

FYNE HOMES LTD

**Minute of Management Committee
Held at 11 Victoria Street, Rothesay and by TEAMS VC
Wednesday 25th January 2023 at 4.00pm**

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

By Video Conference: M Lang, S Macleod

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
 F Ewing, Directors Admin Assistant
 E MacCallum, Minute Taker

Apologies: - L McCabe

1. Apologies for Absence

Apologies were intimated as above.

The CEO made Committee aware that Councillor L McCabe has indicated that due to a heavy workload with Council duties, she is unable to commit to serving on the Fyne Homes Committee. Argyll and Bute Council have been notified and the CEO will make contact asking for a new representative to be appointed, it was noted that this could be from any area within Argyll and Bute, Committee will be kept updated on any progress.

ACTION

The CEO to approach Argyll and Bute Council asking for a new representative to be appointed.

2. Declarations of Interest

P Lingard and M Lang declared an interest in Agenda 07(b)(ii) – Rent Consultation

3. AOCB pre-notifications

There was one pre notification:

- (i) *ButeFest Sponsorship*

4. Minute of Management Committee Meeting held on 23rd November 2023

On a proposal from T Harrison, 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 Committee noted that they were no outstanding action points, the previous outstanding actions have now been incorporated into the relevant reports.

5. 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:

- *Cairndow – 6 Units*

Following the completion of the final defect repairs, the Making Good defects certificate has now been issued, along with the valuation for the payment of the final retention to the contractor. This will now be taken off the report going forward.

- *Inveraray*

The Association has a draft legal agreement in place for the acquisition from the estate, on the basis that the site will be acquired upon receipt of satisfactory funding approval, site investigations and detailed planning consent. Fyne Homes is keen to accelerate the process and intend to appoint a design team directly to progress onto the detailed planning stage. As previously reported the determination of planning applications are taking longer than usual, by taking this approach will allow progression of the site investigation work and contractor procurement. The Committee noted that the Scottish Government has been updated on the intended timescale. The Technical Services Director sought the Committees approval for the publication of tenders to appoint each individual consultancy to form a design team to progress the project. Subject to Committee approval the appointment for a consultant will be setup to terminate upon receipt of planning permission but will include the option for novation whereby the same design consultants become appointed by the contractor, once selected.

Resolution

The Committee approved the publication of tenders to appoint each individual consultancy to form a design team.

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

The detailed planning application was validated on the 22nd June and the target determination date for the application was 20th August, it is understood that the main reason for the delay is the lack of resource in the planning authority. On the 12th of January an update was received from the planning department advising there are no longer any outstanding issues and a decision notice is expected to be released within a few weeks. A tender submission will be submitted to the Scottish Government this week and it is a site start is expected before the end of the financial year.

- *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. The Technical Services Director sought the Committee approval for a capacity study to be undertaken in order to gauge a value for the site.

Resolution

After further discussion, the Committee agreed for a capacity study to be carried out.

- *Rothesay Academy Upper Site*

The sale of the caretakers cottage, which is situated between the upper and lower building, was completed on the 24th January. Fyne Homes now own the cottage and the road between the upper and lower building, measures have been put in place to prevent access to the cottage and upper site, it was noted that the site will be monitored weekly to ensure there is no vandalism. The Technical Services Director attended a meeting alongside Argyll and Bute Council, a conservation officer and consultants Santec on the 8th November 2022. A report has been submitted to Historic Environment Scotland regarding the proposed delisting and demolition of the building, a further site visit and meeting will take place on 20th February 2023.

- *Ballochgoy Plots (8 units)*

In November members of the Committee and staff attended a site visit to The Wee House Company in Ayrshire, who specialise in the design, building and delivering new build modular housing projects. The Technical Services Director commented that sections of the house are constructed in their factory in Cumnock before delivering the sections to the site, this allows the contract period to be vastly reduced and total costs are comparable to traditional methods of construction. It is felt that the site at Ballochgoy would be a good opportunity to explore modular construction and Committee approval was sought to go out to tender by public contract Scotland for a modular housing contractor for the design, manufacture and installation for the proposed new build houses at the Ballochgoy plots. The Technical Services Director noted that as the plots sit under Fyne Initiatives, a report will go to the February Board meeting.

Resolution

After further detailed discussion the Committee agreed for the Technical Services Director to proceed with the tender for a modular build housing contractor.

ii) Capital Investment Report

The Capital Investment report was previously circulated and noted.

