

GLEN HOUSING ASSOCIATION

MINUTE OF THE BOARD OF MANAGEMENT MEETING

WEDNESDAY 25th JANUARY 2023

PRESENT: Barry Allan (BA) – Chair of Meeting
Isobel Muirhead (IM)
John McArthur (JMc)
Josie Smith (JS)
Alison Crook (AC)
Shane Garrioch (SG)
Stuart Thomson (ST)

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

BA welcomed Graeme Brown, ERMG who was in attendance to present the results of the recent risk appetite survey. BA brought this Agenda item forward to allow Graeme to leave before the business part of the meeting.

1. **APOLOGIES & DISCLOSURES OF INTEREST**

Apologies: Graham Ross (GR)
P Milne (PM)
Trevor Newman (TN)

Declarations of Interest: None

4. **GOVERNANCE**

4.1 **Risk Appetite Report**

4.1.1 Graeme presented the Risk Appetite results from the survey, theme by theme with the overall risk appetite showing slightly more cautious than open, which he explained, is quite understandable in the current economic climate.

4.1.2 Graeme then spoke to the Risk Appetite Mapping to Operational Risks table which showed:

3 x Operational Risks currently outside Risk Appetite: –
Delivery Programme; Financial Sustainability; Income.

6 x Operational Risks currently on the threshold of the Risk Appetite: – Governance; Communication; Financial Reporting; Management of Procurement & Contracts; Managing Expectations; Business Continuity; ICT Infrastructure

Graeme agreed with BA's suggestion that these are predominantly the ones that Board should concentrate on, asking such questions as, Why? Are there actions in place? How long before they are within risk appetite?.

BA asked how often Board would look at Risk Management and was referred to the Director's Workplan at Item 4.3 – next on the Agenda in February, June and quarterly thereafter.

- 4.1.3 To conclude, Graeme presented Glen's Risk Appetite Statement which was **approved**, with one small amendment highlighted by SG – the matrix at the bottom of Page 37 should have the numbers on the axes removed as they are irrelevant.

AD thanked Graeme for his presentation and informed Board that this was his final visit to Glen Housing as he was moving on from ERMG - Board wished him well in his new employment and he thereafter left the meeting.

2. MINUTES

2.1 Minute of Board of Management Meeting 23rd November 2022

The above Minute was proposed by AC, seconded by IM and approved as a true record of the meeting.

2.2 Matters Arising from the above Minute

- 2.2.1 Item 2.2.1 – AD confirmed this is in hand – GR to finalise letter and an appropriate gift to be obtained.
- 2.2.2 Item 2.2.1 – Assurance Statement Working Group - AD confirmed that she had not yet formed this working group as she felt she had asked a lot of Board Members recently – will be looked at in due course, potentially meeting in March.
- 2.2.3 Item 3.3 – Net Zero Heat Fund – BA asked if there was any update on this – AD confirmed she had emailed the Scottish Government today at 3.50pm for an update as the results were meant to have been notified the second week in January. At 5.35pm she had received a response, apologising for the delay and advising that there would be a response the following day from the Team Leader. AD will update Board as soon as she hears anything.

2.2.4 Item 3.3.2 – Rent Increase Consultation – BA referred to the correspondence between AD and Members between the last meeting and the announcement by the SG not to freeze or cap Social Housing rents, and thanked all for their valuable input. AD concurred and added, further to the survey going out to all tenants, 95 responses had been received thus far, with 56% opting for 5% and 44% for 6%. Closing date is 31/01.

3. FINANCE AND STAFFING MATTERS

3.1 Financial Report for the year to 31/12/2022

TT presented this item and referred Members to the detailed report accompanying the accounts. The accounts as presented were **approved**.

3.1.1 AD referred to the Quarterly Loan Portfolio, in particular the 3 investments in the Flagstone Portfolio – funds off deposit 06/01/23, and advised that Nationwide (A Registered), is currently offering 4% interest on deposits.

AD confirmed that she would be looking at this in the coming week as she is working on the budget with IB.

3.1.2 AC referred to the large underspend at Cyclical Maintenance and asked for an update. IB reminded members of recent discussions whereby the contracts had been broken down into smaller batches in the hope of being more attractive and achievable in terms of capacity for contractors. Unfortunately, the situation is still very difficult – SG confirmed this is not just the case for Glen.

AC suggested the Procurement Policy is not fit for purpose in these exceptional circumstances, at which, IB advised the policy is actually due for review and agreed, it does need to have more flexibility built in whilst adhering to legislation. AC suggested we need to be innovative in our approach to securing contractors and SG agreed, as long as we can document all refusals, evidencing any occasion that we do not follow procurement legislation.

AC asked what the SFHA is doing about this, if anything? AD/IB/BA confirmed that they push the Public Contracts Scotland Framework, which is not always the most cost effective.

AD assured members that the availability of suitable contractors, and the resulting impact of higher costs, is high on the radar for Glen.

3.2 Arrears Report to 31/12/2022

IB presented this report. The report was noted with the following discussed/clarified:

3.2.1 Table 1 – Present Arrears

IB referred members to previous discussions around when it would be appropriate to review the Association's arrears target %, in view of the jump in arrears for December being significantly above target, suggested that time may be near.

3.2.2 Table 2 – Breakdown of Current Tenant Arrear

IB highlighted a typo in column £1 - £399 at 31/12/22 – should be 76 not 68 - total column is correct.

IB referred to the arrears case in the £2000+ bracket and confirmed that this tenant had now been given a lengthy jail sentence the week previous. On Monday past, the proof hearing for the arrears was due in court, the tenant's lawyer decided not to defend, and decree was awarded, meaning approx. £4000 will move into ex tenant arrears, with a recommendation to write off in due course.

