

FYNE HOMES LTD

Minute of Management Committee
Held at 11 Victoria Street, Rothesay and by TEAMS VC
Wednesday 31st May 2023 at 4.00pm

Present: - D Herriot P Lingard
 T Harrison A Jones
 J McMillan R Henshelwood

By Video Conference: - M Lang, D Philand (Co-opted)

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

Apologies: - P Wallace, S McLeod, L Haemmerle

1. Apologies for Absence

Apologies were intimated as above.

2. Declarations of Interest

D Philand declared an interest in Agenda item 16

3. AOCB pre-notifications

There were two pre notifications:

- (i) *James John Wilkie Almhouses Trust Update*
- (ii) *Electric Bikes Fire Risk*

4. Minute of Management Committee Meeting held on 8th March 2023

On a proposal from T Harrison, seconded by D Herriot, the above minutes were 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

Action 2223-12, the Fyne Energy agreement has been checked and it states that the gift aid monies must be distributed evenly between the three entities, this action can now be closed off.

5. Quarterly Performance Reports to 31st March 2023

From the previously circulated reports the Committee noted the contents.

6. Annual Return on the Charter 2022-23

The report was previously circulated to Committee for their information and approval.

The Housing Director highlighted that the figure for rent calculation on indicator 26 had been amended.

Resolution

Committee approved the report for release to the SHR.

POST MEETING NOTE

The ARC report was released to the Regulator after the meeting by the Housing Director

7. Proposal for Fyne Energy Gift Aid Funds

From a previously circulated report the CEO highlighted the amount that Fyne Homes would be receiving as gift aid from the Fyne Energy wind turbines. The report detailed the potential projects to be funded by the gift taking into account the complex financial circumstances of this year's budget. The Committee were asked to consider the formation of a tenant welfare emergency fund and an uplift of funds for capital works, of which 3 scenarios were detailed within the report. It was noted that Committee had previously been consulted and had already agreed to scenario 1. Discussion ensued to decide between the remaining scenarios. A Committee member commented that serious consideration needs to be given to what the money should be utilised for going forward and that a larger conversation is needed around this. It was suggested that the next strategy day would be an ideal time to do this. It was also suggested to have principles set out to make the decision-making process easier. Scenarios 2 and 3 were discussed in detail, it was noted that by using the gift aid sums to uplift the capital budget would mean tenants across all areas of operation would see improvement to their homes whilst ensuring that a further backlog of work doesn't develop which would need addressing in future years.

Resolution

After further detailed discussion the committee agreed to the following

- *The formation of a tenant welfare emergency fund for the 2023/24 financial year, with the agreed amount detailed within the report.*
- *Agreed an uplift of funds for capital works for 2023/24 financial year by proceeding with scenario 3, which is detailed within the report.*

8. Business Continuity Plan

The Corporate Manager noted that the Business Continuity Plan had undergone a 6 monthly reviews by the BCMT¹ and only minor amendments have been made to update job roles and contact numbers. The plan had been previously circulated for Committees information.

¹ Business Continuity Management Team

Resolution

The Committee noted the contents and the minor changes that had been made.

9. 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. Some points were highlighted as follows and the remainder of the report was noted.

- *Inveraray*

An architect and employer agent have been appointed and scheme design is now progressing towards a planning application. Site investigation work has been instructed and budget quotes are being sought for utility connections. The Scottish Government has been informed of the intended timescales.

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

Funding approval and planning consent are now in place, the contractor has been asked to prepare and issue programme and conform the earliest achievable start on site.

- *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. Following Committee's approval CP Architects have been appointed to undertake a capacity layout for the site. Following a meeting with CP Architects on site they are now preparing a capacity layout for review.