Ballochgoy Roof Replacements

As previously agreed by Committee at the last meeting, some of the materials needed for the roof replacements have been ordered and will be delivered to the yard at Colbeck for storage, HL Metals have been and inspected the storage facilities and have deemed it a suitable space for storing the materials. The Technical Services Director and Manager attended a meeting with HL Metals and the Quantity Surveyor to discuss the work scheduling which will be carried out over two financial years. It was noted the properties affected will have a communication sent out to them detailing the works and timescales.

Cowal

Works commenced on the window replacement contract on the 9th January and work is progressing well.

Mid-Argyll

The window & door replacement contract at Market Place is now complete and will be taken off the report going forward.

Kintyre

The central heating, kitchen replacement and rewire at Ciaran Court is progressing well and the same contract will commence at Harvey's Lane on completion.

iii) Asset Management Update

The Technical Services Director noted that a ground floor bedsit property in Bute, which had been previously identified as a potential to sell while undertaking the stock rationalisation exercise, has recently become void. There are 3 properties in this close where we are the minority owner, with 2 of the properties are owned by the same person. Fyne homes have been approached by the owner to enquiry if we would be willing to sell, it was noted that this is a hard to let property and there is building works needed carried out which will be costly. The Technical Services Director sought the Committee approval to move forward and sell this property.

It was highlighted to Committee a property on Bute which is in a block of owners has recently become void after the tenant passed away. This is a shared ownership property where the owner had a 25% share, the Association was approached by the next of kin asking if we would purchase the property, the offer was declined at the time due to volume of work needed to bring it up to standard. The Housing Director noted that it has been essentially gifted to us, in order to write off factoring and other charges. This property would sit well within the stock rationalisation plan to have it sold as it is within a block of owners, this only occurred last week and Committee will be kept informed of any developments.

Resolution

After further discussion the Committee agreed to proceed with selling the property at King St, Rothesay.

iv) Fyne Homes Painting Division

This agenda item is subject to a separate confidential minute.

v) SHR: Mould & Dampness Good Practices

The Technical Services Director reported that following the tragic death of a child, who died as a result of a respiratory condition caused by mould in their home, the Scottish Housing Regulator has written to all social landlords asking them to review all systems in place to ensure tenants homes are not affected by mould and dampness, and that they have appropriate, proactive systems to identify and deal with any reported cases of mould and damp timeously and effectively. It was reported that Fyne Homes now have a draft procedure in place and amendments will be made to how we record this type of inspection on our internal system, this will be rolled out to staff at a future Technical Services Team meeting. It was noted that an advisor will be brought into brief staff and provide training to all Technical Services and Housing staff on this matter.

6. 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 3418 as of the 16th January 2023 of these 2353 have housing need points. Homeless demand remains high across Argyll and Bute. The Housing Director commented that while the properties at Castlehill St have been heavily utilised as temporary and decant accommodation, there has been a shift with the significant increase of homelessness cases and Fyne Homes are in short supply of available properties to allocate. A discussion took place alongside the CEO as to whether potentially some of these properties could be brought back for permanent tenancies, as SST (Scottish Secure Tenancies) or leasing to Argyll & Bute Council. The Housing Director sought the Committees approval to make an operational decision when needed to be able allocate these properties back to permanent tenancies.

Resolution

After further discussions the Committee agreed to the Housing Director making operational decisions when needed regarding the permanent allocation of the properties at Castlehill Street.

Voids and Arrears

Arrears at the end of Q3 were 0.49%, with former arrears at 0.90%. 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

The 3 yearly tenant & owner satisfaction surveys are taking place during January and February, final results are awaited. The tenant participation audit is also taking place this week.

Fyne Energy Vouchers

The Business Services Director commented that 1527 vouchers were distributed to all tenants on the 8th of December and were valid for one month. Unfortunately, the Royal Mail strikes impacted some tenants from receiving their vouchers before the deadline. 184 vouchers were unclaimed, the housing officers have reviewed the list and removed any tenants who have passed away or since moved, 172 vouchers will be re-issued next week to tenants from the first batch. As previously agreed by Committee any new tenants being signed up from November to March will also be issued with a voucher, and the Business Services Director will come back to Committee with figures regarding this nearer the time. The Housing Director commented that the vouchers have been greatly received by tenants and once again passed her thanks to the Chair of Fyne Energy, T Harrison, for the initial recommendations and to the rest of the Management Committee for approving the proposal.

