

BOARD MINUTES



Meeting Date: 04 November 2021
Time: 6pm
Venue: Mercure Hotel, Livingston

Board Members in Attendance

Martin Joyce
Adam Turner
Neil Tulloch
Victoria Bluck
Chris Boyle
Jeremy Hewer

Apologies

Anne Gault
Steven Prevost
Craig Morton
Ann Wilson

Staff in Attendance

John Davidson	Chief Executive
Angela Coutts	Director of Corporate Services
Sandy Young	Director of Housing Management
Iona Taylor	Director of Asset Management
Craig Porter	Director of Finance and ICT
Tammy Allan	Business Improvement Officer (minutes)

Others in Attendance

Please note that these minutes have been edited to remove any commercially sensitive or confidential discussions.

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STANDING ITEMS

6697	<p>Welcome</p> <p>The Chair welcomed everyone to the meeting.</p>
6698	<p>Apologies</p> <p>A record was made of apologies from non-attendees.</p> <p>Information removed or edited due to information relating to personal/confidential items or being commercially sensitive.</p>
6699	<p>Use of Seal</p> <p>None.</p>
6700	<p>AOCB Approval</p> <ul style="list-style-type: none"> • SY advised that he would like to provide an update on the tenancy sustainment service. • CP advised that he would like to present a tabled paper regarding the acquisition of a property in Hobart Street.
6701	<p>Declaration of Interest on any Agenda Items</p> <p>None.</p>
6702	<p>Membership Applications</p> <p>None.</p>
6703	<p>Matters Arising/Update/Information Papers for Discussion</p> <p>JD advised that since the August meeting, JH had expressed an interest in standing for Vice Chair. However, to date a Chair had not been appointed for the Audit and Finance Sub-committee but this would be dealt with at the next meeting of the Sub-committee in January.</p> <p>SY also advised that the Allocations Panel was low on members. Both MJ and NT volunteered to join.</p>
6704	<p>Minutes from Previous Meeting</p> <p>The Board approved the Minutes from the previous meeting.</p>
6705	<p>Board Members – Items for Future Meetings</p> <p>None.</p>
6706	<p>Board Training – Verbal</p> <p>None.</p>
6707	<p>Chief Executive’s Report</p> <p>JD presented the report and advised that the hybrid working model went live on 4th October and to date it has been working well for both staff and tenants.</p> <p>JD moved on and referred to the increased material costs and labour shortages and the impact that this is having on the Association’s work programmes.</p> <p>The Board noted the content of the Chief Executive’s report.</p>

CONSENT AGENDA

6708

Approval of Consent Agenda

The Board **agreed** to the recommendations within the consent agenda.

REPORTS FOR DISCUSSION

6709

Annual Rent Review – 2022/23

JH presented the report and advised the Board that the sub-committee had a lengthy discussion regarding the rent review and what the Association should be consulting on for next year. JH also advised that the sub-committee was in agreement that the Association should consult on a fixed figure.

AT noted that if the Association was to consult on a percentage (i.e. CPI), the tenants could be agreeing to a figure they have not seen as CPI could be higher or lower than anticipated. However, it is predicted that the figures proposed will be less than CPI.

AT also reiterated the importance of recognising that the Association's costs could go up, so we must take into account what services can be provided going forward. CP noted that the ability to deliver the budget in its entirety has been an issue in recent years, but budgets are being prepared at present and consideration is being given to projects that are achievable.

The Board **approved** the consultation based on three options: 3%, 3.5% and 4%, with CPI currently projected to be 4% by the Bank of England for next year, as recommended by the Audit and Finance Sub-committee.

6710

Management Accounts

CP noted that income had increased, but mainly due to gift aid received from AEL. CP also advised that arrears were low and management costs were below budget due to delays with the recruitment of two positions.

The Board **noted** the financial position at 30 September 2021. The review and control of finances are both a regulatory requirement as well as a requirement of funding from our lenders.

6711

Former Tenant Credit Balances

CP informed the Board that during the year-end audit, the external auditors, RSM, highlighted that the Association was holding a significant amount of former credit balances and that these should be refunded where possible. CP advised that upon investigation it became apparent that £63k of the credit balances had come from overpayments in housing benefit paid between 1995 and 2016 and it was unlikely that West Lothian Council would recover these. Therefore, it had been agreed by the Audit and Finance Sub-committee that this money should be donated to charity. Because of the large sum, it was agreed that 50% would go towards the Community Soup initiative which donates to local community groups and the remaining 50% would go to local charities. If any Board members would like to recommend a local charity, they should inform SMT.

