



HEBRIDEAN HOUSING PARTNERSHIP

Board

Minutes of Meeting held via MS Teams on Tuesday 26 March 2024 at 5.30pm

PRELIMINARY ITEM																													
ATTENDANCE & APOLOGIES																													
1	<u>Attendance & Apologies</u> <table><tr><td><u>Attendees</u></td><td><u>Staff & Consultants In Attendance</u></td></tr><tr><td>Gordon Macleod (Chair)</td><td>Dena Macleod (Chief Executive)</td></tr><tr><td>Roddy Nicolson</td><td>Donald Macleod (Director of Finance & Corporate Services)</td></tr><tr><td>Alison MacCorquodale</td><td>John Maciver (Director of Operations)</td></tr><tr><td>Norman A Macdonald</td><td>Iona France (Governance Officer – Minute Taker)</td></tr><tr><td>Tom Howe</td><td>Michael Libby (Corporate Services Officer)</td></tr><tr><td>Iain M Macleod</td><td>Garry Campbell (Debt Management Officer)</td></tr><tr><td>Norman Macdonald</td><td><u>Present for Agenda Items 1-8.1 only</u></td></tr><tr><td>Helen Mackenzie</td><td>Sawan Morrison (Development Manager)</td></tr><tr><td>Fiona Macleod (Part)</td><td>James Morrison (Finance Manager)</td></tr><tr><td><u>Apologies Not Received</u></td><td>Angus Smith (Corporate Resources Manager)</td></tr><tr><td>Finlay Stewart</td><td>Angus E MacNeil (Assets Contracts Manager)</td></tr><tr><td></td><td>Katrina Rowlands (Service Development Manager)</td></tr><tr><td></td><td>Laura Mackenzie (Tenant Engagement Officer)</td></tr></table> Calum Mackay (Vice-Chair) was granted Special Leave on 13 February 2024.	<u>Attendees</u>	<u>Staff & Consultants In Attendance</u>	Gordon Macleod (Chair)	Dena Macleod (Chief Executive)	Roddy Nicolson	Donald Macleod (Director of Finance & Corporate Services)	Alison MacCorquodale	John Maciver (Director of Operations)	Norman A Macdonald	Iona France (Governance Officer – Minute Taker)	Tom Howe	Michael Libby (Corporate Services Officer)	Iain M Macleod	Garry Campbell (Debt Management Officer)	Norman Macdonald	<u>Present for Agenda Items 1-8.1 only</u>	Helen Mackenzie	Sawan Morrison (Development Manager)	Fiona Macleod (Part)	James Morrison (Finance Manager)	<u>Apologies Not Received</u>	Angus Smith (Corporate Resources Manager)	Finlay Stewart	Angus E MacNeil (Assets Contracts Manager)		Katrina Rowlands (Service Development Manager)		Laura Mackenzie (Tenant Engagement Officer)
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PRELIMINARY PROCEDURAL MATTERS																													
2	<u>Declaration of Interest</u> There were no Declarations of Interest.																												
3.1.1	<u>Minute of Board Meeting 13 February 2024</u> The minute of the Board meeting of 13 February 2024 was submitted and approved as a true and accurate record.																												
3.2	<u>Action Sheet</u> The Chief Executive advised there were no updates to the Action Sheet. The Action Sheet was noted.																												
4	<u>Date of Next Meeting</u> The date of the next meeting will be Tuesday, 21 May 2024.																												
5	<u>Health & Safety</u> Nothing to report.																												

