

FYNE HOMES LTD

Minute of Management Committee Meeting
held at 11 Victoria Street, Rothesay
and by video conference with Lochgilphead and Campbeltown
on Wednesday 20th November 2019 at 5.30pm

Present:-

	<u>Rothesay</u>		<u>Lochgilphead</u>
	K Findlay	P Lingard	T McKay
	T Harrison	J McMillan (Chair)	
	David Herriot	P Wallace	
	R Henshelwood	D Wilkinson	

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, (Minute Taker)

Apologies: H Kirk, S MacLeod, M Lang

1. Apologies for Absence

Apologies were intimated as above. M Lang had attended the office for the meeting but was unable to participate as the door to the meeting room was locked.

2. Declarations of Interest

P Lingard made a declaration in respect of agenda item 6(iii) Trinity Court lift and 8(b)(ii) Proposed Rent Increase. There were no other declarations of interest made.

3. AOCB pre-notifications

The following items were intimated and accepted for discussion

(i) *Office Xmas Lunch arrangements and budget*

4. Minute of Management Committee Meeting of 2nd October 2019

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

(a) *Matters Arising*

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With regard to the query on percentage of stock to be brought up to standard, the Technical Services Director advised that as at 31st March this year 86.2% met the standard. However EESSH2 is out for consultation with challenging target of maximising the amount of stock with and EPC band B rating by 2032. If this was to be

implemented in relation to our existing stock 920 properties would fail which would result in the percentage of stock meeting the standard dropping to 58%.

(b) Rolling Action points

The updated list of rolling action points from previous meetings was circulated for information and duly noted by Committee.

It was noted that although we have a named individual from the Council for the HMO in Lochgilphead, further details are still awaited and this is being pursued. This has been ongoing for some time and there is an option for us to withdraw from the agreement, however it was felt that we give the person the opportunity to feedback.

5. Quarterly Performance Reports to 30th September 2019

The reports were previously circulated for information purposes. The reports were duly noted.

A query was raised with regards to voids which appear to have increased slightly and also arrears. The Housing Director commented that the voids have in fact come down and are sitting at 24.08 against a target of 28 days. It was explained there are two reports, one includes exemptions which are removed for ARC figures and the other excludes exemptions which is the figure we go with as they include things like major works.

Combined arrears of 2.2% are not a major concern as there is an amount of Universal Credit due which we are comfortable will be received although later than planned.

6. Technical Services Reports

(a) Development Report

The content of the report was noted and some points were highlighted by the Technical Services Director as follows:

Tighnabruaich

The project is on budget, however it was noted that due to delays encountered with groundworks the completion date will now be May 2020 as opposed to March 2020. This has been notified to the Scottish Government as it was expected that the 20 units would be included in this financial year figures.

Some concerns have been raised by the local community in relation to allocation and it was noted that the likelihood will be for a Local Lettings Initiative to be put in place for these properties.

The Technical Services Director, TS Manager and TP Officer will be presenting the winner of the development naming competition at the local school on 2nd December.

Cairndow

An Offer of Grant has now been received from the Scottish Government and a letter of acceptance issued today. A pre start meeting has been held with contractor TSL with an anticipated site start late January.

Lochgilthead Phase 6

The Scottish Government and Council have been enquiring about the possibility of a phase 6. As Cairndow is the last planned development, this would be an opportune time to investigate the feasibility of the provision of extra care housing on the site due to its proximity to the hospital.

(b) Capital Investment Report 2019-2020

From a previously circulated report, Committee noted the capital works which are currently in progress. All works are running to programme and on budget.

(c) Trinity Court Lift

P Lingard had previously declared an interest in this item and remained in the meeting.

From a verbal report by the Technical Services Director, it was noted that following a meeting with Schindler on 25th October an apology had been received and a timeline of actions that have been taken within the company following the unacceptable delays for the lift replacement. Contingency has been included in the budget for any future issues with lifts in our developments and full dilapidation surveys have been carried out for all lifts and a report is awaited.

(d) Warmer Homes Fund: Fyne Homes Bid

Committee was disappointed to note the joint bid had been unsuccessful. A meeting will be held with SSE to discuss the bid and establish if there is any possibility of it being resubmitted by ourselves.

EC funding is being sought to progress external wall insulation in Campbeltown and it was noted that if successful there would still be an element of capital funding required.

(e) Fyne Homes Offices – Health and Safety

Following on from an incident at River Clyde Homes, office security has been revisited. With assistance from D Wilkinson reviews are being undertaken at all offices. Front facing staff have also been surveyed to establish if they have any safety concerns. Actions will be reviewed, procedural training will be carried out and Committee noted there may be some budgetary implications. A report will be made to the next Health and Safety Committee Meeting. D Wilkinson was thanked for his support and assistance.