The Board **approved** the proposed approach to resolve the number of former credits held as highlighted by RSM during their year-end audit of our financial statements for the year ended 31 March 2021, as recommended by the Audit and Finance Sub-committee.

6712	<p>Budget Revisions – Forecast Out-turn 2021/22</p> <p>CP presented the budget revisions and advised that it is predicted that there will be an additional £340k surplus. CP also advised that the Association is likely to receive significant gift aid payments from the subsidiary that will affect the final income.</p> <p>The Board approved the budget revisions for 2021/22 as recommended by the Audit and Finance Sub-committee.</p>
6713	<p>Budget Assumptions 2022/23</p> <p>CP advised that the budget assumptions had been prepared based on predicted cost increases and inflation.</p> <p>The Board approved the budget assumptions for 2022/23 as recommended by the Audit and Finance Sub-committee.</p>
6714	<p>Risk Map: Q2 Review</p> <p>JH reported that the risk map had been amended to incorporate recommendations that were previously made by the Audit and Finance Sub-committee.</p> <p>VB noted that the senior management team (SMT) must keep a close eye on cost increases as any major increases could stop becoming a risk and become an actual management issue for the Association, at which point it would be necessary to bring separate reports to the Board.</p> <p>The Board noted the status of the risk map as submitted by the Audit and Finance Sub-committee.</p>
6715	<p>Rent Harmonisation</p> <p>JH advised that the rent harmonisation report highlights what is involved regarding the amendments to the rent harmonisation process. CP also advised that further papers will be presented to the Board once a solution has been established.</p> <p>The Board noted the SMT proposals regarding the rent review and the impact on those tenants still being harmonised under the 2015 rent structure.</p>
6716	<p>Bad Debt Write-Off</p> <p>JH advised the Board there was nothing unusual presented in the report and recommended that the write-off balances are approved.</p> <p>The Board approved the proposed bad debt write-off/write-off of credit balances as submitted by the Audit and Finance Sub-committee.</p>
<p>Corporate Services</p>	
6717	<p>Governance Review</p> <p>JD presented the report and advised that it outlines previous discussions and feedback received from Board members regarding the cycle of Board meetings. JD moved on to advise that Board meetings will be reduced to four quarterly meetings that will be held virtually and will also tie in with the normal quarterly reviews and two additional strategy meetings that will be held in person annually.</p> <p>JD moved on to advise that it is proposed there are amendments made to the levels of delegated authority for SMT to allow Board members to have more of a strategic overview.</p> <p>CP advised that the proposed changes to the financial regulations would bring AHA in line with many other RSLs.</p>

	<p>JH raised concerns around the potential size of boardpacks if there will be fewer meetings, and the length of time it takes to review each report. It was agreed that papers that require Board approval should be listed first within the pack with the consent agenda moved to the back.</p> <p>It was also agreed that the virtual meetings will begin at 6pm.</p> <p>Board members felt that the proposed changes were appropriate and sensible given the current climate.</p> <p>The Board approved the following:</p> <ul style="list-style-type: none"> • The revised Standing Orders for the Association (including changes to the nature, content and frequency of Board meetings, and all relevant appendices) • The revised Financial Regulations of the Association • The programme of policy reviews delegated to SMT • Revised monitoring practices for annual reports • Draft annual agenda and meeting schedule for Board meetings
6718	<p>Key Performance Indicators – to end quarter 2</p> <p>AC informed the Board that the results that were being presented were year to date, and were positive throughout each section within the Association.</p> <p>The Board noted the action taken on the red KPI information, and agreed the action being taken by officers.</p>
Asset Management	
6719	<p>Medical Adaptations – Acceptance of Grant</p> <p>IT presented the report and advised that she was giving an update on the Association’s position and informed the Board that the funding received to date has been spent. However, the Association has seen a large increase in the number of adaption applications and therefore has a waiting list of those who are still waiting for major work to be done. IT did advise that smaller adaptations can still be carried out.</p> <p>CP informed the Board that it is possible for the Association to incur costs for medical adaptations this year and claim the cost back in 2022/23. The Board was happy to proceed with this option.</p> <p>The Board approved the acceptance of grant funding for the delivery of medical adaptations as per the attached offer dated 2 June 2021.</p> <p>The Board approved delegating authority to the Chief Executive to accept the offer of grant in relation to medical adaptations in the future.</p>
6720	<p>Planned Programme Report</p> <p>Despite the difficult time in terms of repairs and maintenance, IT informed the Board that the team is midway through the boiler replacement contract and the bathroom upgrades are nearing completion. However, it was brought to the Association’s attention that there were additional WCs in some properties that were not noted on the system and, as a result, incurred additional costs. IT also informed the Board that the Association will be using the same contractor from the bathroom upgrades to carry out the kitchen work afterwards.</p>