- *Rothesay Academy Upper Site*

As previously reported Fyne Homes acquired the care takers cottage in January 2023, which means the Association will face less restrictions in the redevelopment of the upper site. The main obstacle to the redevelopment of the upper site remains Argyll and Bute Council's (A&BC) lower Academy building. As previously reported A&BC have received advice in relation to the demolition process and the criteria that needs to be demonstrated in order to achieve Historic Environment Scotland (HES) approval for the delisting and demolition. Fyne Homes will continue discussions with A&BC, part of these discussions will involve the preparation of a masterplan for the whole site.

- *Ballochgoy Plots (8 units)*

Following the Scottish Government and A&BC confirming their support for the proposal to progress the development opportunity at Ballochgoy. Procurement documents have been prepared for the selection of a Design and Build Contractor to deliver a modular construction solution for the site. A site investigation was instructed and the report will be available at the end of May at which point the tender notice will be published on Public Contracts Scotland as an Open Procedure.

- *Dunoon – Potential Site*

A previously reported potential site has been identified in Dunoon which could include a mixed tenure development. The Technical Services Director explained that the main constraint identified on site is site access, and Committee will be provided with an update at the next meeting.

Resolution

The Committee noted the contents of the report.

Management Committee Meeting

ii) Maintenance Procurement Review

From a previously circulated report the Technical Services Director updated the Committee on the outcomes from the full Maintenance Procurement review exercise that was carried out via Public Contract Scotland.

Resolution

The Committee noted the contents of the report and the awarding of the various contracts.

iii) Capital Investment Report

From a previously circulated report the Technical Services Director reported that all current contracts detailed are running as per programme and that additional contracts will be added as a result of the Committees agreement under agenda item 7.

iv) Asset Management Update

It was noted that the property at Foley Park is now on the market and a further update will be made during the housing management update.

v) Stage 3 Adaptations: 2022-23

A report previously circulated for information highlighted that the Association had spent just over £60k on 46 Stage 3 Adaptations. These make a significant difference to peoples' lives and allow them to remain in their homes.

10. 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 3499 as of the 16th May 2023 of these 2416 have housing need points. Homeless demand remains high across Argyll and Bute.

The Home Argyll Allocations Policy is currently under review with a further procurement meeting taking place at the beginning of June. The results of the consultation regarding priority applicants was appended to the report for the Committee's information.

Void and Arrears

Combined arrears at the end of Q4 were -0.12% loss with former arrears at 0.64%. 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. Void time excluding exemptions were 42.53 days at the end of Q4 equating to a loss of £105K.

House Sales

It was reported that the survey for the property at Foley Park has been received and is now marketed following Committees previous approval.

Currently there are 2 shared equity properties on the market and one sharing owner with a 25% share selling their property with one sharing owner repossession ongoing.

Welfare Reform

It was highlighted that the Fyne Homes welfare service financial gains for Q1 were just over £65k for the month of April, the previously circulated report highlighted some success examples and the number of cases each month.

ACTION

The Housing Director to provide Committee with a breakdown of the financial gains and what benefits are involved.

Tenant Participation

Keep Safe Initiative training is taking place next week with Housing, Technical services and reception staff all taking part. Details are being finalised for a Welfare and Energy Advice Roadshow taking place in August in all areas, with the Welfare Rights Officer and Energy Advice Officer will be in attendance.

Resolution

The Committee noted the contents of the Housing Report.

11. 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 continues on the development of the newly created Committee pages on YEAR² once permission for the screens have been completed, consideration will be given for rolling out to Committee.
- A further meeting was held with the DPO earlier this month where some actions were agreed which will be taken forward in the upcoming months, with GDPR training for staff and Committee to be arranged.
- ILS continues to provide support with ongoing FOI³, EIR⁴ and Subject Access Requests. There have been no requests this month and a copy of the most recent quarterly return (Jan-March) to the Scottish Information Commissioner, submitted on our behalf by Information Law Solutions is attached for information purposes.
- Work commenced this month on co-ordinating the completion of the ARC⁵ which has to be submitted by the 31st May, a validation will take place at the beginning of June.
- Within IT, the Capita upgrade programme is now underway, with upgrades to open housing and open accounts in LIVE with only a few snags encountered.
- The Tenant Portal was promoted in the spring newsletter as a soft launch and will be fully accessible when the new website goes live.
- Work on the new website is progressing well, work is being done internally alongside Kiswebs.
- The auto-attendant to support call handling, will be going live in June.

