

## ABERTAY HOUSING ASSOCIATION LIMITED

Minutes of the Board Meeting

Wednesday 29 November 2023 17:00

**Present:** Ron Neave (Chair), Kath Mands (Vice-Chair), Paul Crichton, Darren Keddie, Denis Brown, Vicki Cutler and Alan Fraser.

The following joined via Video Conferencing: Kevin Braidwood.

**In Attendance:** Barry Moore (CE), Marjorie Sloan (CSD and Secretary), Roz Clark (CSO) and Clare Talbot (TIO).

The Chair welcomed everyone to the meeting.

### **23/11/01 Apologies**

There were apologies from Ian Byers.

### **23/11/02 Declarations of Conflicting Interests**

No Member declared a conflicting interest.

## **Asset Management & Development Committee Reports (AM&DC)**

### **23/11/03 AM&DC Meeting 1 November 2023**

The Chair of the AM&DC provided an update on the meeting which took place on 1 November 2023. The Chair confirmed that she and Darren had been confirmed as Chair and Vice-Chair of the AM&DC respectively.

She discussed the External Insulation works and Lift Maintenance Contract reports which required Board approval.

Additionally, she discussed the increase in voids costs.

The CE reported that long term tenancies were likely to reduce and with more frequent turnover void costs would continue to rise. He confirmed that the Association was continuing to monitor the trends.

The Chair reported that the Committee had agreed 'in principle' discussions to take place with Dundee City Council (DCC) and the Scottish Government (SG) in relation to the Angus Street Development.

The CE reported that he had had very positive 'in principle' discussions with DCC and the Scottish Government in relation to the Angus Street Development and both were prepared to support the development. The CE highlighted that a Report would be presented to Board with all the risks associated with the Development. The CE asked Board for agreement to the Association meeting with DCC and SG to discuss the Development. He reiterated that there would be no agreement or commitment prior to Board approval.

Board **agreed** that the Association would not carry out the external insulation works which had been approved as part of the Planned Maintenance Programme in 2023/24 so that the Association could pursue the possibility of obtaining external funding to assist with the costs associated with this work.

Board **agreed** that the Association would not procure a new Lift Maintenance Contract but would extend the current contractual agreement with the current Lift Maintenance Company for three years commencing 1 July 2024.

Board **agreed** to the Association meeting with DCC and SG to have, no commitment, discussions in relation to the Angus Street Development.

Board **noted** the AM&DC Report.

## **Audit, Finance & Risk Management Committee Reports (AF&RMC)**

### **23/08/04 AF&RMC Meeting 8 November 2023**

The Chair of the AF&RMC provided an update on the meeting which took place on 8 November 2023.

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The Chair confirmed that he and Vicki had been confirmed as Chair and Vice-Chair of the AF&RMC respectively.

The Chair reported that the Internal Auditor had been unable to present the Audit Reports at the meeting but had provided a verbal update. Confirmation was later received that they were both given Full Assurance, and the full reports would be provided at the February AF&RMC meeting.

The CE highlighted that there had been discussion on Asbestos management at the meeting which would be discussed in more detail later in the meeting. This would also be addressed in more detail at the next AF&RMC meeting.

The Chair discussed the items which required Board approval.

Board **approved** the Treasury and Investment Management Activity in Q2 as set out in the AF&RMC report 23/11/10.

Board **approved** the Treasury Management Mid-Year Review.

Board **noted** the AF&RMC report.

### **23/11/05 Minute of Board Meeting 25 October 2023 and Tracker**

The Chair talked through the minutes of the meeting held on 25 October 2023 and asked for comments.

Approved. Proposed Kath Mands, Seconded Vicki Cutler.

The CSD talked through the tracker highlighting that a number of the items would be discussed later in the agenda and that a number had been complete and would be removed.

### **23/11/06 Matters Arising**

There were no matters arising.

### **23/11/07 Chair's Actions / Decisions between meetings**

The CE presented the report and confirmed there had been no Chair's Actions since the previous Board Meeting on 25 October 2023; the Chair confirmed this to be the case.

