

MINUTES OF	:	Board of Management Meeting
TIME & DATE HELD	:	20th February 2024
DATE APPROVED	:	26th March 2024

BOARD MEMBERS	Grace Barbour, Rae Connelly, Elizabeth Battersby and Maureen Mulgrew	
PRESENT	:	Eddie Robertson and Janice Saunders
APOLOGIES	:	Brian Barclay (leave of absence), Marian Hassan, Gillian Johnston, Hugh McIntosh (Chair) and Linda Sichi
STAFF PRESENT:	Tony Teasdale (CEO) Colette McKenna (DPS) Kirsty Brown (DFCS)	
IN ATTENDANCE	:	N/A

1. **Apologies**

Apologies were noted as above.

Elizabeth Battersby was elected to Chair the meeting in the absence of Hugh McIntosh.

2. **Declarations of Interest**

All tenant Board Members present (Ms Barbour, Ms Mulgrew and Ms Saunders) declared an interest in relation to the expected discussion on rents and service charge income at Agenda Item 8. In accordance with usual practice however it was agreed that this should not prevent them from taking part in the discussion or voting on the issue.

3. **Minutes for Information:**

The draft minutes of the following meeting were noted:

3.1 EEHDC Board Meeting: 06.02.2024

3.2 Upkeep Board Meeting: 06.02.2024

4. **Minutes for Approval**

4.1 **Board of Management Meeting: 16.01.2024**

The draft Minute of the Board meeting held on 16th January 2024 was approved on a motion from Grace Barbour, seconded by Eddie Robertson.

5. **Matters Arising Schedule**

Members noted the content of the Matters Arising Schedule which provided an update on two governance issues arising from the January Board meeting (agenda item 10):

- As instructed by the Board, the Office Bearers had met with the proposed new Board Member, Linda Sichi, to discuss her interest in joining the Board and to further assess the

experience and knowledge she would bring. The Secretary reported back briefly on this meeting and advised that Linda's co-option had been confirmed on this basis in accordance with the Board's decision at the last meeting.

- The Scottish Housing Regulator (SHR) had been informed of the granting of retrospective approval for the allocation of a tenancy covered by the Payments and Benefits Policy and this had been submitted as a Notifiable Event.

6. Compliance and Safety Update

Members noted the content of the Compliance & Safety Update Report, and in particular:

- At the time of issue of the report there had been no new Notifiable Events reported since the last meeting. However, Members noted, as detailed at Agenda Item 5 above, the item in relation to the granting of retrospective approval for the allocation of a tenancy covered by the Payments and Benefits Policy which had subsequently been reported as a Notifiable Event and that the Notifiable Events Register would be updated accordingly.
- Both the latest quarterly return to the Information Commissioners Office and quarterly Management Accounts to the Association's lender RBS were submitted in advance of the filing deadlines.

A Member enquired what the one Freedom of Information Request received in the quarter was in relation to. The CEO advised that although we did not have the detail to hand, it could be provided following the meeting however noted that it was not in relation to any particular matter.

- That at time the report was issued there had been no significant Health and Safety incidents to report since the last meeting date.

7. CEO Progress Report (confidential)

Members noted the content of the report updating on significant issues and developments since the last meeting not covered elsewhere on the agenda. In particular:

- The recent appointments of Craig Russell as Director of Customer and Community Services and Patrick Watson as Energy Adviser, and their anticipated start dates.
- That negotiations were ongoing in respect of the EVH cost of living salary review. EVH had thought that an agreement had been reached with UNITE on a 5.5% uplift but that turned out not to be the case and the union had recommended in a ballot of its members that they reject this offer, which they then did. The matter was now due to go to ACAS for arbitration.
- That good progress had been made by development consultants Macdonald and Cameron in assessing potential properties for acquisition in the local area with three at an advanced stage and others under investigation.
- That the City Council remained keen to sell us the Shettleston Halls site for development but had now advised that the Day Centre site adjacent to it, which is owned by the NHS, is unlikely to become available for purchase in the foreseeable future. The Director of Property Services advised Members that the fact that that site was owned by the NHS was also likely to complicate any future attempts at acquisition. She also gave a reminder that without that additional piece of land, and the greater density of development that it would afford, it was unlikely that the project would be viable although the assessment is still ongoing.
- The update on external communications issues. In response to a Member query the CEO confirmed that it was intended to bring a draft communications strategy to the Board for

consideration in due course and that this would to incorporate suggestions for our future use of social media. Another Member suggested that the forthcoming newsletter should include a more prominent and interesting article on Association membership.

- A letter from SHR regarding the updated Regulatory Framework that will now take effect.

8. Annual Rent Review

Members noted the content of the report which provided detail of the feedback to the recent rent/service charge increase consultation and invited the Board to make a final decision on the level of increase to be applied from 1st April.

The CEO provided an overview of the consultation process and the feedback received. 193 households had completed and returned the survey – a significantly higher response rate than last year but still only around 8% of all tenants, despite the fact that freepost reply envelopes had been provided to all and other means of feeding back (including e-mail encouraged).

Of those responding: 81 (42%) were in favour and 112 (58%) opposed.

