

Meeting: Minutes of Board Meeting

Meeting Date: 5 December 2023

Time: 5.30pm

Location: AHA Boardroom, 355 Tormusk Road

Discussion

Meeting Opening

1. Welcome & Apologies

| Present | | Staff | |
|-------------------|--------------|-------------------------|--|
| Liz McKenzie | Chair | David Byfield | Chief Executive (CEO) Company Secretary (CS) |
| Mark Ingram | Vice-Chair | | |
| Sharon Richford | Board Member | Karen Fee | Director of Finance, Digital Engagement and Corporate Services (DFDCS) |
| Chinenye Anameje | Board Member | Peter Kelly | Director of Asset Management (DAM) |
| Chuks Nnadi-Nnadi | Board Member | Suzanne Casey | Director of Customer Services (DCS) |
| | | Michelle Hart | Finance and Corporate Manager (FCM) |
| | | Jacqui Mills | Corporate Services Officer (CSO) (Minute Taker) |
| Apologies | | Leave of Absence | |
| John Duncan | Board Member | Maureen Cope | Board Member |
| Alex Warren | Board Member | In attendance | |
| Richard Mahon | Board Member | John Mullholland | Mullholland Consultancy |
| Karen McDonagh | Board Member | Stephen Singer | Community Links |
| | | Michael Jarvis | Mast Architects |
| | | Paul McNeill | Finance Consultant |

2. Declaration of Interest

None.

3. Declaration of Receipt and Understanding

Members present confirmed they read and understood the contents of the Board papers. It was noted that Chuks did not receive his papers by email. CSO advised that she would look into this and ensure that Chuks is added to both internal and external Board email groupings.

| | | | | | | | | | | | | | |
|---|---|---|--|---------------------|--|-------------------------|---------------------|---|--|---------------------|--|--------------------|---------------------|
| 4. | <p>Minutes of Board Meetings for Approval</p> <p>Correction to Board Meeting minutes 31 October 2023 – Sharon Richford advised that she had technical difficulties and could not join the last digital meeting but did keep in communication with the Chair. She requested the minute attendance list be amended to reflect this. CSO advised that she would make a correction to the minute.</p> <table border="1" style="width: 100%;"> <tr> <td colspan="2">Minutes of Board Meeting 31 October 2023</td> </tr> <tr> <td colspan="2">Approved by:</td> </tr> <tr> <td style="width: 50%;">Chinenye Anameje</td> <td style="width: 50%;">Liz McKenzie</td> </tr> </table> <table border="1" style="width: 100%;"> <tr> <td colspan="2">Minutes of Audit, Performance and Risk Assurance 7 November 2023</td> </tr> <tr> <td colspan="2">Approved by:</td> </tr> <tr> <td style="width: 50%;">Mark Ingram</td> <td style="width: 50%;">Liz McKenzie</td> </tr> </table> | Minutes of Board Meeting 31 October 2023 | | Approved by: | | Chinenye Anameje | Liz McKenzie | Minutes of Audit, Performance and Risk Assurance 7 November 2023 | | Approved by: | | Mark Ingram | Liz McKenzie |
| Minutes of Board Meeting 31 October 2023 | | | | | | | | | | | | | |
| Approved by: | | | | | | | | | | | | | |
| Chinenye Anameje | Liz McKenzie | | | | | | | | | | | | |
| Minutes of Audit, Performance and Risk Assurance 7 November 2023 | | | | | | | | | | | | | |
| Approved by: | | | | | | | | | | | | | |
| Mark Ingram | Liz McKenzie | | | | | | | | | | | | |

| | | | |
|---------------------------------|---|---------------------------------|----------------------------------|
| 5. | <p><u>Matters Arising/ Action Sheet</u></p> <p>Action Sheet:</p> <table border="1" style="width: 100%;"> <tr> <td style="width: 50%;">Approved by: Mark Ingram</td> <td style="width: 50%;">Seconded by: Liz McKenzie</td> </tr> </table> | Approved by: Mark Ingram | Seconded by: Liz McKenzie |
| Approved by: Mark Ingram | Seconded by: Liz McKenzie | | |

