

Meeting: Minutes of Board Meeting
Meeting Date: 3 December 2024
Time: 5.30pm
Location: Virtual (MS Teams)

Discussion			
Meeting Opening			
1.	<u>Welcome & Apologies</u>		
Present		Staff	
Liz McKenzie	Chair	David Byfield	Chief Executive (CEO) Company Secretary (CS)
Mark Ingram	Vice-Chair		
Richard Mahon	Board Member	Karen Fee	Director of Finance, Digital Engagement and Corporate Services (DFDCS)
Chuks Nwadi-Nwadi	Board Member	Suzanne Casey	Director of Customer Services
Charles Ball	Co-opted Member	Peter Kelly	Director of Asset Management
Fiona Dunwoodie	Co-opted Member	Joe Dewar	Asset Management Consultant
Alex Warren	Board Member	Jacqui Mills	Corporate Services Officer (CSO) (Minute Taker)
John Duncan	Board Member	Michelle Hart	Finance and Corporate Manager
Chinenye Anameje	Board Member		
Apologies		In attendance	
Karen McDonagh	Board Member	Alan Shanks	Consultant
2.	<u>Declaration of Interest</u>		
	None		
3.	<u>Declaration of Receipt and Understanding</u>		
	Members present confirmed they read and understood the contents of the Board papers.		
4.	Minutes of Board Meetings for Approval		
	Minutes of Board Meeting 29 October 2024		

Approved by:	
Mark Ingram	Fiona Dunwoodie
Minutes of Audit, Performance and Risk Assurance Sub Committee Meeting: 5 November 2024	
Approved by:	
Richard Mahon	Mark Ingram

5.	<u>Matters Arising/ Action Sheet</u> No matters arising from the minutes or action sheet. Action Sheet:
	Approved by: Mark Ingram
	Seconded by: Fiona Dunwoodie

Items requiring a discussion/ approval

6.	<p>Rent Consultation Report 2025-26</p> <p>DFDCS and DCS presented the Rent Consultation report 25-26 proposing that this year the Association considers three increases of 3.3%, 3.9% and 4.5%. DFDCS advised that the proposal takes into consideration the UK's fluctuating economy. The Consumer Price Index has dropped to 2.3% and the Bank of England has cut interest rates to 4.75%. The Association will still face cost challenges, and all three options presented are above inflation, ensure we can continue to invest in our stock and are affordable to tenants and future tenants. DFDCS reminded Board that last years rent increase was 6% set against CPI of 11.1%.</p> <p>DCS advised members on the Consultation which will be facilitated by Research Resource (RR) again this year as we received a strong response rate in previous years with last year seeing a response rate of 219 responses. DCS outlined the consultation timetable and advised that tenants will also have opportunity for customers to reply digitally, in post or attend one of two in-person rent consultation drop-in sessions all supported by a social media campaign. RR will complete 100 telephone survey's early January. Consultation period commences from 13 December 2024 and closes on 12 January 2025. DCS presented Board with a peer comparison from Glasgow West of Scotland Forum and Scottish Housing Network analysis on rent increase intentions as detailed in the report. Comparison of our rents against our SHN peer group was also presented by the DCS for contextual information.</p> <p>FCM then demonstrated the impact on the Association's 30 year Business Plan which includes assumptions on annual salary increase which is as yet unknown (4.5% assumed), investment is based on up to date information form the Association's Asset Management System which is populated from our independent stock condition surveys including advice from Alan Shanks to ensure current market value for major components and for each of the proposed options which clearly conveyed the 30 year cash position and the robust financial viability of Ardenglen presented by all three options. The FCM then presented analysis on tenant affordability as a result of modelling each of the rent increase options using the SFHA affordability tool to give an overview of tenant affordability.</p>
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FCM then presented scenario planning to reflect different scenarios which all remain positive apart from a scenario of inflation only rent increases from now to year 30 which result in a deficit from year 7.

Chair opened discussion by stating that three options (3.3%, 3.9% and 4.5%) may be too much for consultation and felt that 3.3% is too low to consult on with the Association's investment plans underway.

