



MINUTE OF THE BOARD MEETING

27 January 2021

Present: R Hutton (Chair); A Scott (Vice-Chair)
A Clark; D Duff; N Hicks; G Kitchener; S Mills; P Rowsby
C Ironside (Secretary)

In attendance: C Hughes, A Hay, K Miller

Apologies: M Trant

ACTION

1 Apologies for Absence

M Trant submitted apologies for being unable to attend the meeting.

2 Declarations of Interest

N Hicks – Board member and treasurer of The Action Group, and member of SHAPS Pensions Employers Committee

R Hutton – Employee of Port of Leith Housing Association.

S Mills – employee of Changeworks

D Duff – tenant of the Association

G Kitchener – tenant of the Association

3 Risk Management Issues / Health & Safety Issues / Notifiable Events

Notifiable Events

- Ref 1003264 – C Ironside advised members that the Association's insurers had settled this matter out of court and the Regulator has closed the notifiable event.
- Ref 1003661 – closure of office due to CoVid 19. Ongoing.

4 Minutes of the Board meeting held on 25 November 2020

The minutes of the meeting held on 25 November 2020 were approved as a true record, proposed by N Hicks and seconded by G Kitchener.

5 Matters Arising

There were no matters arising.

6 Board Actions from November 2020 Meeting

C Ironside asked members to note that staff had amended the template slightly to show more clearly where target dates have been updated.

With regard to Item 7 regarding the outcome of the meeting of ARCHIE, the Chair requested that this be amended to clarify that this is in respect of joint training for Board members. **CH**

Members noted the report.

7 Minutes of Sub Committee or Subsidiary Meetings

7(i) Audit Committee 26 November 2020

The Chair of the Audit Committee advised members that the key issues considered at the November meeting were:

- The decision not to proceed with an internal audit in respect of the regulatory standards and assurance statement for 2020/21; and
- Consideration of options for investment of the Association's cash balances. Subsequent to the decision to go to competitive quote for advice on this issue, there had been discussions with the External Auditor (Azets) who confirmed that their banking department can provide us with a list of potential institutions to invest in. The Audit Committee have agreed to hold an additional meeting in February 2021 to consider the options that are presented.

7(ii) Audit Committee 20 January 2021

The Chair of the Audit Committee advised that representatives of both the Internal and External Auditors had been present at the meeting and both indicated that they have no material concerns about the Association.

The Internal and External Audit plans were presented to the Committee.

7(iii) MEAL Board 19 November 2020

C Ironside advised members that the key issues considered by the Board were approval of the proposed rent increase, the revised Estate Management Policy and the proposed increase in private factoring service charges. The Board also considered a number of items for noting, including the Finance Update, KPIs, and Complaints. Members were also advised that the previous agreement re provision of maintenance services to Muirhouse Housing Association had been terminated.

8 Matters for Approval / Decision

8(i) Policy for Approval – Code of Conduct

A Hay introduced the report that had been circulated previously, advising that there had been consultation with staff, contractors and tenants, although this had not resulted in any major changes to the draft prepared by Property Services staff.

Following discussion, the Code of Conduct was approved, proposed by S Mills and seconded by A Scott.

8(ii) Rent and Factoring Charges Increase

K Miller introduced the report that had been circulated previously. She referred members to paragraph 2.1 of the report and confirmed that the December CPI rate was 0.6%.

K Miller talked members through the key issues that were highlighted in the report.

Members were concerned that the proposed low increase of 0.5% would lead to greater increases in future years and noted that if we were to apply a rate of 1.0%, the Association's increase would still be lower than the majority of other RSLs working in Edinburgh. Members were also concerned of the potential impact of a limited rent increase on the Association's future planned maintenance programme.

K Miller advised members that the assumed increase of 2.5% for the year 2022/23 was based on the Bank of England forecast of CPI at a rate of 2%. If CPI were not to be at that level, the assumed increase may not need to be as high as 2.5%.

A member felt that a rent freeze for 2021/22 would result in positive publicity for the Association, both with tenants and external bodies.