Items requiring a discussion/ approval

| | |
|-----------|--|
| 6. | <p>Jenniburn Feasibility Study</p> <p>John Mullholland, Stephen Singer and Michael Jarvis were in attendance this evening to present the findings of the feasibility study on the Jenniburn. John commenced by highlighting the pitfalls and hurdles in Ardenglen taking on the Jenniburn as a development opportunity. From an economic point, this is the worst time to build social housing as indicative costs are very high. John advised the Board that it may be possible that the project is unaffordable to Ardenglen and just too much of a financial risk in the current economic landscape. The Board need to be aware that there are risks involved in this project.</p> <p>Stephen joined the discussion to report on the survey returns. Two hundred and thirty-four completed the survey which is a fairly high return rate. Seventy two percent wanted to retain the building and its original purpose, however as more response options were presented, this figure reduced. Feedback was received on the potential uses of the centre and the land behind it. Many respondents were keen on making the centre a space for kids or to create office spaces for let or to develop better shops.</p> <p>Michael was introduced to the discussion to report on the potential for the site as social housing and a community facility. He proposed twenty-nine housing units and a community facility for the site. He also advised that the development would feed off of a ground source heat pump with plant room at the bottom of the site. This is a significant part of the proposal as the Association is moving towards our net zero approach.</p> <p>The Board queried whether car parking has been included in the site proposal. Michael advised that there should be around 18 parking spaces as there should be 70% parking available. The</p> |
|-----------|--|

| | |
|----|--|
| | <p>Board queried if the architects had considered how to prevent ASB issues in the parking area as the current site is a hotspot for ASB at the weekends. Michael advised that better lighting could be incorporated into the build which would discourage ASB.</p> <p>The Board queried why the design team have proposed heat pumps as these are known to be problematic. Michael advised that there are 3 basic types of heat pump and they do have better guarantees now than ever before. It is also critical as by April next year, we can no longer use gas boilers in new-build flats & houses.</p> <p>The Board queried how much this development would cost. John advised that the project is still at the investment stage and that it would be at least three years before anything commences. This is the time to hold discussions with funders. The council are keen to sell but we should definitely not use our money to fund this.</p> <p>The Board queried how much funding could the Association receive for a project such as this. John advised that it is set at between £85k - £100k in current climate. It is really critical to test how much money Ardenglen could put into this development and whether it would be viable.</p> <p>The Board then queried whether the slight overhang at one side of the development would create overshadowing for these single person properties in the summer. Michael advised that he could conduct a light study to see how the overhang would impact these residents.</p> <p>The Board approved proceeding to the next stage of the study.</p> <p>The Chair thanked John, Michael and Stephen for their presentation, and they left the meeting at 6.10pm.</p> |
| 7. | <p>Financial Climate Presentation</p> <p>Paul McNeill presented an overview of the current financial climate and provided an insight into what 2024 will look from an economic standpoint. He advised that inflation has come down but costs have not, the UK is not performing as well economically as the rest of the world. Tax levels are at unforeseen levels with inflation remaining high but anticipated to reduce to 2% by November 2024. Mortgage Arrears and Social Housing Arrears are increasing and the economic outlook is gearing towards less cash in bank. He also advised that the Housing Regulator is advising Housing Associations to keep updating their Business Plan to ensure that the assumptions stack up.</p> <p>Paul then warned that Maintenance costs are continuing to increase and are currently increasing at rates of 4.17% and 15.77% whilst operating surpluses are falling below 14% for many Housing Associations.</p> <p>He then advised that Ardenglen are in good financial health and won't run out of cash with £20 million in reserves and £5million cash. The Association has done exceptionally well in a very difficult financial climate.</p> <p>Paul highlighted some of the challenges Ardenglen faces such as the proposed rent increase. Ardenglen are considering whether to consult on a rent increase of 5%, 5.5% or 6% compared with other Housing Associations such as Wheatley Group (7.9%), Southside Housing (6.7%) and Home in Scotland (7.7%).</p> |