CEO advised that it would be preferable to offer customers choice and that two options of 3.9% and 4.5% could be presented via the consultation exercises with a narrative on the additional service provision if tenants opted for the higher figure of 4.5%.

Board then debated the merits of a single option versus multiple options when consulting with tenants.

John Duncan highlighted that previous rent increases were less than inflation and less than internal inflation given the cost increase of repairs and component replacements.

Balance was identified as the key in terms of affordability for tenants whilst balancing the Association's commitments off the back of a difficult financial climate which remains challenging.

Fiona Dunwoodie would discount the lower option of 3.3% and consult on 3.9% and 4.5%.

Alex Warren advised that John Duncan covered some of the points he was intending on raising in terms of a single option versus two options. AW went on to query if the modelling included the changes to national insurance in terms of the impact on the Association. FCM advised that changes to national insurance in terms of lowering the threshold to £5,000 and increasing the employer contribution to 15% which has resulted in an increase to the Association in 2025/26 of £27,000 which is reflected in the analysis presented in the Board reports. AW feels this should also figure in the discussions with tenants to highlight some of the challenges the Association is facing.

John Duncan asked the FCM what the national insurance increase would equate to on a per property per week basis. FCM calculated it as around 52p per property per week with John Duncan advising that he feels the figures of 3.9% and 4.5% are better placed for the Association.

Chair recapped the challenges that tenants are facing in terms of the cost-of-living crisis and sought approval from Board members to go out tenant consultation on 3.9% and 4.5%. Chair invited CEO to offer final comment, CEO advised that giving tenants the choice of two rent increase options of 3.9% and 4.5% is a sensible approach and off the back of the presentation tonight it's clear that both options are affordable, ensure ongoing viability and an ability to meet our investment ambitions whilst balancing affordability for both our tenants and the Association.

Chair went round each Board member individually for final thoughts and approval. Board unanimously agreed tenant consultation on 3.9% and 4.5%.

DCS advised that the tenant consultation narrative would be finalised to reflect the options of 3.9% and 4.5% for distribution to tenants.

	<p>The Board approved decision to consult with tenants on two rent increase options of 3.9% and 4.5%.</p>
<p>7a.</p>	<p>6 Ardencraig Street Proposed Internal Alterations</p> <p>DAM presented a tabled report on the Proposed Internal Alterations at 6 Ardencraig Street. The tender report just returned yesterday. He explained that 4 contractors “minute has been redacted to remove commercially sensitive information” showed interest in tendering for the work. The tenders were assessed on quality and cost with the three lowest bidders all passing the selection criteria.</p> <p>DAM advised that the cost of the alteration work will be met by grant funding obtained by the Community Investment Manager which when combined with a robust procurement exercise demonstrates value for money.</p> <p><i>The minute has been redacted to remove commercially sensitive information.</i></p> <p>The Board approved the tender for the works at 6 Ardencraig Street.</p>
<p>7b.</p>	<p>Capital Investment Procurement Report</p> <p>Joe Dewar, Asset Management Consultant presented report on Capital Investment Procurement and also introduced Alan Shanks, ADA Construction who is in attendance to present some of the report. Alan carried out the procurement for the kitchen and bathroom renewal contracts. He provided an overview of the procurement process to support the report put forward to Board.</p> <p>Alan Shanks provided an overview of ADA Construction advising that they work almost exclusively within sector and currently have 15 RSL clients so fully understand the needs of RSLs.</p> <p>Alan Shanks advised that the tenders were put through Public Contracts Scotland as an open single stage tender to ensure contractors interested in working with Ardenglen would have an opportunity to bid and submit a tender. This was a robust procurement exercise resulting in seventeen tenders for the Kitchen tender and fourteen tenders for the Bathroom tender. “<i>The minute has been redacted to remove commercially sensitive information.</i>”</p> <p>Alan Shanks gave a summary overview of the procurement process to outline to Board how it was conducted and the partnership approach with Ardenglen colleagues in terms of structuring the tender documents and the assessment of the returns.</p> <p>Alan Shanks advised that the response rates are very high and show a willingness for contractors looking to work with Ardenglen Housing Association whilst ensuring value for money from a competitive procurement exercise. Alan advised that all costs have been validated for accuracy to ensure no abnormally low pricing and are deemed to be correct.</p> <p>Joe Dewar advised that the tender report within the Board pack provided a clear and transparent overview of the tender exercise and invited questions from Board.</p> <p><i>“The minute has been redacted to remove commercially sensitive information”</i></p>

