hebridean housing partnership

ITEM NO 3.1

HEBRIDEAN HOUSING PARTNERSHIP

Board

Minutes of Meeting held in HHP Board Room, Stornoway, and remotely via Microsoft Teams on Wednesday, 25 June 2024 at 5.30pm

PRELIMINARY ITEM	
ATTENDANCE & APOLOGIES	
1	**Attendance & Apologies** Attendees in Person: Gordon Macleod (Chair); Fiona Macleod; Norman Macdonald; Helen Mackenzie; Calum Mackay Attendees via MS Teams: Iain M Macleod Apologies Received: Norman A Macdonald; Thomas Howe Apologies Not Received: Finlay Stewart Staff & Consultants in Attendance: Dena Macleod (Chief Executive); Donald Macleod (Director of Finance & Corporate Services); John Maciver (Director of Operations); Michael Libby (Corporate Services Officer); Iona France (Governance Officer – Minute Taker); Garry Campbell (Debt Management Officer) In attendance for Public Items Only: Angus E MacNeil (Assets & Contracts Manager); James Morrison (Finance Manager); Mina Maclean (Housing Officer – Allocations); Angus Smith (Corporate Resources Manager); Sawan Morrison (Development Manager) The Chair advised Roddy Nicolson had tendered his resignation as a Board Member and thanked Mr Nicolson for his valuable contributions as a Board Member, as Chair of Audit & Risk Committee and a member of the Subsidiary.
PRELIMINARY PROCEDURAL MATTERS	
2	**Declaration of Interest** **No declarations of interest were made.**
3.1	**Minute of Board Meeting 21 May 2024** **The minute of the Board meeting of 21 May 2024 was submitted and approved as a true and accurate record.**
3.2	**Action Sheet** The Director of Operations met with Scottish Government for feedback on the refusal of the Net Zero Grant for heating works and requested more detail on the criteria on which the assessment was made. An update will be provided to Board members when received. **The Action Sheet was noted.**
4	**Date of Next Meeting** It was agreed the next meeting of the Board would be in person. The Chair advised our Regulation Manager from SHR would be in attendance. **The date of the next meeting will be Wednesday 27 August 2024.**
5	**Health & Safety** **Nothing to report.**

ITEMS FOR DECISION	
6.1	**<u>Annual Report & Financial Statements to 31 March 2024</u>** The Annual Report and Financial Statements for the year ended 31 March 2024 were presented for approval. The draft Financial Statements were scrutinized by the Development & Finance Committee and Audit & Risk Committee the previous day. The Director of Finance & Corporate Services advised the operating surplus was £3.398M, an increase of £0.722M year on year. Rental income increased by just over £1M driven in part by the annual rent increase and our new build programme. Depreciation increased by £0.611M which is indicative of the continued investment in our properties. Repairs costs had increased by £165K due to high repair void costs and insurance repairs as a result of weather-related damage. Bad Debts had increased by £117K due to the level of rechargeable repairs throughout the year. The Director of Finance & Corporate Services advised a clean audit report had been received from our External Auditors, CIB Services. Calum Mackay expressed a concern about the level of void repair costs and suggested this is an area we should look at in more depth. It would also be useful for new Board Members to see the poor condition some properties are left in. The Director of Operations advised a number of Registered Social Landlords (RSL) were reporting the same issues. Helen Mackenzie agreed this was a cause for concern and stated bringing properties up to lettable standard also increased the void times. Ms Mackenzie hoped that some of the initiatives in our Business Plan, such as the Penumbra partnership pilot, would help mitigate this. The Board were asked to note HHP Community Housing Ltd accounts. The Subsidiary continues to be a dormant entity and the only items of expenditure relating to this were imputed interest on a loan to the Subsidiary which goes back a number of years. The Chair congratulated the Finance Team and acknowledged the work that goes into producing the annual accounts. **The Board:** **a) approved the Annual Report and Financial Statements for the year ended 31 March 2024; and** **b) noted the HHP Community Housing Accounts for the year ended 31 March 2024.**
6.2	**<u>Budgetary Performance for the Year Ended 31 March 2024</u>** A report on the performance against budget for the year ended 31 March 2024 was presented to the Board including an overview of Board Members' expenses and consultancy spend for the year. The Development & Finance Committee met the previous day to review the detailed performance. The main points to note were an increase in the operating surplus to £3.13M and covenant compliance for the year ended 31 March 2024. Calum Mackay asked if we had drawdown more monies from the bank would we still have met the covenant. The Director of Finance & Corporate Services confirmed we would still have complied with our covenant. Helen Mackenzie noted the management costs were all within budget which was a positive outcome from a tenant's point of view. It was agreed a finance overview session would be held in the Autumn with Board Members and, as they had asked for clarification on our reserves, Councillors would also be invited. The report sought approval for a recommendation to the AGM that £6,000 of the surplus be donated to local charities. **The Board:** **a) noted the performance against budget for the year ended 31 March 2024;** **b) noted the Financial Covenant for 2023/24; and** **c) approved a recommendation to the AGM that £6,000 of the surplus be donated to local charities during 2024/25.**
6.3	**<u>SHR Financial Return</u>** The Loan Portfolio Return (2023/24) and Audit Financial Statements (2023/24) submission, required by the SHR, was presented for consideration and approval. **The Board approved submission to the Scottish Housing Regulator of:** **a) Loan Portfolio Return for 2023/24; and** **b) Audited Financial Statements as at Board Agenda Item 6.1 once the Regulator has opened the portal for submissions.**

