

GLEN HOUSING ASSOCIATION
MINUTE OF THE BOARD OF MANAGEMENT MEETING
WEDNESDAY 19th OCTOBER 2022

PRESENT: Graham Ross (GR)
Isobel Muirhead (IM)
J McArthur (JMc)
P Milne (PM)
Shane Garrioch (SG)
Trevor Newman (TN)
Alison Crook (AC)

IN ATTENDANCE: T Thomson (TT), Thomson Cooper
A Dickie (AD)
I Byers (IB)
K Milne (KM)

1. APOLOGIES & DISCLOSURES OF INTEREST

Apologies: Barry Allan (BA)
Stuart Thomson (ST)
Josie Smith (JS)

AD referred to the fact that Rab Melville has now missed 3 meetings;
will contact to discuss.

Declarations of Interest: None

2. MINUTES

2.1 Minute of Board of Management Meeting 21st September 2022

The above Minute was proposed by SG, seconded by PM and approved as a true record of the meeting with the following small amendments:

2.1.1 Item 4.4 – Net Zero Group Recommendation

Reword as follows;

*AD presented this report with the recommendation to Board to proceed with both items of work; the basic Stock Condition Survey by our QS, Hardies (£7,500 incl VAT), and the more detailed investigation led by Changeworks (£42,000 incl VAT). The recommendation was **approved**, however, not without much discussion on the pros/cons of*

the high expenditure and how this would be evidenced as a benefit to tenants.

- 2.1.2 Item 5.2 (3) – Assurance Statement Prep
Typo last sentence – change meant to mean.

2.2 Matters Arising from the above Minute

2.2.1 Item 4.1.2 – Finance Training

AD confirmed she had a date for this training – Wednesday 16th November, and would forward details to all, those who missed the last session as well as those who might like a refresher.

2.2.2 Item 4.2.2 – Arrears

AD referred to this situation and confirmed there had been a change to the moratorium on evictions, whereby if the arrear is greater than £2500 and any actions were raised prior to 6th September, then we can proceed with that action.

JMc asked, where a tenant is incarcerated, are we within our rights to make contact with that tenant to offer them a new tenancy on release, if they relinquish their current tenancy. AD advised that we have tried on a number of occasions to speak with this tenant but been told the prisoner won't take the call. This case called in court again on 13/10 whereby their solicitor asked for further continuance as they hadn't received any correspondence from us on the rent balance at the time of their client's incarceration. Sheriff accepted this and continued the case to January, meanwhile, the arrear will continue to increase. AD to check with our solicitor, TC Young and will update Board accordingly.

2.2.3 Item 4.4.3 - Stock Condition Surveys

AD confirmed that she had received the programme from Changeworks and Hardies at the end of last week with November being the proposed start for the surveys.

2.2.4 Item 4.4.5 - Funding

AD confirmed that the application for £49k funding had been unsuccessful - the reason being that they had been oversubscribed.

JMc referred to the various bids for funding and suggested it would be good for Board to see these reported on occasionally, signifying the effort being put in. AD agreed that this could be elaborated on in the current quarterly report to Board on Tenant Support Funding. AD advised that there would be a fair bit of outreach work over the next couple of weeks with an update to Board scheduled for the November meeting.

3. FINANCE AND STAFFING MATTERS

3.1 Financial Report for the year to 30/09/2022

TT presented this item and referred Members to the detailed report accompanying the accounts, apologising for the lateness with which Members received the report – due to illness. The accounts as presented were **approved**.

- 3.1.1 AC referred to the variable interest loans and suggested looking at fixing some of them. AD confirmed she had been in touch with Triodos and CAF Bank at the time of the Rent Freeze announcements, mainly as a courtesy but also to confirm they had no concerns about our covenants being breached with a rent freeze, certainly not in the short term.

During those conversations, Triodos had stated they could offer 5-6% fixed rate over 3/5/7 years. CAF Bank are not offering fixed rates at the moment. AC suggested good practice would be for part fixed/part variable with more fixed than variable and for a longer period.