Board **noted** the report.

### **23/11/08 Draft Budget for 2024/25 and 30 Year Financial Plan**

The CSD gave a comprehensive and detailed brief on the budget. The CSD highlighted that decisions relating to the following three reports 23/11/09, 23/11/10 and 23/11/11 may affect the budget, and that any impact would be incorporated in the updated report to be presented at the Board Meeting on 28 February 2024. She stressed that Board may wish to make their recommendations once all 4 reports had been presented.

The CSD explained the assumptions that had been made including on rent increase and salary increase for 2024/25.

The CSD talked through the general economic assumptions which are based on the most recent DTP business plan assumptions. The CSD gave a detailed review of CPI predictions and the correlation between this and the recently presented Autumn Statement. She talked through factors specific to the Association and advised that the Mossgiel Development was included in year 3 reflecting the proposal in report 23/11/26. She confirmed the Angus Street and Clepington Road Development had also been included in the Budget in year 1.

The CSD reported that a decision would be required at this meeting in relation to the Retirement Housing service charge. She gave a comprehensive overview of the charges including the additional

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costs incurred for cleaning and fire alarm callouts. The proposed increase of £8.64 would lead to a service charge of £75.91 per month for 2024/25 to cover costs.

The CSD reported the Void Losses and Tenant Bad Debts figures had previously been based on an assumption that the rent arrears figure would increase to 5.8% by year 3. However, as the figure has remained stable over the last few years, the figure has been reduced to 3% throughout the plan.

The CSD gave a detailed overview of the Asset Management Plan highlighting that the figures in the plan were being reviewed but were being used as a guide for this budget. She highlighted that the plan was a work in progress and that more accurate figures would be presented in 2024/25. The CE explained that the Planned Maintenance Programme Report which would follow would provide further detail.

The CSD reported the pension figures were still to be updated following the recent valuation. She reported that a meeting had taken place and results were expected shortly.

The CSD gave a comprehensive explanation of the Association's loan structure. She confirmed that all covenants were being comfortably met and talked through the sensitivity analysis.

The CSD talked through the figures relating to potential rent increases highlighting the impact over the 30 Year Plan.

There followed a detailed and comprehensive discussion by Board on the budget.

Board asked whether there was likely to be a change in the rental income paid directly from the Government and the CE reported that this was unlikely. He caveated his reply should statutory rent control be introduced that would require an exemption on covenants.

The CE gave an overview of the 30 year planned maintenance programme stressing that it required review. He stressed that a more accurate plan would be presented to the Board at an Away Day in 2024. The CE highlighted that the budget plan was a work in progress and that the accurate data would be taken from the actual costs provided in the current financial year. The following report on the Planned Maintenance Programme report would provide more detail.

The CE confirmed that the Board member absent had intimated that he was happy to agree both proposals for owners' charges and proposed retirement service charge.

There followed discussion on whether updating the value of properties would change the covenant compliance. The CE confirmed that the greater value of properties the more loan and borrowing would be available. However other covenants also had to be taken into account. He reiterated that investing in properties was in everyone's interest.

Board asked whether there would be grant available for roof works. The CE confirmed that grant would be available to owners but not to the Association.

Board asked when Net Zero would be introduced to the Planned Maintenance Programme.

The CE reported that Board would be presented with 2 programmes as part of the 30 Year Plan for 2025/26. One plan would show the costs without Net Zero and the other with Net Zero. He highlighted

that the plan with Net Zero costs included was likely to show it was unaffordable without grant assistance.

Board asked whether data was available in relation to the number of components which were not being done due the funding shortfall. The CSD reported that this would be confirmed once accurate figures were collated

Board **noted** the Draft Budget for 2024/25 and 30 Year Financial Plan.

Board **agreed** the owners' charges increase by 7.7% or the same level as rents agreed by Board.

Board **agreed** the proposed retirement service charge of £75.91 per month, an increase of 12.8%.

### **23/11/09 Confidential Planned Maintenance Programme – 2024/25**

The CE presented the report. He gave a comprehensive overview of the appendix. He reported that the decisions in relation to what works are carried out is driven by the allocated budget which was presented in the plan by the CSD.

