

## BOARD OF MANAGEMENT MEETING

**Minute of the Board of Management Meeting held on Tuesday, 20 February 2024 at 6.00pm.**

Meeting held online via Microsoft Teams

**Attendance:**

**Board Members:** Gavin Waddell, Chairperson  
David McIndoe  
Michelle Donnelly  
Francis Polding  
Stephen Boag  
Jade Murray  
David Edgar  
Anita Williamson

**Staff/Advisor(s):**

Anne Marie Brown, Chief Executive  
Carla Cameron, Finance & Corporate Services Manager  
Arlene Dickson, Care Services Manager  
Dougie Wilson, Customer Services Manager  
Jennie Cameron, Senior Customer Services Officer (Temporary)  
Paul McNeill, Director HRC (Temporary Finance Agent)  
Alison Smith, Allanpark Consultants Ltd (Agenda Item 7.3 only)

**Observer(s):** None

Board meeting minute prepared by K Tennant, Corporate Services Officer post meeting from the meeting recording.

| ITEM | NOTE  | ACTION |
|------|---|--------|
|      | <p><b>WELCOME AND ORDER OF BUSINESS</b></p> <p>Chair welcomed all to the meeting and confirmed that the meeting pack was issued to members on <b>Wednesday, 14 February 2024.</b></p> <p>Chair welcomed Alison Smith from Allanpark Consultants Ltd who will present a confidential report under item 7.3.</p> <p>Members <b>approved</b> to bring forward agenda item 7.3 for discussion before item 3 on the agenda. This will allow A Smith to leave the meeting thereafter.</p> |        |
| 1.0  | <p><b>APOLOGIES</b></p> <p>Apologies received in advance of the meeting from: John Lennox.</p>  |        |
| 1.1  | <p><b>Approved Leave of Absence</b></p> <p>Chair confirmed that J Gherardi is on an approved LOA.</p>   |        |

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| 1.2   | Non-Attendance<br>J Henderson was noted as non-attendance.   |    |
| 2.0   | <b>DECLARATIONS OF INTEREST</b><br>Chair asked for any declarations of interest; there were none to note.  |    |
| 7.0   | <b>GOVERNANCE (ITEM BROUGHT FORWARD)</b>   |    |
| 7.3   | <b>Development of New Business Plan: Update Report: Confidential</b>   |    |
| Report<br>Summary<br>Discussion<br>Decision | <b>Redacted from the minute for publication purposes</b>   |    |
| 3.0   | <b>MINUTES OF PREVIOUS MEETINGS</b>  |    |
| 3.1   | <b>Minute of Previous Meeting (23 January 2024) – For Approval</b><br>Chair asked for accuracy and approval. There were no suggested amendments to the draft minutes.<br><br>The minutes were <b>approved</b> on a proposal by D MacIndoe and seconded by S Boag.  |    |
| 3.2   | <b>Audit &amp; Risk Committee Meeting (12 February 2024) – For Noting</b><br><b>Chair</b> ask for accuracy and noting. There were no suggested amendments to the draft minutes. J Murray advised that they observed the meeting and that this has not been noted, amendment to the minutes required.   | KT |
| 4.0   | <b>RECOMMENDATIONS TO THE BOARD FOR APPROVAL FROM AUDIT &amp; RISK COMMITTEE, 12.02.2024</b>   |    |
| 4.1   | <b>Internal Audit Reports: (a) Governance &amp; (b) Reactive Maintenance</b>   |    |
| Report<br>Summary                           | AM Brown presented the report to members advising that the reports were previously presented to the Audit and Risk Meeting and have been recommended to the Board for approval.<br><br>Summarising for the members that the Governance Audit received a ‘strong assurance’ level with 2 low recommendations made and 7 areas of best practice highlighted.<br><br>Continuing to summarise the second audit report, Reactive Maintenance, AM Brown confirmed that the audit received a ‘substantial’ rating with 2 medium recommendations made and of 6 areas of best practice that were observed during the audit. |    |
| Discussion                                  | Member asked for clarification on post inspection targets as they thought these were already being carried out by staff.<br><br>J Cameron responded to the member highlighting that that the recording on the old housing software system, Kypera, was not able to record the inspections carried out. Staff have undertaken further training on the new Homemaster system with J Cameron confirming that 10% of all reactive repairs will be pre-inspected and post inspections will be carried out on a percentage of repairs  |    |

completed based on the value of repair and that Homemaster will auto generate the inspections for staff to carry out.

