

MINUTES OF	:	Board of Management Meeting
TIME & DATE HELD	:	22nd February 2022 at 6.00pm
DATE APPROVED	:	29th March 2022

BOARD MEMBERS PRESENT	:	Ms Thomson, Ms Battersby, Ms Barbour, Mr Barclay, Ms Johnston, Mr McIntosh and Mr Robertson
APOLOGIES	:	Ms Scoffield , Mr Connor and Ms Barnes
STAFF PRESENT:		Tony Teasdale, CEO David Wilson, Director Customer & Community Services (Items 1-8) Ola Ajobiewe, Finance Manager (Items 11-14)
IN ATTENDANCE	:	None

1. Introduction

In the absence of Ms Scoffield, the meeting was chaired by Ms Thomson, the Association's vice-chairperson.

Apologies were noted as indicated above.

2. Declarations of Interest

It was noted that the following Members are all tenants of the Association and as such have an interest in Item 8 (Annual Rent and Factoring Fee Review).

Ms Barbour, Mr McIntosh and Ms Thomson.

In accordance with usual practice however it was agreed that this should not prevent them from taking part in the discussion or voting on the issue.

3. Minutes for Information

The draft minutes of the following meetings were noted:

- EEHDC Board: 08.02.22
- Upkeep Board: 08.02.22
- Housing & Community Services Committee: 15.02.22

4. Minutes for Approval

The draft Minute of the Board of Management meeting held on 18th January 2022 was **approved** as a correct record on a motion from Ms Johnston, seconded by Mr McIntosh.

5. Matters Arising

There were none.

6. Compliance and Safety Update

Members noted the content of the report.

7. CEO Progress Report

Members noted the content of the report and in particular:

- The latest position regarding staff directly affected by Covid and the update on working arrangements, as follows:
 - The recommencement, from 1st February, of the requirement that all staff be in the office for a minimum three days.
 - The re-opening each day (aside from 1-2 pm) of our reception area to service users without an appointment, from 21st February.
 - That the requirements upon staff are being maintained regarding self-testing before coming to the office; mask wearing, social distancing etc.
 - That we now feel able to remove the limit on numbers of Members attending Board meetings in person, subject to the usual Covid safeguards.

There was discussion about whether the requirement for staff to self-isolate where a household member is infected but they have themselves (lateral flow) tested negative should be maintained. The continuing risks were highlighted and it was noted that Scottish Government restrictions are being progressively eased and it was agreed that this would be kept under active review.

- The progress being made to conclude the sale of Tollcross Mansionhouse with the anticipated date of completion being 31st March. There was discussion about the significance of this in terms not only of the capital receipt due but also the ending of costs and liabilities for SHA in relation to security and Council Tax on this long-term empty building.

8. Annual Rent and Factoring Fee Review

Members noted the content of the report from the Director of Customer & Community Services (DCCS), the details of the consultation process that had been undertaken since the last meeting and all feedback received.

It was noted in particular that:

- Only a small minority (around 4% of tenants) had taken the opportunity to comment on the proposals - broadly in line with previous years.
- Amongst this group there was a slight majority in favour of both the proposed rent increases and the proposed introduction of the bulk uplift service charge.

There was discussion about the possible reasons for the low response rate and whether and to what extent the Association should in future divert additional resources to seek out the views of tenants and/or financially incentivise them to comment. Pros and cons were highlighted and it was agreed that this be further considered in advance of next year's consultation. It was noted that over the next 12 months, it is anticipated that there will also be opportunities for tenants to comment on rents and service charges through the following:

- Consultation around the restructure and harmonisation of rent and service charges.
- The next three yearly independent survey of tenant satisfaction which is likely to involve face to face surveys with a representative sample of tenants.

It was also noted that work is due to be undertaken by the Community Regeneration Officer to further develop opportunities for ongoing tenant participation and as part of this support the further development of the Tenant Consultation Panel.

Members noted the individual (anonymised) feedback from tenants and raised queries in relation to some of the specific comments and points. The DCCS advised that 38 specific points raised in comments were being actively looked into by staff and that all respondents would receive a response letter from him.

A number of respondents had raised concerns about affordability and the ongoing cost of living crisis. The DCCS highlighted the active measures that were being undertaken to identify and support vulnerable tenants. This included pursuing for various grant funding opportunities in relation to tenant energy costs. This would continue to be a priority going forward.

The DCCS highlighted the details of the updated assessment of the affordability of the Association's rents, using the SFHA Rent Affordability Tool. Applying relatively robust criteria (i.e. rent to be no more than 25% of income and income from work assumed to be no more than the National Living Wage) this showed that the average rents for our property types are deemed to be clearly affordable for nearly all property sizes and household types. Some possible issues were highlighted however in relation to working single person households, in one bed flats, on the National Living Wage and not in receipt of any in-work benefits. **This would be further explored going forward, as part of the decision-making around the review of the rent restructure.**

Members also noted the feedback from factored owners in respect of both the proposed uplift in the annual management fee and the introduction of the service charge for bulk uplift. There was a slight majority again in favour of both proposals.

