

FYNE HOMES LTD**Minute of Management Committee Meeting
held by Starleaf Video Conferencing
on Wednesday 10th March 2021 at 4.00pm**

Present:-

K Findlay	P Lingard
T Harrison	T McKay
R Henshelwood	S MacLeod
D Herriot	J McMillan (Chair)
M Lang	P Wallace

In Attendance

S Cole, Business Services Director
L Haemmerle, Human Resources Director
J McAlister, Technical Services Director
C Renfrew, Chief Executive Officer
T Robertson, Housing Services Director
M Thomson, Corporate Manager
E MacCallum (Minute Taker)
Jordan Henderson (Arneil Johnston)

Apologies: D Wilkinson

1. Apologies for Absence

Apologies were received as detailed above.

2. Declarations of Interest

Declarations of interest were made by M Lang and P Lingard in respect of agenda no 4.

3. AOCB pre-notifications

- (a) *Fyne Energy Loan Refinancing*
- (b) *Fyne Futures Board Appointments*

4. Rent & Service Charge Restructure Presentation

The Chair welcomed Jordon Henderson from Arneil Johnston to the meeting to give a presentation of the Rent and Service Charge Restructure which was undertaken last year.

A copy of the slide presentation had previously been circulated to the Committee and covered some key headlines including the reason for the review being undertaken, the tenant consultation undertaken and outcomes and the options available for implementation going forward.

The current model although affordable has 120 rent level and streamlining it to property size and type would see a reduction to 21 rent levels and a fairer and transparent way of calculating the rent on a property.

The proposed model has a base rent of £333.50 per month with additions dependent on property size and property type with services being incorporated into the rental figure apart

from garden maintenance and close/stair cleaning. There would be a very small increase in our rental income of 0.35% and an average rent increase of £1.41 per month. While some tenants will face an increase this could be managed by taking a phased approach to implementation and supporting tenants who face increases.

Some queries were raised as follows:

- *Where was the affordability data obtained from?* J Henderson commented that along with private rent figures produced annually by the Scottish Government; information had also been obtained from Zoopla and S1 Homes for the Argyll and Bute average. A breakdown of the data will be circulated to Committee.
- *How did this consultation compare with the previous rent consultation a few years back?* It was highlighted that this was in relation to how the rents for individual properties are arrived at whereas the previous consultation was in relation to how annual rent increases are calculated.
- *Is there any scope to incentivise hard to let properties say by a reduction?* This would be an operational decision and on a case by case basis for fairness and would not necessarily have to be by way of a rent reduction. The Housing Director also commented that of 1600 properties we currently have 240 classed as hard to let under the SHR guidance and a different rent proposition could significantly impact rental income. However as just over 52% of rent is from benefits it may not necessarily have the same impact as might have done.

Resolution

Committee agreed to implement the proposed model from April 2022 to be phased in over a 5 year period subject to a maximum increase of £20 and a minimum decrease of £19.

Action

The Business Services Director to circulate information on affordability data to Committee

5. Coronavirus Responses

(i) General Update (verbal update)

From a verbal report by the HR Director, the following points were noted:

- The default position of working from home remains for the majority of staff.
- There have been some service reductions, particularly within Technical Services following the more stringent lockdown which was introduced after Christmas.
- Contingency Planning Team continue to meet 3 times per week

(ii) SHR Monthly Report

A copy of the report for January was attached for information purposes and duly noted. This return provides the SHR with a snapshot of the position within various RSLs and the impact on staffing, arrears, court actions etc.

6. Minute of Management Committee Meeting of 27th January 2021

On a proposal by T Harrison, seconded by M Lang, the minute was unanimously accepted as a true and accurate record of the proceedings to be signed by the Chair.

(a) *Matters Arising*

There were no matters arising not included in the agenda.

(b) Rolling Action points

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

7. Quarterly Performance Reports to 31st December 2020

The reports were previously circulated for information purposes and duly noted. There were no queries raised.

8. Technical Services Reports**(a) 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 duly noted:

- *Tighnabruaich - 20 units*

Following handover on 19th January the completion of the play area and reseeding of communal areas have not yet been completed due to weather conditions and a delay in delivery of the equipment.

Two properties remain to be allocated (1x 3 bed and 1x wheelchair accessible) however the local list and letting plan have been exhausted and currently looking outwith those lists to ensure the properties are allocated to suitable applicants.

- *Cairndow - 6 units*

An Extension of Time notification has been issued due to delays caused by the redesign of the car park area to enable right of access for the local landowner to future development land. This will involve moving services and the cost will be in the region of £25k which will be claimed back from the Scottish Government. The landowner has also asked for additional works which Fyne Homes has declined.