Member asked if tenants are being surveyed for reactive repair satisfaction figures? J Cameron advised that tenant repair satisfaction is carried out, at present, as part of the quarterly surveys carried out by an independent body. Advising that there are future plans in place to utilise the future Tenants Portal for Satisfaction Surveys through the Homemaster system.

Member asked if there will be inspections carried out with investment works? Speaking from their own experience they have had new components installed and there was no post inspections have been completed. J Cameron advised that the procedure is to post inspect all major replacements works as well as a satisfaction survey.

#### Decision

The Board:

**Approved** the contents of the Internal Audit reports for Governance & Reactive Maintenance.

**Noted** the recommendations contained within the reports will be added to the Recommendations Monitor.

#### 4.2 Management Accounts to 31 December 2023 (Q3)

##### Report Summary

C Cameron presented the Management Accounts noting that the accounts were discussed in detail at the Audit and Risk meeting held on 12 February 2024. Presenting the following highlights to the Board:

Members were advised that the Association has income of £3.3m to the end of December 2023 with an expenditure of £3.2m which gives an overall surplus in the period of just under £27k. The surplus is due to the timing of major works in particular the finalising of the Stonework's contract, therefore the positive variance will reduce in the next quarter.

Members were assured that the Association are continuing to be covenant compliant with Unity Trust Bank.

It was noted that there is a positive variance of £717k in housing property costs, this is mainly due to the Stonework's contract and the timing of invoices for the Grounds Maintenance charges.

It was clarified that the window contract is still on site and now almost complete. There has also been a spend of £35k across kitchens, bathrooms and central heating due to component failures which were identified throughout the first 9 months of the year. It was further clarified that the Association did set aside a contingency budget of £100k for any components that required replacing out with the normal replacement cycle.

Members were advised that DOSCG are showing a deficit of £4k in the period. Income is overall reducing, and members noted that the reduction in income is due to 1 person, who was a full usage customer no longer requiring the service

and this is having an effect on the income.

Staff are looking at different ways to promote the service, including leaflet drops and the Care Services Manager is reviewing the business model for 2024/2025 and will bring a report to the Board at a future meeting.

Members noted that the positive variance of just under £13k in the staffing costs are due to a combination of factors including a post that had arisen at DOSCG which wasn't filled immediately along with savings in IT Technical guidance, Finance Agent fees, Data Protection Officer fees and recruitment costs. Members were assured that these positive variance costs will reduce in Quarter 4.

It was clarified that the spend in overheads of £989k of which there is a positive variance of £124k, will decrease in quarter 4 as a result of the RAAC surveys being carried out as well as the costs for exploring the development opportunity. It was further clarified that there were lower costs than anticipated in the period for Admin running costs as well as lower costs for Bad Debt write offs.

Members were advised that Other Fixed Assets are showing a positive variance of £17k however this will decrease in quarter 4 as the Association are looking at tablet replacements for Board and for staff to use when carrying out visits and inspections.

Members noted a surplus of £27k in the period within the Statement of Financial Position.

Members were advised that cash in bank is £5.5m and the tangible fixed assets of £18m which will increase during quarter 4 when the window contract is concluded.

It was noted that the Projected Cash Flow is showing an income of £903k with expenditure of £1.5m by the end of the year.

Members were advised that the Financial Ratios show how the Association is performing and is benchmarked against its peers and has been updated for the 2022/2023 year with the new benchmarking figures included.

It was clarified that the Association received £63k in interest in the 9 months to December 2023. A meeting was held with CAF bank looking at their platform for deposit accounts which was requested by the Board. An internal discussion will take place on the options available and a report and recommendations will be presented to members to the next Board Meeting in March.

