



MINUTE OF THE BOARD MEETING

25 January 2023

Present: R Hutton (Chair); I Crawford (Vice-Chair)
A Clark; A Groat; G Kitchener; W Raeburn;
P Rowsby (via Zoom)
C Ironside (Secretary)

In attendance: C Hughes, A Hay, K Miller

Apologies: N Hicks

Absent: C Jayne; A Scott

ACTION

1 Apologies for Absence

Apologies were received from N Hicks

2 Declarations of Interest

R Hutton – Employee of Harbour Homes
G Kitchener – tenant of the Association

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

C Ironside confirmed that GDPR issues were now being reported in the SMT update and that there had been 1 minor breach since the last meeting.

4 Minutes of the Board meeting held on 30 November 2022

The minutes of the meeting held on 30 November 2022 were approved as a true record, proposed by G Kitchener and seconded by I Crawford.

5 Matters Arising

None.

6 Board Actions November 2022

Noted.

7 Minutes of Sub Committee or Subsidiary Meetings

7(i) MEAL Board 17 November 2022

Noted.

8 Matters for Approval / Decision

8(i) Tenant Debt Write-Off

C Hughes introduced the report that had been circulated previously, asking members to note that the amount proposed for write-off was significantly lower than the previous year.

Members noted the amounts written off automatically (in accordance with the Finance Regulations) and approved the recommendation to write off the amounts specified in the report, proposed by W Raeburn and seconded by A Clark.

CH

8(ii) Openness and Confidentiality Policy

C Ironside introduced the report that had been circulated previously, noting that this was an action from the previous meeting and that the Policy had been due for review.

C Ironside asked member to note that there were no fundamental changes to the Policy.

Following discussion, members approved adoption of the Policy, proposed by I Crawford and seconded by A Clark.

CI

8(iii) Procurement Strategy Update

A Hay introduced the report that had been circulated previously, noting that the Strategy update confirms areas of activity, noting that W Linney (Projects & Contracts Co-Ordinator had completed a significant amount of work on a range of issues.

A Hay asked members to note that some issues had been delayed, in the main due to staffing issues within the team that members were already aware of. She advised that with the new structure of the team and additional staff resource (as approved by the Board in November 2022), she was confident that matters will be progressed during 2023.

A Hay confirmed that, due to timing and level of spend, there is no requirement to submit a report to the Scottish Government this year and that they have been made aware of this.

In response to a question from P Rowsby, A Hay confirmed that the matters outstanding from the 2022/23 plan have now been transferred to the plan for 2023/24, with revised dates.

C Ironside re-iterated that the team is now in a better position with regard to staffing that she is confident that the outstanding matters will be concluded during 2023/24.

Following discussion, members approved the report, proposed by W Raeburn and seconded by G Kitchener.

8(iv) Rent and Factoring Increase

K Miller introduced the report that had been circulated previously and drew members' attention to the following key points:

- The report presented is the culmination of matters that have come to the fore in the last few months and the Senior Management Team is aware of concerns regarding the proposed level of increase in the current cost of living crisis;
- Members did consider an increase of 3, 5 or 7% at the November 2023 board meeting, in the context of the rate of inflation and K Miller confirmed that the December CPI rate was 10.5%;
- The rent increases applied in the last 2 years were considered to be low (0.5% for 2021/22 and 2.5% for 2022/23);
- Need to consider not just the current year, but also the impact of whatever is agreed on the 25-year plan, noting that the Association is facing considerable cost increases;
- A decision needs to be made at this meeting to enable notification to tenants to ensure that the increase can be applied from 1 April 2023;
- Noted comparison with rent increases being applied by other associations;
- The outcomes of the tenant consultation exercise, noting that the rate of response was significantly lower than the previous year.

K Miller also talked members through the information regarding affordability that was included in the report.

In response to a question from W Raeburn regarding whether tenants previously identified as having rent levels that were considered to be affordable had in fact experienced difficulties paying rent, K Miller advised that we seek to address any issues through the welfare right service, noting that the service provision has now been increased. C Ironside also noted that the level of rent arrears has continued to decrease, this would indicate that there are no significant issues. She also noted the high level of take-up of the welfare rights service and that part of the rationale for increasing this service was the current cost of living situation.

Members noted the basis on which service charges are calculated, with those that apply in general needs housing using actual costs. The retirement housing charges are increased by the same percentage uplift as the rent increase, due to the significant costs involved.

K Miller confirmed that the proposed increase in factoring charges was also 7%.

In response to a number of questions raised by members, K Miller confirmed that the November Board had considered potential options of 3, 5 and 7%. Discussions at that time focused on maximisation of income for the Association, particularly in light of increasing costs and enhancing our support to tenants. K Miller further confirmed that an increase of 7% for 2023/24 would likely mean that the increase for 2024/25 could be limited to 5%.

