 13 September 2021 and a further pack will be sent out by 30 August 2021. Board members are asked to confirm their attendance at the AGM.

9 year rule presentation

Mr Stephen Clark has reached his 9 years' service on the Board of Management and our Model Rules 2020 state the following:
"The Committee must be assured that any Committee Member who has continuous service on the Committee of nine years or more and who is seeking re-election is able to demonstrate his/her continued effectiveness as a Committee Member before he/she may stand for re-election."

Therefore, Mr Clark will provide a short presentation at the end of the August Board meeting to demonstrate how his skills and experience will continue to benefit Fife Housing Group (FHG). Mr Clark will present and then leave the meeting while the Board makes a decision as to whether he is re-elected at the upcoming AGM.

Office Bearing Re-elections

The Chair has expressed her willingness to stand for re-election at the first meeting after the AGM. If approved this will be her third year as Chair. However, should anyone else wish to be considered for Chair please contact the CEGA.

In addition, the Vice Chair has also expressed her willingness to stand for re-election at the first meeting after the AGM and if approved, this will be her third year standing as Vice Chair. Similarly, should anyone else wish to be considered for Vice Chair please contact the CEGA.

Board training course

The SFHA are hosting a new series of SFHA governance masterclasses with the first masterclass being held on 14 September 2021 from 10.30am – 12pm. The CEGA will be sending a link containing more details about the course to Board members

and if you would like to attend the masterclass, please let the CEGA know.

2.2 **Chief Executive's report**

Presenter: Chief Executive

Minutes:

COVID-19

From Monday 9 August Scotland will move beyond level 0 of the Scottish Government's Strategic Framework levels system. The guidance continues to promote a cautious approach and our Return to Work Action Plan has been updated to reflect this.

G8 Group

The G8 Group has recently increased in size with Berwickshire Housing Association re-joining having previously left about 6 years ago. The Group are in discussion about joint working in relation to our response to Climate Change and any subsequent joint procurement opportunities that may arise. [REDACTED] are due to present to the G8 Group in September 2021 to see how we want to move forward to assist in de-carbonise work.

Affordable Housing Supply Programme (AHSP)

The CE advised that we are yet to fully understand how this will be allocated across the Fife area and are seeking an early meeting with the Scottish Government and the Fife Housing Association Alliance to discuss in more detail.

Glen Albyn, Kirkcaldy

The contract sum has now been agreed with the contractor, there was extensive re-appraisal of the contract following late planning conditions set by Fife Council which has seen the contract increase by [REDACTED]. The Board have approved this increase to the and the contractor is expected to start on site in late August / early September.

Trade recruitment

We are currently recruiting for an electrician, joiner and skilled labourer. We are, however, finding difficulties filling posts on our current grade structure (particularly trades and technical asset and finance posts). The feedback is generally that the starting point of our salary scale is too low and people are able to find positions offering the top end of our scales. The Colleague and Governance Committee are meeting in September to discuss this further.

There was a discussion about what engagement there is with the Fife Colleges and it was confirmed that we are already well engaged with Fife Colleges. The Colleague and Governance Committee recently approved the recruitment of 2 additional apprenticeship positions, however, the apprentices had already been recruited elsewhere. The current availability of materials was also discussed and the DoO confirmed that we have been monitoring the situation and that we have already stockpiled materials.

We are currently looking at climate change and the DoFGA has an objective to set up a working group to discuss further. The CE advised that we are working with the G8 Group who are in discussion with the Scottish Federation of Housing Associations (SFHA) about doing a pilot project.

Mobysoft RentSense

The DoH advised that the software is expected to go live in the next week as it was delayed due to an error which was identified during the testing stage.

Agreed: The Board noted the contents of this report.

2.3 Management Accounts for period ending June 2021

Presenter: Director of Finance, Governance and Assets

Minutes:

The DoFGA presented the Management Accounts Report for the period ending 30 June 2021 and advised that Rent Void Losses shows a large favourable variance of £11k in the year to date, increasing the trend. The bulk of the favourable variance relates to house voids, and is reduced by an adverse variances of (£2k) in Garage Sites.

