hebridean housing partnership

Making our house your home

ITEM NO 3.1

HEBRIDEAN HOUSING PARTNERSHIP

Board

Minutes of Meeting held remotely via Microsoft Teams on Tuesday 27 January 2021 @ 2.30pm

ATTENDANCE & APOLOGIES	
	Attendance & Apologies Present: Iain Macmillan (Chair); Calum Mackay (Vice-Chair); Alasdair Mackenzie; Norman A Macdonald; Roddy Nicolson; Gordon Macleod Staff & Consultants In Attendance: Dena Macleod (Chief Executive); Anna Coyle (Company Secretary); John Maciver (Director of Operations); Donald Macleod (Director of Finance & Corporate Services); Iona France (Governance Officer – Minute Taker); Jonathan Fairgrieve (Corporate Services Officer); Katia Petteloot (Finance Manager); Katrina Rowlands (Development Manager); Garry Campbell (Debt Management Officer); Tina Cook (Training & Development Officer); Peter O'Donnell (Investment Manager); Monika Fortagh (Debt Management Officer); Sawan Morrison (Fixed Asset Accountant); Angus Smith (Corporate Resources Manager) Apologies: Roddy Mackay; Fiona Macleod; Alex Gardner The Chair advised this would be Alasdair Mackenzie's last meeting, following his resignation from the Board with effect from 9 February 2021. On behalf of the Board, the Chair extended his thanks to Mr Mackenzie for his distinguished services to HHP. Mr Mackenzie had served on the Board and the Shadow Board since 2002, and his contribution and experience would be greatly missed. The Chair also paid tribute to Mr Paul Finnegan, who resigned as a Council Board Member on 14 December 2020 and thanked him for the time served on the Board. Members agreed that Item 6.4 (Allocations - Homeless Quotas) be withdrawn and deferred to March 2021 to allow time to gather all the necessary data.
PRELIMINARY PROCEDURAL MATTERS	
2	**Declaration of Interest** No declarations of interest were made.
3.1.1	**Minute of Board Meeting 17 November 2020** **The minute of the Board meeting of 17 November 2020 was submitted and approved as a true and accurate record of the proceedings of the meeting.**
3.2	**Action Sheet** There was no further update to the report. **The Action Sheet was noted.**
4	**Date of Next Meeting** The date of the next meeting will be 17 March 2021.

5	**<u>Health & Safety</u>** The Director of Operations advised, as previously notified to Members, an emergency repairs only service was in place on Barra. This was under continuous review and normal service would return based on public health advice.

ITEMS FOR DECISION	
6.1	**<u>Budgets 2021/22</u>** The proposed 2021/22 Budgets, including charges for rents, garages and services, were presented for consideration and approval. The Director of Finance & Corporate Services highlighted the key variances in the initial budgets, year on year. The rental income increase was more than the proposed rent increase due to a significant number of new builds and the increase in grant funding, mainly reflected in Renewable Heat Incentive (RHI) income. A consultation exercise on the proposed rent increase for 2021/22 ended on the 15 January 2021. Two options had been given to tenants: • Option 1, RPI + 1% (2.3%); or • Option 2, RPI only (1.3%). There were 44 respondents to the consultation with 30% in favour of Option 1 and 70% in favour of Option 2 (RPI Only). The base plan assumption is RPI +1% and an RPI Only increase would result in a deficit of £85k from the base plan. This would be funded through a reduction in the initial Supervision & Management budget. Board Members requested that consideration be given to how the information was presented for future consultations to ensure the variance from the base plan did not have a detrimental effect on the organisation, be consistent with our plans and to ensure as many tenants as possible responded giving a true reflection of tenant's wishes. The Chief Executive confirmed that our entire consultation process, not solely rent consultation, would be reviewed in liaison with our tenant participation, communication and digital transformation strategies. **Following feedback from the consultation process, the Board:** **a) approved the increase of house rents for 2021/22 at RPI Only (1.3%), resulting in an average increase of £1.87 per week to £83.21 per week;** **b) approved garage rents and garage site rents for 2021/22 be increased by 1.3%; and** **c) approved all other services and charges for 2021/22 be increased by 1.3% in line with RPI at October 2020.** **The Board:** **d) noted that detailed budgets will be submitted to the Board for approval on 17 March 2021 subject to the required funding being in place.**
Add. Item	**<u>Rent Consultation Prize Draw</u>** As part of the 2021/22 Rent Consultation tenants were given the opportunity to win £50 credit to their rent account. All respondents' names were numbered and the Director of Finance & Corporate Services selected 4 numbers using a random number generator.
6.2	**<u>Development Programme 2020-25</u>** The Development Manager advised of the progress with the Five Year Development Plan 2020-2025 and the Scottish Government funding period 2018-2021 and confirmed that all current developments were still on-site, and that work had started on the Howmore site. The planning permission and building warrant applications for Lochmaddy were due to be submitted by 28 February 2021. The site start at Johnstone Court was delayed until the beginning of February 2021. Snagging works at Garrynamonie were due to take place week beginning 1 February 2021 with a full handover shortly thereafter. There had been some delays experienced at Scotland Street, Garrabost Care Unit and Shawbost developments, with handovers now due late February and early March 2021. The Director of Operations advised it was proposed the option to extend the development services contracts with Tighean Innse Gall (TIG) to 31 October 2021, be exercised. This would allow us to draw down services and future requirements would be determined in line with the Business Plan review. The Chair advised further discussion on the Development Programme would be taken at Item 9.3. **The Board:** **a) noted the development spend update as at 31 December 2020, the development progress report and the overview of developments;** **b) approved the extension of the contract with Tighean Innse Gall for Development Services to 31 October 2021; and** **c) approved the extension of the contract with Tighean Innse Gall Development Services for feasibility to 31 August 2021.**

