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, 8 February 2023 at 5.30pm

PRELIMINARY ITEM	
ATTENDANCE & APOLOGIES	
1	**Attendance & Apologies** Attendees: Gordon Macleod (Chair); Calum Mackay (Vice-Chair); Alison MacCorquodale; Donald Macsween; Fiona Knape; Finlay Stewart; Helen Mackenzie; Iain M Macleod; Roddy Nicolson Apologies: Alex Gardner; Norman A Macdonald Staff & Consultants In Attendance: Dena Macleod (Chief Executive); Donald Macleod (Director of Finance & Corporate Services); John Maciver (Director of Operations); Jonathan Fairgrieve (Corporate Services Officer – Minute Taker); Iona France (Governance Officer); Angus Smith (Corporate Resources Manager); Angus MacNeil (Assets & Contracts Manager); Donalda Mackinnon (Area Manager); James Morrison (Finance Manager); Katrina Rowlands (Service Development Manager); Michael Libby (Corporate Services Officer); Monika Fortagh (Debt Management Officer); Norma Robb (People Development Officer); Peter O'Donnell (Investment Manager); Sawan Morrison (Development Manager)
PRELIMINARY PROCEDURAL MATTERS	
2	**Declaration of Interest** **There were no declarations of interest.**
3.1	**Minute of Board Meeting 22 November 2022** **The minute of the Board meeting of 22 November 2022 was submitted and approved as a true and accurate record.**
3.2	**Action Sheet** **The Action Sheet was noted.**
4	**Date of Next Meeting** The date of the next meeting will be 29 March 2023.
5	**Health & Safety** **Nothing to report.**

ITEMS FOR DECISION	
6.1	**<u>Budgets 2023/24</u>** **Fiona Knape joined the meeting.** The Director of Finance & Corporate Services presented the proposed 2023/24 budgets including charges for rents, garages and services. The Development and Finance Committee met on 12 December 2022 and agreed to consult with tenants on an RPI minus 8.2% (6%). The draft budgets were prepared on that basis. The Director of Finance & Corporate Services assured members that the Committee had reviewed a variety of options which balanced rent affordability with our obligations to our tenants and funders. Fiona Knape questioned if it would be possible to consider delaying the rent increase in future years as tenants would be facing a number of financial increases at the start of each financial year. The Director of Finance & Corporate Services advised our policy stance was to review rents in accordance with our financial year and Housing Benefit cycles, but this could be reviewed going forward. Alison MacCorquodale and Helen Mackenzie stressed that the Development & Finance Committee considered all options and did not take the decision to increase rents lightly. **The Board:** **a) approved the increase of house rents for 2023/24 at RPI minus 8.2% (6.0%), an average increase of £5.12 per week to £90.40 per week;** **b) approved garage rents and garage site rents for 2023/24 be increased by 6%;** **c) approved all other services and charges for 2023/24 be increased by 6%; and** **d) noted that detailed 2023/24 budgets would be submitted to the Board for approval on 29 March 2023.**
6.2	**<u>Business Plan 2019/20 to 2023/24 (Year 5)</u>** The Chief Executive provided feedback from the Business Planning Day held on 31 January 2023. Following the four workshops covering Climate Change, Population, Scottish Housing Quality Standard and Economy & Cost of Living Crisis, the areas for consultation identified were: 1. Explore options for large scale projects to bring properties up to energy efficiency Band B rating; 2. Investigate how communities can be more involved in new developments; 3. Recycling and re-using items as part of the voids process; 4. Damp and condensation Action Plan including trialing mechanical ventilation; and 5. Investigate installation of micro turbines in schemes. Gordon Macleod expressed his thanks to the Chief Executive and members of staff involved in the Business Planning Day. **The Board approved the key points for consultation on Business Plan 2019/20 to 2023/24 (Year 5) be:** **a) Explore options for large scale projects to bring properties up to energy efficiency Band B rating;** **b) Investigate how communities can be more involved in new developments;** **c) Recycling and re-using items as part of the voids process;** **d) Damp and condensation Action Plan including trialing mechanical ventilation; and** **e) Investigate installation of micro turbines in schemes.**
6.3	**<u>Infra-Red Monitoring Report</u>** **Donald Macsween joined the meeting.** The report detailed findings of a period of monitoring, following reports from tenants who were experiencing issues with infra-red heating. The monitoring was to establish facts around the issues raised and whether interventions could be carried out to address the concerns raised. These concerns involved running costs, comfort levels and tenants reporting they did not feel warm despite high expenditure on heating. Throughout the monitoring period dissatisfaction had continued to grow with a tenant survey showing that 75% of respondents were dissatisfied with infra-red heating. The Director of Operations advised that other issues had also been identified including infra-red compliance with the Energy Efficiency Standard for Social Housing and its scoring with SAP. It was recommended all infra-red heating systems be replaced subject to consultation with individual tenants. Members were advised the cost to replace all infra-red heating with air source heat pumps would be estimated at £3M and funding sources would be sought to reduce costs. Calum Mackay commented on the increase in energy costs and how this would also be impacting all our tenants. The Director of Operations advised all tenants with infra-red heating would be informed of the Board decision.

