

Meeting: Minutes of Board Meeting (Redacted)

Meeting Date: 7 March 2023

Time: 5.30pm

Location: MS Teams (Virtual)

Discussion																																																																				
Meeting Opening																																																																				
1.	<u>Welcome & Apologies</u> <table border="1" data-bbox="176 817 1505 1724"> <thead> <tr> <th colspan="2">Present</th><th colspan="2">Staff</th></tr> </thead> <tbody> <tr> <td>Liz McKenzie</td><td>Chair</td><td>David Byfield</td><td>Chief Executive (CEO) Company Secretary (CS)</td></tr> <tr> <td>Mark Ingram</td><td>Vice-Chair</td><td></td><td></td></tr> <tr> <td>Maureen Cope</td><td>Board Member</td><td>Karen Fee</td><td>Director of Finance, Digital Engagement and Corporate Services (DFDCS)</td></tr> <tr> <td>John Duncan</td><td>Board Member</td><td>Peter Kelly</td><td>Director of Asset Management (DAM)</td></tr> <tr> <td>Ann Marie Docherty</td><td>Board Member</td><td>Lindsay Gemmill</td><td>Interim Director of Customer Services (IDCS)</td></tr> <tr> <td>Alex Warren</td><td>Board Member</td><td>Michelle Hart</td><td>Finance & Corporate Manager (FCM)</td></tr> <tr> <td>Karen McDonagh</td><td>Board Member</td><td>Anthony Chelton</td><td>Corporate Services Officer (CSO) (Minute Taker)</td></tr> <tr> <td>Chukwudi Chuks-nnadi</td><td>Co-Optee</td><td></td><td></td></tr> <tr> <td>Chinenye Anameje</td><td>Co-Optee</td><td></td><td></td></tr> <tr> <td colspan="2"></td><td colspan="2">In attendance</td></tr> <tr> <td colspan="2"></td><td colspan="2"></td></tr> <tr> <th colspan="2">Apologies</th><th colspan="2">Leave of Absence</th></tr> <tr> <td>Sharon Richford</td><td>Board Member</td><td></td><td></td></tr> <tr> <td>Richard Mahon</td><td>Board Member</td><td></td><td></td></tr> <tr> <td>Suzanne Casey</td><td>Senior Housing Officer (SHO)</td><td></td><td></td></tr> </tbody> </table>				Present		Staff		Liz McKenzie	Chair	David Byfield	Chief Executive (CEO) Company Secretary (CS)	Mark Ingram	Vice-Chair			Maureen Cope	Board Member	Karen Fee	Director of Finance, Digital Engagement and Corporate Services (DFDCS)	John Duncan	Board Member	Peter Kelly	Director of Asset Management (DAM)	Ann Marie Docherty	Board Member	Lindsay Gemmill	Interim Director of Customer Services (IDCS)	Alex Warren	Board Member	Michelle Hart	Finance & Corporate Manager (FCM)	Karen McDonagh	Board Member	Anthony Chelton	Corporate Services Officer (CSO) (Minute Taker)	Chukwudi Chuks-nnadi	Co-Optee			Chinenye Anameje	Co-Optee					In attendance						Apologies		Leave of Absence		Sharon Richford	Board Member			Richard Mahon	Board Member			Suzanne Casey	Senior Housing Officer (SHO)		
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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.	<p>Minutes of Board Meetings for Approval</p> <table border="1" data-bbox="181 265 1473 345"> <tr> <td colspan="2">Minutes of Board Meeting 24th January 2023</td> </tr> <tr> <td>Approved by: Mark Ingram</td><td>Seconded by: Ann Marie Docherty</td></tr> </table>	Minutes of Board Meeting 24th January 2023		Approved by: Mark Ingram	Seconded by: Ann Marie Docherty
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5.	<p>Matters Arising/ Action Sheet</p> <p>No matters arising.</p> <p>Action Sheet:</p> <table border="1" data-bbox="181 637 1473 673"> <tr> <td>Approved by: Ann Marie Docherty</td> <td>Seconded by: Chineneye Anameje</td> </tr> </table>	Approved by: Ann Marie Docherty	Seconded by: Chineneye Anameje		
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Items requiring a discussion/ approval					
6.	<p>Final Budget Report</p> <p>FCM presented the final budget report to the Board. FCM informed that Board that the report took into account the rent increase of 6%, a salary increase of 5.25% and for inflation at 10%.</p> <p>*Minute redacted to remove confidential information.</p> <p>It also noted AHA's planned investment in properties for the coming year, as well as an increase in repair costs from the 2022/23 budget, reflective of the current economic environment.</p> <p>The report noted the expected cost of office overheads, noting that regeneration staff managed by the Community Investment Manager are covered by grant funding.</p> <p>*Minute redacted to remove confidential information.</p> <p>The FCM noted that the budget allows for the Association to comfortably meet its financial covenants. The FCM presented a sensitivity analysis to the Board. This covered potential increases in costs and modelled an increase of 5% to maintenance costs, the interest rate increasing to 5% and arrears to 6%, and explained the potential impact to the budget should any of these occur, as well as modelling the increase of each 1% in relation to the factors covered.</p> <p>Questions/Comments:</p> <ul style="list-style-type: none"> ➤ AM – What does the Regeneration staff cost include? <ul style="list-style-type: none"> ○ FCM – These include Pantry Co-ordinator, 2 Pantry Assistants, Digital Trainer, Energy Advisor and Community Development Worker. <p>*Minute redacted to remove sensitive information.</p> <ul style="list-style-type: none"> ➤ AM – Do we fund the Welfare Rights post ourselves or get funding for it? <ul style="list-style-type: none"> ○ FCM – Currently fund it ourselves however we are looking at securing funding. 				

