

## Home for Life Housing Partnership

### Minutes of the Meeting of the Board of Directors of Homes for Life Housing Partnership held at The Maitlandfield House Hotel, Ante Room In Haddington on Wednesday 24<sup>th</sup> April 2019

Present	
Alan Brown (Chair)	Gordon Leitch
Luke Bullock	David Rose
Jamila Greig	Carol Widdowson

In Attendance	
George Russell	Business Manager
Hilary Mark	Customer Services Manager
Alison Gorrie	Corporate Services Officer
Dave Roberts	Chiene & Tait - Left after Item 2.4.1

#### 1.0 **Attendance**

##### 1.1/2 Welcome & Apologies

The meeting started 7.05pm

Alan Brown welcomed all to the meeting including Dave Roberts from our Finance Agents, Chiene & Tait.

Apologies received from, Graeme MacGregor and Donna Wight.

Prior to the meeting commencing, some directors sought clarification as they had expected the April Meeting to be a training evening.

The Business Manager advised that whilst a training session had originally been proposed in the meeting calendar, this had been superseded by receipt of the Regulator's Engagement Letter and the need to conclude review of the Business Plan by the end of May. A majority of directors confirmed this to be their understanding the meeting agreed that a training evening would be scheduled for October.

##### 1.3 Attendance Sheet

The meeting noted the Attendance Sheet.

**The Attendance Sheet was proposed by Gordon Leitch seconded by Luke Bullock and agreed by the meeting.**

*Action: AG to update the Attendance Sheet*

##### 1.4 Declaration of interest

None raised.

##### 1.5 AOCB Requests

None raised.

#### 2.0 **Items for Consideration & Approval of Recommendations**

##### 2.1 Minutes

##### 2.1.1 Board Meeting 27<sup>th</sup> March 2019

No questions raised.

**The Minute was proposed by David Rose, seconded by Jamila Greig and agreed by the meeting.**

*Action: AG to ensure Minute signed by Chair*

## 2.2 Finance

### 2.2.1 EVH Pay Negotiations - Agreed 3-year deal

The meeting was advised that there had been a good response from employers regards the deal with a circa 94% response rate.

## 2.3 Customer Services

### 2.3.1 Housing (Scotland) 2014 Act - Update on implementation timescales and Allocation Policy Changes Consultation.

The Customer Services Manager provided an update to the Board regards the Housing Act Implementation.

The meeting was asked to note that since producing the report a few more surveys had been returned there had been a few changes to the results received from consultation.

01: Home Ownership Agree had increased to 79%: Disagree reduced to 21%. (This question received the lowest agreement and was also subject of disagreement at the consultation meeting).

5: ASB Prospective Tenants had increased to 95%: Disagree reduced to 5%

Information sent out with survey advised that where we are aware somebody is a home owner, we house them if they have unmet housing needs. The Customer Services Manager cautioned against a blanket policy of excluding owners as they may have unmet needs e.g. where property can't be adapted, or their equity is insufficient to enable them to purchase suitable alternative accommodation.

The Board agreed that the onus should be on owners to demonstrate that their needs cannot be met through other options available through that ownership.

The Customer Services Manager advised that we are unable to use permissive provisions for use of Short SST's and streamlined recovery which come into force on 1<sup>st</sup> May until the necessary amendments have been made to our policies to cover any proposed use of these.

**The Board noted that the Allocations Policy and other relevant Housing Management policies will be brought back to the Board with the proposed changes for approval.**

### 2.3.2 New Tenancy Agreement

The Board were given a clean and tracked changed copy of the Scottish Assured Tenancy Agreement for review. Customer Services Manager advised we are unable to amend statutory content however, we are able to add to that.

The meeting was asked if there were any questions to contact the Customer Services Manager.

**Subject to corrections the meeting approved the final draft of the amended Scottish Secure Tenancy Agreement this was proposed by Gordon Leitch, seconded by Carol Widdowson.**

*Action: HM to update Allocations Policy*

*HM to correct typos and implement approved SST Agreement*

## 2.4 Governance

### 2.4.1 Business Plan Review

Dave Roberts supplied the meeting with a Summary Base Case, based on 2% inflation, inflation only rent increase, 0.5% real increase for maintenance costs, 1% void losses and 1% bad debts - for 30 years to 31 March 2049, without any identified requirement for further borrowing.

He also provided sensitivity analysis showing the impact of:

- Rent Increase 0.25% above inflation
- Rent Increase 0.25% less than inflation \*
- Voids & Bad Debts both increase by 1% (above base case assumptions) \*
- Maintenance increases 1% above inflation \*
- Future Development

The meeting noted that Homes for Life is financially robust enough to deal with any of the adverse sensitivities (above marked \*) over the next ten years, and also if they all occurred at the same time.

However, mitigation actions would need to be taken over the longer term if maintenance costs are greater than inflation over the long term.

Dave advised that we have provided for planned maintenance and believes that forecasts have been prepared on a prudent basis. Homes for Life will be spending over £1.8m on component replacements over the next five years.