	The Board agreed: **a) all infra-red heating systems be replaced subject to consultation with individual tenants;** **b) air source heating be the preferred replacement to maximise available funding and meet EESSH targets and improved comfort levels for tenants;** **c) the replacement of the systems to begin in 2023/24 and conclude in 2024/25 unless there are financial constraints due to costs or availability of grant funding when the replacement may require to be extended;** **d) the prioritisation criteria at Appendix 1 of the report be used for the replacement programme.**
6.4	**Investment Programme** The Assets & Contracts Manager presented the 2023/24 Investment Programme for approval and provided an update on the 2022/23 Investment Programme. The 2022/23 Programme was progressing well with no issues anticipated. Gordon Macleod commended the staff involved in the Investment Programme and acknowledged the additional workload the replacement of infrared heating systems would have on staff. **The Board approved:** **a) noted the progress on the 2022/23 Investment Programme; and** **b) approved the Investment Programme for 2023/24.**
6.5	**Management Report to 31 December 2022** The Finance Manager presented the Management Report to 31 December 2022 for approval. The report highlighted that Financial Covenants were forecast to be met for the year ended 31 March 2023, with an operating surplus of £852K. Approval was sought for three virements to increase the budget for loss on disposal of assets as we have brought forward the replacement of heating systems, funded through Low Carbon Infrastructure Transition Programme (LCITP, and to increase both the responsive and void repair budgets to reflect the additional cost pressures due to material price increases and the work required to bring void properties back to lettable standard. The Assets & Contracts Manager advised a number of long term tenancies came to an end requiring a significant level of works to bring them to lettable standard. **The Board approved:** **a) the Management Report at 31 December 2022 and revised forecast out turn at 31 March 2023;** **b) a virement of £120K from Reserves to the Loss of Disposal of Assets;** **c) a virement of £100K from reserves to the Responsive Repairs Budget; and** **d) a virement of £20K from Reserves to the Void Repairs Budget.**
6.6	**Highlands & Islands Board/Committee Member's Meeting** The Chief Executive presented an opportunity for Members to meet with other Board Members from Highlands and Island Housing Associations in Inverness on 4 May 2023. **It was agreed Gordon Macleod and Alison MacCorquodale attend the meeting on 4 May 2023 with the Governance Officer.**

POLICIES & STRATEGIES	
7.1	**<u>Asbestos Policy</u>** The report provided a review of the Asbestos Policy. The Policy was reviewed as part of the Health & Safety Audit carried out in November 2022 and in accordance with the policy review schedule. Following the review, no material changes were made to the Policy. **The Board approved the Asbestos Policy.**
7.2	**<u>Health & Safety Policy</u>** The report informed Members that the annual review of the Health & Safety Policy had been undertaken with no significant changes to the Policy identified. **The Board note the review of the Health & Safety Policy.**
7.3	**<u>Policy Consultation Response</u>** The revised Attendance & Absence Policy was presented following consultation with Staff and the Union. **The Board approved the Attendance & Absence Policy.**

MONITORING REPORTS	
8.1	**<u>Development Monitoring Report</u>** The Development Manager provided an update on the Development Programme since the previous Board meeting on 22 November 2022.

Project	Update
Crowlista	Due for completion at the end of February 2023.
Barra	Electricity meters due to be fitted at the end of February 2023, following which they would be handed over.
Leverburgh	Tighean Innse Gall progressing a planning applications.
Scott Road	Water pressure study was due to take place but had been delayed due to travel disruptions.
Bernera	Feasibility Study being assessed.
Grimsay	Feasibility Study being assessed.
Gravir	Tighean Innse Gall carrying out a feasibility study on our behalf.

<u>Shared Equity</u>

Applications have been accepted for the final New Supply Shared Equity properties at Sinclair Avenue and were anticipated to be sold prior to the end of March 2023.

The Board noted the Development Plan update.

8.2

<u>Quarterly Treasury Report to 31 December 2022</u>

The Director of Finance & Corporate Services presented the Treasury Management activities for the third quarter of 2022/23 and confirmed our cash balances were £8.728M, driven by an increase in spend in the third quarter on investment and development, along with the annual insurance premiums paid in October 2022.

The Board noted the:

a) quarterly report on the Analysis of Investment and Borrowing;

b) outstanding loans at 31 December 2022 of £17M;

c) cash balance at 31 December 2022 of £8.728M.

8.3

<u>SHR Loan Portfolio (In-Year Return)</u>

The Director of Finance & Corporate Services presented the in-year Loan Portfolio return, which was submitted to the Scottish Housing Regulator (SHR) on 21 December 2022. The return was submitted due to an increase in our total borrowing to £17M in line with the Annual Financing Strategy.

Members were advised the number of units submitted was incorrect and should be 2237 rather than 2287 and would be amended in the annual loan portfolio statement.

The Board noted the submission of the in-year Loan Portfolio to the Scottish Housing Regulator.

MEETING WENT INTO PRIVATE SESSION

Chairperson Mr Gordon Macleod

SIGNED ………………………………………………………

DATE ………………………………………………………