#### **Discussion**

Member noted that it was good to hear the progress on the bank accounts, and asked when the loan capital repayments will start? C Cameron confirmed these payments will commence in July.

P MacNeill advised members CAF can provide access to 50/60 bank accounts and that they can carry out searches on financial ratings for potential bank accounts identified through CAF.

CC

P McNeill informed members that the Treasury Management Policy will need to be reviewed and presented to the board meeting as a change will be required to the list of approved financial institutions listed as acceptable to hold deposited funds. It was noted that the discussions with CAF were positive that they can outperform current return levels.

**Decision**

The Board:

**Approved** the Management Accounts for Quarter 3 to 31 December 2023.

**4.3**

**Draft Budget 2024/2025 (Version 2)**

**Report  
Summary**

Members were advised that the report was presented to the Audit and Risk Committee on 12 February 2024. Continuing to note that the only assumption that has changed from Version 1 of the Draft Budget, was the Salaries which was 5.5% based on the information provided by EVH. C Cameron advised that the proposal has been rejected by members, it is hoped that end of March an increase will be approved for inclusion to the budget.

It was clarified that Appendices 1-3 show the detailed drafting of the Draft Budget for 2024/2025 which is returning a deficit of £342k and a decrease in the bank of £506k. This compares to the current business plan decrease that was anticipated of £1.1m. It was further clarified that the difference is due to the reduction of the planned investment programme for 2024/2025.

It was noted that the Draft Budget assumes a rent increase of 5.9% as identified in Version 1 of the report. Which will be covered under item 11.2 at tonight's meeting.

Members were advised that the proposed Service Charge increases have remained the same as noted in Version 1 of the Draft Budget. Members were further advised that the Sheltered Housing Service Charge will increase by £25.69 per month and these costs have been calculated using the 2022/2023 actual costs. The increase in costs has arisen due to increased salary costs and the running costs of the common rooms.

It was noted that the budget assumes an increase in Factoring Fees to £100 per annum and the proposed DOSCG fees for 2024/2025.

It was clarified that the table showing the Investments planned for 2024/2025 also details the changes from Version 1 of the Draft Budget. It was noted that the Association are classing this internally as a holding budget due to awaiting the full results of the Stock Condition Survey. Once the full results have been supplied, year 1 of the Stock Conditions Survey will be included in the 2025/2026 year in the 30-year projections.

Members were advised that the Stock Conditions Surveys is still early in its progression with phase 2 commencing in April 2024. Test sampling is being

carried out by staff when results are starting to filter through to the Association.

It was noted that the Association has included bathrooms and windows in the Investment Programme for 2024/2025 and this was taken from information that is currently held. The Association did originally plan to have other component replacements carried out as noted on the business plan, however the decision was taken to wait on some of these items due to the Association being in the midst of the Stock Condition Surveys being carried out. Inspections have been carried out by staff and they have identified that Bathrooms and Window replacements require to be carried out during 2024/2025 as these works have been identified as being critical due to component failures. It was further noted that the Association are confident that the work being planned is required in 2024/2025 and will be progressed in this next year.

Members were advised that there are now costs included in Version 2 of the Draft Budget for Stonework's Contingency, Extractor Fan renewals and Door Entry renewals.

It was clarified that all movements between Version 1 and Version 2 of the Draft Budget are detailed in table 3.17 of the budget. It was further clarified that there are now costs for Back Court Fencing replacements and Water Tank removals which have been included in Version 2 of the Draft Budget.

Members were advised that there is a significant jump in the costs for Close Painting which has went from £5k to £80k and this increase has been the result of staff inspections identifying that more closes that are in poor condition and require upgrading. The staff are taking in to account the local area and environment for upgrading not just the internal of the properties.

It was clarified that the IT Support costs have increased from £75k to £89k which is due to additional costs for Website Development.

Members were advised that there is now an inclusion in Version 2 of the Draft Budget for the upgrading works to the Sculpture Garden of £15k. Members were further advised that as the Sculpture Garden is in such a unique and prominent area, it is easy to see that it is now looking run down. The Association are also able to attract some community benefits from the contractor who is carrying out the Stonework's project and are currently in discussions to enquire if they could provide labour to help upgrade the garden.