	<p>IT moved on to advise that the fencing contract is almost complete and the feedback received from tenants has all been positive. It is anticipated that additional costs will be incurred on the cladding work due to the findings once the work began.</p> <p>The Board approved the additional expenditure of £31,798 on the bathroom replacement contract as a result of additional WCs and shower rooms.</p> <p>The Board approved the additional expenditure on the render contract of £43,555 to replace slumped cavity wall insulation, assuming all required).</p>
6721	<p>Planned Expenditure Report</p> <p>Information removed or edited due to information relating to personal/confidential items or being commercially sensitive.</p> <p>To mitigate the underspend in 2021/22, IT advised there were a number of contracts that could be brought forward. One of them is the re-rendering contract which would benefit tenants who live in blocks where factored owners are involved. IT also advised that the current fencing contract is due to come to end. However, the Association was in a position to be able to instruct the current contractor to carry out replacements to another 39 properties before 31st March 2022.</p> <p>IT informed the Board that it is proposed that a consultant is procured to carry out a survey of open spaces and prepare an options appraisal that AHA can utilise to consult with customers over the coming financial year to allow a five-year investment plan to be prepared.</p> <p>The Board approved proceeding with the 2021/22 window programme at an additional cost.</p> <p>The Board approved the proposed acceleration of render works from financial year 2022/23 to a defined list of properties within the current three-year framework contract with MP Group UK Ltd.</p> <p>Information removed or edited due to information relating to personal/confidential items or being commercially sensitive.</p> <p>The Board approved the procurement of a consultant to carry out detailed option appraisals on a sample of stock types to identify the fabric works required to bring properties towards EESSH 2 standard.</p> <p>The Board approved the procurement of a consultant to identify environmental improvement works required across stock.</p>
Housing Management	
6722	<p>Tenant profiling tender</p> <p>SY presented the report and informed the Board that the tender exercise for the tenant profiling project had been completed and the winning bid had come in under the budgeted amount for this contract.</p> <p>Information removed or edited due to information relating to personal/confidential items or being commercially sensitive.</p>
6723	<p>Staff Allocation</p> <p>SY informed the Board that the report was for noting as the allocation had already been approved by the Allocations Sub-committee. SY also informed the Board that the allocation would be noted on the register of benefits as it pertains to a staff member.</p>

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Finance and ICT	
6724	<p>Statutory Returns – OSCR and FCA</p> <p>CP informed the Board that both the OSCR and FCA returns for the Association for the year ended 31 March 2021 have been submitted.</p> <p>There were no questions from the Board.</p> <p>The Board noted the submission of the OSCR and FCA returns for the year ended 31 March 2021, by the due filing dates of 31 December and 31 October 2021 respectively.</p>
6725	<p>AOCB</p> <p>SY advised the Board that the tender process had been completed for the tenancy sustainment service, but there were no adequate submissions received. SY moved on to advise that Housing Options Scotland (HOS) stepped in to assist last year when the previous contractor withdrew their services, but HOS advised they do not feel comfortable submitting a tender bid despite the Association offering assistance with training on this process. HOS is able to fulfil the role for the remainder of the year and SY advised that a report will be brought to Board later in the year with proposed options.</p> <p>The Board noted the update regarding the tenancy sustainment services.</p>
6726	<p>AOCB</p> <p>CP reminded the Board that the Association has a policy for open market purchases and advised that we had been approached by a landlord who was selling their property, which they had purchased from the Association in 2007 under right to buy. This property will require significant work as the landlord has carried out very little repair work. However, its purchase would give the Association 100% ownership of the block.</p> <p>The Board approved the purchase of 43 Hobart Street at a cost of £65,000. This property requires Board approval due to the level of negative NPV following the purchase and improvement that this property returns.</p>
	Date of Next Meeting: 03 February 2022

Approved by:

Date: