

**FYNE HOMES LTD**

**Minute of Management Committee  
Held at 11 Victoria Street, Rothesay and by TEAMS VC  
Wednesday 23<sup>rd</sup> November 2022 at 4.00pm**

**Present: -**                      D Herriot              J McMillan  
    A Jones                P Wallace  
    P Lingard            T Harrison  
    S MacLeod

**By Video Conference:**      M Lang

**In Attendance: -**              I MacPhail, Chief Executive  
    J McAlister, Technical Services Director  
    S Cole, Business Services Director  
    L Haemmerle, HR Director  
    T Robertson, Housing Services Director  
    M Thomson, Corporate Manager  
    J MacCallum, Technical Services Manager  
    F Ewing, Directors Admin Assistant  
    E MacCallum, Minute Taker

**Apologies: -**                      L McCabe

**Absent:-**                              R Henshelwood

**1.      Apologies for Absence**

Apologies were intimated as above.

**2.      Declarations of Interest**

P Lingard and M Lang declared an interest in Agenda 08(ii) - Distribution of Fyne Energy Gift Aid to tenants and 09(b)(ii) Revenue Budget incorporating Rent and Service Charges 2023/24.

**3.      AOCB pre-notifications**

There were two pre notifications:

- (i) *RBS Covenants*
- (ii) *Care and Repair Board*

**4.      Minute of Management Committee Meeting held on 5<sup>th</sup> October 2022**

On a proposal from S MacLeod, seconded by P Lingard, the minute was accepted as a true and accurate record of the proceedings.

***i)      Matters arising not covered in the agenda***

There were no matters arising not included in the agenda.

**ii) Rolling Action Points**

The updated rolling action points were circulated for information and noted by Committee.

- Action 27 – This action is now incorporated in the Scottish Housing Network Performance Analysis and a verbal update will be given later in the agenda; action is now closed.
- Action 2122-05 – will be covered under the Technical Services update.
- Action 2122-06 – The Business Continuity Plan has been rolled out to staff and the updated plan is covered under the agenda, this action is now closed
- Action 2223-03 – Scottish Government approved funding and issued an offer of grant; this action is now closed and will continue to be covered under the Technical Services Update going forward.
- Action 2223-07 – Carpet tiles have been laid and curtain hung. Wall hanging to go up and new VC has been implemented. This action is now closed.
- Action 2223-08 – Regulator has been notified; action now closed.

**5. Quarterly Performance Reports to 30<sup>th</sup> September 2022**

From a previously circulated report the Committee noted the contents.

**6. SHN (Scottish Housing Network) Performance Analysis**

SHN work with landlords in Scotland to drive performance, best value and deliver a quality service. This is achieved through benchmarking, self-assessment, good practise exchange and information sharing. The CEO verbally reported that Fyne Homes had excellent satisfaction figures, there are some areas that we intend to re-evaluate which include repairs right the first time, adaptations, and timescales, offers refused and turnover & void times. These will be revisited in January, in order to see the first 3 quarters. There are no significant issues anticipated, it is a measure to ensure that we are accurately recording the figures. The CEO highlighted that after the ARC return is submitted next year, there will then be an ARC verification, which is an audit to assess the information submitted. It was noted that a full report on the performance analysis is available if required.

**7. Technical Services Reports****i) Development Report**

A detailed report by the Technical Services Director was previously circulated to bring Committee up to date with progress in various areas. It was noted that the Technical Services Manager was in attendance to cover some of the reports. Some points were highlighted as follows and the remainder of the report was noted:

- *Cairndow – 6 Units*

The final defects schedule has been carried out bar one property with no access. Once determined that works have been carried out satisfactorily the final retention will be released.

- *Inveraray*

The Association is continuing to negotiate directly with the Estates' factor however progress has been slower than anticipated. Site acquisition is targeted for completion at the end of March 2023, once the legal agreements are concluded and detailed planning

consent and a funding package have been achieved. The Scottish Government has been updated on the timescale change and continues to note its support for the project.

- *Baddens Park/Riverside Drive (3 semi-detached blocks, 6 x 3 bed 5person)*

The detailed planning application was validated on the 22<sup>nd</sup> June and the target determination date for the application was 20<sup>th</sup> August, however feedback is still awaited at the time of reporting, it is understood that the main reason for the delay is the lack of resource in the planning authority.