6.4	**Operations Report to 31 March 2024** The Director of Operations provided updates on Allocations, Complaints, Anti-Social Behaviour & Estate Management and Repairs for 2023/24. Allocations The number of people on our waiting lists have increased significantly over the last 2 or 3 years following a period of decline. There could be many contributing factors to this, including our new build programme, costs of mortgages and private rents, etc. However, some caution should be applied to waiting list figures as demand was still relatively low. Comments, Compliments & Complaints 107 compliments were received between 1 October 2023 and 31 March 2024, compared to 61 complaints in the same period – the number of complaints were also down from 74 received in the same period last year. 93% of complaints were responded to within target and 3 complaints were escalated to the Ombudsman but were not upheld. A number of compliments related to the financial assistance offered to tenants through fuel and supermarket vouchers. Anti-Social Behaviour & Estate Management There was a very low number of anti-social behaviour cases reported in 2023/24 and the majority were relatively minor. Repairs The repairs performance was assessed as good and our repairs contractor continues to deliver a good service, with some service improvements such as the transfer of electronic data through our housing management system. The Chair asked if the increase in the wating list was due to younger people choosing to stay on the islands rather than moving away. The Director of Operations advised the waiting lists were being assessed to see if any trends could be identified. It was anticipated the review process would eventually be carried out through the Tenant Portal, which would make it easier to see trends. Helen Mackenzie stated the waiting list increasing was a positive as it shows social housing was considered a valid option. Ms Mackenzie asked if tenants were given a choice of options for reasons for termination, as only one tenant had selected affordability as the reason, which was at odds with affordability being the highest risk on our Risk Register. The Allocations Officer confirmed only one option was available for selection. However, it was recognised affordability could be the underlying reason for other options such as moving in with relatives. Calum Mackay asked how many refusals for current stock were from applicants who were hoping to be allocated a new build. The Chief Executive advised the report on the trends in waiting list would also include trends in refusals. Fiona Macleod commented the low waiting list was at variance with the public rhetoric where availability of housing is low and demand is strong. The Director of Operations advised there were regular discussions with CNES on the Local Housing Strategy (LHS). Our biggest demand was for 1 bed, single person houses in Stornoway, however, CNES' preference was to build 55% outside Stornoway and to build family homes; therefore, there was some conflict between the two views. **The Board:** **a) noted the Allocations Report 2023/24;** **b) agreed the quota of vacancies in Stornoway remain at 50% for homeless applicants and that the number of 2 apt properties being made available for homeless applicants in Stornoway be retained at 25 per annum;** **c) agreed the quotas for allocating properties in Stornoway remain at 15% for transfer applicants and 35% for other waiting list applicants;** **d) noted the Complaints Performance;** **e) noted the Anti-Social Behaviour & Estate Management Performance; and** **f) noted the Repairs Service Review.**
6.5	**Annual Review of Standing Orders** The Governance Officer presented the reviewed Standing Orders for approval. It is proposed only policies which require a major update will be presented to the Board for approval. The Company Secretary will ensure all policies are reviewed in line with our policy review schedule and the Board and Audit & Risk Committee will be informed of any changes to the Policy. **The Board approved the Standing Orders.**