6.3	**<u>Management Report to 31 December 2020</u>** The Finance Manager presented the Management Report to 31 December 2020. Considerable progress had been made with investment, repairs and development in comparison to the previous quarter. The investment forecast outturn was £628K less than the revised budget due to the impact of supply chain issues. However, this figure was less than anticipated at the meeting on 17 November 2020. Rental income had increased due to the allocation of new build homes. Supervision & Management was below budget due to staff working from home. Repairs were higher than the year to date budget, however this was offset by the underspend in Rechargeable Repairs and Planned Maintenance. Despite delays in development we were on course to draw down £11M grant from the Scottish Government. Calum Mackay commended officers on completing the budget update, as advised by our Funders, due to the slippage in investment and development works. **The Board noted the Management Report to 31 December 2020.**
6.4	**<u>Allocations – Homeless Quotas</u>** **This report was withdrawn and will be presented in March 2021.**
6.5	**<u>Model Rules</u>** The Chief Executive sought homologation for the decision to amend the resolutions placed before the SGM on 9 December 2020 and re-instate three places on the Board for Council appointees. The Chief Executive assured Members the requirement for three Council Members in perpetuity was not in the final Stock Transfer Agreement but there was a reference made to it in the Stock Transfer Framework document. **The Board:** **a) homologated the Chair's decision to approve the removal of the resolution to amend the Comhairle's membership on HHP's Board from the agenda of the SGM on 9 December 2020; and** **b) noted the legal opinion provided by Harper Macleod stating there is nothing in the Stock Transfer Agreement requiring HHP's Rules to provide for three Council appointed positions in perpetuity.**
6.6	**<u>Review Of Standing Orders And Membership Policy</u>** The Company Secretary presented an updated set of Standing Orders and an updated Membership Policy to the Board for approval. Both had been revised solely to take account of the changes to the Rules that were adopted at the Special General Meeting on 9 December 2020. Board Members were advised the updated constitutional documents would be made available on their tablets. **The Board:** **a) approved the revised Standing Orders;** **b) noted the summary of key changes to the Standing Orders;** **c) approved the revised Membership Policy; and** **d) noted the summary of key changes to the Membership Policy.**
6.7	**<u>Accounting Policy Change</u>** The Director of Finance & Corporate Services presented for consideration and approval a change to our Accounting Policy with in respect of the useful life of heating distribution systems. The Policy on the estimated useful economic life of heating distribution systems was 20 years and it was proposed this be increased to 30 years. This would ensure the costs of heating distribution systems would be depreciated over their revised useful economic life of 30 years. The Director of Finance & Corporate Services confirmed a statutory accounting adjustment would be prepared in the 2020/21 accounts to restate depreciation and grants with respect to this proposed change in policy. **The Board approved the increase in the useful economic life of heating distribution systems from 20 to 30 years.**

