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, 22 November 2022 at 5.30pm**

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| **PRELIMINARY ITEM** | |
| **ATTENDANCE & APOLOGIES** | |
| **1** | **Attendance & Apologies**<br><br>Attendees: Calum Mackay (Vice-Chair); Gordon Macleod; Donald Macsween; Iain M Macleod; Roddy Nicolson; Helen Mackenzie<br><br>Apologies: Iain Macmillan (Chair); Alex Gardner; Alison MacCorquodale; Norman A Macdonald; Finlay Stewart<br><br>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); Sawan Morrison (Development Manager); James Morrison (Finance Manager); Peter O'Donnell (Investment Manager); Angus MacNeil (Assets & Contracts Manager); Monika Fortagh (Debt Management Officer); Angus Smith (Corporate Resources Manager); Katrina Rowlands (Service Development Manager); Donalda Mackinnon (Area Manager Lewis); Norma M Robb (People Development Officer)<br><br>The Vice-Chair advised members Iain Macmillan had resigned as Chairperson of the Board due to work commitments, but would remain as a Board Member until December 2022 to allow time to seek a replacement member. Mr Mackay thanked Mr Macmillan for his services as Chairperson. |
| **PRELIMINARY PROCEDURAL MATTERS** | |
| **2** | **Declaration of Interest**<br><br>**Gordon Macleod declared an interest at item 6.5.**<br><br>**Helen Mackenzie declared an interest at item 9.5.**<br><br>**Calum Mackay declared an interest at item 9.6.** |
| **3.1.1** | **Minute of Board Meeting 31 August 2022**<br><br>**The minute of the Board meeting of 31 August 2022 was submitted and approved as a true and accurate record.** |
| **3.1.2** | **Minute of Board Meeting 1 September 2022**<br><br>**The minute of the Board meeting of 1 September 2022 was submitted and approved as a true and accurate record.** |
| **3.2** | **Action Sheet**<br><br>**The Action Sheet was noted.** |
| **4** | **Date of Next Meeting**<br><br>The date of the next meeting will be 8 February 2023. |
| **5** | **Health & Safety**<br><br>**Nothing to report.** |