² Your Employee Admin Record

³ Freedom of Information

⁴ Environmental Information Regulations

⁵ Annual return on the Charter

- The document management solution is progressing, new photocopiers/scanners have been purchased and are in use in the Rothesay office.
- All quarterly accounts to 31st March 2023 are completed.
- Work has commenced on the Year End Accounts with Audits for all companies taking place over the coming months.
- The 5-year projections and Annual Portfolio return are completed and to be submitted to the SHR⁶ following Committees approval.
- Work was carried out alongside FMD updating the 30-year projections, this will be discussed under a separate agenda item.
- A meeting has been scheduled with RBS to review the 30-year projections and to revisit the covenant calculation due to the Fyne Energy Gift Aid.
- An internal audit was carried out in April on Governance Performance Management, the next audit will be Asset Management at the end of June.

The Business Services Director commented that S Eglinton will be presenting the report from the Committee appraisals at the next meeting and sought the Committee views on having this instead of the training overview at the beginning of the meeting.

Resolution

The Committee agreed for S Eglinton to present the report at the training session before the meeting.

(b) Finance

(i) Five Year Financial projections

The Business Services Director explained to Committee that Fyne Homes must submit 5-year Financial Projections and Assumptions online to the Scottish Housing Regulator on an annual basis and this year's submission must be completed by 31st May 2023.

From the previously circulated report, the Business Services Director explained that the projections incorporate the 30-year projections and various other assumptions in relation to the development programme, rents, staffing changes, borrowing rates, cashflow, covenants and liquidity/current ratios as detailed in the report.

Resolution

After further discussion, the Committee accepted the projections and approved the submission of the online return to the Scottish Housing Regulator

POST MEETING NOTE

The 5-year financial projections were submitted to the SHR after the meeting by the Business Services Director .

(ii) 30 Year Projections

The 30-year projections were updated by FMD Financial Services Ltd in March/April 2023 and have also been discussed with the Senior Management Team. They are normally completed on a 3 yearly basis; however, the terms of the RBS Loan agreement require that they are done annually and FMD have been engaged to update the figures on an annual basis.

⁶ Scottish Housing Regulator

The report provided detail on the various assumptions considered in the preparation of the projections. It was also noted that the covenants have been amended where necessary to tie in with lenders' agreements. A positive cashflow is shown for the 30-year period and all covenants have been met and there are no material concerns about liquidity.

Resolution

Committee approved the 30year projections as presented.

(iii) Loan Portfolio Return

From a previously circulated report by the Business Services Director, Committee noted that this report provides more detailed information on our loans including interest rates, security details, repayment terms and financial covenants.

It was noted that figures in the Annual return agree with the quarterly return included in the Corporate Reports.

Resolution

Following further discussion, the Committee approved the release of the return to the Scottish Housing Regulator.

POST MEETING NOTE

The Loan Portfolio Return was submitted to the SHR after the meeting by the Business Services Director

(i) Audit Services – Azets Engagement and planning

Standard documentation was previously circulated for information and arrangements will be made to have paperwork signed and returned.

Resolution

The Committee agreed that the Terms of Engagement are signed by the Chair, J McMillan, and returned to the auditor.

12. Service Level Agreement – Subsidiaries

The Business Services Director reported that the Service Level Agreements (SLA) for the subsidiaries are reviewed annually and were highlighted within the budget approved at the November Committee meeting. It was highlighted that Fyne Energy and Fyne Initiatives will be renewed at the same level (£5000) for a further year and Fyne Futures has been increased to £7000 for the year. These have been reported at the subsidiary Board meetings last week.