- **AW** – Good to do sensitivity analysis however it could be worth looking at doing more with higher interest rates given the current uncertainty.
 - **FCM** – Agreed, *interest rates will be monitored and their impact modelled.*
- **AW** – Good to invest in the properties. Is there an opportunity to benchmark against other Organisations, is this something we have access to?
 - **CEO** – Yes, *we can do it through charter data available from the SHR as well as through our peer group with the Scottish Housing Network.*
 - **DFDCS** – *There is a Value for Money Group in the SHN, plan to join this year, for an ongoing cost review against other RSL's. Can also join with the VfM Forum to discuss costs and share best practice.*

Approved by: John Duncan	Seconded by: Alex Warren

7. MCCH Report Detailing Cost of Running Facility

***Minute redacted to remove commercially sensitive information.**

The Board noted the Report.

8. Development Feasibility Study

The CEO took the Board through the Report seeking approval for an architect led feasibility study for the now vacant Jenniburn Community Centre site. The Council's Neighbourhood Regeneration Services (NRS) have been tasked with disposing of the Jenniburn Community Centre site. NRS advised that they have not received any viable expressions of interest so they contacted AHA to discuss potential use of the site. NRS are open to considering all potential use for the site including affordable housing. CEO noted it is not the most straightforward of sites in terms of its profile but it is on our doorstep so worth consideration. CEO noted the playpark on the site and that NRS would be keen to keep this so this needs to be taken into consideration. NRS advised that should AHA not proceed with the site it will be put on the open market for sale.

***Minute redacted to remove sensitive information.**

The Board unanimously approved commissioning a feasibility study.

9. Write Off Report

The DCS took the Board through the write off report providing background on the cases and relationship between write-offs and external audit. DCS explained the current write off policy and that approval was being sought to write off 19 cases identified as irretrievable, totalling £12,598.21.