K Miller also noted that the Association needs to look forward to the cost implications to enable the Association to comply with requirements of Net Zero and EESSH2.

C Ironside noted that whilst there remains some hope that grants may be available to support compliance with these issues this is much more uncertain, again due to the current economic climate.

A Clark commented that figures show that the Association will face challenging issues in 2031, noting that interest rates are likely to continue to rise and remain high at that time.

Noting that assumptions have been based on Bank of England estimates, W Raeburn commented that these have been wildly inaccurate in the past and that we should take a pessimistic approach to assumptions.

A Clark noted that the proposed increase of 7% remained lower than inflation. If the Prime Minister achieves the target of reducing the rate of inflation to less than half the current position, potentially we would not be able to increase rents by 5% next year, making it more important that we apply the higher level of 7% for 2023/24.

Following significant discussion, members approved:

- Rents to be increased by 7% from 1 April 2023;
- Service charges in respect of general housing to be increased to take account of actual costs;
- Service charges in respect of retirement housing to be increased by 7%;
- Factoring charges to be increase by 7%.

KM

9 Matters for Information

9(i) Q3 Finance Update

W Raeburn questioned figures in the update relating to debtors, K Miller agreed to check and email all members to clarify the position and advise if any corrections were necessary. (post meeting note, the high debtor figure was due to a late journal that was processed after the SOFP was prepared)

9(ii) Q3 KPIs

Noted.

9(iii) Q3 Complaints

C Ironside asked members to note that the Association has not been performing well in dealing with complaints within the timescales set by the Scottish Public Services Ombudsman. She confirmed that she had instructed A Hay not to step in, rather to let responsibility lie at the appropriate level within the team, however this had resulted in a negative impact on performance.

C Ironside further confirmed that she and A Hay are now working to seek resolution of the outstanding complaints. She noted that some work has been done, however there is insufficient evidence to confirm this.

Members noted that the Association does report performance on complaints to tenants.

A Hay further advised that additional training on dealing with complaints has been arranged for 7 February 2023.

Members noted the report.

9(iv) Q3 Planned and Cyclical Maintenance Programme

Noted.

9(v) Tenancy Sustainment Policy

C Hughes confirmed that the report had been slightly delayed until the Internal Audit of Tenancy Sustainment and Debt Management had been concluded and asked members to note that the Audit was assessed as 'Full Assurance'.

A Groat noted the range of issues covered in the Policy and confirmed that Age Scotland would be able to provide further information in respect of working with older people.

CH

Following discussion, members noted the Policy.

9(vi) Employee Survey Results

C Ironside advised members that carrying out a survey of staff is an annual discipline. She noted that there has been improvement from the previous year, however there are still some issues to be addressed.

C Ironside asked members to note that the most recent survey had been carried out while staff were working from home to enable works to be carried out in the office and that this may have impacted on the results.

C Ironside advised that the results will be promoted at the next Staff Meeting. Staff will be encouraged to speak to their line manager, director or the CEO if they have specific issues that need to be addressed.

Members noted that the Association has a Whistleblowing Policy in place and that staff can contact the Chair if they wish to raise any issues.

C Ironside advised that it was important to develop good relationships between Board members and staff, whilst recognising the potential risk of operational matters and the role of the Board becoming muddled.

C Ironside advised members that activities involving Board members and staff will be taking place, including joint training, job shadowing and a stock tour. Staff are also encouraged to attend and observe Board meetings.

9(vii) SMT Report

Noted.

10 Any Other Competent Business

a) MEAL Management and Lease Fee Discussion

C Ironside asked members to note that discussions regarding the MEAL management and lease fees. There are increased annually by December's CPI, however this was 10.5% in December 2022. Members also noted that the Scottish Government has applied a cap of 3% on private sector rent increases; while there is scope to apply a higher level of increase, this is only in very specific circumstances that will not apply to MEAL.

It was agreed that a meeting will be held with the MEHA Chair, Vice-Chair and the MEAL Chair to discuss the matter. Members need to be mindful of the need to ensure that MEAL remains financially viable.

CI

Members noted the position.

b) Insurance Tender

K Miller advised members that the tender is now at the standstill period and it is hoped to award the contract from 1 April 2023.

Following assessment, it is likely that we will be using the same broker, however using a different insurer as our previous one is no longer in the market.

In response to a question from W Raeburn, K Miller confirmed that the tender has been based on the property figures from last year, however these will be updated by the insurance revaluation results by 31 March 2023.

K Miller asked members to note that the premiums are substantially higher than the previous year.

11 Date and time of next meeting: Wednesday 22 February 2023

The meeting closed at: 7.00 p.m.