He advised inflation increases would have a positive impact and had not been included in the sensitivity testing.

The meeting asked a number of questions:

- increasing maintenance costs increases especially with Brexit on the horizon. The meeting agreed that sensitivity be rerun for higher increases - in shorter term at least.
- considering either to buy or develop - this will be dependent on the number of units

Dave Roberts advised that the finance element of the business plan will be finalised with the sensitivity analysis results being restructured as discussed and sent to the Business Manager for review. He advised that the financial forecasts meet full compliance with loan covenants and that the fixed bank loan with the Nationwide will be fully paid off by April 2023.

Dave also illustrated the impact of further development; Homes for Life are keen to examine the possibility of expanding their property portfolio. Preferably, new properties could be acquired as turnkey developments in order that no development risk is undertaken as we currently have no development team. It has been assumed that the first development will be a 20 unit development in 2024/25, after repayment of our existing loan.

Dave Roberts advised that private finance of circa £1.3m would need to be taken out to fund the acquisition of the 20 unit. The meeting agreed that although the Business Plan should show our interest in further development this should not be include in the base case.

The Business Manager cautioned that EESSH2 is likely to have significant cost implications for the organisation and will need to be considered in advance of the proposed 2025 interim review date.

The meeting was informed that the narrative for the Business Plan required further updating. Dave Roberts advised that he would not be available to attend the end May Board Meeting, however he is comfortable with the figures provided.

He assured the meeting that we are taking a prudent approach and maintaining assets.

The meeting was asked if there were any further questions. None raised

Dave Roberts was thanked for his time and left the meeting.

*Action: GR to liaise with Chiene & Tait*

2.5 Membership Applications  
No membership applications

### **3.0 Items for consideration Only**

#### 3.1 Governance

##### 3.1.1 Training

The meeting was advised that the survey carried out had identified directors' priorities for further training.

Further discussion is required, but a session will be as scheduled for end of October.

#### **4.0 For Noting Only**

##### **4.1 Audit & Risk**

###### **4.1.1 External Audit - Update on Scott Moncrieff**

The Business Manager advised that he had been recently informed that our external auditor is to join forces with Campbell Dallas to become part of the CogitalGroup.

At this moment in time we are unsure as to the implications this may have for Homes for Life however, it may be an advantage as it may provide a use of back room services rather than us seeing a change with frontline staff, the same people will be doing the audit and signing off.

##### **4.2 Customer Services**

###### **4.2.1 Housing Officer**

The Customer Services Manager advised that the new Housing Officer Michelle Scott will be starting with us on Monday 6<sup>th</sup> May. Directors welcomed this news.

##### **4.3 Health & Safety - Verbal Update**

###### **4.3.1 Prestonkirk House - Asbestos Management**

The Business Manager advised that asbestos debris from previously removed asbestos lagging to redundant pipes has been identified in loft of flat 8.

Until specialist surveys have been carried out to all loft spaces within the main building, we must as a precaution assume that there may also be asbestos debris in these. Until surveys confirm otherwise the control of asbestos regulations require that these attics are treated as controlled spaces to which access should be taken only by authorised contractors for authorised purposes.

He added that tenants, visitors and maintenance workers are not meantime at risk provided they keep out of the controlled attic spaces. Tenants have been advised accordingly.

The Business Manager stated that we have appointed specialist contractor A&C Asbestos Consultants (Specialists) to complete necessary surveys of all the attic spaces in the main building and advise on extent and management of any asbestos there. We will wait for the report to advise on what next to do.

*Action: GR to advise the Board regards results of the report*

###### **4.3.2 Health & Safety Committee Meeting**

The meeting was advised that the next H&S Committee Meeting was due to be held on Thursday 25<sup>th</sup> May, an update will be available at the May Board Meeting.

##### **4.4 Regulation**

###### **4.4.1 Engagement Plan**

The return deadline to the Regulator is 31<sup>st</sup> May 2019, the Board will meet prior to this date. The Business Plan will cover the issues raised regards the Regulators concerns over 'Homes for Life's financial health'.

*Action: To meet the deadline 31<sup>st</sup> May 2019*

#### **5.0 Next Meeting - The meeting closed at 8.36pm.**

- Next Meeting will be held on Wednesday 29<sup>th</sup> May 2019 venue to be confirmed.

**ADOPTION OF THESE MINUTES PROPOSED, SECONDED AND THEREAFTER  
APPROVED BY THE DIRECTORS PRESENT AT A MEETING OF A BOARD OF  
DIRECTORS HELD ON 29<sup>th</sup> MAY 2019 TO BE AGREED**

<b>Proposed By:</b> Name of Director	<i>David Rose</i>
<b>Seconded By:</b> Name of Director	<i>Carol Widdowson</i>
<b>Signed:</b> Chairperson or Vice Chairperson	<i>Alan Brown (Chair)</i>
<b>Date Signed:</b>	29 <sup>th</sup> May 2019