Questions/Comments:

- **MI** – The current tenant arrears are looking high (£188k) as it is saying half our Tenants are in arrears, why it is so high. Does it come under Universal Credit as it's paid in arrears, can you explain it please?
- **DCS** – *The overall number includes technical arrears. There will be people in that category that are waiting to be paid but the overall figure of £188k is what we need to*

- report. The reality is that AHA have achieved remarkably low level of rent arrears and are currently below arrears targets.*
- **DCS** –*We're sitting below 3% arrears so in terms of financial robustness, arrears performance at AHA is really very good and its how arrears are managed that is important.*
 - **AM** – How many of those households are long standing arrears? We know things are potentially going to get worse, so it is important to manage arrears robustly.
 - **DCS** – *You still have a number of post-covid cases and a number of cases that teeter on the trigger point for court action. It is important to constantly monitor arrears and also management technics. We can provide Members with an enhanced arrears profile detailing how many cases, duration of the cases and what level of arrears allowing the shape of the overall arrear to be better understood*
 - **AM** – *We need to ensure we aren't just reactionary in how we manage cases.*
 - **DCS** – *Agreed*

 - **AW** – It is heartening to hear that current tenant arrears performance is comparatively good. It would be interesting to see how arrears has trended over time. Would be good to see what it might look like, and this would inform the proactive work we do to help protect people's income and reduce the arrears level.
 - **DCS** – *We will profile arrears comparatively and historically. A change in arrears and rent paying patterns are very likely over the next two years when Cost of Living Crisis begins to tell. Arrears profiles say something about an organisation's culture of retrieving debt.*
 - **FCM** – The February figures will be reviewed as there was a system error, increasing the appearance of non-payment.
 - **DCS** – highlighted that this is normally the challenging part of the year, as rent payments in the last quarter fall behind due to Christmas and New Year

The Board agreed to proceed with the write off.

Approved by: Alex Warren	Seconded by: John Duncan
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10. Reactive Repair Contract

The DAM presented the report. This report outlined how the Association operated historically with reactive repairs, using smaller contractors which were then replaced with large, multi-trade contractor. The report highlighted the reasons for this.

The DAM then explained the current operating environment, with significant issues causing costs to escalate. The market has become less appealing, with less multi-trade contractors operating. This has resulted in the Association having less certainty over costs. This is happening at a time of contractors' reduced levels of customer service, leading to an increase in complaints.

The report outlined how other RSLs are considering moving back to the original model of using smaller contractors, with the work being divided into 'lots'. Procurement consultants Ewing Sommerville Partnership (ESP) provided the report with an example list of lots based on their experience. The DAM also engaged with another RSL for their example of a lot-based system. Finally, the DAM presented the benefits and risks of moving to such a system.

Questions/Comments:

- **MC** – Agree with recommendation.
- **JD** – How long has the existing contract got to run?
- **DAM** – *The current contract is a 2+1+1 and expires at the end of August and there's also a 13 week break clause in it. Speaking with ESP, the procurement process could take anywhere between 12-16 weeks so we would need to factor that in if we were looking to go down that route.*
- **JD** – There are pros and cons to both sides. If you went with smaller contractors you're likely to get a more friendly customer service however it will cost more and have more admin time.
- **DAM** – *It's about getting the balance right.*
- **Chair** – Is there a possibility of sharing some of these contractors with other RSLs and sharing the costs?
- **DAM** – *There is a consideration about collaboration with local RSLs. It depends on timing, when people's contracts are expiring so there are difficulties with it. We might need to do it through a framework as there might be issues with CDM regulations and who is the primary contractor.*
- **JD** – Is there any way ESP can do a soft-market test to see if there are people interested without doing a full procurement?
- **DAM** – *It's a good suggestion which we will look into to help minimise the risk.*

The Board noted the report.

11. Gutter Cleaning Contract

The DAM presented the report, noting the tender was a result of a request at the last Board meeting to tender this separately from the painter contract. Out of 6 contractors invited to submit a tender, 3 submitted compliant tender returns. Out of these, one contractor provided the most value for money. ***Minute redacted to remove commercially sensitive information.** The DAM recommended using MCS for the gutter cleaning contract.