- *Argyll and Bute Sites*

A potential site has been identified in the Lochgilphead area, which is in the local plan as a housing allocation area (HAL) for eighty units. Argyll and Bute Council carried out investigatory works regarding road access at no cost to the Association and a response was received from the Roads Department confirming the access proposals were acceptable in principle. Procurement of an architect is proposed to undertake a capacity assessment to determine the number of units that could be delivered on the site.

- *Ballochgoy Plots*

As reported previously, MAST architect carried out a capacity study for the plots at Ballochgoy. The next step will be to appoint a design team, before this happens a factory visit has been arranged with some Committee members and staff to The Wee House Company in Ayrshire who specialise in modular construction.

## ***ii) Capital Investment Report***

The Capital Investment report was previously circulated and noted.

### *Bute*

The window/door/soffit and fascia replacement at Foley Park is now complete. The Technical Services Director noted that over a 25-year period there would be a saving of approximately £185,000 from the cyclical budget.

### *Ballochgoy Roof Replacements*

From a previously circulated report the Technical Services Manager noted that one tender was returned by HL Metals, however the cost to carry out the works was much higher than anticipated. The contractor had several requirements in the tender and had costed several risks in which were detailed in the report. The Technical Services Director and Manager attended a meeting with HL Metals to discuss the costs. It was proposed that Fyne Homes may purchase the materials for the job in the current financial year then carry out the works to half of the properties the next financial year, with the remaining being completed the following year. Along with the other cost saving measures detailed in the report, this would contribute to reducing the overall cost and also allow the cost to be spread over a number of financial years. The Technical Services Manager noted that HL Metals have inspected the yard at Colbeck Lane and have advised it as being suitable to store the Zinc and other materials, contact has also been made with the Insurers to clarify if any issues would arise from having high value materials stored at the yard. This proposal went through the Fyne Initiatives Board meeting last week who were in agreement of the proposal. The Technical Services Manager sought the Committees approval to proceed with the phasing of work previously outlined and to purchase the materials this financial year.

A Committee member raised a query as to whether it had been considered to have a clerk of works on site to supervise the works as a precaution to ensure no oversights occur. The Technical Services Manager commented that when the initial works were being carried out the contractor were following specifications from the architect, whereas this

time the contractor is carrying out the design element. A 10year insurance backed warranty is also in place, this protects Fyne Homes and the owner/occupiers against any issues that may occur with the roofs or the company within a ten-year period.

**Resolution**

*After further detailed discussions the Committee agreed to proceed with the phasing of works detailed in the report and for the purchase of materials this financial year.*

*Cowal*

The contractor has submitted a programme of works for the window replacement contract at the Commercial Buildings and the works will commence on 9<sup>th</sup> January 2023.

*Mid-Argyll*

The window & door replacement contract at Market Place is progressing well with 75% of works complete.

*Kintyre*

Work re-commenced on 15<sup>th</sup> August with the central heating, kitchen replacements and rewire at the Cruden Houses, 13 out of the 15 properties are now complete at time of reporting. The same contract is being carried out at Ciaran Court and Harvey's Lane. The external wall insulation to the Kintyre stock will not be carried out this financial year due to the Ballochgoy roof tender costs.

***iii) Upper Academy***

From a previously circulated report the Technical Service Director noted that the Association is in the process of purchasing the vacant Academy Cottage (caretakers' cottage) which is situated between the upper and lower buildings. The Scottish Government have approved the funding application and issued an Offer of Grant on 27/10/22, a date of entry has still to be determined. The Technical Services Director and Manager met with the A&BC<sup>1</sup> Estates Department, Planning Department, a Conservations Officer, and consultants, Stantec to discuss the Academy site, in particular the lower site. Santec will be moving forward with approaching HES (Historic Environment Scotland) to apply to have the lower building delisted.

The Technical Services Director noted that while Fyne Homes will continue to be supportive with the plans for the lower building, our priority remains the upper site which is programmed in the SHIP to deliver housing.

***iv) Asset Management Update open market purchase***

The Technical Services Director noted that the Association is currently in the process of selling a property at 23 Mount Pleasant Road, with handover taking place before end of December. It was noted that this was the only tenanted property in the block the rest being owner occupiers.