ITEMS FOR DECISION	
6.1	<u>Business Plan</u> The Chief Executive outlined the changes to the Business Plan 2024/25 to 2028/29 since the Board Meeting on 13 February 2024 and advised the update took into consideration the consultation response. The Investment Plan had been updated and the Development Plan finalised. Following the Audit & Risk meeting held earlier in the day the Risk Appetite Statement had been amended to provide clarity on the appetite for development risk. The risk has been split in two with development undertaken by the main business remaining as low, but any development projects considered by the subsidiary would be open. Stress Testing had been carried out at the Development & Finance Committee the previous day. The stress testing scenarios modelled changes in interest rates, inflation, rental assumptions and changes in voids and bad debts with the following conclusions: • if income was increased by RPI only over the course of the plan, our peak debt will increase by £10m and we would be unable to repay our borrowing; • if the number of voids were to rise by 3%, borrowing would escalate significantly, again leading to us being unable to repay borrowing; • if increases in costs are not covered by rental income then budgets would need to be reduced to ensure that our covenants are met and that we can repay our borrowing. • the minimum interest cover over 30 years is 141% which is well above the minimum 110% requirement with a minimum annual headroom of £328K. A summary Business Plan will be available on our website. . The Board approved the: a) the Business Plan 2024/25 to 2028/29; and b) the Risk Appetite at Appendix 8 of the Business Plan.
6.2	<u>Budgets 2024/25</u> The Director of Finance advised the budgets were prepared following Board approval on 13 February 2024 to increase the rents by RPI minus 1% (5.1%). The budgets were set in line with the cash planning limits within our 30 year plan. The detailed budgets were presented to the Development & Finance Committee the previous day. Significant variations to 2023/24 budgets were identified as: • an increase of £635K in dwelling rents as a result of an increased number of properties available for rent coupled with a 5.1% annual rental increase; • a £19k increase with a full year of service charge income for Bremner Court anticipated; • an increase in Salaries and Wages driven by annual pay awards and increments • a £29k increase for office electricity costs as our Fixed Rate agreement comes to an end. • increases in Repairs & Maintenance taking into consideration construction inflation for responsive repairs, planned maintenance and compliance costs; • increased Estate Management (Welfare) costs as a result of additional support from Penumbra; • a decrease of £390K in housing investment, in line with the Board approved Investment Programme for 2024/25; and • an increase of £400k in Development. The budget reflects the Board approved Development programme for 2024/25 The Board: a) approved the 2024/25 budgets; b) noted the cash planning limits and 30 year cash flow statement.
6.3	<u>Annual Financing Strategy</u> The Annual Financing Strategy 2024/25 provided an overview on our proposed borrowing position. The Strategy had been prepared with input from our Treasury Management Adviser, Michael Leslie, Chatham Financial. The borrowing facility of £25M secured in 2020 included a Revolving Credit Facility (RCF), an £8M tranche of money which we could drawdown, as required and was available over a 10-year period. It was forecast we would only require to drawdown £4M of this facility. However, the reduction in the amount drawn would not lead to significant reductions in interest payable in the short term as significant increases in the base rate of interest, coupled with non-utilisation fees, would offset interest savings on the amount forecast to be drawn. The Board approved the Annual Financing Strategy.

