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 Wednesday, 23 June 2021 at 2.00pm

PRELIMINARY ITEM		
Prior to the official business, the Chair advised due to the sudden death of our Customer Services Supervisor, Andrea Watson, of which notification was received earlier in the day, the meeting would hear items for approval only. The Chief Executive paid tribute to Andrea. Everyone at HHP will miss Andrea and feel her loss, not just for the work she did but for the person she was and her untimely death was a reminder of what was important in life. The Chief Executive asked everyone to keep Andrea's family in their thoughts and that a formal tribute to Andrea would be made later.		
ATTENDANCE & APOLOGIES		
1	**Attendance & Apologies**	
	Present	Staff & Consultants In Attendance
	Iain Macmillan (Chair)	Dena Macleod (Chief Executive)
	Calum Mackay (Vice-Chair)	Donald Macleod (Director of Finance & Corporate Services)
	Peter Graham	John Maciver (Director of Operations)
	Roddy Nicolson	Iona France (Governance Officer – Minute Taker)
	John Norman Macleod	Mina Maclean (Housing Officer – Allocations)
	Roddy Mackay	Angus MacNeil (Assets & Contracts Manager)
	Gordon Macleod	Katia Petteloot (Finance Manager)
	Apologies	Sawan Morrison (Development Manager)
	Alex Gardner	Monika Fortagh (Debt Management Officer)
	Fiona Macleod	Donalda Mackinnon (Area Manager, Lewis)
	Norman Macdonald	Gary Macleod (Digital Transformation Manager)
		Jonathan Fairgrieve (Corporate Services Officer)
PRELIMINARY PROCEDURAL MATTERS		
2	**Declaration of Interest** The Chief Executive declared an interest in Item 9.6	
3.1	**Minute of Board Meeting 19 May 2021** **The minute of the Board meeting of 19 May 2021 was submitted and approved as a true and accurate record of the proceedings of the meeting.** **Minute of Board Meeting 29 April 2021** The Director of Finance & Corporate Services advised the Board were required to re-affirm its approval of the lending agreement, on the basis that specific wording in the draft minutes would be incorporated into the Minutes of the Board meeting, and an extract prepared and signed. **The Board approved the specific wording be included in the draft Minute of 29 April 2021 and an extract be prepared and signed by the Chair.**	
3.2	**Action Sheet** **The Action Sheet was noted.**	
4	**Date of Next Meeting** The date of the next meeting will be 25 August 2021. It was agreed that the timings of the meetings would be reviewed in August 2021 with a view to reverting to pre COVID-19 timings or another suitable time.	
5	**Health & Safety** Nothing to report.	

<table>
<tr><th colspan="2">ITEMS FOR DECISION</th></tr>
<tr><td>6.1</td><td>
<u>Annual Report & Financial Statement to 31 March 2021</u>
The Director of Finance & Corporate Services presented the Annual Report & Financial Statement to 31 March 2021 for approval. The Annual Report & Financial Statements had been presented the Audit & Risk Committee the previous day.
The report highlighted the key factors in the Annual Accounts:

The operating surplus of £2,242,633 showed a decrease from the previous year of £494,977;
An increase in Rental Income was driven by the annual rent rise and additional number of new build units;
Management Costs decreased year on year;
An increase in Depreciation was driven by new build properties and component replacements capitalised;
There was a significant level of void repairs resulting in an increase of £100k. The smoke detector programme resulted in an increase in expected investment costs;
Grant funding increased due to an higher level of funding for OT Aids & Adaptations and RHI income;
Bad debts decreased due to there being fewer number of accounts owing more than £1k; and
An increase of £710,503 in net assets reflected the investment in our stock through the investment and development programmes.