AD will include this for consideration in the budget proposals for 2023/24 at the November meeting – Board can decide then what they wish to fix and for how long. AD would be keen to hear BA's view on this.

Incidentally, the feeling from both lenders is that the market is not going to continue increasing substantially.

- 3.1.2 SG referred to the underspend in staff costs and asked with this level out over the remainder of the year. AD confirmed this was in part due to the fluctuation in salary scales and relative costs between staff that had left and new members. Also, one member of staff due to return in November after extended (unpaid) maternity leave, which will incur more expenditure.

3.2 Arrears Report to 30/09/2022

AD presented this report. The report was **approved** with the following discussed/clarified:

- 3.2.1 Table 1 Present Tenant Arrears – AD referred to the increase in arrears and explained that this was a reflection of having to honour new staff holidays as well as those already booked by existing staff, which left this team short staffed. New staff members are working hard to suppress this increase, however, AD and IB will be more involved in the interim to oversee this. Prior to Donald Martin resigning, he did forecast that there would be an issue with tenants' fuel bill direct debits/standing orders being increased so drastically that they would be left short for their rent. AD predicted higher arrears for October and November.

- 3.2.2 Table 2 – Current Tenant Arrear by Value – AD referred to the 2 cases within the £1000 - £1999 bracket and confirmed that both will unlikely be subject to the moratorium on evictions as action had been taken prior to 06/09/22. One case is calling in court soon and it remains to be seen whether the Sheriff will grant decree for eviction, obviously it would be the Association’s preference for the tenant to pay but this is predicted unlikely.
- 3.2.3 Table 4 – Arrears Legal Action Report – AD apologised for the omission of data in the Qtr2 22/23 column – this will be on the next report.
- 3.2.4 Item 10 – Benchmarking – IM referred to the graph presented at this item and suggested it was meaningless without more contextual information. AD agreed but reminded members that when they did receive the full benchmarking report, they felt it was too much. JMc suggested, rather than resuming with the full copies of the report, perhaps IB could do a Benchmarking presentation at the Strategy review event – AD noted.

3.3 Mid Year Budget Review

AD presented this report with her recommendation for changes to the annual budget figures, **approved**. AD asked if Members would prefer the accounts to be amended to reflect the changes or left as is – the consensus was to amend them to show new budgeted figures. This will be done for the November meeting, to coincide with setting the budget for 2023/24.

- 3.3.1 GR referred to the significant reduction in the Cyclical Maintenance budget figure and whilst acknowledging the reasons for the pushbacks, wished it noted that he is conscious of this from a tenant perspective and hopes that the results from the Changeworks project will see improvements commencing soon. AD concurred with his sentiment, adding it is her intention to write out to all tenants to inform them of the Changeworks project, explaining how the results will drive our Cyclical and Major Repairs programmes which will also be fed back to them. This will also touch on the problems faced with securing contractors to do the major planned works, e.g. the bathroom replacement programme which has had to be broken down into smaller projects so that it can be given out to smaller contractors, with more limited capacity. This will be distributed to Board in the first instance and out to tenants within the next couple of weeks as the surveys are due to start in November.

Although not an ideal scenario, SG commented that the positive outcome from it is the investment in local economy with the issue of contracts to small, local contractors.

- 3.3.2 GR asked that anticipated grant monies are not included in ongoing budget forecasts – AD noted.

4. GOVERNANCE

4.1 Rent Freeze Legislation Update

AD gave a verbal update, summarised as follows:

- Letter from Scottish Housing Regulator (SHR) confirming rent increase freeze to 31/03/2023, but with potential for extension to 30/09/2023 and further to 31/03/2024.
- Scottish Government (SG) to advise no later than 14/01/23 on whether 0% cap being extended from 31/03/23 or a different level of cap.
- SHR advice is to proceed with work to determine levels of rent increase for 2023/24, including tenant consultation.
- If we don't consult with tenants and the cap is lifted in March 2023, we could not increase rents as we wouldn't have done the legal/regulatory exercise (consult).
- We have to advise our SHR Engagement Plan Officer of our proposed increase for April 2023, as soon as we have concluded consultation with tenants and Board have approved the proposal.
- The Annual Assurance Statement – should be submitted based on our **current assessment** of our compliance with regulatory standards – by 31st October 2022.
- Notify SHR, if after October we identify a material change in our level of compliance, including as a result of SG decision on rent cap after 31/03/2023.
- Business Plans (BPs) – urgent and comprehensive review of BPs (expected by SHR) – stress test to include interest rates; above inflation cost increases; increasing arrears, high inflation; sub-inflation; rent increases.