In response to a member's question, K Miller asked members to consider that a significant proportion of tenants receive assistance with rent, through either housing benefit or universal credit. C Hughes advised that the proposed level of rent increases were unlikely in themselves to have a detrimental effect on arrears levels.

C Ironside advised members that M Trant, when submitting his apologies for the meeting had indicated that he would be in favour of a 0% increase.

Following discussion, the Chair called for a vote on the proposals, the outcome of which is as follows:

- 0% - 3
- 0.5% - 4
- 0.75% - 1

- 1.0% - 1

Members agreed, therefore, that a rent increase of 0.5% should be applied with effect from 1 April 2021.

Members also approved the proposed actions in respect of service charges, factoring charges and decoration allowances, specifically:

Service Charges

- Service charges in mainstream housing to be set at a level that reflects actual costs to the Association;
- Service charges in retirement housing to remain at current level of £100 per month;

Factoring Charges

An increase of fees in line with the rent increase is proposed this year as we continue to ensure that the cost of the service is fully covered by the owners.

Therefore, it is proposed that these fees will increase during 2021/22 as follows:

- Factored owners charges from £174 to £175 (per annum).
- Admin owners charges remain at £44 as a 0.5% increase is not enough to increase it to £45 .
- Charges for information on resales also remain at £83 for the same reason.

Decoration Allowances

- Decoration allowances will be increased per the December CPI rate.

Approval was proposed by A Scott, seconded by N Hicks.

8(iii) 25-Year Plan

K Miller introduced the report that had been circulated previously, noting that the draft 25-year plan had been considered by the Audit Committee at their meeting on 20 January 2021.

K Miller asked members to note that previous long-term plans have shown healthy cash balances for the Association; however, the impact of the high level of expenditure required for the Association to meet the requirements of ESSH 2 has had a detrimental effect on long-term projections. She confirmed that assumptions have been made on the initial guidance from the Scottish Housing Regulator and the plans represent a worst-case scenario. K Miller asked members to note that going forward there may be other factors taken into account that would have a positive impact on the information presented, such as grant funding or development of more cost-effective products.

K Miller advised that the 25-year plan has to be submitted to the Association's lender Santander and asked members to note that they may have concerns regarding the levels of investment required and included in the plan.

A member highlighted that although the plan identifies some future concerns, it also demonstrates awareness of the concerns and the ability of the Association to put in place plans to address these.

K Miller confirmed that she had contacted Santander regarding the concerns highlighted in developing the plan, however has had no response to date.

Following discussion, members approved the 25-year plan, proposed by N Hicks and seconded by A Clark.

8(iv) Tenant Debt Write-Off

C Hughes introduced the report that had been circulated previously, noting that the amount proposed for write-off was considerably lower than the previous year. K Miller confirmed that there was sufficient provision in the budget to take account of the level of write-off.

Members approved the report, proposed by S Mills and seconded by G Kitchener.

CH

8(v) Owner Debt Write-off

A Hay introduced the report that had been circulated previously, highlighting that there were a small number of cases with relatively small levels of debt that were considered as irrecoverable and therefore proposed for write-off.

Members approved the recommendations of the report, proposed by A Scott and seconded by D Duff.

AH

8(vi) Strategic Plan Year 3 Update

C Ironside introduced the report that had been circulated previously, noting that this was an update on the strategic plan for 2019/22. She advised members that only slight amendments had been made and that the plan reflected amended figures for the KPI targets to March 2022.

C Ironside that a further interim report would be presented to the Board in October 2021, with a final report on outcomes due in April 2022.

C Ironside advised members that work would commence shortly on the development of the Strategic Plan for 2022/2027 with initial focus groups involving staff and Board members to be held in March 2021.

Following discussion, members approved the report, proposed by S Mills, seconded by D Duff.

8(vii) Q3 Planned and Cyclical Maintenance Programme

A Hay introduced the report that had been circulated previously. She advised members that this report on the position of the programme at 31 December 2020 would usually be for noting only, however, Board approval was being sought on 3 virements, as outlined in the report.