Board asked for clarification on the External Insulation Works programme with the CE confirming that should grant funding be allocated 9 properties would be complete in FY24/25; however, if it is not granted then 5 would be completed.

Board asked for clarification on the lifespans of the current air source heat pumps. The CE confirmed that they were past their current lifespan and were failing quite frequently. He highlighted that alternative suppliers were being sourced and pumps from two different providers would be trialed.

Board asked whether there had been consideration given to the installation of solar panels to support the air source heat pumps. The CE reported that it was unaffordable at present.

There followed discussion on EICRs with the CE reporting that Associations in England had moved from a 5 year requirement to 10-15 years. He hoped that Scotland would move to a risk based approach.

Board asked whether RBS recognised that following the underspend in relation to Covid there was a requirement to catch up as quickly as possible in relation to planned maintenance. The CE confirmed that it was planned to hold a meeting with the Chair and Vice-Chair of the AF&RMC and RBS in the near future.

Board **approved** the Planned Maintenance Programme – 2024/25.

### **23/11/10 Annual Rent Review**

The CE presented the report. He highlighted that the Association has a legal obligation to consult with tenants and to provide them with one month's notice of its intention to increase the rent and therefore we must progress with the consultation in December 2023.

The CE talked through the rationale in relation to the proposed rent increase of 7.7% and the impact this may have on tenants. Whilst it was noted that 55% of tenants had their rents paid there were 45% of tenants who would be impacted by a rent increase. The CE gave a comprehensive overview of the two reports which were pertinent to the rent increase decision including voids – reasons for termination and rent arrears. He highlighted that in the past 3 years only one tenant had indicated that they had terminated their tenancy due to the rent costs and rent arrears figures had decreased year on year.

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The CSD highlighted that the SFHA affordability tool was unusable due to how it had dealt with cost increases and as a result the information provided could not be used as a measure of an affordable rent. As a consequence, the Association was not using this information as the only measure with which to decide rents. It was proposed that no adjustment is made in relation to rent affordability for this financial year.

The CSD gave an update on the Scotland's Housing Network consultation and provided updated figures to the table as shown below:

	Most Popular Consultation option	Second Most Popular Consultation option	Third Most Popular Consultation option
All (41)	6%-6.4%	5%	6.5%-6.9%
Local Authorities (16)	5%-5.4%		
RSLs (25)	5-5.4%	6-6.4%	

She reported that the highest option being consulted on by the 16 local authorities was 11% and by the 25 RSLs was 9.9%.

There followed discussion on the Private Sector and associated rental costs.

18.30hrs - Kevin left the meeting

The CE confirmed that the Board member absent had provided his approval of the proposed consultation in advance of the meeting.

There followed comprehensive and detailed discussion on the proposed consultation options with Board agreeing that there should be two options; 7.7% and 8.5%. It was agreed that the publicity surrounding the options should highlight that any increase above 7.7% would be used to enhance the planned maintenance programme. This would provide tenants with the reassurances that the Association was investing in their homes.

The CE confirmed that the consultation document included images of works carried out to support the reassurances.

Board **agreed** that the Association consults with tenants on whether they would prefer:

- (a) A rent rise of 7.7% to assist in carrying out the objectives set in our Business Plan; focusing on energy efficiency aspects, and kitchen and bathroom replacement programmes; or
- (b) A rise of 8.5% to carry out all of (a) above, plus to assist us with increasing the investment in our planned maintenance programme.

Board **noted** that the results of the consultation with tenants will be reported to them on 24 January 2024 when the final decision on the rent increase must be made.

The CSD, TIO and CSO left the meeting.

### 23/11/11 Confidential Annual Staff Salary Review

Board **noted** the Annual Staff Salary Review Paper with a view that a further report would be presented in January 2024.

The CSD, TIO and CSO returned to the meeting.

### **23/11/12 Internal Management Plan: Quarter 2**

The CE presented the report and gave a comprehensive and detailed update on the Internal Management Plan.

He confirmed that the Annual Assurance Statement had been submitted.