6.4	<u>Management Report to 29 February 2024</u> The Finance Manager presented a summary Management Report to 29 February 2024 and advised the detailed report had been considered by the Development & Finance Committee the previous day. The forecast headroom was £1.1M, which was higher than initial budgets mainly due to a reduction in the amount of interest payable. A virement of £80K for Void Repair costs was proposed, to be funded from savings from Council Tax on Empty Properties (£6K), Compensation (£6K), EPC Renewals (£38.4K) and reserves (£29.6K). The Board: a) noted the Summary Management Report at 29 February 2024 and revised forecast out turn at 31 March 2024; and b) approved to vire £80K from savings from Council Tax on Empty Properties (£6K), Compensation (£6K), EPC Renewals (£38.4K) and reserves (£29.6K) to cover Void Repairs costs.																		
6.5	<u>Investment Programme</u> The Assets & Contracts Manager presented the 5 year Investment Programme, which was approved as part of the Business Plan (Appendix 5) at Item 6.1, and the progress on the current programme. The Board: a) approved the Investment Programme 2024-2029; and b) noted the progress on the 2023/24 Investment Programme.																		
6.6	<u>Development Report</u> The Chief Executive spoke about the funding for the Leverburgh project and explained the decision to use some of the retained Right to Buy (RTB) receipts to enable the project to proceed. As part of the Stock Transfer Agreement with the Scottish Government HHP were able to retain RTB receipts up to an agreed amount to help with the cash flow in the early years of setting HHP up. The amount is due for repayment in 2036. A side letter with the Scottish Government in 2018 allows the receipts to be used in exceptional circumstances to enable a development to proceed. As Scottish Government had reached the limit of what they were able to provide per house for Leverburgh, permission was granted to use the retained receipts to enable the development to progress. Due to time constraints, the matter was discussed with the Chair, in line with the Standing Orders and the decision was made to proceed. The Chief Executive acknowledged all the hard work undertaken enabling the project to go ahead. The Development Manager provided an update on our 5 Year Development Plan (2022-27) since the Board meeting on 13 February 2024. <table border="1" data-bbox="312 1099 1436 1559"> <thead> <tr> <th>Project</th><th>Update</th></tr> </thead> <tbody> <tr> <td>Lochmaddy</td><td>The development was on track with a handover date of 11 April 2024.</td></tr> <tr> <td>Blackwater</td><td>Of the 33 homes due to be handed over in October 2024, 26 of the electricity meters have been installed with the other 7 waiting for power to be installed, however this is not now expected to be an issue.</td></tr> <tr> <td>Scott Road</td><td>Following the public consultation, work was underway with North Harris Trust to progress the site through a planning application.</td></tr> <tr> <td>Grimsay, North Uist</td><td>TIG instructed to take to planning. Site will require de-crofting.</td></tr> <tr> <td>Barra, Phase 2</td><td>Working through tender application.</td></tr> <tr> <td>Leverburgh</td><td>Letter of consent issued to the contractor pending the conclusion of the land transaction</td></tr> <tr> <td>Bemera</td><td>Discussions with landowner to progress to acquisition.</td></tr> <tr> <td>Gravir</td><td>Progress to tender following the Barra, Phase 2 application.</td></tr> </tbody> </table> The Development Manager advised we were awaiting the Resource Planning Assumption (RPA) figure from Scottish Government for 2024/25. Approval was sought to take the Melbost Masterplan to the Pre-Application stage which would include public consultation. The Chair congratulated staff following the official opening of Sinclair Avenue and the Seaforth House and Bremner Court complex the previous day. He said, it was a privilege to represent the Board, along with Norman Macdonald, and receive very positive feedback from the staff at the complex, government ministers and other guests, to see first-hand the quality of the workmanship for what will hopefully be a beacon of care and partnership working, not just here in the Outer Hebrides, but further afield. Norman Macdonald commended the affordable housing, with a mixture of tenures, including young families, being part of the development. The Board: a) homologated the decision to use retained RTB receipts as agreed with SG to provide additional funding towards the Leverburgh project; b) approved the progressing of the next stage of Melbost Masterplan to the Pre-Application Consultation stage; and c) noted the Development Plan update.	Project	Update	Lochmaddy	The development was on track with a handover date of 11 April 2024.	Blackwater	Of the 33 homes due to be handed over in October 2024, 26 of the electricity meters have been installed with the other 7 waiting for power to be installed, however this is not now expected to be an issue.	Scott Road	Following the public consultation, work was underway with North Harris Trust to progress the site through a planning application.	Grimsay, North Uist	TIG instructed to take to planning. Site will require de-crofting.	Barra, Phase 2	Working through tender application.	Leverburgh	Letter of consent issued to the contractor pending the conclusion of the land transaction	Bemera	Discussions with landowner to progress to acquisition.	Gravir	Progress to tender following the Barra, Phase 2 application.
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6.7	<u>Tenant Engagement Survey</u> The Service Development Officer presented an update on the 2021 Tenant Satisfaction Survey Action Plan and advised, that following the 2024 Tenant Satisfaction Survey, a new Action Plan would be implemented. Temporary staff will be employed to carry out the Survey by carrying out in person interviews. The report recommended, subject to budgetary provision, 6 places be booked annually at the TPAS annual conference on the proviso that no tenant attends more than 4 years in a row and tenants report back on the benefits of the conference. Helen Mackenzie stressed the importance of using data gathered from the Survey to inform decisions. MS Mackenzie hoped attendance at the conference would encourage tenants to participate more with HHP. The Board: a) noted the 2021 Tenant Satisfaction Survey Update Action Plan and the Tenant Satisfaction Survey Plan; and b) agreed, subject to budgetary provision, 6 places will be booked at the TPAS annual conference for tenants with a report back from all tenants on the benefits of the conference and that no tenant attends more than 4 years in a row.
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POLICES & STRATEGIES	
7.1	<u>Expenses Policies</u> The Staff & Members' Expenses Policies were presented to the Board for approval. Both policies had been updated with the subsistence rate increased by £5 per meal, to reflect the increased costs, and passenger mileage rates added to the policies. The Staff Expenses Policy had been updated to reflect an increase in first aid allowance, aligned with EVH rate, and daily standby rates aligned with COSLA rates. The Board approved the: a) Staff Expenses Policy for consultation with staff and the Union; b) if there are no material changes to the Staff Expenses Policy arising from the consultation, that the Policy is approved, otherwise a revised Policy be presented to the next meeting of the Board; and c) Members Expenses Policy.
7.2	<u>Equality & Diversity Policy & Action Plan</u> The Governance Officer presented a revised Equality & Diversity Policy and an updated Action Plan. The Policy had been rewritten to broaden its scope to cover all aspects of the organisations, Helen Mackenzie asked how we measure the effectiveness of policies and was advised that, as part of the policy review process, the effectiveness of the policy is assessed. The Board approved: a) the updated Equality & Diversity Policy and the draft Action Plan for consultation with Unison and staff; and b) if there are no material changes to the Policy or draft Action Plan arising from the consultation, that the Policy and Action Plan are approved, otherwise a revised Policy and Action Plan be presented to the next meeting of the Board.
7.3	<u>Repairs & Maintenance Policy</u> The Assets & Contracts Manager presented the Repairs & Maintenance Policy. The Policy had been reviewed by the Operations Working Group on 1 March 2024. Since the review in 2021 we have implemented a Damp & Mould Policy which is referenced within the Policy. The Board approved the Repairs and Maintenance Policy.

