

GLEN HOUSING ASSOCIATION
MINUTE OF BOARD OF MANAGEMENT MEETING
WEDNESDAY 22nd FEBRUARY 2023

PRESENT:

- G Ross (GR)
- B Allan (BA)
- A Crook (AC)
- S Garrioch (SG)
- T Newman (TN)
- P Milne (PM)
- S Thomson (ST)

IN ATTENDANCE:

- E Cromwell (EC), Thomson Cooper
- T Thomson (TT), Thomson Cooper
- A Dickie (AD)
- K Milne (KM)
- I Byers (IB)

1. APOLOGIES & DECLARATIONS OF INTEREST

Apologies: J Smith (JS)
J McArthur (JMc)
I Muirhead (IM)

Declarations of Interest: None

2. MINUTES

2.1 Minute of Board of Management Meeting 25/01/2023

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

2.2 Matters Arising from the above Minute

2.2.1 Item 4.1.2 – AD confirmed that the Risk Management Policy review had been pushed back in view of the timing of Graeme having left ERMG.

2.2.2 Item 2.2.1 – AD confirmed that a letter and gift in recognition of Rab's service to the Board had now been sent.

2.2.3 Item 2.2.3 – AD and IB attended a Zoom meeting with the Scottish Government (SG) and Roddy from Changeworks, in response to a request for additional information on the project by the SG.

Changeworks are confident in being able to provide what has been requested, in the timescales provided.

AD asked the SG what the response times would be from provision of this info and was advised it would be weeks, not months. Glen's application has been one of the biggest they've received so there will rightly be more scrutiny over value for money. This is also likely to be subjected to an independent due diligence check which may add another couple of weeks to final decision timescales.

AC referred to the practicalities should Glen be successful i.e. will we be providing electric cookers for those with gas cookers? IB confirmed this did not fit into the funding criteria so it was unclear at this point what Glen would do to completely remove the properties from the gas grid. PM asked if we should be enforcing the change to heat pumps in view of the potential costs to tenants – AD confirmed that we would have to consider it for this project as the funding onus is on the decarbonisation of stock.

AC added that it would be good for Board to hear from another organisation that has gone through this project with Changeworks – particularly the tenants' views.

ST raised concerns about the capacity for such a large-scale national project, with only so many contractor organisations qualified to fit such systems. IB advised that Changeworks have allayed any of these fears as they have access to frameworks such as Scotland Excel for Net Zero and Procurement Scotland – they are confident that there is a good spread of expertise within those frameworks.

AD deferred to the importance of this project in delivering against climate change, however, confessed that such a project doesn't come without a lot of concerns, both from her and IB.

GR asked that a Net Zero Working Group meeting is set up asap, if the funding application is successful. AD confirmed that is the intention; Changeworks will project manage, including all tenant liaison. TN asked if we should pre-empt the funding and prepare for tenant engagement/education now – IB confirmed that Changeworks have a template in place, just a case of tweaking for Glen tenants.

Discussion took place around the use of hydrogen as opposed to air source heat pumps and it was established that there is not enough hydrogen produced in this country at the moment to consider this. IB

advised that the data is already there to support air source heat pumps being the most proven of newer technologies.

In view of the level of discussion on this subject, AD will put a note out for a Net Zero Working Group meeting at the earliest opportunity.

AC suggested it may have been an idea to trial air source heat pumps in any small developments in the pipeline - AD concurred, and depending on the outcome of this funding application, we can review this.

- 2.2.4 Item 5.2.1 – AD/IB confirmed that they had met with Aberlour and they advised that they had now identified potential tenants, but also agreed to paying rent for the 3 empty flats for Jan/Feb/Mar '23

3. FINANCE AND STAFFING MATTERS

3.1 Financial Report for the year to 31/01/2023

TT presented this item and referred Members to the detailed report accompanying the accounts. The accounts as presented were **approved** with no further questions to TT.

3.2 Arrears Report to 31/01/23

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

- 3.2.1 Table 2 – IB referred to the 2 cases in the £2000+ bracket and confirmed that decree has now been granted for both, taking it to the third decree awarded since the turn of the year. Paperwork not through yet from Kirkcaldy Sheriff Court but hopeful that we'll receive it before the end of the month before another month's rent is applied. IB advised that he will provide a narrative in next month's report as it is likely all 3 will result in eviction.
- 3.2.2 Item 8 – AC queried the terminology, "third party payments" – IB explained where we only used to receive Housing Benefit, there are now so many different types of payments, so this refers to any payment made to us, not by the tenant, basically by the Government.

3.3 Budget & Rent Increase 2023/24

AD presented this report.