The operating expenditure is overall £162k favourable against budget, due to favourable variances in Management Costs of £183k, Bad Debts of £39k and in Depreciation of £2k, all of which offset against the adverse variance in Direct Maintenance Costs of (£63k).

The DoFGA advised that the overspend in Direct Maintenance costs is mainly due to not being able to carry out our kitchens and bathrooms replacement programme and, therefore, not able to

capitalise costs the way we usually do instead colleague costs are charged to the SOCI.

Board members discussed a materials shortage across the whole sector and the DoFGA advised that the Major Component Repair (MCR) programme may cause problems going forward due to the lack of availability of supplies and potentially colleagues, however, we will continue to monitor the situation.

Agreed: The Board noted the contents of this report.

2.4 **Performance Dashboard**

Presenter: Director of Finance, Governance and Assets

Minutes:

The DoFGA advised that the availability of supplies and the nature of some jobs, particularly multi-trade, has delayed some repairs. At this stage there is no concern about meeting targets but the DoFGA will monitor the trend.

A Board member asked about the legislation change to the smoke alarm programme and the DoO advised that the smoke detection programme is due for completion in February 2022.

Board members asked if a printed copy of the Performance Dashboard could be sent to Board members as the chart can be difficult to read on screen. It was agreed that the CEGA would ensure printed copies were circulated at the time of the Board papers being published as this previously happened when we were in the office. It was also agreed that the DoFGA would add coding criteria to each page.

Agreed: The Board discussed this update and noted performance to 30 June 2021.

2.5 **Audit and Risk Committee verbal update from August meeting**

Presenter: Audit and Risk Committee Chair

Minutes:

In the absence of the Audit and Risk Committee Convenor, the DoFGA provided an update to the meeting held on 12 August 2021 and highlighted the following:

Annual Accounts

The DoFGA advised that the main point for discussion was on the Annual Accounts and that Mr Gillon had presented these to the Committee, with the Committee recommending approval to the Board.

Outstanding audit action points

The action points were discussed and agreed to be completed within the set timescales.

Compliance with Legislation Internal Audit report

The report confirmed that there are well designed controls in place to ensure compliance with relevant legislation and are operating effectively.

Annual Assurance Statement discussion

Committee members agreed to review the documentation contained within the document section of iBabs and confirm to the CEGA by email that they are happy to approve to recommend to the Strategic Board the submission of the Annual Assurance Statement being fully compliant.

Strategic Risk Update

The DoFGA advised that the Strategic Risks have been reviewed and there are no changes from the previous assessment.

3 For Approval

3.1 Standing Orders and Financial Rules

Presenter: Director of Finance, Governance and Assets

Minutes:

The DoFGA advised that this report provides an update to the Standing Orders and Financial Rules (SOFR), taking into account recent decisions regarding payment authorisations and delegation updates following the recent restructure of our teams. It also ensures that they are in line with changes in legislation and in line with any changes made to the Model Rules 2020.

All proposed amendments in the document are contained within the red and green authorities schedule shown marked in red or highlight for the purpose of this report as to use 'track changes' on such a large table would make it difficult to read.

A Board member highlighted that there is an inconsistency with the

terms used for Chair and Chairperson. The CEGA confirmed she would ensure that this is consistent throughout the document.

Agreed: The Board reviewed and approve the attached updated Standing Orders and Financial Rules.

3.2

Governance Report

Presenter: Chief Executive and Governance Assistant

Minutes:

The CEGA presented the Governance Report and highlighted the following key areas from the report:

Board Training

Following the Board member appraisals with the Chair and Vice Chair in April 2021, Board members received written feedback on their appraisals within two weeks of the appraisals being carried out and a verbal update was provided to Board members at the May 2021 Board meeting. Board members are asked to discuss and agree the key objectives that they would like to achieve on each training subject in order for a full training schedule to be put in place.