A Member highlighted the **need for the Association's consultation and rent increase letters to highlight the fact that if SHA is unaware that someone is in receipt of support with their housing costs then it is their responsibility to make this known to Housing Benefit/DWP.**

Having regard to all of the above the Board then decided on the following:

- To implement an overall 5% uplift in rents and existing service charges from 1/4/22.
- This to be on the basis of either:
 - a standard rent increase of 4.5% (applying to just under 80% of tenants) or
 - a higher, differential, rent rise of either 6.5%, 7.5% or 8.5% for properties where rent currently substantially less than the average for property type/size.

- Existing service charges to be uplifted by 5%.
- Introduce an increase to the service charge (at £1.33 per month) to be able to maintain the new Bulk Uplift service for flatted properties.
- To increase the management fee for factored owners by 5% for the coming year and add the new bulk uplift charge.

The DCCS left the meeting at this point.

9 Staffing issues

Members noted the content of the report from the CEO and in particular the issues under consideration in relation to the soon to be vacant Director of Finance and Corporate Services (DFCS) post. It was agreed that some time should be taken to review the post and consider whether any changes should be made prior to any recruitment process being undertaken. The Board noted the action that had been taken aimed at ensuring that the finance team has additional support in the interim.

Following discussion it was **agreed that the review of pension options, being led by the DFCS, be put on hold for up to 6 months but that the meeting of the Audit and Corporate Committee on 8th March should review information received and decisions made so far.**

The Board also **agreed that the trial of hybrid working should be extended for 3 -6 months** to allow, in particular, for this to be better tested in more normal working conditions as Covid restrictions ease.

Members also noted the “Skills for Growth” assessment that was ongoing , making use of free consultancy sourced through Skills Development Scotland (SDS). A range of staff members and the SHA Chair had been interviewed over two days earlier in the month with the formal feedback from this awaited.

10. Governance issues

Members noted the content of the report from the CEO and:

- **Granted temporary Leave of absence from the Board to Sean Connor (until 26.04.22).**
- **Approved the draft revised staff Code of Conduct.**
- Noted that the Intragroup and Service Sharing Agreements with EEHDC and Upkeep respectively had been finalised.
- **Passed a resolution in favour of adoption of revised Memorandum and Articles for EEHDC and Upkeep, for lodging with Companies House.**
- In respect of training, the Board:
 - **Approved the proposed arrangements for updating of the Board regarding training opportunities each month.**
 - **Agreed that the following in-house events be arranged in due course:**
 - **a “day in the life..” session with a sample of front-line staff members.**

- a Zoom call with SHARE personnel to talk through on-line options and how to access.
- Agreed that the slides from the recent Finance training session and the recent SFHA Treasury Management event be circulated and uploaded onto Decision Time.

11. Reactive maintenance and void costs

Members noted the report from the CEO on factors contributing to the very significant increase in reactive maintenance and void property costs. In light of this **the Board agreed with the recommendations as follows:**

- That a further detailed report on issues around the management of long-term void properties in recent years to be presented to Property Services Committee on 15.03.22.
- An action plan be drawn up aimed at ensuring we are better able to prevent, identify and respond to property condition issues at a much earlier stage in a tenancy, for consideration by the Board.
- Financial coding inconsistencies in respect of repair work be resolved.
- There be continued action to closely control spend on reactive maintenance and void properties and to ensure a consistent approach amongst Maintenance Officers.
- That internal budgetary controls and authorisation levels be reviewed.
- That more extensive benchmarking be undertaken on maintenance costs with other landlords.
- That reporting formats for void management be reviewed to better ensure that the Board can maintain a clearer overall picture of this area of activity.
- That performance also be reviewed to see if improvements can be made to timescales for letting properties once repair work is complete.

12. Quarterly Performance Report

At this point all Board members approved a motion for suspension of Standing Orders to extend the meeting to allow the final items of business to be noted.

12.1 Management Accounts to end of December 2021

The Finance Manager (FM) was welcomed to the meeting and presented the report which showed that a £343 k surplus had been generated by the end the third quarter: £20k above the budgeted figure.

A Member asked the FM about the Association's projected cash-flow, whether this was adequate and how the Association would respond in the event that a major event required greater cash availability in the very short-term. In responding the FM highlighted that the current cash balance (£774k at 31.12.21) should be sufficient to meet required outgoings in the month or so ahead and also referred to the remaining undrawn loan facility available from the Royal Bank of Scotland.

It was agreed that the format of the report in relation to KPIs and covenant compliance should be reviewed to make easier to understand.

12.2 Business Plan Progress Update

Members noted the latest detailed update on progress against the Business Plan Delivery Plan for 2021/22. The CEO highlighted that over 80% of action points had been at least “substantially progressed”.

12.3 Key Performance Indicators (KPI’s)

Members noted the Association’s performance at the end of the third quarter compared with the KPI targets for the year as set down within the Business Plan. Most targets were being achieved with the exceptions of: gross rent arrears; void rent loss and average re-let days and staff sickness absence.

12.4 Assurance Improvement Plan Progress Update

The Board noted the progress made so far, and actions still outstanding, with the Assurance Improvement Action Plan that had been adopted in October at the time the 2021 Annual Assurance Statement was submitted

13. Membership Applications

There were none.

14. Any Other business

There were none

Minute prepared by Tony Teasdale, Chief Executive

SIGNED:

DATE: