hebridean housing partnership

Making our house your home

ITEM NO 3.1

HEBRIDEAN HOUSING PARTNERSHIP

Board

Minutes of Meeting held in HHP Board Room and remotely via Microsoft Teams on Wednesday, 17 November 2021 at 5.30pm

PRELIMINARY ITEM	
ATTENDANCE & APOLOGIES	
1	**Attendance & Apologies** Present – In Person: Iain Macmillan (Chair); Calum Mackay (Vice-Chair); Alex Gardner; Norman Macdonald Staff & Consultants In Attendance – In Person: Dena Macleod (Chief Executive); Katia Petteloot (Company Secretary); Jonathan Fairgrieve (Corporate Services Officer – Minute Taker) Present - Virtual: Helen Mackenzie; Fiona Macleod; Gordon Macleod; Roddy Mackay Staff & Consultants in Attendance - Virtual: Donald Macleod (Director of Finance & Corporate Services); John Maciver (Director of Operations); Iona France (Governance Officer); Katrina Rowlands (Service Development Manager); Angus MacNeil (Assets & Contracts Manager)); Sawan Morrison (Development Manager); Monika Fortagh (Debt Management Officer); Emma Macleod (People Development Officer); Michael Leslie (Chatham Financial) Apologies: John Norman Macleod; Roddy Nicolson The Chair congratulated Housing Officers Fiona Macdonald and Kevin Poke who recently passed the Chartered Institute of Housing Level 4 in Housing Practice qualification. Members were advised an award in memory of our former Chair Norman Macleod would be presented to the member of the staff who has been "The Encourager of the Year" as Norman was a great champion for the staff. There are shields being donated to the local Secondary Schools that will also be the Norman M Macleod Award for "The Encourager of the Year".
PRELIMINARY PROCEDURAL MATTERS	
2	**Declaration of Interest** Calum Mackay declared an interest in Item 6.6.
3.1.1	**Minute of Board Meeting 25 August 2021** **The minute of the Board meeting of 25 August 2021 was submitted and approved as a true and accurate record of the proceedings of the meeting.**
3.1.2	**Minute of Board Meeting 26 August 2021** **The minute of the Board meeting of 26 August 2021 was submitted and approved as a true and accurate record of the proceedings of the meeting.**
3.2	**Action Sheet** **The Action Sheet was noted.**
4	**Date of Next Meeting** The date of the next meeting will be 9 February 2022.

5	<u>**Health & Safety**</u> Nothing to report.

ITEMS FOR DECISION	
6.1	**SHR Loan Portfolio** The Director of Finance & Corporate Services advised a Loan Portfolio Statement was due to be submitted to the Scottish Housing Regulator (SHR) in September 2021 taking account of the new Borrowing Facility however, due to IT issues on the SHR website this had not been lodged. Members were advised this was would be lodged once available and an update would be brought to the Board on 9 February 2022. **The Board noted the update to the SHR Loan Portfolio Return.**
6.2	**Budget Strategy** The Director of Finance & Corporate Services presented the Budget Strategy for 2022/23, including the rent consultation, for consideration and approval. The Finance Working Group will meet on 30 November 2021 to discuss the rent options. Treasury Management training had also been arranged for this date. It was proposed to hold a Risk Appetite session on 1 December 2021 where the rent options and affordability could be considered by the full Board. The Chief Executive advised following these meetings it would be beneficial to combine the consultation on the Business Plan and Rent Options so the impact of both can be conveyed clearly to tenants. Iain Macmillan advised of the significance small margins can have on our 30 Year Financial Plans and the importance of making the best decision. The Director of Finance & Corporate Services explained that, as a business, our Financial Covenants must be met and encouraged all Board Members to attend the Finance Working Group due to the significant impact rent levels have on the delivery of the Business Plan. **The Board approved the 2022/23 Budget Strategy including the Budget Timetable.**
6.3	**Management Report to 30 September 2021** The Management Report to 30 September 2021 was presented for review and approval. There was slippage of £1.4M on development costs due to delays at Blackwater, Crowlista, Keose Glebe, Lochmaddy and Barra. One Shared Equity property remains unsold at Sgeir Ghlais resulting in development sales falling below target. The forecast out turn on the Investment Programme is £0.765M less than the revised budget, mainly driven by delay in replacing windows at Ross Terrace and Plantation Road and insulation works on Swedish timber properties which will both be delivered in the 2022/23 Programme. An overspend in Responsive Repairs had resulted in the Repairs & Maintenance Budget being £35K over budget. Approval was sought for 5 virements due to delays in site starts at Blackwater, Crowlista, Keose Glebe, Lochmaddy and Barra. Members were advised the delays were reflected in the Comhairle's Strategic Housing Investment Plan (SHIP). Calum Mackay questioned why the Repairs and Maintenance budget was overspent and whether Change of Tenancy (COT) works were a factor in this. The Director of Operations advised the material costs were a significant factor in the increase in repair costs and advised the cost of COT works was unpredictable as this was dependant on when properties became vacant throughout the year. Helen Mackenzie asked for further clarification on the Unallocated Investment and Responsive Repairs expenditure. The Director of Finance & Corporate Services suggested a meeting with Mrs Mackenzie to provide further information on the Management Report. **The Board:** **a) noted the Management Report to 30 September 2021;** **b) approved a virement to reduce both cost and grant for the Blackwater development by £150,000;** **c) approved a virement to reduce cost by £535,636 and grant by £299,056 for the Crowlista development;** **d) approved a virement to reduce cost by £338,020 and grant by £220,000 for the Keose Glebe development;** **e) approved a virement to reduce cost by £657,410 and grant by £633,071 for the Lochmaddy development; and** **f) approved a virement to reduce cost by £590,253 and grant by £192,978 for the Barra development.**

6.4	**<u>Development Monitoring Report</u>** The Development Manager provided an update on the Development Programme. Six homes at Sealladh Beinn Dail and eight homes at Sinclair Avenue for social rent have completed. The sale of seven New Supply Shared Equity (NSSE) properties at Sinclair Avenue completed with a further seven being progressed. Tarbert Police Station handover is delayed until December 2021. A further delay was reported for the site at Howmore due to labour shortages. Material shortages have resulted in delays at the site at Low Flyer. Handover is expected for the site at Barvas in January 2022. A site start date for the development in Barra is imminent following the conclusion of the land transaction. The resumption order for the Blackwater site has been lodged. The land transaction at the Lochmaddy site was being progressed with a site start scheduled for January 2022. Following consultation, Rathad na Ceardaich was the proposed option for the naming of the site in Barra. Norman Macdonald commended the methodology of involving the wider community in the consultation process. **The Board:** **a) approved the site at Cleit Road, Isle of Barra be named Rathad na Ceardaich; and** **b) noted the update on the Development Programme.**
6.5	**<u>Investment Programme Monitoring Report</u>** The Assets & Contracts Manager presented the 2022/23 Investment Programme and an update on the 2021/22 Investment Programme. Slippage of £600K to the 2022/23 Investment Programme is due to tender prices for Lot 1a significantly exceeding budgets and work will now be packaged into a larger window contract in 2022/23 to attempt to achieve a better price. External wall insulation works are to be re-tendered in 2022/23 due to advice from SSE that they are unable to undertake the work. Members were advised the tenders for the 2022/23 Programme would not be awarded until final budgets had been agreed in February 2022. Following a query from Calum Mackay the Director of Operations advised the installation of Air Source heating where a gas supply is not available is the policy position. Infra-Red heating has been installed in areas where Air Source was not considered to be suitable and where gas was not available. Helen Mackenzie questioned how our environmental impact was being considered when looking at our Investment Programme and whether district heating schemes had been considered. The Director of Operations advised that district heating schemes lend themselves to high density housing and would not be suitable for the vast majority of our stock and we were exploring more environmentally friendly heating systems. Iain Macmillan suggested the Programme be approved subject to final Budget approval. **The Board:** **a) approved the Investment Programme for 2022/23 subject to final Budget approval; and** **b) approved advance tendering of up to 80% of the 2022/23 Investment Programme subject to work not being committed until budgets are agreed in February 2022; and** **c) noted the progress on the 2021/22 Investment Programme.**
6.6	**<u>TPAS Conference</u>** **Calum Mackay declared an interest in this item and did not take part in the discussion.** The report detailed a request from the Western Isles Housing Association Communities Forum for funding to enable six representatives to attend the TPAS (Scotland) Annual Conference due to be held in February 2022. Helen Mackenzie suggested the consideration of funding further places to encourage younger tenants or individuals with an interest in housing in order to attract them onto the Board. **The Board:** **a) approved funding 6 places at the TPAS (Scotland) Annual Conference in February 2022 for the Western Isle Communities Forum;** **b) agreed to explore funding 2 additional places at the TPAS (Scotland) Annual Conference in February 2022 to attract younger involvement onto the Board.**
6.7	**<u>Board Plan & Board Calendar 2022</u>** The Executive Office Manager outlined a plan for items to be considered by Board in 2022 Board session and an amendment to Public Holiday arrangements for 2022 to mark the Queen's Platinum Jubilee holiday, following consultation with Staff. The draft Board Calendar was presented to the Board meeting on 26 August 2021 and was updated to take account of CNES' Calendar and the local government election due to be held in May 2022. **The Board:** **a) approved the Friday 29 April and Monday 2 May 2022 Bank holiday be moved to Friday 3 and Monday 6 June 2022 to mark the Queen's Platinum Jubilee holiday; and** **b) noted the Board Plan for 2022; and** **c) noted the Board Calendar.**