6.6	<u>**Annual Review of Financial Regulations & Financial Authorities**</u> The Director of Finance & Corporate Services presented the updated Financial Regulations for approval. The Financial Regulations and Financial Authorities were updated to clarify when and to whom overtime will be paid. **The Board approved the Financial Regulations and Financial Authorities.**
6.7	<u>**Disposal of Assets**</u> This report sought approval for the disposal of a garage at 61 Garrabost, Point. The garage is in poor condition and it would not be cost effective to carry out improvement works. The report also proposed 6 garage sites which were listed as live on our housing management database, but which were not in use nor considered viable for letting, be removed from the database although the land would remain in our ownership. **The Board approved:** **a) The disposal of 61 Garrabost, Point, on the open market subject to any relevant consents being obtained; and** b) **The removal of the garage site plots 2, 3, 4, 5 and 6 Perceval Road (East End) and plot 13 at Perceval Road South (West End) from the housing management database but the land remains in our ownership.**
6.8	<u>**Extension of ICT Hosting and Support Contract**</u> This report sought approval for the extension of our ICT data hosting and support contract. The Corporate Resources Manager advised our contract with Kick ICT was initially for a 4-year period, with an option to extend the contract by two years then a further 2 years up to a maximum of 8 years. We invoked the first 2-year extension in June 2022 and it was proposed to invoke the final 2 year extension to enable Kick to provide support until 30 September 2026. Extending the contract would allow us time for Cx and its various elements to bed in, complete security related work on other ICT areas and develop our ICT and Digital Transformation Strategies further and a plan for future hosting requirements. Helen Mackenzie asked how we confirm our security protocols are up to date. The Corporate Resources Manager confirmed he has monthly meetings with Kick, uses MS Secure Score and remains constantly vigilant to any security issues that may arise. **The Board approved the extension of the ICT Hosting & Support contract from 1 October 2024 to 30 September 2026.**

POLICIES & STRATEGIES	
7.1	**<u>Corporate Pay Policy</u>** The Chief Executive presented a revised Corporate Pay Policy (formerly Corporate Payroll Policy) for approval. The Policy was updated to incorporate the recommendations from the salary benchmarking exercise and to clarify when and to whom overtime will be paid. An addendum will be added to the Policy from the Personnel Working Group in respect to pay policy for the Chief Executive. **The Board approved the Corporate Pay Policy.**
7.2	**<u>Risk Management Strategy Annual Review</u>** The Chief Executive presented the 2024 review of the effectiveness of our Risk Management Strategy. Following the review, it was concluded the Strategy was effective. **The Board noted the 2024 review of the effectiveness of the Risk Management Strategy.**
7.3	**<u>ESG Strategy</u>** The Director of Operations presented the ESG Strategy Annual Review which sets out what we are doing through our business and operations activities to contribute to social and sustainability agendas in the wider community. Each team had produced an action plan to deliver the aims of the Strategy. Helen Mackenzie commented we are very strong on the environmental part of ESG and looked forward to seeing how the social actions develop. Calum Mackay informed the Board the Casimir Community Garden had won the runner up award for Engaging Tenants in Environmental Projects at the recent TPAS conference. The Board commended the report. **The Board:** **a) noted the ESG 2023/24 Annual Review;** **b) noted the 2023/24 measurement of performance; and** **c) approved the 2024/25 action plans.**
7.4	**<u>Asset Management Strategy</u>** The Assets & Contracts Manager presented the Asset Management Strategy 2024-2028 for consultation with tenants and stakeholders. The Asset Management Strategy was based on our Stock Condition Survey and is set within the framework of our Business Plan. The draft Strategy focused on tenants' safety and compliance with our legal and regulatory responsibilities while seeking to maintain and enhance the value of our homes. The Strategy is structured on guidance from the Scottish Housing Regulator, including their guidance on ensuring damp and mould issues within homes is effectively managed. **The Board approved the Asset Management Strategy 2024-28 for consultation**.
7.5	**<u>Value for Money Annual Performance Report to 31 March 2024</u>** The Finance Manager presented the Value for Money (VFM) Annual Performance Report. When the VFM Strategy was approved in March 2022, 6 metrics were approved to be reported on annually. Due to timing of data being made public, we were only able to compare our peer groups information to 31 March 2023. Some of the key points were: • Our Rent Increase was lowest within our peer group • We are reinvesting higher amounts back into our stocks than others in the peer group • Compliance with our Covenants • Tenant Satisfaction is an area for improvement within our peer group. Our 3 yearly Tenant Satisfaction Survey will be carried out in July 2024. The report also highlighted efficiency savings and current areas of cost pressures. Helen Mackenzie observed this was a very important report in demonstrating the model of delivering social housing was delivering value for money for the tenants. Ms Mackenzie suggested the Board continue to review the metrics to ensure a balanced view and asked if efficiency measures achieved through the tenant portal would be measured. The Director of Finance & Corporate Services confirmed a report on the efficiency of the Tenant Portal would be brought to Board in November 2024. To date, 346 tenants had registered on the portal and 11% of repairs were being reported through the portal. **The Board noted the Annual Value for Money Report to 31 March 2024.**