Resolution

The Committee noted the Service Level Agreements for the subsidiary companies.

8. Human Resources Report

A report prepared by the HR Director was previously circulated for Committee's information. In the HR Directors absence, the report was taken as read and any queries would be directed to the HR Director on her return.

9. 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

From a previously circulated report the Committee noted the contents and the current income.

Gift Aid Recipients

From a previously circulated report the Committee noted the gift aid sum being paid to each entity.

Fyne Futures - Payment for 2022-23 financial year was made on 31st March 2023. Following a Board meeting the Board agreed an incremental process of progress at Ashfield, focusing on employability. It has been agreed to recruit a Head Gardner and build permanent structures on the site in order to provide welfare facilities.

Glenbarr Community Group - Payment for 2022-23 financial year was made on 31st March 2023. A development officer has now started with the Glenbarr Community Group and Fyne Homes CEO will be attending the meeting in June to discuss the preferred method of reporting on the turbine performance.

Fyne Homes - Payment for the financial year 2022-23 will be made within the next few months, this differs from the deadline of 31st March the other recipients face as Fyne Homes is the parent of Fyne Energy. The utilising of these funds has been discussed earlier in the agenda.

15. Policy Reviews/Deferrals

Resolution

(a) *Committee approved the undernoted policies:*

- (i) *C.22 data retention and Destruction Plan*
- (ii) *F.01 Financial Management*

(b) *Committee deferred the undernoted policies:*

- (i) *HR.09 Stress Management Policy*
- (ii) *HR.16 Giving Employment Reference*

16. Secretary Report

From the previously circulated report Committee agreed the following:

Membership Application numbers 896 and 897 were approved.

17. Committee Update

- (i) *Updated Action Plan from Appraisals 2022*
- (ii) *Updated Action Plan Assurance Statement 2022*

The Corporate Manager reported that the action plans had been previously circulated for Committees information and to note the progress. It was noted that any outstanding actions will be carried forward to the action plans for 2023.

Resolution

The Committee noted the contents and progress of the action plans.

18. Notifiable Events

Ref No: 310523

From a previously circulate report the Committee noted the detail in the report regarding a data breach that was reported to the SHR⁷ on the 31st May 2023.

Resolution

The Committee noted the content of the report.

- 19. Minute of Audit Committee Meeting 4th April 2023**
- 20. Note of Strategy Day 5th April 2023**
- 21. Minute of Management Team Meeting 11th April 2023**
- 22. Minute of Fyne Futures Ad-Hoc Meeting 12th April 2023**
- 23. Minute of Health and Safety Meeting 27th April 2023**
- 24. Minute of Staffing Meeting 27th April 2023**

The above minutes were circulated for information and noted.

In regard to the Audit Committee meeting on a proposal from T Harrison seconded by A Jones the minute was accepted as a true and accurate record of proceedings.

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

25. A.O.C.B

(i) James John Wilkie Almshouses Trust

As previously agreed by the Committee, Fyne Homes have been assisting the James John Wilkie Almshouses Trust with their current situation. The CEO updated Committee with the progress and discussions that have taken place since the last meeting.

(ii) Electric Bike Fire Risk

A Committee member raised a concern regarding recent reports over electric bike going on fire in closes due to poor quality battery and charges and wanted clarification on what the Associations position would be should this happen in one of our properties. The CEO responded that fortunately we haven't had any incident of this happening and further investigation would be required.

⁷ Scottish Housing Regulator

The Chair noted that this was M Thomson, the Corporate Manager, last Management Committee Meeting due to her retiring. On behalf of the Committee, he thanked the Corporate Manager for all her hard work and support to the Committee over the years and wished her well for her retirement.

24. Date of Next Meeting

There was no further business and the meeting was closed at 18.00pm.

The next Management Committee meeting is scheduled for **Wednesday 5th July 2023**

Chair.....

Date.....