***v) Fyne Homes Painting Division***

Background information and recommendations on the above were detailed in report 07(v). The contents of the report were noted by Committee, and it was agreed to adopt the recommendations. Further information will be provided to Committee at the next meeting.

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<sup>1</sup> Argyll and Bute Council

Resolution

*The Committee noted the contents of the report and agreed to the recommendations.*

**8. Housing Management Report****(i) *Department Update***

A report was previously circulated to update Committee on the progress of various issues or activities within the Housing Service Team.

*Applications and Allocations*

Current active applications on the waiting list stand at 3473 as of the 14<sup>th</sup> November 2022 of these 2401 have housing need points.

Homeless cases remain high in some areas with Bute in particular seeing a recent increase in homeless figures. The crash pads at Castlehill Street in Rothesay continue to be heavily utilised. The Housing Director noted that void properties on Bute are the lowest figure they have been in a number of years.

*Housing General*

Work is ongoing with the addictions team in Bute providing them with support in identifying a suitable property to utilise as a drop-in centre in Rothesay. It was noted that the CEO attended an open day in Oban that was held for the Ukrainian refugees.

*Voids and Arrears*

Arrears at the end of Q2 were 0.33%, with former arrears at 0.85%. Recharges remain high and the Housing Director noted that these are analysed monthly and are pursued using the same arrears management process as other outstanding balances due.

*Tenant Participation*

Tenant Participation Christmas events are resuming with separate Christmas movie events being arranged in all areas across December for children and older tenants, these will be advertised in the newsletter and via social media.

The 3-yearly tenant satisfaction survey is due in to take place in January and February 2023, a meeting has taken place with MI Housing Services to agree the format of the questionnaire. A pilot group has been formed with tenants and owners taking part in this during November.

**(ii) *Proposal to Distribute Fyne Energy Gift Aid***

From a previously circulated report the Housing Director noted that Committee had previously agreed to the proposal to distribute the Fyne Energy gift aid money to tenants based on the formula using property size detailed in the report, the distribution via Allpay Post Office vouchers, with incoming tenants also benefiting from the award until February 2023. This was agreed on the basis that the Business Services Director would confirm with our lenders to ensure no covenants were being breached. It was reported that confirmation was received from all lenders to state that there were no concerns regarding the distribution of the Fyne Energy gift aid as proposed.

Communication will go out to tenants via local press, social media, and the newsletter at the beginning of December. The vouchers will be distributed via the Allpay. Staff and Committee members who are also tenants will benefit from this one-off payment. This has been formally recorded and approved following the Schedule 7 Payments and Benefits process.

It was noted that the distribution of Fyne Energy gift aid to tenants will be recorded as a notifiable event with the Scottish Housing Regulator.

The Housing Services Director expressed her thanks to T Harrison, the Chair of Fyne Energy for the recommendation.

## **9. Business Services Reports**

A report was previously circulated by the Business Services Director for Committee's information and was noted. Some points were highlighted as below:

### **(a) General**

#### *(i) Department update*

- Work is ongoing within YEAR<sup>2</sup>, development continues with the Committee pages.
- 15 min training session for Committee will commence from the January 2023 meeting.
- The Scheme Management module for Total Mobile is due to be rolled out next month.
- The pilot for the Tenant Portal will be rolled out shortly, concerns previously raised by the SMT<sup>3</sup> have been addressed.
- The document management solution is being revisited with a demo being organised for the end of November.
- Quarterly accounts for all companies are complete and have been submitted to auditors/banks.
- Work carried out on the 2023-24 Annual Revenue and Capital Budgets along with the annual rent review, these will be covered under a separate agenda item.
- Work was carried out on InspirAlba Year End Accounts, their financial year end is 31.08.22, an audit was carried out week commencing the 14<sup>th</sup> November 2022.
- Liaising with the lenders regarding covenants in relation to the distribution of the Fyne Energy gift aid, working with Housing and IT on the roll out of the vouchers.
- 2022-23 plan in place for Internal Audits with Responsive Repairs being carried out 1<sup>st</sup>-2<sup>nd</sup> December.

#### *(ii) Assurance Statement Action Plan Update*

From a previously circulated report by the Corporate Manager the Committee noted the contents. The Corporate Manager commented that work on action plan is ongoing and the action plan will be circulated to Committee when any updates occur.