7. 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 YEAR¹.
- 15 min training session for Committee commenced this evening before the meeting, with a Housing management overview being given.
- Within IT, a server upgrade is taking place along with a Windows, Open Housing and Open Finance upgrades.
- The Tenant Portal trial is continuing with 16 users currently signed up for the pilot group.
- The website tender is complete with our existing provider, Kiswebs, reappointed as our website provider.
- The document management solution will be rolled out in phases, the first being replacing the copiers in all offices before the beginning of the new financial year, with the review of the invoice process following.
- Quarterly accounts for Fyne Homes are complete and have been submitted to auditors/banks, with the subsidiary companies to follow and these will be presented at the subsidiary February Board meetings.
- Work was 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 14th November 2022.
- Responses from the rent consultations have been actioned and logged, and work is continuing on the gift aid vouchers with the wider team.
- Insurances are due to go out to tender for 2023/24 however due to the current financial market a potential extension of 1 year with the current provider was agreed. It was noted that this will be dependent on pricing and there is still an opportunity to go out to tender in Quarter 4. The annual information has been submitted and the figures are awaited.

(ii) Assurance Statement Action Plan Update

From a previously circulated report by the Corporate Manager the Committee noted the contents. The Corporate Manager commented in regard to points CH3/4 and TS2/3, this information will be included in the 2023/24 Annual Report. With regards to point EH1 the Adaptations Policy will be coming to the March Committee meeting for approval.

(iii) Schedule of Meeting Dates for April 2023 – March 2024

A report detailing the schedule of meeting dates for 2023/24 was previously circulated and Committee noted the contents.

¹ Your Employee Admin Record

(b) Finance***(i) 2022-23 Projected Cashflow***

From a previously circulated report Committee noted the expected cashflow of the Association from 1st April 2022 to 31st March 2023, which incorporates the Revenue Budget, Capital Budget, and Development Programme for the year. The Business Services Director noted that the figures to December 2022 agree with the monthly bank reconciliations and the cashflow shows a positive bank balance throughout the whole of 2022-23.

(ii) 2023-24 Rent Consultation

The Business Services Director commented that the Scottish Government confirmed that the powers created by the Cost of Living (Tenant Protection) Act 2022 will cease and there will be no rent cap or freeze in place for social landlords from March 2023.

A rent consultation questionnaire was sent out to 1544 tenants in December 2022 based on a 5% increase to rents, 115 of these were returned and the results were detailed in the previously circulated report. The Business Services Director highlighted that previously tenants were consulted on a rent restructure and it was agreed to phase this in over a 5-year period. The recent consultation was only based on a 5% increase and didn't include the phasing in figure. The Business Services Director noted that when the figures were analysed to include the phasing in element, it resulted in the rents having an increase between 8-12%. The Committee's approval was sought to adopt the recommendation of a 5% rent increase and to defer to phasing in for 1 year.

Resolution

After further detailed discussion the Committee approved the 5% rent increase effective from 1st April 2023 and to postpone the phasing in element for 1 year.

(iii) Updated Budget 2023/24

From a previously circulate report the Business Services Director noted that the original budget for 2023/24, which was approved at the November Committee meeting, was based on a 0% rent and service charge increase. However as previously mentioned the Scottish Government have confirmed that there will be no rent cap or freeze in place for social landlords from March 2023.

The Business Services Director commented that within the previous rent restructure some of the services charge costs were absorbed, however a bigger exercise is needed internally to scrutinise the actual costs and what tenants are being charged. Committee's approval was sought to freeze service charges for a year until it can be looked at in depth. The Business Services Director proposed that the budget for 2023/24 is amended to incorporate the 5% increase and freeze on service charge income and phasing in. The Capital Improvements and Private Loan Interest figure will be updated and the rental and service charge income will be split out, along with the reactive repairs, void cost and service costs within expenditure. An internal review will take place regarding service and void costs.

A Committee member queried if the service charges were going to be suspended for a year, would this result in tenants having a significant rise the following year. The Business Services Director commented that it is possible however a cap would be put in place and any rise in costs could be phased in.

Resolution

After further discussion the Committee agreed to the Business Services Director amending the budget with the recommendations outlined above, service charge costs will be frozen for 1 year while an internal review takes place before next year's budget.

Post Meeting Note:

The Business Services Director circulated the amended 2023/24 budget to Committee on 27/01/23.