Plan

7/8 November SFHA Finance Conference – AD/TN & TT attending: use info picked up from this and any other feedback from SFHA Working Group to inform how we consult our tenants

AD/IB work on Budget draft for 23/24 with suggested increase to consult on for 23/11 meeting – two likely scenarios – 0% and 5%.

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Board acknowledged the difficult position, and suggested the consultation could take the form of;

The law says 0% - the consequences of that are: ?

The Business Plan says ?- the consequences of that are: ?

4.2 Annual Assurance Statement (AAS)

AD presented this report which was **approved** with one typo to be amended at the date of the Board meeting – should be 19th October 2022. The Annual Assurance Statement Improvement Action Plan was also presented and discussed with one small amendment to be made

4.2.1 Standard 2, Guidance 2.4 – progress should read, “only affecting 4 properties and have been **visually** checked to ensure safe”

4.2.2 IM suggested a working group to sample the evidence suggested for confirming compliance. AD agreed this would be beneficial and will contact all Members for volunteers.

4.3 Board Appraisal Action Plan

AD presented this report, adding that she had received further info from Linda Ewart on Induction Support which she would pass to GR.

JMc referred to second item on the plan which had a completion date, October 22 which inferred this would have to take place tonight. Discussion ensued around the pension review and the following were identified as pertinent lessons to consider for the future:

- AD - More cognisance should have been taken to the first feedback received with strong feelings from staff and more credence given to those points.
- AC – only one joint meeting with Board and Staff and then individual meetings, not ideal, however, this was largely due to Covid.
- AC – would be interested in seeing the result of the final decision, i.e. have staff changed their contributions; has Glen made savings; has Glen reduced their risks? AD to diary a review for a year's time.
- JMc – main concern, was it appropriate for Board to expect members to have conducted such a colossal piece of business as this or should we have used consultants – difficult to have envisaged the amount of time and effort that was going to be required.

The report and accompanying Action Plan were thereafter **approved** with Item 2 concluded.

4.4 Fraud & Gift Register Sign-Off

4.4a Fraud Register
1st October 2021 – 30th September 2022

No incidences of fraud – noted and **approved**.

4.4b Gifts & Hospitality Register
1st October 2021 – 30th September 2022

No gifts or hospitality received – noted and **approved**

4.5 Health & Safety Committee Report.

SG presented this report, advising that there had only been a few very minor housekeeping issues identified by him during the office Health & Safety inspection. GR thanked SG for his diligence and Board **approved** the Minute of the Health & Safety Committee meeting of 14/09/2022.

5. POLICY REVIEWS

5.1 Allocation Policy

Approved with cognisance of the query from BA re the age discrimination concern in specifying an age in Appendix 2, Section 2 – still to be clarified by IB on his return from Annual Leave.

5.2 Assignment Policy - Approved.

5.3 Subletting Policy - Approved.

5.4 Void Policy - Approved.

6. AOCB

6.1 AD referred to earlier discussion on the Business Strategy Review and confirmed that a facilitator has been identified, Alison Smith of Allpark Consultants. AD suggested this review takes the form of one full day (a Friday), followed by a further half day (Saturday morning). Member consensus was to do this consecutively and agreed that this should not include an overnight stay given the current economic climate but should be concluded with a lunch. Suggested dates would be middle to late January but no later. AD acknowledged this may involve some Board Members having to use annual leave but encouraged everyone to attend as success depends on maximum participation.

Meeting concluded at 8.50pm