A query was raised as to why this had not been highlighted at the outset and it was noted that due to the difficulties and time taken to get the development on site, a value engineering exercise was carried out with a view to reducing costs and the access to this area was overlooked at that time.

- *Inveraray Proposed Site*

Revised proposals have been received which include an element of landscaping and acoustic screening between the proposed development and the existing council yard. Work will continue to move to a planning phase and discussions have been held with housing colleagues on the housing mix. The last demand analysis undertaken demonstrates strong demand for the area.

- *Lochgilphead – NHS Aros and Duncuan site*

A further meeting was held with ABC, ACHA and the NHS on 16th February regarding the number of lease agreements they would require to free up the site and their feedback is awaited before matters can be further progressed.

(b) Capital Investment Report 2020/21

As Committee was aware due to restrictions there will be a significant underspend in the Capital Budget which cannot be carried over into the next financial year. It was already agreed to utilise some of the funding for the demolition of the Upper Academy. In order to make additional spend it is proposed to purchase materials (approx. £500k) to use in future scheduled capital works and to purchase 2x 20ft containers for the storage of goods along with alterations to the Colbeck Yard to form a mezzanine level for further storage. The cost of a container is expected to range between £3600 and £5200. To move forward the mezzanine element, the Executive Committee already agreed to accept a quote from Bute Blacksmiths and that work has been instructed.

It was noted that our mainland contractors have storage facilities which could accommodate additional materials and in order to protect our position with regards to materials stored off site, the QS would issue a Vesting Agreement which would be signed by all parties with our material being clearly protected and badged. Insurance would also require to be put in place.

Resolution

Committee agreed to the following recommendations from the report:

- (i) Purchase of additional materials (approx. £500K) to maximise Capital Investment spend.*
- (ii) Purchase 2 x 20ft Shipping Containers*
- (iii) Storage of materials off-site with appropriate documentation in place.*
- (iv) Ratified the Executive Committee's acceptance of £11,413 quote for extension of mezzanine floor at Colbeck store.*

A query was raised if during this time there was any opportunity to further explore Smart Adaptation of our homes. The Technical Services Director and Chief Executive commented that the Association had signed up to the Tech in Housing Charter however it was noted that this has not progressed during the current restrictions. It was also noted that the Association was successful in its bid for additional Stage 3 funding and the team is currently trying to spend this additional £100k before the end of March.

(c) Upper Academy – Rothesay

From the previously circulated report by the Technical Services Director it was noted that following a Quick Quote Notice on Public Contracts Scotland, 5 tender returns had been received by the closing date of 5th February. In accordance with the provisions of the JCT Practice Note, the 3 lowest tenders were checked. Following this exercise the quote from Central Demolition increased by £24k with the increase being attributed to removing rubbish which had been dumped in the premises. However as their quote was still the lowest, they were appointed as contractors with a site start of 15th March.

Gas services disconnection has been undertaken, however the contractor has asked that the Water services remain connected for site damping and welfare facilities. With regard to the electricity, disconnection is scheduled for 17th March. However following ABC having instructed the disconnection of the lower academy building it came to light that this was also powering the Caretakers Cottage in the grounds owned by Mount Stuart Trust. The engineer reconnected the supply but they have been notified they will require to arrange an alternative supply by 15th March.

A query was raised with regards to noise issues with regards to the stone crushing which will be carried out on site and the Technical Services Director commented that although there will be some noise, this will be confined to working hours and neighbouring properties have been notified.

It is anticipated that the first phase of the demolition will be completed by the end of March/beginning April. A Press Release has been issued to the local paper for publication this week.

(d) Property Disposals 8 Church Lane and 4 King Street, Rothesay

From a verbal report by the Technical Services Director it was noted that 8 Church Lane had been marketed for offers over £80k with an offer having been received and a date of entry waited. The property does not fit within our stock profile as we have no factoring rights over it and it would be expensive to bring up to ESSH2 standards. It had originally been purchased as rent off the shelf when Mansfield Place was being demolished.

The Association also has a hard to let property at 0/2, 4 King Street which had been marketed for £20k. The valuation reflects work which is required to the exterior of the property. An offer has been received with no date of entry yet agreed. The Technical Services Director highlighted that should flat 0/1 become void it would be the intention to market it, which would then mean the association had no factoring obligations within a Listed block.