MONITORING REPORTS	
8.1	**Quarterly Treasury Report to 31 March 2024** The Director of Finance & Corporate Services presented the Treasury Management activities for the fourth quarter of 2023/24 and confirmed our cash balances were £9.574M, a decrease of £0.745M compared to the previous quarter, driven by an increase in investment spend. **The Board noted the:** **a) quarterly report on the Analysis of Investment and Borrowing;** **b) outstanding loans at 31 March 2024 of £17M; and** **c) cash balance at 31 March 2024 of £9.574M.**
8.2	**Management Report to 31 May 2024** The Management Report to 31 May 2024 had been scrutinised by the Development & Finance Committee the previous day. The Finance Manager highlighted some points to note: • the reduced Investment Programme, and resulting decrease in Clerk of Work fees, had a negative impact on our management costs; and • the Scottish Government Resource Planning Assumption (RPA) was £2.2M less than assumed, resulting in a reduction in the revised development forecast spend. **The Board noted:** **a) the Management Report to 31 May 2024; and** **b) the revised forecast out turn at 31 March 2025.**
8.3	**Investment Programme** The Assets & Contracts Manager provided an update on the 2023/24 Investment Programme. We were awaiting confirmation of the grant application for external wall insulation and the Assets & Contracts Manager advised, if this was not successful, the programme would require to be amended further. The Aids & Adaptations grant funding award for 2024/25 was not known; therefore, referrals were put on a waiting list, with regular reviews with OT Department to ensure any matters of urgency were identified. **The Board noted the progress on the 2024/25 Investment Programme.**
8.4	**Development Report** Prior to the discussion of this item, the Chair, on behalf of the Board, wished Mr Calum Iain Maciver, CNES Depute Chief Executive, best wishes on his retirement and acknowledged his contribution to public services in the Outer Hebrides. The Chair also wished Mr Iain Watson, CNES Housing Manager, a speedy recovery following his recent ill health. The Development Manager provided a summary of our progress against the last Business Plan (2019-2024) and an update on current projects. • 236 homes delivered for social rent • 37 homes delivered for purchase through the Shared Equity Scheme • 50 Housing with Extra Care Units delivered. It was noted there was a good geographical spread of new homes and the number of new builds was in part due to the support of CNES through ACTISH funding. The Development Manager advised there were 178 homes in the plan for this year which is informed by demand and the Strategic Housing Plan (SHIP). Due to the RPA £2.2M funding decrease to £6.56M, the Gravir, Grimsay and Bernera projects have been moved to the next financial year. The Director of Finance and Corporate Services advised, since the reports had been written, there had been a slight downward revision to the RPA and the Management Account and Development Plan would be amended to reflect this and reported to the August Board meeting.

Project	Update
Lochmaddy	Official opening due to take place in August 2024.
Blackwater	On site - 33 homes would now be handed over in October 2024.
Scott Road	Following the planning application and public consultation, the Harris Distillery have approached North Harris Trust with an objection. A meeting had been arranged with the Planning Department for Thursday 27 June 2024 to discuss further. The purchase of the land was paused until the position was clearer.
Barra Phase 2	Tenders were received and cost negotiations undertaken with contractor. The offer of grant funding has been received from Scottish Government earlier in the day.

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<tr><td></td><td><table><tr><td>Leverburgh</td><td>Contractor due to be on site in July 2024 with handover of first six homes in April 2025 and the remaining six in September 2025.</td></tr></table>
The Chair commented the objection from the Distillery was disappointing and asked the Board be kept up to date on discussion with Planning.
The Board noted the update on the Development Programme. </td></tr>
<tr><td>8.5</td><td> <u>Business Plan Monitoring Report</u>
Following the approval of the Business Plan in March 2024, a revised Business Plan Monitoring Report showing revised Key Performance Indicators was presented to the Board for information only.
The Board noted the Business Plan Monitoring Report. </td></tr>
<tr><td colspan="2">MEETING GOES INTO PRIVATE SESSION</td></tr>
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Chairperson Mr Gordon Macleod

SIGNED ……………………………………………………

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