	<p>John Duncan queried the cost submission of a specific contractor for being so low and what range of kitchen from Howdens being put forward by the contractor. Alan Shanks advised that the contractor pricing in question is partly down to their pricing strategy and how they structure core works.</p> <p>John Duncan then asked if the Association specified components as part of the tender exercise and if this is ok in terms of procurement approach. Alan Shanks advised that this is fine and equal or approved products as this is not an OJEA procurement.</p> <p>Alan Shanks advised that the Greenwich range from Howdens is used as it's a suitable specification with readily available replacement parts in the event of damage.</p> <p>The Board approved the tender report for the Kitchen and Bathroom renewal.</p>
8.	<p>Code of Conduct and Declaration of Interest Report</p> <p>The CSO presented the Code of Conduct and Declaration of Interest Report confirming that all ten members have signed and agreed to the Code. Eight members have also declared interests relevant to Ardenglen Housing Association including being a tenant, related to an employee or has a political affiliation.</p> <p>No questions arose.</p> <p>The Board noted the Code of Conduct and Declaration of Interest Report.</p>
9.	<p>Board Training Plan 2025</p> <p>CSO presented the proposed Board Training Plan for 2025 and confirmed that the Board have completed their appraisals.</p> <p>She sought clarification on when the Board would like to schedule a stock tour. The majority of members agreed that a Wednesday afternoon would suit best. CSO agreed to arrange a tour of the stock and pantry in the Spring.</p> <p>CSO suggested that it may be worthwhile for members to agree on who will attend the major conferences in 2025. Fiona agreed to attend the EVH Conference. Chinenye is also keen to attend a conference and requested that CSO let him know the dates when these take place.</p> <p>The Board approved the Board Training Plan.</p>
10.	<p>Wellbeing Strategy Update</p> <p>DFDCS presented the Health & Wellbeing Strategy Update and sought approval to implement the next phase, which include introducing the following:</p> <ul style="list-style-type: none"> • HSF Health Plan • Cycle to Work Scheme • Volunteering

	<p>The Board agreed that the HSF Health Plan is an excellent package to offer staff and were in support of the other initiatives.</p> <p>The Board approved the Wellbeing Strategy Update.</p>
Items for Noting	
11.	<p>Procurement Report (from APRA)</p> <p>JD advised that the report is a copy of the information presented to the recent Audit Committee.</p> <p>No questions arose,</p> <p>The Board noted the Procurement Report.</p>
Meeting Closure	
	<p>Notifiable Events</p> <p>None.</p>
13.	<p>Health and Safety (standard item)</p> <p>None.</p>
14.	<p>Correspondence</p> <p>None.</p>
15.	<p>Use of Delegated Authority</p> <p>None.</p>
16.	<p>A.O.C.B</p> <p>None.</p>
	<p>Summary of actions/ decisions at this meeting</p> <ul style="list-style-type: none"> ➤ The Board Approved the minutes and action sheet ➤ The Board Approved the Rent Consultation Report and consultation on a 3.9% and 4.5% increase ➤ The Board Approved Procurement Report ➤ The Board Noted the Code of Conduct and Declaration of Interest Report ➤ The Board Approved the Board Training Plan. ➤ The Board approved Tender Report on Alterations Work at 6 Arden Craig Street ➤ The Board approved Wellbeing Strategy Report ➤ The Board Noted Procurement Report (previously issued to APRA)
13.	<p>Meeting Evaluation</p> <p>The Board thanked staff for their reports and advised the meeting went well with good reports presented.</p>
14.	Date and time of next meeting – 21 January 2025
15..	Meeting Close

	<p>The meeting closed at 6.45 PM with a vote of thanks to the Chair.</p>
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