The Business Services Director commented that there is a HAG value on all of the properties, however with regards to Church Lane; there will be a surplus of £14k following HAG being paid back to the Scottish Government. With regards to King Street, there is outstanding HAG of £40k for each property and this would be transferred over to blocks at 1 and 2 King Street.

Resolution

Committee noted the sales of 8 Church Lane and Flat 0/2 4 King Street and agreed that should Flat 0/1 become available in the future it should also be marketed for sale.

9. Housing Management Report

(a) Department Update

A previously circulated report by the Housing Services Director was duly noted with some points highlighted as follows:

*Home Argyll
Applications and Allocations*

Allocations continue to be made during the current restrictions as they are classed as essential and priority given to homeless, domestic abuse and other high priority cases.

The revised Home Argyll "information sharing protocols" and memorandum of understanding" are not yet finalised. They have been reviewed by our DPO and are expected to be available for the next meeting. The key changes relate to compliance with GDPR and incorporating the Housing First Initiative agreement. The Housing First Initiative places the most vulnerable homeless clients directly into housing with very intense support which is shown to be an effective way of sustaining tenancies long term.

There has been no update yet on an extension to the ban on evictions which is due to end on 31st March, however there is an extension on the 6 month notice period to September 2021.

Voids/arrears

Void turnaround times remain very high mainly due to current restrictions and also with abandonments requiring the properties to be emptied before void works can commence.

Arrears remain stable at 1.35% for the last quarter and it is anticipated they will remain below 1.5% by the year end.

Old Courthouse

A date of entry for number 16 is expected this week or early next week. An application has been received for number 14 which has still to be assessed.

Welfare Reform

From the report it was noted that the Tenancy Support Officer with support from other members of the Housing Team have been proactively contacting tenants and identified many who have been able to secure various welfare benefits.

Tenant Participation

Welfare calls continue with recognition for the TP Officer and other staff for their support. Consultation has been undertaken on various policies although many of the face to face activities are not able to be done.

A Tenant Recognition scheme is now in place for staff to nominate tenants who go the extra mile for their neighbours/neighbourhood.

The Association is also helping to promote a Transport Scotland initiative which allows people to receive up to £50 of bike repairs.

10. Business Services Reports

(a) *General*

(i) *Department Update*

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

- Committee Reviews have been undertaken for 7 members to date and it is hoped that a report will be presented to the April meeting once they have all been completed.
- Two tenders were received back for Internal Audit and following analysis it has been decided to proceed with the quote from TIAA effective from 1st April 2021.
- Approval was sought from Committee for a further year's extension to External Auditors, Azets with a view to tendering before the end of December for a start date of April 2022.
- Insurance Renewal meeting scheduled for 12th March and looking at a potential increase of £17k due to insurance premium tax and the value of previous claims. Final figure will be reported to the next meeting.
- Approval was sought to reallocate monies in the IT budget as some planned worked have been unable to be completed and looking to bring forward other options to meet the spend.
- The BSD reported that our email server has been affected by the global Hafnium Hack and was shut down as a precaution on 9th March. Investigations are underway with IT staff and our consultants TSG to identify if there has been any breach or loss

of data. Thanks were offered to our IT staff and TSG for their quick response in this matter.

A Committee Member also offered his thanks to IT staff and the Corporate Manager for their support and assistance to him during the period he was unable to attend meetings.

Post Meeting Note: In the Interim the ICO has been notified and their further feedback is awaited. Our emails were back in operation overnight 13th/14th March having been successfully restored from backup and as far as can be established there has been no breach or loss of data.

Resolution

- (i) *Committee authorised the Business Services Director to reallocate aspects of the IT Budget in conjunction with the IT Manager*
- (ii) *Committee approved the extension of Azet's appointment as External Auditors to 31st March 2022 to allow tendering to be undertaken by the end of the year.*

(b) Finance

- (i) *Proposed Write Offs*

From the previously circulated report, Committee agreed to the recommendation to write off a total figure of £40,564.94 made up of £25,280.46 of rent and court costs and £15,284.48 of factoring and recharge costs. This is a reduction of £13.4k on last year's figure although still a significant amount. The Housing Director and Technical Services Manager meet monthly to review figures for recharges to ensure they are reasonable.

It was noted that even when debt is written off the Housing Team continue to pursue where they can if the individual is eventually traced or they apply for re-housing.

Resolution

Committee agreed to the recommendation to write off a total figure of £40,564.94 as detailed above.

11. Human Resources Report

A report prepared by the HR Director was previously circulated for Committee's information and duly noted. Some points were highlighted as follows:

It was noted that J Pollock, Handyman/Gardener has retired after 9 years' service and Committee wished him well in his retirement.