C Cameron closed their update advising that the draft budget continues to show the Association's viability and that it continued to comfortably meet the covenants set by Unity Bank.

**Discussion** There were no questions.

**Decision** The Board:  
**Reviewed** the revised draft 2024/25 Budget, version 2 as attached at **Appendices 1 to 5**

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|                       | <p><b>Noted</b> that a final 2024/25 draft Budget will be brought to the Board meeting on 26 March 2024 for approval.</p> <p><b>Noted</b> that the proposed rent increase and revised service charges for 2024/25 and supporting papers are being discussed under Agenda Item 11.2 for discussion and approval.</p>  |    |
| <b>5.0</b>            | <b>BOARD MATTERS ARISING SCHEDULE</b>  |    |
| <b>Report Summary</b> | <p>AM Brown presented the report to members providing updates that action 3; Revised 30 Year Financial Projections will be brought to members at the 26 March 2024 meeting and that items 6 and 7 relating to pension review will be progressed by P McNeill.</p> <p>Item 10; property acquisitions and ROTS programme (Rental Off the Shelf Programme) will be covered under item 6.4 Chief Executive Report.</p>   | PM |
| <b>Discussion</b>     | There were no questions based on the report.   |    |
| <b>Decision</b>       | <p>Member noted that it is encouraging to see the Pension Review will be progressing under P McNeill as staff have been patient waiting for progress.</p> <p>The Board:</p> <p><b>Noted</b> the updates to the Matters Arising Schedule.</p>   |    |
| <b>6.0</b>            | <b>CHIEF EXECUTIVE'S PROGRESS UPDATE: CONFIDENTIAL</b>   |    |
| <b>Report Summary</b> | <p><b>Redacted from the minute for publication purposes</b></p>  |    |
| <b>Discussion</b>     |  |    |
| <b>Decision</b>       |  |    |
| <b>7.0</b>            | <b>GOVERNANCE</b>  |    |
| <b>7.1</b>            | <b>Risk Register 6 Monthly Review</b>  |    |
| <b>Report Summary</b> | AM Brown presented the updates to members advising that the register was presented to the Audit and Risk meeting and that there have been no further changes.  |    |
| <b>Discussion</b>     | Member noted that it was refreshing to see managed migration highlighted as a risk on the register with it being early in the process. Member asked if the Tenancy Sustainment Officer post should be reviewed and is it expected that there will be enhanced workload for them? AM Brown advised that Clydebank HA have been successful in obtaining additional funding for the post which is shared. Discussions have taken place across the 3 shared RSL's that the need is prevalent. However, it does ultimately come down to affordability for those involved. |    |
| <b>Decision</b>       | <p>The Board:</p> <p><b>Noted</b> the contents of this report.</p> <p><b>Reviewed</b> and <b>approved</b> the updated Risk Register at <b>Appendix 1</b>.</p> <p><b>Approved</b> the Association's Risk Maturity Assessment as being 'managed'.</p>  |    |
| <b>7.2</b>            | <b>Delivery Plan – Quarterly Update Report</b>   |    |
| <b>Report Summary</b> | AM Brown presented the report to members advising the RAAC surveys have now been completed, and that the Association is awaiting the final report. It has been   |    |

confirmed to AM Brown that no property under the Associations management contains RAAC.

A Dickson provided an additional update that a member of Care Staff is currently undertaking an enhanced dementia qualification which is fully funded by NHS Learning Scotland through Dundee University. Upon completion the member of staff will be a dementia champion for the Association. A Dickson confirmed that all Care Staff do undertake regular dementia training through various providers and delivery formats.

A Dickson advised that they are currently carrying out a review of DPHA's Sheltered Housing support need which is 24/7 for our tenants. Noting that the sites are manned 8am-9.30pm in partnership with WDC. A Dickson advised members that Hanover also can pick up emergency calls from tenants and informing the on call WDC homecare team of assistance when required. The potential outcome could be going into a full partnership with WDC which would exclude Hanover's input. An update will be provided to the Board at a future meeting.