Board **noted** the Internal Management Plan: Quarter 2.

### **23/11/13 Operational Performance Report KPIs: Quarter 2**

The CE talked through the report and KPIs in detail. As previously reported, he reiterated that the IMP and KPIs combined provided Board with a comprehensive understanding of how the Association was progressing and performing.

The CE reported that, in relation to Board recruitment, he was in early discussions with a possible tenant member.

The CE highlighted the acquisitions and disposals KPIs stressing the Association's aspiration for growth. He reported that this would be evident in the consideration of the Angus Street Development and properties purchased back as reported later in the agenda.

The CE provided a more detailed update on income management, health and safety, gas servicing, reactive repairs and planned maintenance.

Board observed that the figures quoted for reactive repairs appeared to be consistent and questioned whether the budget was based on these.

The CE confirmed that the budget was based on the figures and that as of 2024/25 the budget presented to the Board would be broken down to highlight reactive costs and voids costs separately.

Board **noted** the Operational Performance Report KPIs: Quarter 2.

### **23/11/14 SHR Correspondence and Communication**

The CE talked through the report highlighting the four communications received during the Quarter.

Board **noted** the SHR Correspondence and Communication.

### **23/11/15 Risk Management Tables: Quarter 2 (verbal update)**

The CE provided a verbal update highlighting that there had been no significant issues raised during Q2. He confirmed that a full report would be presented at the next meeting.

Board **noted** the Risk Management Tables: Q2 verbal update.

### **23/11/16 Health and Safety Quarterly Report: Quarter 2**

The CE talked through the report highlighting the five areas covered: Asbestos, Electrical, Gas, Legionella and Lifts.

The CE provided an update on the Five Year Electrical Safety Checks highlighting that the position at the end of Q2 showed that 98.87% of the housing stock had five year electrical inspection certificates.

The CE provided an update on Gas Safety Checks highlighting that 100% of properties had an up to date Landlord's Gas Safety Certificate.

The CE highlighted that legionella testing and lift testing and maintenance had been carried out as detailed in the appendices.

Board had asked for clarification on the scope of the Risk Management Audit in relation to Asbestos as it had not been clear if it related to domestic and non-domestic premises. In particular they wished to know that due consideration had been given to both as the regulations differed as there is an Approved Code of Practice (ACOP) for non-domestic properties whilst domestic properties are subject to the Health and Safety at Work Act.

The CE gave a comprehensive overview of the Asbestos Register which covers both domestic and non-domestic premises. He stressed that due consideration was given to both the ACOP and the

Health and Safety at Work Act and it was noted that by law the principles of the ACOP applied in both instances.

The CE highlighted that the Risk Management and Tenant Safety Audits were the most detailed with the Association having to provide considerable evidence to satisfy the auditor's remit.

The CE confirmed that the subject of Asbestos would be discussed in more detail at the next AF&RMC.

Board **noted** the Health and Safety Quarterly Report: Quarter 2.

### **23/11/17a Fire Safety and Prevention: Fire Risk Assessments – Head Office**

The CE talked through the report. He gave an overview of the 8 recommendations highlighting the progress being made. He confirmed that a further report would be provided in February 2024.

Board **noted** the Fire Safety and Prevention: Fire Risk Assessments – Head Office

### **23/11/17b Fire Safety and Prevention: Fire Risk Assessments – Housing Schemes**

The CE talked through the report. He gave an overview of the recommendations as reported and highlighted the progress being made. He gave a comprehensive overview of the Appendices. The CE gave a detailed brief on the journey the Association had taken since 2020 when there had been significantly more recommendations recorded.

There followed discussion on the issues recorded at Finavon Street with the CE providing detailed background information.

Board asked for further details on the competencies of the Fire Risk Assessor to ensure that they complied with the Scottish Fire and Safety Regulations.

The CE confirmed that the Internal Audit report on Tenant Safety included a paragraph on the competencies of the assessor and he confirmed that they did comply with the Scottish Fire and Safety Regulations.

The CE confirmed that a further report would be provided in February 2024.