Our absence figures remain low with no current sickness and only two days lost to sickness since the beginning of the February.

12. Policy Reviews/Deferrals

A previously circulated report provided detail on the various policies for approval or deferral.

Resolution:

- (a) *Committee approved the undernoted policies:*

- (i) *C.13 Unacceptable Actions and Behaviours Policy*
- (ii) *C.25 Complaints policy and procedure*
- (iii) *H.23 Rent Arrears and Prevention Policy*

(iv) *HR.15 Lone Working Policy*

(b) *Committee approves an amendment to the schedule in the Data Retention and Disposal Policy with regard to complaints correspondence being destroyed 6 years after closure as opposed to 6 years after tenancy ends*

(c) *Committee noted the Policy Review Timetable for April 2021- March 2022*

13. Secretary's Report

From the previously circulated report Committee agreed the following:

Resolution

Membership Cancellations were approved for Shares Nos 722,740, 813, 820, 832 and 858

Taking into account the cancellations, the active membership is 99 and not 105 as stated in the report. Membership is still actively promoted upon tenancy sign up.

14. Request for Donation – Apple Tree Fundraiser for Defibrillator at Ettrick Bay

A letter had previously been circulated for Committee's information and attention. The Housing Director commented that their Just Giving page was sitting at £1699 against a £1800 target and suggested making a donation to bring it up to target. It was also suggested that due to the various fundraising and events that Appletree does for local community groups, consideration should be given to making a donation to them also.

Resolution

Committee agreed to make a donation of £200 to Appletree Nursery part of which to assist them in meeting their fundraising target for the defibrillator

15. Notifiable Events

No notifiable events were highlighted at this meeting.

16. Committee Training

The Corporate Manager commented that during the course of the review meetings some training opportunities have been identified for which it is hoped that some of them can be addressed in-house by Senior Management Team during the coming year. As previously mentioned it is hoped that a final report on the review meetings will be presented to the April meeting.

One of our members has attended several sessions recently and commented that no notes or slides have been presented and the Corporate Manager commented that this has been taken up with SHARE to look into.

Members were reminded that training opportunities are circulated on a regular basis and should they have a particular requirement we will endeavor to address it.

17. Minute of Staffing Committee Meeting 28th January 2021

18. Minute of Management Team Meeting 2nd February 2021

The above minutes were circulated for information purposes and duly noted. With regards to the Staffing Minute, on a proposal by R Henshelwood, seconded by S MacLeod the minute was adopted as a true and accurate record of the proceedings.

19. AOCB*(a) Fyne Energy Loan Refinancing*

As Committee were aware from previous FE minutes, discussions have been ongoing with regard to refinancing the Scottish Government REIF loan and combining it with the existing Triodos Loan. The paperwork is now available and Fyne Homes as parent company and sole Shareholder required to approve the various documents and signatories. Similarly Fyne Energy is required to do the same at an Executive Meeting to be held on 12th March.

A report and relevant attachments were previously circulated to the Board for their information and attention. It was also noted that despite having to pay breakage costs, arrangement fees and legal fees, there would still be a saving of around £850k over the next 16 years.

Resolution

- (i) *The Amendment and Restatement Agreement and Officer's Certificate ("The Shareholders Documents) be approved subject to any amendments, deletions or additions*
- (ii) *The Chief Executive, Colin Renfrew, be authorised to agree any amendments, deletions or additions to the Shareholders Documents*
- (iii) *The Chief Executive be authorised to execute and deliver the Shareholders Documents in their final form on behalf of Fyne Homes*
- (iv) *The Chief Executive be authorised to approve, complete, execute and deliver any other documents required on behalf of Fyne Homes in connection with the Shareholders Documents*

(b) Fyne Futures Board Appointments

From a verbal report by the Corporate Manager it was noted that in the course of undertaking the Committee Reviews, K Findlay and R Henshelwood indicated an interest in becoming part of the Fyne Futures Board and as FH is the parent company appointments have to be approved by the Management Committee.

Resolution

Committee approved the appointment K Findlay and R Henshelwood to the Board of Fyne Futures.

The Chair thanked everyone for their attendance and to C Renfrew and the staff for their continued hard work on behalf of the Committee. T McKay proposed a vote of thanks to the Chair.

There was no further business and the meeting was closed at 17.40pm

19. Date of Next Meeting

The next Management Committee meeting is scheduled for **Wednesday 21st April 2021 at 4pm.**

Chair.....
(Chair)

Date.....