<table>
<tr><th colspan="2">ITEMS FOR DECISION</th></tr>
<tr><td>6.1</td><td>
<u>Review of Standing Orders</u><br><br>
The Chief Executive presented the updated Standing Orders for review and approval, following an annual review. The review had been delayed to allow for the inclusion of Rule changes which were adopted at the Special General Meeting on 15 September 2022. The main changes proposed were:<br><br>
• the introduction of a Development & Finance Committee;<br>
• amalgamating the Asset Management & Housing Management working groups to form a new Operations Working Group;<br>
• removing information which was duplicated between documents; and<br>
• changing the layout to make the document flow better.<br><br>
Helen Mackenzie questioned where there were any restrictions around members sitting on both the Audit & Risk and the Development & Finance Committees. The Chief Executive advised the only restriction was that the Chair of the Board was not eligible to sit on the Audit & Risk Committee and it was important the Committees were made up of members with the relevant skills in each area. Members were advised the Committee members would be reviewed annually to ensure good governance.<br><br>
The Board approved all the proposed changes to the Standing Orders.
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<tr><td>6.2</td><td>
<u>Review of Financial Regulations & Financial Authorities</u><br><br>
The Director of Finance & Corporate Services presented the revised Financial Regulations and Financial Authorities. The Financial Regulations had been reviewed to bring them in line with the revised Standing Orders, in particular the incorporation of the Development & Finance Committee and virement limits had been split between different type of expenditure. The Financial Authorities had been updated to capture changes to post holders.<br><br>
The Board approved the:<br>
a) Financial Regulations; and<br>
b) Financial Authorities.
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<tr><td>6.3</td><td>
<u>Budget Strategy 2023/24</u><br><br>
The Director of Finance & Corporate Services presented the Budget Strategy for 2023/24 for consideration and approval. Our Business Plan assumes an annual rent increase of RPI + 1%, on the basis that RPI was 4.5%. Due to the Scottish Government rent freeze £600K would be lost through rental income, which will accumulate to £43.6M over the 30-year plan. Additional methods of ensuring we complied with our financial covenants were being explored.<br><br>
Helen Mackenzie commented, although this was a difficult time for HHP it was also a time of opportunity to explore ways services could be delivered more efficiently. The Board acknowledged the hardship being faced by tenants and emphasised the need to keep rents affordable while still ensuring a high level of service delivery and meeting our financial covenants.<br><br>
The Director of Finance & Corporate Services advised our views on the Scottish Government Rent Freeze had been fed back to the SFHA.<br><br>
The Board approved the 2023/24 Budget Strategy including the Budget Timetable.
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<tr><td>6.4</td><td>
<u>Rent Structure Timeline</u><br><br>
The Director of Finance & Corporate Services presented a timeline for the review of the Rent Structure, including a rent consultation timetable, for consideration and approval. Since the Board approved a timetable for the review of our current rent structure, the Government introduced legislation which imposed a rent freeze on all residential rents until 31 March 2023. It was proposed the annual rent setting and consultation process be paused until 17 January 2023 as an announcement on whether the Scottish Government would continue the rent freeze or remove the requirement for social landlords. It was proposed the most recent published RPI at the point of consultation be used, as opposed to October RPI as detailed in the Rent & Services Charges Policy. Board Members reiterated the hardships being faced by some tenants and the need for us to support tenants by keeping rents affordable while still ensuring a high level of service delivery and meeting our financial covenants.<br><br>
The Board approved:<br>
a) the revised Rent Structure Timetable;<br>
b) the Rent Consultation Timetable; and<br>
c) that, for 2023/24 only, any rent consultation references the most recent published RPI at the point of going out to consultation.
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<tr><td>6.5</td><td>
<u>Board Member Appointments</u><br><br>
Gordon Macleod declared an interest in this item and left the meeting prior to the discussion of the item.<br><br>
The report provided details on appointments to the Board for consideration and approval. Ms Fiona Knape, a Tenant Member, had expressed an interest in becoming a Board Member. There are currently three vacancies in the Tenant Board Member category. Ms Knape has the necessary skills and knowledge to be an effective Board Member.<br><br>
Following changes to the Rules, adopted at the Special General Meeting on 15 September 2022, Mr Gordon Macleod had intimated he would be happy to fill one of the vacant Tenant Member posts, as a Community Member in accordance with Rule 40.3.
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| | The Chief Executive encouraged Members to make her aware of anyone who they believed had the skills and interest to become members of the Board.<br><br>**The Board approved:**<br><br>**a) Ms Fiona Knape be appointed to the Board as a Tenant Member subject to satisfactory completion of the Code of Conduct requirements; and**<br><br>**b) Mr Gordon Macleod be appointed to fill one of the vacant Tenant Member posts as a Community Member.** |
| **Add item** | <u>**Appointment of Chair**</u><br><br>**Gordon Macleod re-joined the meeting prior to the discussion of this item.**<br><br>Following the resignation of Iain Macmillan, the Chairperson of the Board, the Chairperson called for nominations to fill the vacancy.<br><br>Calum Mackay nominated Gordon Macleod to fill this vacancy, which was seconded by Roddy Nicolson.<br><br>**Gordon Macleod was appointed as Chairperson of the Board and agreed Calum Mackay should remain as Chairperson for the remainder of the meeting.** |