#### *(iii) Public Holidays for 2023/24*

A report detailing the public holidays for 2023/24 in line with the Terms and Conditions of Service was previously circulated and noted. The only exception is the King's Coronation holiday on the 8<sup>th</sup> May, Committee approval is sought to proceed with this holiday.

### **Resolution**

*The Committee noted the holidays detailed in the report as per the Terms and Conditions of Service and agreed to the additional bank holiday on the 8<sup>th</sup> May 2023*

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<sup>2</sup> Your Employee Admin Record

<sup>3</sup> Senior Management Team

*(iv) Christmas Arrangements*

As previously agreed by the Committee the standing order for the Christmas period is as follows:

- Salaries will be paid 1 week early.
- The office will close at 1pm on the date of the Christmas Party.
- The office will close at 4pm on the last working day before Christmas unless that falls on Christmas Eve, in which case the office will close at 1pm.

Committee noted the Christmas Lunch is being held on Friday 16<sup>th</sup> December and also approved the proposed budget from the Business Services Director.

**Resolution**

*The Committee noted the above items and approved the budget proposed by the Business Services Director for the Christmas lunch.*

***(b) Finance****(i) Projected Management Accounts and Financial Covenants to 31<sup>st</sup> March*

The Business Services Director highlighted to Committee that the projections have been difficult to determine this year with the current cost of living crisis and the unpredictable interest rates.

The 6 months accounts to the 30<sup>th</sup> September 2022 are showing a surplus of £262,007. The projected 6 months accounts to the 31<sup>st</sup> March 2023 are showing a surplus of £610,836. The projected accounts for the year to 31<sup>st</sup> March 2023 are therefore projecting a surplus of £872,843.

The figure is £104,616 less than budgeted surplus for the year of £977,459 mainly due to the budget for service costs was underestimated as following the rent restructure some of the service costs were absorbed. There has also been an increase in rental income due to the reduction in voids. All financial covenants are being met.

*(ii) Revenue Budget incorporating Rent and Service Charges 2023/24*

A copy of the proposed budget was previously circulated for Committee's information. The detail had been prepared by the Business Services Director with input from the Senior Management Team and relevant Operational Managers.

The report detailed the various assumptions made in the compilation of the Budget which shows a surplus of £762,565 for the year. It was noted that the budget includes just over £1.4M of depreciation and £195,536 grants released from deferred creditors which are not a monetary figure along with capital Loan Repayments of £1,388,376 which are due in 2023/24.

Rental income forms the basis of the budget and is based on 0% increase at the moment as the Scottish Government set this cap as a result of the cost-of-living crisis, it is due to be reviewed on the 14<sup>th</sup> January. Although the outcome of the rent cap is unknown at this time, consultation with the tenants will take place as normal in December regarding a proposed rent increase in April. Within our rental policy Consumer Price Index (CPI) as a guide to determine rent increases, CPI in September was 10.1%, the Business Services Director proposed that tenants are consulted on a 5% increase based on the budget requirements. A revised budget will be presented to the Management Committee at the January meeting.

Incorporated into the budget is a salary pay range movement and the assumed Housing Officer vacancy, this post has previously been approved but no appointment at this time. Pension deficit scheme costs have been incorporated for the Strathclyde Pension Fund, there are no costs for SHAPS for 2023/24.

The proposed budget allows for all covenants and ratios to be met.

**Resolution**

*On a proposal from S MacLeod seconded by M Lang 2023/24 budget was approved and agreement to consult the tenants on a rent increase of 5%.*

*(iii) Capital Budget 2023/24*

A copy of the Capital budget was previously circulated for Committee's information. Capital expenditure of £2,925,876 is proposed, the bulk of which will be for property improvements as detailed in the report.

Capital Loan repayments of £1,388,376 have also been included. Committee noted that approximately £2.3m of property improvement works have been deferred to be carried out in future years.

**Resolution**

*The Capital Budget was unanimously approved by the Committee.*

**10. Human Resources Report**

A report prepared by the HR Director was previously circulated for Committee's information and noted. Some of the key points are highlighted below.

The new Modern Apprentice for Lochgilphead has been recruited and started on the 21<sup>st</sup> November. Four new staff members successfully completed their probationary periods and were confirmed in post. This will take Fyne Homes headcount to 53.

Feedback from the staff day questionnaire was collated and discussed by the Senior Management Team, it has been agreed to postpone until the beginning of the year.