Equality diversity:

- How are we perceived as an organisation;
- How are we encouraging groups;
- How are groups perceived and statistics; and
- Any new legislation.

Regulation in social housing:

- New upcoming legislation
- what is the SHR communicating.

Safeguarding:

- Legislation and what this means for our tenants and what we do.

Board Self-Assessment

Attached at Appendix one of the report is our most current and up-to-date Board member skills assessment following the annual appraisals. This has also been updated following a Board only discussion on 24 May 2021 and feedback is requested from the Chair on how she wishes to conclude the feedback from Board members. The Chair confirmed that there is no further action required as all areas have now been addressed.

Director of Housing

Board members will be aware that Mrs Bramley is leaving the organisation on the 1 September 2021 to enjoy early retirement. Mrs Beverley Graham will be taking over from Mrs Bramley as Director of Housing and following Board member approval, Mrs Graham will subsequently become a PACT Director. Following approval, the CEGA will make the necessary changes with Companies House.

Agreed: The Board discussed and agreed the following:

- a) Discussed and agreed the key objectives that they would like to achieve on each training subject in order for a full training schedule to be put in place;
- b) The Chair provided feedback on how she wishes to conclude the Board self-assessment feedback from Board members;
- c) Approved Beverley Graham's appointment as a Director of PACT Enterprises Ltd following Mrs Su Bramley's departure on 9 September 2021; and
- d) Agreed that the CEGA will send out potential dates for Board members to discuss how they wish to take forward the Annual Assurance Statement for 2021.

3.3

Company Secretary Report

Presenter: Director of Finance, Governance and Assets

Minutes:

The DoFGA presented the report and advised that the report provides assurance to the Board that the Company Secretary can duly confirm to the Board of Management in terms of Rule 68 that the requirements of Rules 62 to 67 have been followed. The Board is asked to note that there has been no entries in the Fraud Register and one entry in the Register of Benefits and Payments

Board members confirmed that they were satisfied that Rules 62 to 67 have been properly adhered to by the Company Secretary.

Agreed: The Board unanimously approved that in terms of Rule 68 that the requirements of Rules 62 to 67 have been properly adhered to by the Company Secretary and noted that there are no entries in the Fraud Register and one entry in the Payments and Benefits Register and that the Chairperson is required to sign the annual declaration to this effect.

3.4 Hybrid working Policy

Presenter: Director of Operations

Minutes:

The CE presented the draft Hybrid Working Policy stating that options had been considered as part of the Board strategy day held on 21 April 2021 and there were multiple workshops with colleagues. The Board concluded that there was support for implementing the hybrid working model subject to a future report being provided on performance.

Colleague contracts will remain unchanged with their base being Pitreavie Office and working times will be from 8am - 6pm and our office will remain open from 8.30 a.m. to 5.00 p.m. Monday to Thursday and 8.30 a.m. to 4.30 p.m. on a Friday. All colleagues must work 35 hours per week, trades 39 hours per week.

Team Charters have been developed by all colleagues including the Business and Operational Leadership Teams. Individual Team Charters have been developed in consultation with their Operational Leader. Charters will be reviewed by each team regularly to ensure they remain fit for purpose. All Team Charters will be regularly reviewed by the Operational Leadership Team (OLT) to ensure collaboration is maintained between the teams. The Business Leadership Team (BLT) has the final approval of all charters and will carry out quarterly reviews in the first year.

It is proposed, if approved that colleagues are given notice of one month of our intention to implement the policy i.e. 13 September 2021.

The CE invited questions from Board members. Board members provided very positive feedback and commented that it is a great achievement and demonstrates the commitment to being a progressive and leading organisation. A further Board member commented that they were impressed with the process and how thorough and mature we had been. A Board member commented that it is critical that no colleague gets to work from home full time and that their time is split between home and office.

A Board member referred to point 5.3 of the Hybrid working Policy and advised that it might be worth changing the wording as how do we define space as not everyone will have a spare room. *"Colleagues choosing to work part of their week at home will*

be required to have a suitable private space, with suitable seating and working arrangements in place to allow them to work safely."