7. Housing Management Report*(a) Department Update**Home Argyll*

A detailed report by the Housing 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:

The Housing Director reported that the long awaited Homes Argyll Policy was being presented to this meeting. There were no major changes, however Committee noted that following a recent domestic abuse case it was realised that a section of the policy

requires updating to reflect that coercive control is now an offence. This part will be subject to consultation and will be represented to committee in a couple of months for approval.

Old Courthouse

No 16 is now under offer which will leave two remaining to be sold.

Welfare Reform

Committee noted the welfare benefit updates. The Housing Director expressed her appreciation for the approval of additional hours for a member of Campbeltown staff to assist with benefit claims in relation to universal credit.

Tenant Participation

Committee noted past and planned activities contained in the report.

With regards to tenant consultation on the Neighbour Disputes and Antisocial Behaviour Policy, it was highlighted that following a recent case which involved local community councillors amongst others, consultation had been extended to the Community Councils in Lochgilphead and Bute. However no feedback was received.

The effort of staff involved in keeping the arrears at a low level was acknowledged by Committee.

8. Business Services Reports

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

(a) Department update

- Freedom of information requirements were implemented by the end of October in advance of the effective date of the legislation of 11th November and notification sent to the Scottish Information Commissioner.
- Document Management Systems are being looked at with a view to streamlining our invoicing process and further paper reduction
- Work is ongoing with the new tenant portal which will require significant testing prior to being rolled out.
- Windows 10 training has been undertaken by some staff with further sessions as this is rolled out throughout the organisation.
- Quarterly accounts for all companies now completed and Inspiralba accounts with auditors.
- Internal Auditors will be on site w/c 9th December to undertake reviews on Compliance with Legislation and Loan Portfolio.

(b) Finance Reports

(i) Projected Management Accounts to 31st March 2020

The Management Accounts for the period to 30th September show a surplus of £588,899 and the projections for the year to March 2020 show a surplus of £1.4M.

The figure is just under £40k lower than the budgeted surplus mainly due to the fact that the monies from Fyne Energy are not expected to be received and also that the voids figure may have been overstated. The report was duly noted.

(ii) Proposed Rent Increase 2020/21

As previously indicated P Lingard declared an interest and it was agreed he could remain in the meeting.

The report recommended consultation on a proposed rent increase of 2.4% (Sept RPI) capped at 3% for any rents still being phased in. Comparison with other RLSs in our area was also circulated and our proposal represents the lowest increase.

Service Charges have been frozen for the past three years, however following an exercise to look at what we are being charged for compared with income, there is a difference and it is proposed to also increase Service Charges by 2.4%.

The consultation period will run until the 20th December and a report on the exercise will be presented to the January meeting prior to any rent increase being approved.

A query was raised to what the criteria was that would perhaps want to make us change our mind on the proposed level of increase. The Business Services Director commented that over the years there have not been more than a maximum of 30 responses from around 1500 against the proposed increase. There are no set criteria and it is ultimately for Committee to decide on the level of increases to be applied. There have also been occasions when Committee has approved rent reductions for specific reasons. However it must also be borne in mind that the budget which is being presented to this meeting is based on the proposed increase and should it not be approved savings would have to be made on the budget.

Discussions had previously been held in relation to our rent levels, which although we try to keep affordable, we are aware that the rents particularly for larger properties are higher than our peers. An allowance of £7k has been included in the budget for a rent setting review to be carried out by an external consultant early in the next financial year.

Resolution

On a proposal by D Wilkinson seconded by T McKay, the proposed rent increase of 2.4% was approved for consultation. The proposed 2.4% increase in service charges was also approved.

(iii) Revenue Budget 2020/21

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

The report detailed the various assumptions made in the compilation of the Budget which shows a surplus of £1,158M for the year. It was noted that the budget includes just over £1.2M of depreciation and £232,897 Grants released from deferred creditors which are not a monetary figure along with capital loan repayments of £923,974 which are due in 2020/21.

However, it was noted that the total capital budget is £2.3M so there will be more money going out than coming in over the year.

A query was raised regarding the proposed increase by the SHAP pension scheme on employee and past deficit contributions and the Business Services Director commented that the proposed increase will go out to staff consultation tomorrow. It was noted that the proposal will have the effect of an additional £64k being incorporated into the budget. The Technical Services Director commented that an application has been made to the Scottish Government for a £300k interest free loan in respect of the installation of smoke alarms/detectors which is a legislative requirement. If successful the allowance allowed for in

the budget could be utilised for other projects. The proposed budget allows for all covenants to be met.

Resolution

● *In a proposal from P Lingard seconded by T Harrison, Committee unanimously approved the Budget for 2020/21.*

(iv) Capital Budget 2019/20

A copy of the Capital Budget was previously circulated for Committee's information. Capital Expenditure of £2.3M is proposed, the bulk of which will be for property improvements as detailed in the report.

Capital Loan Repayments of £923,974 have also been budgeted for. Committee noted that just under £1.8M of property improvement works have been deferred to future years and it was noted that further private finance may need to be sought to address this.

Resolution

Committee unanimously approved the capital budget of £2, 318,844.