The Board approved using MCS Safety Systems for the gutter cleaning contract.

Approved by: Mark Ingram	Seconded by: Ann Marie Docherty
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12. Insurance Renewal

The DFDCS presented the insurance renewal report. The report outlined that the Broker Arthur J Gallagher (AJG) would be brokering the renewal for 2023/24. The report outlined that the insurance market has seen significant changes over the last year, with several insurers, including the Association's current provider (Aviva), exiting the market. AJG have brokered renewal for the Association with QBE. The report outlined a full breakdown of this year's premium, though as the DFDCS noted, due to the Underwriter being on bereavement leave, this will be confirmed in due course (though AJG have provided assurance that the premium won't change).

The DFDCS explained the insurance premium price increase, with an increase in the price of property cover but that the Association carried out a revaluation of stock value to ensure an accurate and cost effective renewal. The DFDCS also advised recent briefings from Glasgow and West of Scotland Forum (GWSF) identified significant increase in premiums across the sector. Against this background the QBE quote for property insurance represents good value. AJG has advised the Association to proceed with a 3 year Long Term Agreement

	(LTA) as our brokers predict no improvement in market conditions over the next 3 years; the likelihood is that premiums will continue to rise and the market for insurance to shrink. The Board approved using QBE for insurance. <table border="1"> <tr> <td>Approved by: Mark Ingram</td><td>Seconded by: John Duncan</td></tr> </table>	Approved by: Mark Ingram	Seconded by: John Duncan
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13.	Policy Approval The DAM briefly presented the following policy to the Board which has been reviewed in full by the Policy Sub Committee, highlighting changes requested by the Policy Sub Committee: ➤ Repairs and Maintenance Policy The Board approved the Policy, as recommended to do so by the Policy Sub Committee.		
14.	Share Membership Report The CSO presented the report. The CSO noted that one member was to be removed due to being deceased. The CSO also noted that there will be a new approach devised between the Corporate and Housing teams to boost membership. The Board agreed to remove the member from the Register. <table border="1"> <tr> <td>Approved by: Alex Warren</td> <td>Seconded by: Chineneye Anameje</td> </tr> </table>	Approved by: Alex Warren	Seconded by: Chineneye Anameje
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15.	Notifiable Events The CEO advised that the notifiable event occurred whilst he was out of the country however he liaised with Chair and the DAM with regards to the matter to ensure it was investigated and that the Board and SHR were notified. CEO highlighted that AHA's internal procedures in relation to gas are robust and identified the issue which an external operative failed to communicate to AHA. The notifiable event was formally uploaded to the Scottish Housing Regulator (SHR) Portal on the evening of 6 th March 2023 (after the CEO returned from leave), with the Regulation Manager being verbally informed of the event on the 2 nd March by the DAM. DAM presented the report on the gas safety notifiable event. *Minute redacted to remove confidential and commercially sensitive information.		
16.	Health & Safety None.		
17.	Correspondence None.		
Meeting Closure			
18.	Use of Delegated Authority None.		
19.	A.O.C.B None.		

20.	<p>Summary of actions/ decisions at this meeting</p> <ul style="list-style-type: none"> ➤ Approved the final budget report for 2023/24. ➤ Approved commissioning of a feasibility report for a potential development opportunity. ➤ Approved the write off report. ➤ Approved the gutter cleaning tender report. ➤ Approved the Insurance renewal report. ➤ Approved revisions to the repairs and maintenance policy. ➤ Approved the share membership report. ➤ The Board Noted the Reactive Repair Contract
21.	<p>Meeting Evaluation</p> <p>The Board thanked staff for their reports and advised it was an informative meeting.</p>
22.	<p>Date and time of next meeting – 25 April 2023 at 5.30pm.</p>
23.	<p>Meeting Close</p> <p>The meeting closed at 7:45PM with a vote of thanks to the Chair.</p>