**Discussion**

Member noted that it was a positive report. Member advised that they were delighted to note the outcome of the RAAC report findings now that they are complete.

Member asked for their support and thanks to be passed on to the member of staff that is undertaking the dementia training.

Member asked for an update on the potential of selling the shop units asked what stage this was at? C Cameron confirmed that the shop units are empty, and they are not generating interest from potential tenants. A report will be presented to the Board once internal discussions have taken place regarding the units.

CC/AMB

**Decision**

The Board:  
**Noted** the covering report.  
**Approved** the updates to the Delivery Plan, Year 3 for 2023/2024 as at **Appendix 1**.

**7.4 Disclosure Scotland Checks for Board & Staff**

**Report Summary**

AM Brown presented the report to members advising that the Board and non-care staff qualify for Disclosure Scotland checks to be carried out.

Members were informed that there will be a new Disclosure scheme that will come into effect in 2024. The scheme will bring in clearer levels of checks and criteria that can be carried out on staff and Board members once approved.

AM Brown advised that the intention is for all non-care staff and Board Members to be disclosure checked.

**Discussion**

Member gave their opinion that they feel it is extremely important to have disclosure checks carried out and that the Board should lead by example and have the check carried out.



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| <p><b>Decision</b></p>       | <p>Member asked if the Out of School Care Group fall under the Care Staff umbrella. AM Brown confirmed that they do and they are PVG checked prior to their employment commencing.</p> <p>The Board:</p> <p><b>Noted:</b> That all of the Association’s care service staff have had Disclosure Scotland checks completed as part of the PVG Scheme and at the start of their employment.</p> <p><b>Noted</b> that DPHA can have all other staff and Board members Disclosure Scotland checked using the basic or standard check, and this should be made clear in recruitment processes.</p> <p><b>Noted</b> that once the new Disclosure Scotland process comes into effect all non-care staff and Board members will be subject to a Level 1 or Level 2 check.</p>  |  |
| <p><b>8.0</b></p>            | <p><b>STRATEGY</b></p> <p><b>None.</b></p>  |  |
| <p><b>9.0</b></p>            | <p><b>FINANCE</b></p> <p><b>None.</b></p>   |  |
| <p><b>10.0</b></p>           | <p><b>STAFFING</b></p>  |  |
| <p><b>10.1</b></p>           | <p><b>EVH Wage Ballot, 2024/2025: Confidential</b></p>  |  |
| <p><b>Report Summary</b></p> | <p><b>Redacted from the minute for publication purposes</b></p>   |  |
| <p><b>11.0</b></p>           | <p><b>OPERATIONS</b></p>  |  |
| <p><b>11.1</b></p>           | <p><b>Performance Report – 3<sup>rd</sup> Quarter 2023/2024</b></p>   |  |
| <p><b>Report Summary</b></p> | <p>J Cameron presented the report to members providing a summary of the performance in Quarter 3 and year to date. Noting that 3 tenants noted dissatisfaction with repair standards, these have been followed up and resolved to tenants’ satisfaction. Members were informed that Estate Management has received a poorer satisfaction score due to ongoing issues with dog fouling and bulk refuse issues. J Cameron advised that the Stair Cleaning service contract is currently being tendered and bulk uplifts have been included as part of the contract to help combat some issues.</p> <p>J Cameron advised members that they have carried out a full audit of the rent accounts advising a number of large arrears cases have ended their tenancy through abandonment. Members noted the Gross Tenant arrears of £178k does not include debt accrued due to technical arrears or Houses in Multiple Occupation.</p> <p>Highlighting to members that that rent arrears increase around £6k monthly due to the timing of benefit payments which does correct itself.</p> <p>Termination of tenancies have increased in the last quarter with 6 current voids at present, noting that relet times have decreased to 17 days from the previous quarter. Refusals of properties are remaining at 30% with no clear indicator of reasons of refusal.</p> |  |

**7.58pm Chair suspended Standing Order with the support of Members present.**

J Cameron continued to advise the Stonework project is now complete, all tenants affected have indicated that they are happy with the works undertaken. The Customer Services Team will conduct a full satisfaction survey of all residents affected by the works.