**11. Business Continuity Plan**

A copy of the Business Continuity Plan was previously circulated for the Committee information and duly noted. The HR Director noted that the 6 monthly review has been carried out and has been rolled out to all staff.

**12. Subsidiary Update Report**

A report prepared by the CEO was previously circulated for Committee's information and noted. Some of the key points are highlighted below

*Fyne Energy*

Production for September 2022 was 947,050 KW at a rate of £144.52 £/MWh. Renewable Obligation Certificate income was £44,911. Total income was £180,087, an increase from £105,117 in August 2022.

Average Availability improved to 71.3%, this figure was largely due to exceptionally poor availability of T2.



The Westminster Government has introduced an energy price bill as a provision for controlling energy prices, whereby they are curbing the amount generators can charge. Currently we have a PPA (Price Purchase Agreement) in place for £155 per unit until the 1<sup>st</sup> of April 2023. As of the 1<sup>st</sup> January 2023 England and Wales will not be allowed to sell above a certain rate, however the Scottish Government haven't agreed to this as of yet. The Committee will be updated as more information and clarity is received.

*Gift Aid*

Fyne Futures, Glenbarr Community and Fyne Homes all received a gift aid payment for 2021/22 financial year. Fyne Futures held a strategy day on the 19<sup>th</sup> October to consider future projects. As previously reported Fyne Homes are distributing the gift aid payment to tenants to help with the current energy crisis. The Glenbarr Community Group will be utilising some of the funds to recruit a development officer to support future projects.

**13. Policy Reviews/Deferrals**

**Resolution**

*Committee approved the undernoted policies*

- (i) C.16 Travel Policy
- (ii) HR06 Leave Policy
- (iii) HR30 Domestic Abuse Policy
- (iv) HR20 Performance Appraisal Policy
- (v) HR31 Long Service Awards Policy

Committee Deferred the undernoted Policies

- (i) H31 Void Management (March)
- (ii) H34 Tenancy Management (Jan)
- (iii) M.17 Asset Management (March)
- (iv) M.05 Rechargeable Repairs (March)

**14. Notifiable Events**

*Fire at Flat0/2 129 Edward St – Ref 22557*

The Regulator had requested the minutes from the Health & Safety meeting in regard to the fire at Dunoon to confirm there was no liability from Fyne Homes. The death has been deemed accidental by Police Scotland with no further investigation required. The minutes will be uploaded to the SHR<sup>4</sup> portal in order to close off the event.

- 15. **Minute of Fyne Energy Board Meeting 15<sup>th</sup> September 2022**
- 16. **Minute of Fyne Initiatives Board Meeting 15<sup>th</sup> September 2022**
- 17. **Minute of Fyne Futures Board Meeting 15<sup>th</sup> September 2022**
- 18. **Minute of Executive Board Meeting 15<sup>th</sup> September 2022**
- 19. **Note of Fyne Futures Strategy Day 19<sup>th</sup> October 2022**
- 20. **Minute of Health and Safety Committee Meeting 27<sup>th</sup> October 2022**
- 21. **Minute of Staffing Committee Meeting 27<sup>th</sup> October 2022**
- 22. **Minute of Management Team Meeting 27<sup>th</sup> September 2022**

The above minutes were circulated for information and noted.

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<sup>4</sup> Scottish Housing Regulator

In regard to the Staffing Committee meeting on a proposal from J McMillan and seconded by P Lingard the minute was accepted as a true and accurate record of proceedings.

**23. A.O.C.B**

*(i) RBS Covenants*

The Business Services Director explained that currently the Business Service Director along with the Technical Services Director and CEO (once approved) are all bank signatories. Committee approval is needed for all the bank signatories to be authorised signatories for bank covenant amendments.

**Resolution**

*After further discussion, the Committee approved S Cole (Business Services Director), J McAllister (Technical Services Director) and I MacPhail (CEO) to be authorised signatories for bank covenant amendments.*

*(ii) Care and Repair Board*

The CEO reported to the Committee that as C Renfrew has previously sat on the Board for Care and Repair, she will continue as a Fyne Homes representative on the Board.

**24. Date of Next Meeting**

There was no further business and the meeting was closed at 17.50 pm.

The next Management Committee meeting is scheduled for **Wednesday 25<sup>th</sup> January 2023.**

Chair.....

Date.....