| | |
|------------------|--|
| | <p>He warned that there are Housing Associations that will run out of money. Paul advised the Association to be cautious with its planned maintenance approach and ensure that it assesses the life cycle of our assets prior to carrying out maintenance. There may be scope to extend the life cycle of certain replacement works.</p> <p>The Board thanked Paul for his presentation and he left the meeting at 6.40pm.</p> |
| <p>8.</p> | <p>Rent Increase Consultation Report</p> <p>DFDCS presented the rent increase consultation report advising that the full management team have been involved in this proposal. She advised that members are being asked to consider going out to consult on a single figure between 5%, 5.5% and 6%. DFDCS stressed the importance of balancing the books and ensuring that the increase is set at the correct level to ensure the business model remains viable. All three rent increases allow the Association to remain viable however, 6% would ensure a greater level of comfort but we must also consider what is right for our customers too. She advised that inflation is currently 4.6%.</p> <p>DCS advised that the SFHA have reported that rent increases across the sector are likely to range from 4% to 9%. She then reported that this year's consultation process will follow what was done last year given the successful return of 27%, Research Resource will assist with this again this year. DCS confirmed that there is no concern around rent collection of void rent loss as our performance has been consistently good in recent years.</p> <p>DCS reported that the Association's rent levels continue to be below average for the smaller apartment sizes, 4apt/5apt+ are slightly above.</p> <p>In terms of the affordability modelling single household are closer to the 25% max income level. DCS confirmed there is a trend in the higher rent arrears cases being single male households who are clearly struggling to afford rent. The Association is looking at ways to support those most vulnerable. Our external Welfare Rights Service is stretched with an appointment wait time of around 4 weeks (Money Matters only do 6 appointments per week). We would be keen to look at pre tenancy discussions particularly with single or low-income households to ensure affordability, but this is not possible with current resource. DCS plans to bring more information to future staffing sub/board meeting on perhaps a revised approach to our Welfare Rights offering. The Chair agreed that there is a justification for increasing our Welfare Rights service.</p> <p>The Board discussed the rent increase options and what would be the most viable one for the business including consideration of all the regulatory requirements that are placed on the Association such as addressing damp and mould issues. CEO advised that Ardenglen have social values as an organisation and want to do the right thing for the customer and the business. At this time a 6% increase would be viable and comfortable.</p> <p>There was a suggestion that a consideration be given to 6.5% increase to offer the Association more comfort in a difficult financial climate, however after some discussion, it was agreed that the three original options presented offer enough financial comfort that it is not necessary to increase any further.</p> <p>It was noted that this is a difficult conversation to have but that tougher increases may be required next year, if the Association doesn't do the right thing this year.</p> |

| | |
|-------------------------|--|
| | <p>The Board queried whether the Association has anticipated maintenance costs going up next year. CEO advised that this has been included in the Business Plan. DAM also advised that the Association has not had an investment programme since Covid and do need to look at our investment plan and life cycles.</p> <p>Richard submitted some comments which DFDS read out which included the question - <i>if there is scope/appetite for the rent increases to be set at different levels for different households? The rent affordability analysis on pages 35-36 show that the affordability is not linear, with single households more adversely affected than other groups.</i></p> <p>DFDS/DCS confirmed this would be very difficult to administer and set criteria for, especially if trying to look at single households as how we would know if this position remained same throughout duration of the tenancy.</p> <p>After some discussion, the Board approved consulting on a rent increase of 6%.</p> |
| 9. | <p>Gas Service and Maintenance Contract</p> <p>DAM presented a report seeking approval for Saltire Facilities Management to undertake the gas service contract replacing City Technical. Four tenders were received originally which was shortlisted to three. The tenders were reviewed on price and quality of work. Saltire came out top on quality and price. They have a large staff team who will be able to manage the contract.</p> <p>DAM also tabled summary cost report on an uplift that City Tech were looking for with regard to the period between the current contract and the new contract commencing. The uplift was approved by board.</p> <p>The Board approved Gas Servicing and Maintenance Contract award to Saltire Facilities Management and uplift in rates for City Tech until new contract commences.</p> |
| 10. | <p>Share Membership Report</p> <p>CSO sought approval for five new members to be added to the share register.</p> <p>The Board approved the Share Membership Report.</p> |
| Items for Noting | |
| 11. | <p>Board Declaration and Code of Conduct Report</p> <p>CSO confirmed that all Board Members had completed and submitted their annual declarations and code of conduct returns.</p> <p>The Board noted the Board Declaration and Code of Conduct Report.</p> |
| 12. | <p>Value for Money Report</p> |