Board **noted** the Fire Safety and Prevention: Fire Risk Assessments – Housing Schemes

### **23/11/18 Rent Arrears Report: Quarter 2**

The CE presented the report highlighting the excellent progress being made by the Income Team. He gave a comprehensive update on the figures reported, highlighting that historical data showed the improvements being made.

Board acknowledged the excellent work being done by the Income Team.

Board **noted** the Rent Arrears Report: Quarter 2 Report.

The Secretary notified the Board that it was 7.30pm and therefore she was required to ask whether they wished to suspend standing orders to continue the meeting. The Board agreed to suspend standing orders. The meeting continued.

### **23/11/19 Former Tenant Arrears Write-Offs: Quarter 2**

The CE presented the report. He highlighted the good work being done by the Income Team highlighting that rechargeable repairs write-offs were higher than rent arrears write-offs. He reiterated that the Income Team would continue to work to reduce the arrears.

Board **approved** the Former Tenant Arrears Write-Offs: Quarter 2 Report.

### **23/11/20 Voids Reasons for Termination of Tenancies**

The CE presented the report. He highlighted that para 2.1.1 and the Appendix which provided further detail on terminations. The CE reiterated that only one tenant had indicated their reason for terminating their tenancy was the cost of the rent.



Board **noted** the Voids Reasons for Termination of Tenancies: Quarter 2 Report.

**23/11/21 Void Rent Loss Report: Quarter 2**

The CE gave a comprehensive update which confirmed the continued progress and good performance figures. He gave an overview of the average re-let times highlighting that the figures were distorted by Supported Housing. He stressed that these figures were not in the control of the Association as the tenancies were allocated by the organisations managing these properties. He highlighted that those in the control of the Association showed re-let figures below target.

Board **noted** the Void Rent Loss Report: Quarter 2.

**23/11/22 Tenant Allowances Report: Quarter 2**

The CE presented the report on behalf of the Housing Manager highlighting that there had been two tenant allowances approved in Quarter 2. He gave a comprehensive update on one case in particular explaining that the payment of £887 had been made to the tenant to compensate for the removal and replacement of flooring. It had been noted that the original figure had been provided without VAT leading to an actual payment of £1,065. The Board was therefore asked to approve this payment retrospectively as it exceeded the £1,000 threshold.

Board **approved** the payment of £1,065.00 as reported.

Board **noted** the Tenant Allowances Report: Quarter 2.

**23/11/23 Acquisitions and Disposals**

The CSD talked through the report. The CSD confirmed that since the last report the Association had purchased 5 properties with grant funding having been received for 3 and applications to be submitted for the other 2. She confirmed that a further 2 properties were pending acquisition with grant funding applications to be submitted.

The CE reiterated that the acquisitions reinforced the Association's Key Strategic Objective of growth.

The CSD gave an overview of the Fair Work First requirements which had been imposed by the Scottish Government in relation to grant funding. She highlighted the difficulties being faced by the majority of RSL's and Councils in providing evidence to meet the criteria.

The CE reiterated the process to comply with the Fair Work First principles was long and laborious but that the Association would face the challenge and ensure that the grant funding applications were successful.

Board **noted** the Acquisitions and Disposals Report.

**23/11/24 Procurement Quarterly Report: Quarter 2**

The CSD presented the report highlighting that there had been no tenders over £50k awarded within the reporting period.

Board **noted** the Procurement Quarterly Report: Quarter 2.

**23/11/25 Confidential External Fabric Works 2024/25**



**23/11/26 Confidential Development Report – Mossiel**

**23/11/27 Share Update**

The CSO presented the report.  
Board **approved** the Share Membership Update.

**23/11/28 Board Training Updates**

The CSO presented the report  
Board **noted** the Board Training Update.

**23/11/29 AOB**

3. Board wished to thank staff for their efforts and performance during what continued to be a difficult financial time.
4. On behalf of staff the CE thanked the Board for their generosity and appreciation.
5. The CE confirmed that a Board networking event would be organised in January and that details would be circulated shortly.

Meeting closed at 20.15hrs.