3.4.1 Rent Consultation Analysis

Total Surveys Returned – 117 (24% of households)
56% opted for 5%, 40% opted for 6%, 4% made no choice.
AD confirmed the rent increase for our peers being:
Fife Housing Group & Kingdom Housing = 5%
Ore Valley = 5.3%

GR referred to the comments, in particular the ones focussing on the need for new windows and doors, and suggested this is an area to concentrate on, regardless of a successful Net Zero funding award.

SG expressed his disappointment on one comment about the survey being a waste of money on paperwork as it was his understanding that the consultation explains the process of Board's decision making. AD confirmed this is the case and that there is always feedback on participation results to tenants.

AD confirmed that the majority of respondents had provided addresses so they will be responded to accordingly.

3.4.2 Main Assumptions used for Budget

There now followed participative discussion on the main assumptions and the proposed budget, summarised as follows:

Page 30 – Debt Repayment & Interest

AC queried the increase in Interest from £250K to 450K. AD/TT confirmed this is based on the Bank of England's Base Rate prediction of 4.5% for 2023 (which AD agreed, is playing it safe). EC added that this is having an impact on a lot of organisations, albeit an interest rate of 4% is not the anomaly, rather it is the prolonged low % interest rate during the last number of years.

Page 33 – Maintenance & Investment Spend

Boilers – we will continue to replace as required if no Net Zero Fund–76 in the programme for 23/24

Windows and doors – as above, the intention is to do as many doors/windows as possible, probably using Changeworks for the spec and procurement.

Bathrooms - outline plan is still to break this project down into manageable sizes for smaller contractors.

Results of the Stock Condition Survey are awaited, however AD not anticipating the outcome to show much variation on expected lifespan of components.

Repairs & Voids – BA questioned whether the fairly low £10k increase is a bit ambitious; given his repairs contractor has asked for a 17½% uplift. IB confirmed that indications are that we could contain an increase, however, this can be reviewed mid-year. AD/SG referred to the monthly management accounts which would highlight any anomalies quickly. GR also asked if it might be prudent to do a brief quarterly review as opposed to just the mid-year review – AD agreed.

Members were asked to now consider the consultation feedback, along with the proposed budget and vote on the rent increase for 2023/24. AD advised that JS and JMc had both submitted their preference by email of 5% but happy to go with Board majority. ST commented that his preference had been 6%, however in view of the feedback, 5%, was the obvious choice.

Member unanimously agreed an increase of 5% (which also keeps us in line with our peers).

Meeting thereafter agreed the draft of the Annual Budget for 2023/24, including the accompanying rent increase of 5%

4. GOVERNANCE

4.1 Business Planning/Strategy Report

AD presented this report with a view to agreeing/confirming the Association's Purpose (Mission), Vision and Strategic Priorities.

4.1.1 Board agreed the following Purpose:

"We care about our communities and the challenges they face. We strive to make a difference".

4.1.2 Board agreed the following:

Our vision for 2026 is that we will:

- Continue to be an independent and financially stable organisation.
- Have a motivated, engaged and enthusiastic staff team.
- Have improved how we engage and involve our tenants.
- Have reviewed our services and have plans to make improvements.
- Be supporting tenants to access our services in different ways.
- Be clear about how we will improve energy efficiency and have made a start on implementing this.
- Be continuing to seek opportunities to build more houses, where underpinned by a robust business case.

4.1.3 Board agreed the following Strategic Priorities:

1. Zero carbon/energy efficiency
2. Financial stability & business resilience
3. Quality of our homes
4. Quality of the customer experience
5. Our people

AD will now feedback these decisions to staff and work with them over the coming month to glean some thoughts on how the Association can deliver against each of the agreed 5 Strategic Priorities, with a view to presenting a first draft of the Business Strategy to the March Board meeting.

4.2 Internal Audit Plan 2023/24

AD presented this report which was **approved**.

- 4.2.1 Annual Assurance Statement working group still to be formed – AD has emailed everyone to ascertain interest. Working Group meeting will take place shortly thereafter in view of the internal audit visit in July.

4.3 Feedback from FHAA Chair/CEO Meeting 15/02/2023

GR gave a brief verbal report on his attendance at the above meeting, along with AD. Members of Fife Council, along with a couple of Councillors were also in attendance for the first part of the meeting. Topics discussed included:

- Development - building on a large scale, lots of issues including, but not limited to, schools, infrastructure, the grid
- EESSH – discussion around Alex Rowley’s proposed Bill for all new housing in Scotland to be built to a Scottish equivalent of the Passivhaus Standard. Discussion on suggestion that the Welsh standard is better.
- Rent Increases

GR felt reassured to hear that everyone there was struggling with the same issues as Glen, e.g. availability of contractors, materials etc.

AD concluded by commending GR on his representation of Glen Housing Association.

5. AOCB

Nothing intimated.