The statement of comprehensive income included a significant actuarial loss of £1,275,000 for 2020/21, which had arisen due to a change in the actuarial financial measurement assumptions in relation to our pension fund.
Group accounts were not prepared for our subsidiary, HHP Community Housing Ltd, due to the immateriality of the trading activity of the Company during the year.
The Board:
a) approved the Annual Report and Accounts for the year ended 31 March 2021; and
b) noted the Subsidiary Accounts for the year ended 31 March 2021.
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<tr><td>6.2</td><td>
<u>SHR Financial Returns</u>
The Director of Finance & Corporate Services presented the Loan Portfolio return (2020/21) and Five Year Plan Return (2021-2026) required by the Scottish Housing Regulator (SHR) for consideration and approval. The Audited Financial Statements (2020/21) would be filed when the SHR portal opened.
The Director of Finance & Corporate Services advised the Loan Portfolio return was based on our current loan facility. It was anticipated the new loan facility would be finalised by 30 June 2021 and once completed an In – Year Return would be completed and submitted to the Regulator and a report would come to the Board in August 2021 for homologation.
The Board approved for submission to the Scottish Housing Regulator the:
a) Loan Portfolio Return for 2020/21;
b) Five Year Plan Return for 2021-2026; and
c) Audited Financial Statements.
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<u>Budgetary Performance for Year Ended 31 March 2021</u>
The performance against budgets for the year ended 31 March 2021 was presented for review.
The Director of Finance & Corporate Services highlighted the key variances in our Income & Expenditure.

Net income was above budget due to the improvement in bad debt and additional grant funding
Response Repairs was over budget which was offset by saving in the Planned Maintenance Programme
Development spend was significantly less than original budget but in line with revised budget.
There was a £1.9m slippage in the investment budget due to the impact of COVID-19 and being unable to access tenant's homes.

Our Financial Covenants for the year 2020/21 were met. The Covenants were based on our existing loan facility and the Director of Finance & Corporate Services advised a meeting would be arranged to discuss the covenant requirements of the proposed new facility in due course.
Board Member expenses were down significantly due to no travel costs being incurred, and whilst it was noted attendance at both Board meetings and trainings had improved, the targets, especially for training, may be unrealistic.
The report sought approval for a recommendation to the AGM that £5,000 of the surplus be donated to local charities.
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	The Board: **a) reviewed the performance against budget for the year ended 31 March 2021;** **b) noted the Financial Covenant for 2020/21; and** **c) approved a recommendation to the AGM that £5,000 of the surplus be donated to local charities during 2021/22.**
6.4	**<u>Financial Regulations</u>** The updated Financial Authorities and Financial Regulations were presented for approval. The Director of Finance & Corporate Services advised the Financial Regulations had been updated to remove reference to EU procurement. **The Board:** **a) approved the updated Financial Regulations; and** **b) noted the Financial Authorities have been reviewed with no changes required.**
6.5	**<u>Review of Standing Orders</u>** The updated Standing Orders were presented for approval. The Standing Orders were updated to reflect the Head of Executive Office vacancy, the role of Executive Office Manager and the resultant changes to responsibilities. There were also minor amendments throughout the document for clarity, consistency and good practice. **The Board:** **a) approved the revised Standing Orders; and** **b) noted the summary of key changes.**
6.6	**<u>Housing Allocations Report</u>** The annual Housing Allocations Report was presented for approval. The report highlighted that demand, as demonstrated by waiting lists, was weak, and had reduced by almost 25% over the previous 11 years. A Housing Needs and Demand Study is being carried out in 2021 which will include engagement with communities and Community Trusts to identify any housing need and aspirations which were not evidenced by our waiting list. The quota of allocations to homeless applicants in Stornoway was proposed to be retained at 50%, with the exception of 2 apt properties, as the Board had agreed at the meeting on 19 May 2021 to increase the number of 2 apt properties allocated to homeless applicants to 25 per annum. This will be kept under review in the context of the Comhairle's Rapid Rehousing Strategy and the Local Housing Strategy. **The Board:** **a) noted the Allocations Report 2020/21;** **b) agreed the quotas for allocating properties in Stornoway, with the exception of 2 apt properties which has been agreed at 25 per annum, remain at 50% for homeless applicants; and** **c) agreed the quotas for allocating properties in Stornoway remain at 15% for transfer applicants and 35% for other waiting list applicants.**
6.7	**<u>Management Report to 31 May 2021</u>** The Finance Manager presented the Management Report to 31 May 2021. The report sought approval for a number of virements. The Director of Finance & Corporate Services confirmed the virement from the development budget to reserves would be used to fund development costs in 2022/23. Following approval of the virement to the non-housing budget the contract for the new Housing Management system would be signed. **The Board:** **a) noted the management information at 31 May 2021;** **b) approved additional rental income of £71K be vired to reserves;** **c) approved savings of £20K on void losses and additional RHI grant funding of £111K be vired to the non-housing budget to fund the Housing System project; and** **d) approved that £1,029,435 be vired from the total development budget to reserves to account for project slippage and timing of grant receipts.**