A Dickson picked up on the Care Services performance report noting that the staff member who reported an injury whilst at training was injured whilst on annual leave. A Dickson also informed members that 2 residents had passed away in the last quarter and all instances were reported to the Care Inspectorate who have advised that there are no areas of concern to them.

Closing the performance report summary J Cameron advised that there were no accidents or incidents to report. Advising that 9 Complaints were received in quarter 3 mainly due to an increased and robust approach on the rent collection process.

**Discussion** Member asked if the red text at the start of the report relating to satisfaction results and rent arrears is something that the Board should be concerned about?

J Cameron advised that yes in terms of the rent arrears it is an area of concern as it is the income needed for the Association to continue operating. However, noting that the figure will decrease when the Association is in receipt of double housing benefit payment.

**Decision** The Board:

**Noted** the updates in the Performance Report – 3<sup>rd</sup> Quarter 2023/2024.

**11.2 Rent and Service Charge Consultation 2024/2025 – Outcome & Approval of Rent, Service Charges & Other Fees**

**Report Summary** D Wilson presented the report to members providing the outcome of most recent consultation with tenants which took place between 17 January 2024 and 2 February 2024. Tenants were asked for their views on rent increases options of 5.9% and 6.4%. All tenants were written to, and an online survey was also utilised for response advising that 111 responses were received.

Confirming from the 111 responses submitted 85% agreed with 5.9% increase, 9% agreed with 6.4% and 6% choose not to answer the question. Affordability calculations were also run on the proposal which evidenced that the 5.9% was affordable based on tenants earning the Living Wage.

**Discussion** Member stated that the response was very positive based on their knowledge of other RSL response numbers which generally can be very low.

D Wilson advised that the online survey did produce higher responses and it seemed to be the preferred engagement option of our tenants.

**Decision** The Board:

**Noted** the contents of this report.

**Approved** a 5.9% rent increase for all the Association's Scottish Secure tenancies, sharing owner properties and non-self-contained properties (e.g. Housing in Multiple Occupancy properties) coming into effect from 28 March 2024.

**Approved** the revised service charges for 2024/25 as set out in para 3.16 within the report, coming into effect from 28 March 2024.

**Noted** that a rent and service charge increase letter will be sent out to tenants and shared owners 28 days before the rent increase is applied on the 28 March 2024. These letters will be delivered by hand on 27 February 2024.

**8.25pm D Edgar and J Cameron left the meeting. The Meeting remained Quorate.**

It was agreed that the remainder of the meeting reports after 11.3 will be taken to the next Board Meeting on 26 March 2024.

### 11.3 Stonework & Insulation Project Update Report

#### Report Summary

D Wilson presented the report – noting that the project is now 100% completed and scaffolding has been removed from site. £169k grant funding has been withdrawn in total with a final draw down of funds due to take place in the coming days with the final invoice from the Valley Group being submitted in the coming days.

#### Discussion

Member advised that they are extremely happy that the project has been completed and that our tenants will benefit from this work for many years. Additional member noted that the removal of the scaffold has improved the overall look of the area and it is very nice to see the pictures and the improvements that have been made.

#### Decision

The Board:

**Noted** the contents of this progress report.

**Noted** the funding that has been drawn down to date to assist with costs.

**Noted** the project is now complete and off site.

**Noted** a final report on project costs will be issued to the Board at its meeting in March 2024.

### 15.0 DATE OF NEXT MEETINGS VIA MICROSOFT TEAMS

Chair advised dates of next meetings:

- **Board Rent Harmonisation Session with Arneil Johnston:** 27 February 2024 at 6pm (on-line).
- **Board Meeting:** 26 March 2024 at 6pm (hybrid).
- **Policy Review Working Group:** 12 March 2024 at 6pm (on-line).

The meeting closed at 8.30 pm

Signed \_\_\_\_\_ Date \_\_\_\_\_

(Chairperson)