POLICIES FOR APPROVAL	
7.1	**<u>ICT Strategy</u>** An updated ICT Strategy (January 2021 – August 2022) was presented for approval. The current ICT Strategy was approved in 2017 and the areas not fully developed and implemented were largely incorporated into the Digital Transformation Strategy (DTS), which was approved by the Board in November 2020. The current update would ensure we had the necessary capabilities to deal with the requirements of working from home and covered an 18 month period. This would enable further review of the strategy prior to the first break in our data-hosting agreement with Kick IT and any additional requirements of the DTS. The Corporate Resources Manager advised we were due to go out to tender this month to ensure our Housing Management system meeting the aims and objectives of the DTS. **The Board approved the ICT Strategy.**
7.2	**<u>Health & Safety Policies</u>** Three Health & Safety Policies were presented for approval. The Health & Safety Policy, Smoking at Work Policy & Young Workers Policy had been reviewed and no material changes had been made to the Policies. **The Board approved the:** **a) Health & Safety Policy and Safety Testing and Risk Assessment Programme;** **b) Smoking at Work Policy; and** **c) Young Workers Policy.**
7.3	**<u>Community Grants Policy</u>** The Community Grants Policy was presented for approval. The Policy had been reviewed and no material changes were made to the Policy since it was last approved in June 2017. **The Board approved the Community Grants Policy.**
7.4	**<u>Attendance & Absence Policy</u>** The report sought approval for amendments to our Attendance & Absence Policy, which took account of changes in Working Time Regulations 1998 due to COVID-19. Our leave year is January to December and the Policy allows staff to carry forward 5 days of annual leave into the following leave year, to be taken by the end of February. The Working Time Regulations 1998 had been amended to allow for four weeks of leave to be carried forward into the next two leave years, where it was not reasonably practicable to take leave as a result of the effects of COVID-19. Unison were consulted on the proposed changes and were content with them. **The Board approved the Attendance & Absence Policy be amended to:** **a) increase the carry forward of leave to 10 days for 2020 and 2021; and** **b) allow the leave carried forward to be taken at any point during the leave year for 2021 and 2022.**
7.5	**<u>Domestic Abuse Policy (6 Month Review)</u>** The Domestic Abuse Policy was presented for approval following a 6 month review. Following the review, no material changes were made to the Policy. **The Board approved the Domestic Abuse Policy.**

MONITORING & UPDATE REPORTS	
8.1	<u>**Business Plan Monitoring Report**</u> The Chief Executive presented a progress report on the Delivery Plan for the Business Plan 2019/20 to 2023/24. Ms Macleod confirmed our Regulation Manager agreed with the full review of the Business Plan being deferred to October 2021. The Chief Executive highlighted several reports on the Agenda detailed delays in investment and development and this could have a detrimental impact on our ability to meet our targets. **The Board:** **a) reviewed the Delivery Plan Progress Report to 31 December 2020;** **b) noted the action being taken to address areas where targets are not being met; and** **c) noted the review of the Business Plan would be deferred to October 2021.**
8.2	<u>**Quarterly Treasury Report to 31 December 2020**</u> The Director of Finance & Corporate Services presented the Treasury Management activities for the third quarter of 2020/21. Despite delays, the cash balance had reduced due to a significant increase in the spend on development & investment since the previous quarter. There was, however, no movement in the loan as there was no requirement to drawdown monies. This will be factored into the timings of the refinancing agreement with RBS. A final payment had been made to Scottish Government in respect of excess RTB receipts with the balance due to be paid in 2032. A Finance Working Group would be convened prior to the March 2021 Board meeting to further discuss Treasury Management and the refinancing agreement. **The Board noted the:** **a) quarterly report on the Analysis of Investment and Borrowing;** **b) outstanding loans at 31 December 2020 of £4.91 Million; and** **c) cash balance at 31 December 2020 of £5.925 Million.**
8.3	<u>**Investment Programme Monitoring Report**</u> **2020/21 Programme** The Investment Manager presented an update on the procurement and progress of the 2020/21 and 2021/22 Investment Programme. The majority of contracts were progressing to programme, however, several delays had arisen due to supply chain issues and other material supply constraints, resulting in an anticipated underspend of £628K. As there was no interest in the re-wiring tender this would now be procured outwith the Investment Framework. The majority of smoke detectors had been installed in compliance with the original February 2021 target. Access issues continued to affect the completion of the programme. The Investment Manager confirmed that we were working closely with contractors and tenants to keep them updated on the supply issues and continued to pursue access to properties to carry out our legal obligations. There were a small number of cases where we were pursuing our statutory rights to gain access. The Chair requested further information be brought to the Board on refusals and non-access to carry out essential works, and the impact of COVID-19 on this. **2021/22 Programme** Some work packages had previously been tendered as part of two-year contracts and the remaining procurement was due to start in January 2021, subject to work not being committed until budgets are agreed in February 2021. **Aids & Adaptations** It was expected the full grant would be utilised and all works were progressing to timetable. **The Board noted the:** **a) progress on the Investment Programme; and** **b) update on the provision of Aids & Adaptations.**
MEETING GOES INTO PRIVATE SESSION	

Chairperson Mr Iain Macmillan

SIGNED ………………………………………………………

DATE ………………………………………………………