6.8	**<u>Development Report</u>** The Development Manager provided an update on the Development Programme. 28 houses had been handed over at Goathill - 20 rented properties and 8 Shared Equity. The 20 rented properties had been allocated and applications were being processed for the Shared Equity properties. Board Members were advised a site visit would be arranged in the near future. There was a delay to the Scotland Street handover due to an issue with SSE meters. All other projects were progressing well, however, material, labour and transport difficulties were increasingly being experienced. The land transaction at Blackwater will be further delayed as the resumption application had not been applied for as yet, despite planning approval having been obtained in September 2020. It was proposed that the options for the fire suppression system would be assessed by the Asset Management Working Group prior to making a recommendation to Board on 25 August 2021. **The Board:** **a) approved that the Asset Management Working Group assess the options for the fire suppression system and make a recommendation to Board in August 2021; and** **b) noted the progress on the Development Plan for 2021/22.**
6.9	**<u>Board Appointment</u>** Ms Helen Mackenzie had indicated that she was interested in joining the Board. Ms Mackenzie had worked in both public and private sectors for a number of years and has considerable knowledge to draw upon in the fields of finance, procurement and development. Ms Mackenzie has been active in several community organisations and sits on the Board of the Scottish Public Persons Agency. The appointment as a Board Appointed Member in accordance with HHP's Rules and for a period of two years from 24 June 2021 was proposed and agreed. **The Board:** **a) approved Ms Helen Mackenzie's appointment to the Board for a period of two years as a Board Appointed Member with effect from 24 June 2021, subject to satisfactory completion of the Code of Governance requirements; and** **b) agreed Iain Macmillan and Calum Mackay had demonstrated their continued effectiveness as Board members and approved their eligibility to stand for re-election at the AGM on 26 August 2021.**

POLICIES FOR APPROVAL	
7.1	**<u>Naming a Development Policy</u>** The Naming a Development Policy had been reviewed and updated to include wider engagement with the community when naming a development. Mr Roddy Mackay commented he had received positive feedback following the naming of developments in Uist after well-known members of the communities. **The Board approved the updated Naming a Development Policy.**
7.2	**<u>Risk Strategy</u>** An updated Risk Strategy, which included had a table outlining the mechanism used for scoring and prioritising risk, was presented for consideration and approval. **The Board approved the Risk Management Strategy.**

MONITORING & UPDATE REPORTS	
8.1	**Management Report to May 2021** **This item was moved to Item 6.7 on the Agenda.**
8.2	**Repairs & Maintenance 6 Month Review** This report provided feedback on the first service review of the Planned, Cyclical and Responsive Maintenance Contract that commenced on 1 April 2020. **The Board noted the Repairs & Maintenance 6 Month Review.**
8.3	**Board Development Progress Report** This report provided an update on the progress of the Board Development Plan for 2020/21 and advised Members an independent Board Skills Assessment programme will commence after the AGM on 26 August 2021. **The Board noted:** **a) the 2020/21 Training Plan update; and** **b) an independent Board Skills Assessment programme will commence after the AGM on 26 August 2021.**
MEETING GOES INTO PRIVATE SESSION	

Chairperson Mr Iain Macmillan

SIGNED ……………………………………………………

DATE ……………………………………………………