8. 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 HR Director noted that there is a Staffing Committee meeting next week where proposals will be presented that are to be rolled out to staff before the end of the financial year. The first being a full staff satisfaction survey on the back on the last one which was carried out in 2019 and will be used as a benchmark. The second being Information and Communication European Regulations, whereby now that Fyne Homes employees over 50 members of staff, formal consultation needs to take place as to whether staff want an employee representations forum.

The HR Director will be working on re-evaluating some existing job roles in the coming weeks and looking at compiling new job profiles for the potential in house painter team. It was noted that following a resignation there is a vacancy for a Technical Services Modern Apprentice in Dunoon, the HR Director will work alongside the Technical Services senior team to determine the best course of action to address recruitment.

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

Fyne Futures, Glenbarr Community and Fyne Homes all received a gift aid payment for 2021/22 financial year.

Fyne Futures held an ad-hoc Board meeting on the 18th January to discuss the Bike Bute and Car Bute businesses. As previously reported, Fyne Homes are distributing the gift aid payment to tenants to help with the current energy crisis. The vouchers were distributed at the beginning of December and has been very well received by the tenants, as previously reported a second batch of vouchers will be re-issued for the tenants who didn't receive theirs in time to redeem them.

The CEO commented that following a discussion with the Corporate Manager, going forward a more detailed update will be provided on Fyne Futures and Fyne Initiatives to give Committee an overview on proceeding within each subsidiary.

ACTION

The CEO to include a more detailed update on the subsidiary companies report going forward.

10. Committee Update Report

(i) 2022 Committee Reviews Action Plan Update

The Corporate Manager reported that the training overview commenced before this evening's meeting, with the Housing Director outlining to Committee the housing allocations process. With regard to Committee succession planning and recruitment, a potential member has been identified from the Dunoon area, this is currently being pursued. The Corporate Manager noted that the recruitment and advertising process needs to be reviewed with potentially a more formal process being developed.

With regard to the Committee appraisal process it had been highlighted previously that Committee felt a discussion was needed to review the current process, the Corporate Manager will circulate an email to Committee to see how they want to take this forward before the appraisals take place for this year.

(ii) Agree a date for a Strategy Day in March

The Corporate Manager explained that on the agenda for the next strategy day will be risk appetite and a review of the risk register. M Ritchie from TIAA, internal auditors, will be in attendance to facilitate a risk register session, as he will be going on paternity leave, we are looking at a date potentially at the end of March. The Corporate Manager will circulate some suggested dates to Committee in due course.

11. Policy Reviews/Deferrals

Resolution

Committee approved the undernoted policies:

- (i) F.06 Financial Regulations Policy*
- (ii) H.32 tenant Participation Strategy*
- (iii) M.08 Compensation for Improvements Policy*

Committee deferred the undernoted policies:

- (i) F.03 Treasury Management Policy*
- (ii) H.31 Void Management*
- (iii) H.34 Tenancy Management Policy*
- (iv) H.05 Neighbour Disputes and Antisocial Behavior*
- (v) M.05 Rechargeable Repairs*

12. Notifiable Events

The Housing Director commented that the Regulator has been notified regarding the Fyne Energy Gift Aid money distribution, all relevant documentation has been sent over and the Chair, Vice Chair and SMT (Senior Management Team) were made aware that the Regulator has been notified.

- 13. Minute of Management Team Meeting 15th November 2022**
- 14. Minute of Fyne Energy Board meeting 17th November 2022**
- 15. Minute of Fyne Initiative Board Meeting 17th November 2022**
- 16. Minute of Fyne Futures Board Meeting 17th November 2022**

17. Minute of Audit Committee Meeting 6th December 2022

The above minutes were circulated for information and noted.

In relation to the Audit Committee Meeting on a proposal from T Harrison, seconded by P Lingard the minute was accepted as a true and accurate record of proceedings.

23. A.O.C.B

(i) ButeFest Sponsorship

The Technical Services Director commented that a letter had been received from ButeFest, who are a registered charity, asking for sponsorship for this year's event, it was noted that we have sponsored them in previous years. Various sponsorship packages are available and these were previously circulated to Committee, it was proposed that a donation of £500 is given along with having two Fyne Homes banners displayed at the event.

Resolution

After further discussion the Committee agreed to a £500 donation along with two banners to be displayed at the event.

24. Date of Next Meeting

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

The next Management Committee meeting is scheduled for **Wednesday 8th March 2023.**

Chair.....

Date.....