3.2.3 Table 4 – Arrears Legal Action

IB referred to the Decree obtained in Quarter 3, whereby the tenant was given the chance to pay, stopped paying and terminated their tenancy the first week in January – eviction will now go ahead.

3.2.4 Table 7 – Former Tenant Arrears

Totals recommended for write-off were **approved**.

3.2.5 IB presented a verbal report on individual case studies giving background to some of the arrears, as suggested by Board at the recent Strategy event.

Board thanked IB for this useful perspective, with JS suggesting these be kept for future evidence, should funding cease and Board are forced into deciding whether Glen should budget for such funding.

Much discussion ensued around the issues being faced with energy companies substantially increasing direct debits, leaving tenants with no funds in place. Suggestions from ST on how tenants could alleviate this in future by cancelling DDs and changing to SOs were noted, however, the reality of the energy crisis and the difficulties experienced was also acknowledged. SG took particular comfort in hearing about how the support offered by Glen has made a difference to some and extended his gratitude to staff involved.

IB added that recent funding did not include for food, however a new funding source, opened on Monday for applications and closing this Friday, includes food vouchers – he is optimistic Glen will be awarded funding.

AC wished it recorded that Board recognise the increase in arrears is not the result of a lack of action by staff.

4. GOVERNANCE

4.2 Board Workplan 2023

AD presented this report, explaining that she had met with the Chair in December to map out the year. There will be some crossover between the Director's Workplan, i.e. the Risk Management review and the Business Strategy review.

AD referred to the Training/Development identified column and confirmed that the Board Appraisals will be a basic format this year, other than that for new Board Member, ST.

AC referred to the Net Zero Group meetings and suggested this may be sooner than later on the back of the anticipated news of the Net Zero Heat Fund expected tomorrow.

AD referred to the Asset Management Policy review scheduled for February and explained this may be slightly postponed, as the long awaited Scottish Housing Regulator (SHR) review is due for release in February.

Board Workplan **approved** as presented.

4.3 Director's Workplan

AD presented this report which was **approved** as follows:

- 4.3.1 JS asked why Development was not in the plan – AD acknowledged she had inadvertently omitted the Windygates site, which **may** be on-site at some point this year, however, on the whole, was waiting for the outcome of the Strategy review; that, and any potential implications of new leadership within the Fife Housing Association Alliance (FHAA).

4.4 Review of Business Strategy Event

All agreed that Alison Smith of Allpark Consultants had facilitated a successful event. Alison herself had commented on the high level of participation from Staff and Board.

5 HOUSING MANAGEMENT REPORTS

5.1 Repairs Report (October - December 2022)

IB presented this report which was **approved** with the following noted:

5.1.1 BA referred to Item 3, Report on Tenant Safety, in particular the number of properties still requiring Electrical Safety Inspection Certificates, and asked IB if he was confident that they would be completed by the end of March. IB said he couldn't give assurances to the 12 properties that required isolator switches as the delay there is with the authorised company that our contractor MPF is working with. MPF has applied for a license themselves and is confident they will get one, however, it's a lengthy process. IB added that where a meter has been identified as tampered with, energy companies are taking months to respond, as opposed to hours in the past.

5.1.2 Table 4 – Reactive & Void Repairs over £250

IB highlighted an omission of (I) for insurance against the cost of £3006 - insurance repair as per quote .

Discussion took place over the costs over £250 being reported on and BA suggested this should be increased to over £1000 in view of the steep increase in costs – Board **approved** this change

5.2 Void Report (October – December 2022)

IB presented this report which was **approved** as follows:

5.2.1 In addition to the report at Item 1 re the 3 properties still void at the end of Quarter 3, IB confirmed that these will have a significant effect on the yearly totals and updated the situation as follows:

Property 1 – now let - void period = 109 days.

Property 3 – will be let shortly – tenant died, keys were retained by family members. IB explained that the ARC allows us to remove 2 weeks from the void figures, thereafter we should discuss with family about paying rent for any additional period, however, this is not normal practice for Glen. JMc suggested, in essence, we are massaging the void figures but still losing the income.

Property 2 – the Aberlour flat was let to a tenant with such challenging behaviour that it wasn't possible to let two of the other properties in the block, resulting in Social Work covering the rent for them. That tenant moved out in October and Social Work ceased with the payments for the 2 flats, leaving us with 3 voids since October.

IB has written to the Young Persons Team, suggesting they either use this facility, or they will lose it. i.e. the flats will be transferred over to general needs lets. The problem would appear to be money, with Social Work not happy with the amount required for the funding package.

Aberlour has advised that they are progressing a couple of potential

tenants. AD/IB confirmed that they are going to contact Aberlour to request a meeting next week, where they will insist that Glen has a role to play in future meetings with Social Work/Aberlour, not least in terms of being involved re the sustainability of tenancies.

BA asked that Board be updated after the meeting. AC suggested AD/IB elevate this as necessary.

AD concluded, aside from the above issue, the Association has seen the most difficult voids to deal with during 2022, than in the past 20 years!

5.3 Recharges Report (October – December 2022)

IB presented this report which was **approved** as presented.

5.4 Complaints & Compliments (October – December 2022)

AD presented this report which was **approved** with the following typo highlighted by ST:

Table 5, Qtr 3 – Total should be 4 and the no. under Category 6 should be 2. Noted.

6. AOCB

- 6.1 AD suggested the extra meeting scheduled for the Rent Review on 08/02/23 may no longer be necessary and may be done by email. To be confirmed.

Meeting concluded at 8.40pm