A Board member commented that the wording could be changed at Point 8.4 of the Hybrid Working Policy stating that "All efforts must be made to secure equipment when being used at home. Wherever possible, this equipment **should be locked away**. Where possible, all equipment should be stored out of sight of windows and DoOrs to deter equipment being stolen."

It was discussed that it is worth mentioning that team charters were designed by all individual teams and then reviewed again as one and has worked well for the organisation. This has included collaborative working and this is something that we aim to encourage to be promoted going forward.

The office environment will be adapted to allow more collaboration space and we have approached [REDACTED] who provided our current office furniture to look at possible options. Any changes will be funded through existing budgets.

Board members discussed the need to be responsive to the situation as we are not aware of the impact on mental health at this time. It was confirmed that all colleagues will be encouraged to regularly sit down with their line manager to discuss any issues.

A Board member referred to the section about 'permanent location' and 'home extension' of the Hybrid working Policy and it was agreed that the DoO would reword the sentence.

Agreed: The Board discussed the content of this report and approved the Hybrid Working Policy for implementation from 13 September 2021.

3.5 **Repairs and Maintenance Policy**

Presenter: Director of Operations

Minutes:

The DoO presented the report and advised that the Repairs and Maintenance Policy has been reviewed by the DoO and both Operations Managers in conjunction with the Resident Voices Group. The feedback from the Resident Voices Group have been incorporated within the policy.

A major review of the policy took place in 2018 in conjunction with the DoH. Therefore, the policy has minor changes and has been updated to reflect current practice.

Board members were invited for comments or questions and none were received.

Agreed: The Board approved the Repairs and Maintenance Policy.

4 For Noting

4.1 PACT Annual Accounts / Letter of Representation / Management Letter

Presenter: Director of Finance, Governance and Assets

Minutes:

Agreed: The Board noted the contents of this report.

4.2 Membership and Retirement

Presenter: Director of Finance, Governance and Assets

Minutes:

Agreed: The Board noted the contents of this report.

4.3 Operational workplans Q1 update

Presenter: Chief Executive

Minutes:

Agreed: The Board noted the contents of this report.

4.4 Minutes for Homologation

4.4.1 Rent Setting Policy & Factoring Policy

Presenter: Chair

Minutes:

Agreed: The Board unanimously approved the virtual meeting minute.

4.4.2 Business Planning

Presenter: Chair

Minutes:

Agreed: The Board unanimously approved the virtual meeting minute.

4.4.3 SHR Loan Portfolio

Presenter: Chair

Minutes:

Agreed: The Board unanimously approved the virtual meeting minute.

4.4.4 Allocation to a family member of a colleague

Presenter: Chair

Minutes:

Agreed: The Board unanimously approved the virtual meeting minute.

5 Other

5.1 AOCB

5.1.1 9 Year Rule Presentation - Stephen Clark

Minutes:

Mr Clark presented to Board members and demonstrated how his skills and experience will continue to benefit FHG.

Mr Clark added that he has been working in the Housing Sector for many years and in a variety of roles, therefore, he has good knowledge within the sector. Mr Clark has served as a Board member for 9 years now and understands the history around why key decisions were taken and can see continuous improvements being made and has been impressed with the resilience over the past year during the pandemic.

Mr Clark left the meeting at this point.

Board members discussed Mr Clark's skills, knowledge and experience that he contributes to the Board and unanimously agreed for Mr Clark to serve as a Board member for a further year. The CEGA will email Mr Clark to inform him of the Board's decision.

5.2 Date of next meeting:

Date of next meeting:

AGM

Monday 13 September 2021 at 5.30pm

Virtually via ZOOM

Post AGM Meeting
Monday 13 September 2021 at 6pm
Virtually via ZOOM

Minutes:

The Chair thanked Mrs Bramley for her service and support over the years on behalf of all Board members and wished her well in the future.