(c) Public Holidays 2020/21

A previously circulated report outlined the 15 days public holidays to be observed in line with the Terms and Conditions of Employment. It was noted that the October holiday may be subject to change depending on local school holidays and also the May bank holiday has been changed to from the Monday to Friday to mark the 75th anniversary of VE Day as agreed by the Government.

Resolution

Committee approved the 15 days holidays as detailed in the report.

9 Human Resources Report

A report prepared by the HR Director was previously circulated for Committee's information and duly noted.

10. Policy Reviews

A report by the Corporate Manager provided detail on the various policies for approval or deferral.

Resolution:

Committee approved the undernoted policies:

- (i) F.03 Treasury Management Policy*
- (ii) F.06 Financial Regulations Policy*
- (iii) H.05 Neighbour Disputes, Harassment and Anti- Social Behaviour*
- (iv) H.34 Tenancy Management Policy*
- (v) H.32 Tenant Participation Strategy*
- (vi) Home Argyll Housing Allocations Policy*
- (vii) HR.33 Menopause at Work Policy*
- (viii) HR.32 Mental Health at Work Policy*

An objection was raised in relation to Section 4 of the Allocations Policy with regards to verification of circumstances for access to children whereby the assumption appears to be that both parents will not want access to their children and particularly if it is an acrimonious separation there may be difficulties in obtaining a letter from the other parent. Should it not be that there is an assumption both parents want to be involved as opposed to having to prove it? The Housing Services Director commented that an applicant's circumstances have to be verified otherwise there would be no control in applicants seeking whatever size of house they wished. It was also pointed out that this does not just apply to parents, it can be grandparents etc. The Housing Director undertook to feedback concerns to next home Argyll meeting.

Action

The Housing Director undertook to feedback concerns on verification with regards to access to children to the next Home Argyll Meeting.

11. Secretary's Report

The report was previously circulated for Committee's information. It was noted that members are given the opportunity to submit apologies or appoint proxies with information sent out with the AGM notification to members.

Resolution

Committee approved the removal of the membership numbers 835, 859 and 867 for failure to submit apologies or appoint a proxy for five AGMs in a row.

12. Subsidiary Company Documentation (verbal update)

- (i) *Fyne Energy*
- (ii) *Fyne Initiatives*
- (iii) *Fyne Futures*

It had been highlighted at previous meetings that company documentation for each subsidiary required to be revised by T C Young to ensure that it was up to date with current legislation and ensure consistency throughout the subsidiaries.

Copies of the revised Memorandum and Articles, Service Sharing Agreements and Independence Agreements had been circulated with the meeting paperwork. It was noted that the quorum for Fyne Futures has been reduced to 3 and Fyne Initiatives /Fyne Energy to 2.

The signed documentation will be presented to Fyne Futures/Fyne Initiatives boards on 26th November and Fyne Energy was signed at their board meeting earlier today.

Resolution

Committee approved the revised documentation for signature and presentation to the subsidiary meetings.

13. Committee Training (verbal update)

RIHAF Conference

The conference was attended by C Renfrew and K Findlay who provided a brief update to the meeting. Some of the key themes covered were:

- Energy and Efficiency
- Dementia friendly properties that can also be used for mainstream housing
- Planning Scotland Act 2019
- Regenerating Communities
- Potential reduction in HAG after 2021

Finance Conference

The CEO, Business Services Director and the Finance Officer attended the conference where topics such as rent affordability, assurance statements, going digital and collaborative working were covered.

The Corporate Manager highlighted the Chairs/Vice Chairs conference on 31st Jan/ 1st Feb and undertook to circulate the programme when it became available.

14. Minute of Management Team Meeting 1st October 2019
15. Minute of Fyne Futures Adhoc Meeting 8th October 2019
16. Minute of Health and Safety Committee Meeting 23rd October 2019
17. Minute of Staffing Committee Meeting 24th October 2019
18. Minute of Management Team Meeting 4th November 2019

The above minutes were circulated for information purposes and duly noted. With regards to agenda no 17 Staffing Minute, on a proposal from B Henshelwood seconded by P Lingard the minute was approved as a true and accurate reflection of the meeting.

19. VC Etiquette

Information was circulated with the papers and although a useful means of participating in meetings and reducing travel, some issues are being experienced with sound and visibility of all participants. The size of the room does not help, however this will be fed back to IT staff to see what improvements could be implemented.

Action

Business Services Director to feedback on VC issues to IT staff for further investigation.

20. AOCB

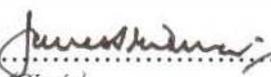
(i) Christmas Lunch and Budget

It was noted that the lunch will be held on Friday 13th December and the office will close at 1pm as per the standing agreement approved last year. A maximum budget of £1,860 was agreed across all offices.

There being no further business the meeting was closed at 7.00pm.

21. Date of Next Meeting

The next Management Committee meeting is scheduled for Wednesday 29th January 2020.

Chair .....
(Chair)

Date 29/01/20.....