| | POLICIES & STRATEGIES |
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| 7.1 | **<u>Membership Policy</u>**<br>The Chief Executive presented a revised Membership Policy for approval to consult with the Membership. The policy was reviewed and updated with the provisions of membership criteria which were removed from the Standing Orders to avoid the duplication of information.<br>It was proposed members shall be deemed to have a "local connection" by having:<br>a) a main or principal residence or principal place of business or operation in the administrative area of Comhairle Nan Eilean Siar and having lived or operated in the Outer Hebrides for a period of at least one year; or<br>b) in relation to Tenant Membership Categories, by having a tenancy in the Outer Hebrides.<br>**The Board:**<br>**a) agreed members shall have a "local connection" by having:**<br>• **a main or principal residence principal place of business or operation in the administrative area of Comhairle Nan Eilean Siar and having lived or operated in the Outer Hebrides for a period of at least one year; or**<br>• **in relation to Tenant Membership Categories, by having a tenancy in the Outer Hebrides; and**<br>**b) approved for consultation with our Membership, the revised Membership Policy;**<br>**c) if there are no material changes to the Policy arising from the consultation, that the Policy is approved, otherwise a revised Policy be presented to the next meeting of the Board.** |
| 7.2 | **<u>Attendance & Absence Policy</u>**<br>The report provided a revised Attendance and Absence Policy for consultation with staff and the Union. The update included extending the annual leave carry forward to 31 March and correction of a previous omission to allow the Chief Executive's request to the Chair approval for the carry forward of more than 5 days annual leave. Provision was in place for other staff members to request to the Chief Executive approval for the carry forward of more than 5 days annual leave.<br>Staff and the Union would be consulted on the revised policy, with a final Policy presented to the Board in February 2023, if required.<br>Helen Mackenzie requested consideration be given to include a provision within the policy to allow for the carry forward of a negative leave balance in exceptional circumstances, to assist staff who have caring responsibilities who may require to take leave for reasons out with their control close to the end of the annual leave year.<br>Helen Mackenzie questioned what best practice from HR advisors were for leave for those undergoing IVF treatment. The Chief Executive advised the policy was in line with guidance from EVH and agreed it would be considered as part of the staff consultation.<br>**The Board:**<br>**a) approved the draft Attendance & Absence Policy for consultation with staff and the Union; and**<br>**b) if there are no material changes to the Policy arising from the consultation, that the Policy is approved, otherwise a revised Policy be presented to the next meeting of the Board.** |
| 7.3 | **<u>Review of ICT Strategy</u>**<br>The Corporate Resources Manager presented the revised ICT Strategy for 2022-24. The Strategy focussed on developing a new ICT infrastructure hosting plan for implementation in 2023/24, together with associated systems and services.<br>Calum Mackay commended the savings realised through the previous Strategy. The Corporate Resources Manager advised the savings identified were reinvested in other areas of IT such as homeworking requirements and infrastructure.<br>Helen Mackenzie asked if the Strategy had scope to add automation to business processes that may be introduced in the future. The Corporate Resources Manager explained that the automation of processes was more relevant to the Digital Transformation Strategy but that the ICT Strategy ensures systems are in place to support the Digital Transformation Strategy.<br>**The Board approved the revised ICT Strategy.** |
| 7.4 | **<u>ICT Security Policy</u>**<br>The Corporate Resources Manager presented the ICT Security Policy for consideration and approval. The Policy followed best practice guidance in Cyber Security with regular training taking place to ensure staff were aware of their role in ICT Security.<br>Helen Mackenzie suggested an additional paragraph be added to the Policy regarding testing staff with fake phishing emails to heighten staff awareness.<br>**The Board approved the ICT Security Policy.** |
| 7.5 | **<u>Policy Review (Safeguarding)</u>**<br>The report confirmed the compliance of our policies with a safeguarding element with OSCR guidance.<br>**The Board noted the review of policies in respect of Safeguarding.** |

