

## **MINUTE OF THE BOARD MEETING**

**22 February 2023**

**Present:** R Hutton (Chair); I Crawford (Vice-Chair)

A Clark; A Groat; N Hicks; G Kitchener; W Raeburn;  
P Rowsby

C Ironside (Secretary)

**In attendance:** C Hughes, A Hay, K Miller  
D Gold; D Bonar (for Agenda item 8(i))

**Apologies:** C Jayne

**(A Hay and consultants D Gold and D Bonar attended remotely)**

C Ironside confirmed that A Scott had tendered his resignation from the Board, due to work pressures.

### **ACTION**

#### **1 Apologies for Absence**

Apologies were received from C Jayne.

#### **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 Harbour Homes (T B Mackay Energy Services Ltd subsidiary)

G Kitchener – tenant of the Association

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

None.

#### **4 Minutes of the Board meeting held on 25 January 2023**

A Groat sought to clarify that her comments in relation to the Tenancy Sustainment Policy was to suggest that it be more specific in relation to older people and the particular issues they face. She also confirmed that she would be able to provide signposting to various sources of information and advice that might be available to

address any issues of concern. C Hughes agreed to include a section regarding this in the Policy, to be confirmed at the April Board meeting. **CH**

Subject to the above clarification, the minutes of the meeting held on 25 January 2023 were approved as a true record, proposed by G Kitchener and seconded by I Crawford.

## **5 Matters Arising**

None.

## **6 Board Actions from January 2023 Meeting**

Noted

## **7 Minutes of Sub Committee or Subsidiary Meetings**

### **7(i) Minutes of Audit Committee 1 February 2023**

In response to a question from A Groat, it was confirmed that papers for the Audit Committee are not available to all Board members. A Clark confirmed that some matters, for example internal audit reports, are considered by the Audit Committee only; other matters, for example, the budget and the 25-year plan, are considered in detail by the Audit Committee and subsequently referred to the full Board for approval.

Members noted the draft minute.

## **8 Matters for Approval / Decision**

### **8(i) Reactive Maintenance Contract – CONFIDENTIAL ITEM**

### **8(ii) Budget 2023/24**

K Miller introduced the report that had been circulated previously, noting that the budget had been considered in detail by the Audit Committee and was now being presented to the Board for approval. She highlighted the changes that had been made to the version considered by the Audit Committee.

K Miller confirmed that the Chairs of MEHA and MEAL had discussed issues of concern regarding the current Scottish Government intervention in the private sector rent setting process and the impact that this will have on MEAL. She noted the proposal to delay the planned replacement kitchens for 1 year would be enabled by the limiting of the lease charge increase to 3% charged by MEHA to MEAL. K Miller confirmed that this approach could not be followed on an annual basis. We have assumed that the rent cap will not continue, however we cannot predict what will happen in the coming years.

N Hicks agreed that the proposals will offer a short-term solution for the current year, however noted the impact that this will have on future years.

A Clark wanted to ensure that the charges (lease and Management) charged by MEHA to MEAL would always cover the costs of the MMR properties to prevent any subsidy from the social tenants to the mid market tenants. K Miller noted the process of agreeing any potential development was based on estimates of running costs and rent levels and it would not be possible to guarantee that a surplus could be generated each year once the properties were up and running. However, she assured him that this was an ongoing concern and that MEHA would try to ensure that no cross subsidy was necessary.

K Miller confirmed that this issue is affecting all organisations with mid-market rent properties. She also advised that she has discussed the matter with the auditor who is happy that we are taking mitigating action to address the position.

A Clark remained concerned that if there is a loss-making contract through the Service Level Agreement with MEAL, this will become an issue for MEHA. K Miller advised that this was a temporary measure to address the particular circumstances of the current climate. There is concern that a further cap on rent increases next year would have implications for MEAL.

C Ironside advised that discussions are already taking place regarding the position of organisations with mid-market rent properties. The SFHA in particular is in a strong position to work closely with others and is actively lobbying the Scottish Government to address the issue.

Following discussion, members approved the budget, proposed by N Hicks and seconded by W Raeburn.

### **8(iii) 25-Year Plan**

K Miller introduced the report that had been circulated previously, noting that the plan should give the Board assurance that funds will be available for expenditure required throughout the life of the plan.

K Miller confirmed that the information, including scenario planning, is presented to Santander, following Board approval.

K Miller advised members that the 25-year plan had been considered in detail by the Audit Committee who recommended its approval by the Board.

The 25-year plan was approved, proposed by G Kitchener and seconded by N Hicks.

### **8(iv) Strategic Plan 2022/27 Year 2**

C Ironside introduced the report, asking members to note that no major changes are being proposed. She drew members' attention to the revised KPI figures, noting that these reflected previous concerns raised by the Board that some of the targets (particularly in relation to voids) were constantly not being achieved.

C Ironside confirmed that the targets in relation to repairs will reflect what is included in the new Reactive Repairs and Voids Contract.

C Ironside advised members that the Association should be achieving 100% in relation to the targets for dealing with complaints. In response to questions from members, she confirmed that this should be the case and had previously been achieved by the Association. Part of the current issue is that staff are dealing with complaints and advising customers of the outcome, but then waiting until the matter is fully concluded before recording the complaint as complete. C Ironside advised members that C Hughes would be carrying out a training session with staff, following which there should be no reason for staff not to achieve the targets set.

C Ironside advised members that staff would report on the outcomes of last year's Annual Report on the Charter, benchmarking the performance with members of ARCHIE and City of Edinburgh Council.

**CH**

R Hutton asked staff to provide background information regarding ARCHIE to ensure that newer members of the Board are fully aware of this collaboration.

**CH**

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

#### **8(v) Owner Debt Write-off**

A Hay introduced the report that had been circulated previously. She advised members that the report reflected the thorough approach the Factoring Team had taken to reviewing all cases, noting that this had resulted in a higher than normal figure being recommended for write-off.

**AH**

Following discussion, members approved the recommended write-offs, proposed by W Raeburn and seconded by I Crawford.

### **9 Matters for Information**

#### **9(i) Board Review and Timetable**

Noted.

#### **9(ii) Policy Review Timetable**

Noted.

#### **9(iii) Regulatory Standards Review**

C Hughes drew members' attention to the proposal to review the Association's approach to tenant and resident safety. She asked them to note that the Regulator will be looking for specific information regarding this to be included in this year's Assurance Statement.

**CH**

R Hutton asked that staff seek tenant involvement in the review.

Members noted the report.

**9(iv) SMT Report**

Noted.

**9(v) Joint Board Discussion Paper (MEAL Budget 2023/24)**

C Ironside advised that the paper reflected discussion between the Chairs of MEHA and MEAL regarding the impact of the Scottish Government intervention on rent increases in the private rented sector on MEAL and mitigating action required.

Members noted the report.

**10 Any Other Competent Business**

**a) Signing of Intra-Group Agreement between MEHA and MEAL**

**b) Signing of Service Level Agreement between MEHA and MEAL**

C Ironside advised that these documents would be uploaded to Govenda for the Chair to sign.

**11 Date and time of next meeting: Wednesday 26 April 2023 at 5.30 p.m.**

**The meeting closed at: 7.15 p.m.**