The Board also noted the individual comments (anonymised) that had been made by over 60 respondents. Housing management and maintenance staff had been asked to respond as soon as possible to service delivery issues raised. A Member asked that the Board receive an outturn report in respect of these responses.

The Board also noted the Minute of the Tenant Forum meeting that had been held in February to discuss the rent increase proposals. Agreement was given to the specific recommendation arising from this that electronic surveying or texting be included next year.

The CEO provided further analysis of the responses received as follows:

- A relatively high proportion of No respondents (47%) live in one bedroomed accommodation (only 38% of SHA properties are of that size). The Board was reminded that national research suggests that single people in one bedroomed accommodation were more likely to have incomes that were less than 25% of their rent (one indicator of unaffordability).
- Perhaps surprisingly, a relatively high proportion of those tenants due to receive a below 5.5% rent increase were opposed (and they made up 25% of all those opposed). On the other hand a relatively low proportion of those facing a higher than 5.5% increase were opposed (they accounted for 14% of all those opposed).
- A roughly equal proportion of YES and NO respondents (around 42%) were in receipt of full Housing benefit.

In taking the final decision on the level of increases to be applied in the coming year the Board also had regard to the following:

- Financial considerations including that:
 - CPI inflation had slightly increased since the January meeting and had been maintained at this rate (4%) the following month.
 - The EVH salary review seemed likely to settle at no lower than 5.5%
 - Our latest stock condition survey (covering over 600 homes) had become available since the last meeting and indicated an even higher than previously anticipated need for capital investment in the stock in the years ahead. (In response to a Member query the DPS was able to confirm however that the 2024/25 investment programme indicated within the rent consultation document remained affordable).

- The Glasgow and West of Scotland Forum of Housing Associations (GWSF) had published a further update on the rent increase intentions of other local housing associations and this showed that the Association's proposed increase was close to or below the average.
- A reminder of other tenant feedback received during the course of the past year on rents/service charges, including:
 - That 73% of tenants had said they felt that their rent was value for money in the 2023 independent tenant satisfaction survey, carried out shortly after the last rent increase.
 - That the Autumn 2023 Energy /environment survey had indicated that, having regard to the service charges, most Tenants continued to be in favour of the Association providing the various environmental services being received (including close cleaning, back court maintenance etc).

Following discussion the Board then decided to proceed with the rent increases as had been proposed during the consultation, as follows:

- **a standard 5.5% uplift in rents and service charges for the majority of tenants (around 80%) with**
- **differential rent increases (ranging from 2.5% to 8.5%) to be applied to those tenants whose rents are at least £40 per month higher or lower than the average rent for their property size and type.**

In making this decision Members reiterated the importance of ensuring that we continue to deliver the planned investment programme.

9. Business Plan Update 2024: the Association's Strategy

Members noted the content of the report and considered the following:

- The proposed updated SWOT analysis: Following discussion this was approved subject to the addition of Climate Change as a factor within the list of Opportunities as well as Threats.
- The Association's Strategic Objectives: There was general agreement for these but it was felt that the wording could be somewhat simplified/ clarified.
- The proposed list of priority projects: These were agreed.

10. Governance Issues

Members noted the content of the report and following discussion approved:

- **Approved the appointment of North Star consultants to carry out the review of governance arrangements** as per the proposal contained within the report.
- **Approved the proposed revised dates for:**
 - The next Housing and Community Services Committee meeting.
 - The first on-line briefing session (on the topic of the Association's subsidiaries).
- Noted the detailed analysis of the Association's share-holding membership and **agreed further action aimed at promoting and encouraging membership.**

The Board also noted information contained within the report regarding a potential offer of a SHA tenancy that would be covered by the terms of the Payments and Benefits Policy. The CEO requested that final decision on this be deferred pending the final assessment of the proposal

in accordance with recently revised Allocations Audit Trail procedures and this was agreed. **The Board approved the offer in-principle, subject to confirmation to be provided by the CEO in due course that the various requirements had been met in this regard.**

11. Management Accounts

The DFCS provided an overview of the results for the period to 31st December 2023. The Board noted the surplus position of £1,585k compared to a budgeted surplus position of £1,093k.

It was recognised that £92k of the positive variance was due to the gift aid payment from Upkeep, received in quarter 2 of the 2023/24 year. The main points to note were:

- rental income was higher than the budget expectation by £11k due to the additional rental income received from the SO buybacks and open market purchases in the period, along with the uplift in rental income arising from the usual relet process where the new tenancies moved on the most recent rent policy;
- void loss was lower than expected: 0.7% v 1% budget assumption;
- income from Stage 3 Adaptation Grants was £66k more than budget, the favourable variance mainly relating to backdated claims;
- the favourable operating costs position was discussed and the DFCS confirmed that the majority of expenditure categories were reporting a favourable surplus position. Members noted that detail on all adverse variances was provided in the table on page 2 of the cover report;
- loan interest costs were £49k more than expected for the year due to interest rates remaining higher for longer than the budget had assumed. Members noted the significance of the rate increase; the budget had assumed £1m of loan drawdowns over the period to date however none had been required. The DFCS advised that had the loan drawdowns been made, depending on timing, the interest cost could have been around £40k higher. The delay to loan drawdowns resulted in an increase in non-utilisation fees, however the impact of these preferable to interest charges;
- interest received was noted as being £19k higher than the budget assumed. The DFCS advised that the rate received on our cash in bank is currently 1.70%. Members noted that there is scope for the Association to take advantage of higher deposit rates and confirmed that the DFCS should take this forward in line with the Association's Scheme of Delegation and Financial Regulations. A Member did raise a concern on what would happen if we required to access the cash that was put on deposit and the DFCS confirmed that only some of our surplus funds would be put away for a fixed term, with the exact amount being determined by the latest cashflow forecast;
- housing properties costs increased from £75,459k at the 31st March 2023 to £77,074k at 31st December 2023, reflecting the SO buybacks and opening market purchases completed in the period along with the capitalised major repairs expenditure in the year;
- the closing cash position at the 31st December 2023 was £1,963k. This is an increase of £920k from the March 2023 position. The DFCS confirmed that the increase was due to the favourable surplus position and also reduced levels of capital spend;
- long term borrowing remained at £41,600k at 31st December 2023. Members noted that loan finance of £3,400k was available for drawdown in future years; and
- all lender loan covenants were met and the main key performance indicators (KPIs) were showing no cause for concern.

Members noted that the Association's business plan was in the process of being updated to reflect the results of the latest stock condition survey and once complete, would be shared with RBS to resume the change to covenant discussion.

It was expected that the Association would need to agree to a new interest covenant calculation given the uplift in expected component renewal costs.

A Member queried the adverse position on Bank Charges and the DFCS explained that this was mainly due to Allpay charges, our income receipt payment system and reminded everyone that these should reduce when we move to Pay360 in the new financial year.

A Member queried the adverse position on office repairs and asked if this trend would continue. The DPS advised that the majority of the variance related to consultancy costs already incurred however there would be some spend on new office lighting before the financial year end.

The Board approved the Draft Final Accounts to 31st December 2023.

12. Quarterly Performance Report

Members noted the content of the quarterly report which incorporated the following:

12.1 Delivery Plan Progress Update

Details of progress with each item in the current Delivery Plan at the end of December.

Overall around 57% of the items due for action by this point had been completed, with another 43% had been substantially progressed. The report highlighted that it was anticipated that only two of the original 13 projects assessed as top priorities at the start of the year would not complete by the end of March.

12.2 Key Performance Indicators (KPI's)

Performance against the agreed KPIs for 2023/24. Performance against targets was generally good. Some issues were noted however:

- Gross rent arrears continued to be above target.
- Average cost of void repairs was still considerably above target however, as noted in November this was largely reflective of the extra attention now being given to void properties in light of the review of the Void Letting Standard. However that the target had not been changed from the previous year when there had been an objective of controlling spend against a significant upsurge in costs the prior year. In the interim attempts had been made to ensure that voids were being let to a consistent standard and in line with Void Standard and this had had spend implications.
- Spend on cyclical and capital works continued to be well behind programmed spend however it was noted that the majority of works were now underway and spend was now committed to the end of the year. The DPS reported that two projects were being held up by legal considerations and it was likely there would be a significant underspend in this budget this year.
- Tenant satisfaction with repairs continued to be below target and the survey response rate was also low. The Board noted that measures were planned to seek to increase this in accordance with the Service Improvement Action Plan. It was agreed that the following would be helpful in respect of this and also the New Tenant Survey response rates:
 - A newsletter article

- Reminders at settling in-visits
- Follow-up reminders after repairs surveys have been issued.

12.3 Assurance Improvement Action Plan (AIAP) - Progress Update

Progress was noted against the AIAP that had just been approved in October. It was noted that this related to the Regulatory Standards and legal requirements items and not the actions under the Tenant Charter heading as it was intended that progress against these would be monitored by the respective sub-committees.

12.4 Complaints Handling Performance

The overview of complaints received and performance against target response times was noted. It was noted that it was still the case that only 69% of complaints were responded to within target timescales and that continuing investigation would be undertaken as to the reasons for this.

Members noted the enhancement to the report in relation to time taken to respond where this had been out-with target, as agreed at the last Board discussion regarding this in November.

The CEO highlighted that the Corporate Services Manager had been attempting to carry out follow-up sample phone surveys to those who had complained, in accordance with the Service Improvement Action Plan. However, it had proved somewhat difficult to contact tenants and only two had been spoken to although in both cases additional action had been agreed to help address continuing tenant concerns.

13. Membership Applications

The Board noted the content of the report and **approved the following applications for share-holding membership** of the Association:

- Mrs Margaret McIntyre, [REDACTED]

It was noted that Mrs McIntyre is a tenant of the Association.

14. Any Other Business

There were no items raised. In accordance with standard procedure staff Members then left the meeting and the Board discussed the quality of reports that had been provided to this meeting, with any action points to be fed back by the Chair to the CEO.

Minute prepared by Tony Teasdale (CEO) and Kirsty Brown (DFCS)

SIGNED: 

 (Chairperson)

DATE: 