| MONITORING REPORTS | |
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| 8.1 | **Management Report to 30 September 2022**<br>The Finance Manager presented the Management Report to 30 September 2022 for review. The report highlighted that Financial Covenants were forecast to be met for the year ended 31 March 2023, with an operating surplus of £655K.<br>Helen Mackenzie asked if the budgets were phased over the year. The Director of Finance & Corporate Services advised that budgets were phased based on estimated timing of expenditure with prior year actual cost phasing being used to determine the timing of expenditure where appropriate.<br>**The Board noted the Management Report to 30 September 2022 and revised forecast out turn to 31 March 2023.** |
| 8.2 | **Quarterly Treasury Report to 30 September 2022**<br>The Director of Finance & Corporate Services presented the Treasury Management activities for the second quarter of 2022/23 and confirmed our cash balances were £9.116M, driven by the drawdown of £4M and a reduction in the anticipated spend in the second quarter on investment and development. Our borrowing had increased to £17M in line with the Fixed Rate Loan drawdown agreement for Facility B.<br>**The Board noted the:**<br>**a) quarterly report on the Analysis of Investment and Borrowing;**<br>**b) outstanding loans at 30 September 2022 of £17M;**<br>**c) cash balance at 30 September 2022 of £9.116M.** |
| 8.3 | **Business Plan 2019/20 to 2023/24**<br>The Chief Executive presented a progress report to 30 September 2022 on the Delivery Plan for the Business Plan 2019/20 – 2023/24. Overall performance was below target. A number of factors contributing to this were from the Tenant Satisfaction Survey and an action plan was in place to address these.<br>The Director of Operations advised tenant events had been held in Stornoway, Balivanich and Barra throughout September and October with the Tenant Event in Balivanch being very well attended.<br>The Chief Executive advised dates for a Business Planning Day in January 2023 would be issued to members to vote for their preference.<br>**The Board noted the Business Plan Monitoring Report to 30 September 2022.** |
| 8.4 | **Infrared Monitoring Report**<br>The Investment Manager presented the findings of monitoring carried out in 5 properties in the Cearns and 1 property in Plasterfield with infrared heating. Over 200 infrared heating systems were installed across the Outer Hebrides with satisfaction levels falling from 76% in 2017 to 14.3% in 2022.<br>Helen Mackenzie and Calum Mackay expressed the need to have a decision on the future of infrared heating quickly. Calum Mackay requested an additional recommendation be included to actively engage with and support tenants who are experiencing difficulties with Infrared heating and provide advice and assistance while the way forward is being determined.<br>**The Board:**<br>**a) agreed we will actively engage with and support tenants who are experiencing difficulties with infrared heating and provide advice and assistance while the way forward is being determined;**<br>**b) noted the report;**<br>**c) noted the further actions and investigation being carried out; and**<br>**d) noted a further report recommendation detailing the way forward be brought to Board in February/March 2023.** |
| 8.5 | **Gas Audit**<br>The Investment Manager presented the outcome of the Gas Audit carried out in August 2022. While the contractor performance score on work quality had decreased to 89% from 100% in 2020 however there was no significant concerns. Documentation had improved to above the national benchmark figure and tenant satisfaction remained at 100%.<br>**The Board noted the report.** |
| 8.6 | **Board Plan & Board Calendar**<br>The Governance Officer outlined a plan in respect of items to be considered by the Board in 2023.<br>The Chief Executive advised the Government announced an additional public holiday on 8 May 2023 for the Coronation and asked the Board to consider whether this should be granted to staff. A consultation had been carried out with the staff to determine, if approved, when the May public holiday weekend should be taken. Members were advised no clear consensus had been reached and the Chief Executive would go back to the staff for further consultation.<br>A finalised 2023 Board Calendar will be issued to Board and Staff following any amendments to the May public holidays and adjustments for the new Committee structure.<br>**The Board:**<br>**a) noted the Board Plan for 2023;**<br>**b) noted the 2023 Board Calendar will be amended to accommodate the new Committee structure and any additional amendments required; and**<br>**c) agreed to grant an additional public holiday on 8 May 2022.** |

**MEETING GOES INTO PRIVATE SESSION**

Chairperson Mr Gordon Macleod

SIGNED ……………………………………………………….

DATE ……………………………………………………….