| | |
|----------------------|---|
| | <p>DFDCS presented summary of the Value for Money report advising that the year has gone well with many savings identified and put into practice. The Association has made savings of £39,950 to date with a further £10k to find in quarter 4. The VFM working group are focussing next on efficiencies in working practices, digitalisation of our newsletter and in SDM e-invoicing and e-authorisation within purchase ledger.</p> <p>The Board noted the Value for Money Report.</p> |
| Meeting Close | |
| 13. | <p>Notifiable Events</p> <p>None.</p> |
| 14. | <p>Health & Safety</p> <p>None.</p> |
| 15. | <p>Correspondence</p> <p>None.</p> |
| 16. | <p>Use of Delegated Authority</p> <p>None.</p> |
| 17. | <p>A.O.C.B</p> <p>Senior Officer Recruitment Update DCS advised that the interview process for the Senior Housing and Asset Officer posts started this week and that Angela Mooney has been successfully appointed to the post of Senior Housing Officer. The Senior Asset Officer interviews take place on Wednesday 6 December. We will arrange to circulate an updated staff list in due course to members as there has been a number of changes internally – this will also be communicated to customers.</p> <p>Leaves on Arden Craig Road Board member advised that there is a slip hazard with leaves accumulating on Arden Craig Road. DAM advised that he would look into this matter.</p> <p>The Castlemilk Pantry The Chair advised that there have been ongoing issues with a leaking roof at the Pantry that Glasgow Life are not addressing. The leak is a potential H&S issue and is causing food delivery issues with access only available through the front of the building which has no place for parking. DCS was able to give an update on the situation and confirmed that a roofer was on site this week to carry out a temporary repair, Glasgow Life have confirmed they have no funds for anything more long term. Glasgow Life has advised that the issue has been caused by the fitting of the pantry due to removal of a wall. AHA are in process of consulting with our H&S compliance officer as well as the architect who was involved in the fit. This issue is not unique to AHA as other services in the centre are also having the same issue.</p> <p>Festive Plans The Board have approved office closure on the afternoon of 22 December to allow staff to have a Christmas lunch and finish early for Christmas. It was also agreed that CEO could look into a small gesture for staff to thank them for their efforts this year.</p> |

| | |
|-----|---|
| | <p>Ministerial Visit CEO advised that the Ministerial visit on 29 November went really well. Ardenglen were the driving force behind joint working with our Castlemilk partners. The minister was impressed with our efforts and advised that he would be happy to support anything that we hope to do to tackle homelessness.</p> <p>Lived Experience Group The first meeting of the Lived Experience Working Group is scheduled for Friday 8 December. Members who are interested in participating should note that there will be other meetings of this kind that they are welcome to attend.</p> |
| 18. | <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 continuing with Feasibility Study ➤ The Board Approved Gas Service and Maintenance Contract ➤ The Board Approved an uplift in rates for City Technical ➤ The Board Approved consulting on Rent Increase of 6% ➤ The Board Approved the Share Membership Report ➤ The Board noted the Declarations and Code of Conduct Report ➤ The Board noted the Value for Money Report |
| 19. | <p>Meeting Evaluation</p> <p>The Board thanked staff for their reports and advised the meeting had lots of good discussion.</p> <p>It was noted that it was good to have an in person meeting to discuss reports and request to consider factoring in more in person meetings next year.</p> |
| 20. | <p>Date and time of next meeting – 23 January 2024 (Virtual)</p> |
| 21. | <p>Meeting Close</p> <p>The meeting closed at 7.45 PM with a vote of thanks to the Chair.</p> |