A Hay confirmed to members the number of controls that have now been put in place to ensure greater control on management of contracts and associated spend, again as highlighted in the report.

In response to a question regarding the higher than anticipated spend on the smoke detector contract, A Hay advised that this was affected by issues of supply and demand, noting that the Government’s indicative costs were significantly below the actual costs achieved through tender.

In response to a question regarding the Association’s awareness of the size of kitchens and what would be required, A Hay asked members to note that due to the current pandemic there had been no opportunity for staff to carry out pre-inspections prior to award of contract. She asked members to note that whilst the fact that staff have been working from home since March 2020 was not being presented as an excuse for the issues highlighted in the report, it has had a significant impact on what staff are able to do.

A member highlighted that there were concerns about the extent of variances being considered, however they were reassured that effective measures have been put in place to address the situation.

Following discussion, members approved the recommended virements. Proposed by A Scott and seconded by D Duff.

9 Matters for Discussion / Approval

Tenant and Resident Safety Strategy

A Hay introduced the report that had been circulated previously and sought members’ views on the proposals.

Following suggestions by a member, A Hay agreed to include reference to carbon monoxide detection and a statement as to when the Association would consider and take account of potential issues with toxic gasses such as Radon.

AH

With regard to issues regarding staff qualifications and capacity to undertake works identified in the strategy, A Hay confirmed that this issue is dealt with through Health & Safety audits, and agreed that it would be appropriate to include reference to this in the Tenant and Resident Safety Strategy.

AH

Following discussion, members approved the recommendation that the Strategy will now be formulated and the action plan revised for further presentation to the Board, proposed by S Mills and seconded by A Scott.

AH

10 Matters for Information

10(i) CEO Appraisal (Confidential Item)

C Ironside left the meeting for consideration of this item.

The Chair advised members that the CEO appraisal had taken account of the views of the Chairs of MEHA, Audit Committee and MEAL, and those of the members of the Senior Management Team.

Members noted the positive outcomes and were reassured to see the areas that have been identified by the CEO as priorities for the Association moving forward.

Members of the SMT confirmed that they and the wider staff team have felt very supported by the CEO during the current pandemic, noting in particular that she had only been in post for 6 months when the first lockdown began. They felt that her leadership since the start of lockdown in March 2020 has been exemplary. SMT members are also grateful for the training and development opportunities that have been offered to them since the CEO took up her post.

Members noted the report.

C Ironside rejoined the meeting.

10(ii) Q3 Finance Update

Noted.

10(iii) Q3 KPIs

Noted.

10(iv) Q3 Complaints

Noted.

10(v) EESSH and EESSH 2 Update

Noted.

10(vi) SMT Update

Members noted that the report was considerably longer than usual; C Ironside explained that this was due to there being no meeting in December. She confirmed that the purpose of this report is to give members brief updates on matters that do not merit a formal report but are important to keep the Board informed on a number of operational issues. C Ironside drew particular

attention to the importance of information regarding how staff are being supported in the current situation.

Members noted the report.

11 Any Other Competent Business

11(i) Board Member Buddy System (Chair)

The Chair advised members that a short paper will be issued, outlining processes for those wishing to volunteer to be a 'buddy' to other members of the Board, and also those who think they might benefit from having a 'buddy' to offer advice on issues such as the protocol for meetings, clarifications of matters to be discussed,

C Ironside confirmed that a paper regarding processes would be issued to members via email by 29 January.

CI

11(ii) Recruitment, Selection and Appraisal Project (Chair)

The Chair advised members that she had carried out a project that involved research through both Port of Leith Housing Association and Manor Estates. The report includes a number of recommendations and the Vice Chair will be setting up an inaugural meeting of a Chairs' Forum to discuss these.

The outcome of the Chairs' discussion will be made available to all members for consideration. Subsequently the SMT will be tasked with implementation of the recommendations.

11 Date and time of next meeting: Wednesday 31 March 2021 at 5.00 p.m.

The meeting closed at 6.40 p.m