POLICIES & STRATEGIES	
7.1	**<u>Family Leave Policies</u>** The Executive Office Manager outlined the revised Maternity Leave and Paternity Leave Policies. The Shared Parental Leave Policy, which was previously combined with the Maternity Leave Policy, was presented for approval for consultation with staff and the Union. Calum Mackay advised the Audit & Risk Committee had reviewed the policies earlier in the day in terms of internal controls, risk evaluation and corporate governance. **The Board approved the:** **a) draft Shared Parental Leave Policy for consultation with staff and the Union;** **b) if there are no material changes to the Shared Parental Leave Policy arising from the consultation, that the Policy is approved, otherwise a revised version be presented to the next meeting of the Board:** **c) renamed and revised Maternity Leave Policy; and** **d) revised Paternity Leave Policy.**
7.2	**<u>Policy Review (Safeguarding)</u>** The report updated the Board regarding the compliance of our Safeguarding Policies with OSCR guidance. **The Board noted the review of policies in respect of Safeguarding.**

MONITORING REPORTS	
8.1	**Quarterly Treasury Report** The Director of Finance & Corporate Services presented the Treasury Management activities for the second quarter of 2021/22. The report sought approval to increase purchase invoice approval limits and approval for our hedging strategy with respect to the new borrowing facility. Members were advised the recommendation to increase the Chief Executive's purchase invoice approval limit was to meet the Housing with Extra Care (HWEC) programmed costs. Iain Macmillan suggested a timescale be agreed for the increase in the approval limit. Members agreed this would be extended to 30 June 2022. Michael Leslie of Chatham Financial reminded Board Members of the terms of our new borrowing facility and as we will require to draw down funds shortly he presented hedging options and outlined the risks and benefits of each option. Members were advised the hedging strategy produced in October 2021, and subsequent addendum in November 2021, provided a recommendation on hedging options: • Option 1 – Fix £5M initial drawdown; • Option 2 – Fix £12M out of the end of the Availability period (assumed to be June 2023); and • Option 3 – Fix under an accreting profile to match projected drawdowns under Facility B. For this fixed rate loan £5m is fixed from 31 December 2021; a further £3m (total £8m) from 30 June 2022, with the final £4m fixed from November 2022 at the fully drawn £12.0m Facility B amount. The Director of Finance & Corporate Services confirmed that the Bank would instruct its solicitors to prepare an amendment agreement, in order to amend the facility Agreement as required so that the preferred hedging option could be given effect to (the "Amendment Agreement"). Michael Leslie advised the Board Options 2 and 3 were the most viable and would have no issue advising the Board to choose either option. Members were advised if they had any questions to forward them to the Director of Finance & Corporate Services who would liaise with Mr Leslie. An Extract of the Minute will be provided to Board Members. **The Board:** **a) noted the quarterly treasury report on the Analysis of Investment and Borrowing;** **b) noted the outstanding loans at 30 September 2021 of £5M;** **c) noted the cash balance at 30 September 2021 of £4.473M;** **d) approved an increase to the Chief Executive's purchase invoice approval limit to 30 June 2022;** **e) approved the Hedging Strategy Option 3 based on an accreting Fixed Rate Loan;** **f) approved HHP enter into the Amendment Agreement once finalised; and** **g) delegated authority to the Director of Finance & Corporate Services to conclude the hedging strategy with the Royal Bank of Scotland and prepare documentation and a Extract of the Minute in accordance with the Royal Bank of Scotland Standards.**
MEETING GOES INTO PRIVATE SESSION	

Chairperson Mr Iain Macmillan

SIGNED ………………………………………………………

DATE ………………………………………………………