

ABERTAY HOUSING ASSOCIATION LIMITED

Minutes of the Board Meeting

Wednesday 26 February 2025 17:00

Present: Ron Neave (Chair), Kath Mands (Vice-Chair), Paul Crichton, Ian Byers, Alan Fraser and Callum Main.

The following joined via Video Conferencing: Kevin Braidwood, Vicki Cutler, Darren Keddie, Jennifer McAughtrie and Graeme Watson.

In Attendance: Barry Moore (CE), Marjorie Sloan (CSD), Clare Talbot (CSO).
Patricia Gallagher (Observer) joined via Video Conferencing.

25/02/01 Apologies

There were no apologies. The Chair welcomed everyone to the meeting.

25/02/02 Declarations of Conflicting Interests

Paul declared that he had a conflict of interest in relation to Agenda Item 25/02/20 as Sidey was a current client of MMG Chartered Accountants.

25/02/03 Asset Management & Development Committee Reports (AM&DC)

AM&DC Meeting 29 January 2025

The Chair of the AM&DC provided an update on the meeting which took place on 29 January 2025. The Chair noted the excellent progress of the planned maintenance programme and acknowledged the positive tenant feedback. The Chair commented on the current progress of Oak Gardens.

A Member highlighted this month was the anniversary of our involvement with Oak Gardens and thanked the CE for all of the hard work to date.

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

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

24/02/04 AF&RMC Meeting 12 February 2025

The Chair of the AF&RMC provided an update on the meeting which took place on 12 February 2025. The Chair provided a summary, noting the plans for dealing with the outstanding recommendations on the Internal Audit Follow Up Report and noted the Substantial Assurance for the Internal Audit of Business Planning.

The Chair highlighted the External Audit Plan for 2024/25 was approved.

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

Board **noted** the Treasury and Investment Management in the quarter as set out as s2.15 of 25/02/11, Management Accounts to 31 December 2024.

Board **approved** the Treasury Management Financial Strategy as set out in item 25/02/13.

25/02/05 Minute of Board Meeting 22 January 2025 and Tracker

The Chair talked through the minutes of the meeting held on 22 January 2025 and asked for comments.

Approved. Proposed Paul Crichton, Seconded Kath Mands.

The CE talked through the tracker advising that many of the outstanding items would be completed by the end of the financial year and discussed at the next Board Away Day, scheduled in April 2025, and / or presented to Board in May 2025.

25/02/06 Matters Arising

The CE referred to 25/01/04 of the Minute, confirming the Customer Services Manager took up their role on 1 January 2025 and the Customer Services Team Leader took up their role on 1 February 2025.

The CE referred to 25/01/06 of the Minute, confirming the rent increase letters of 6% were sent to all tenants on Monday 24 February 2025, accompanied by a letter from the CE conveying the Association's commitment to maintaining tenants' homes.

25/02/07 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 22 January 2025; the Chair confirmed this to be the case.

Board **noted** the report.

25/02/08 Budget for 2025/26 and 30 Year Financial Plan

The CSD provided a comprehensive and detailed brief on the budget. The CSD provided an update on changes since the Board Meeting in November 2024.

The main updates which have been made since the Board Meeting in November 2024 were the rent increase of 6% for 2025/26 and a salary increase of 4.0%, as agreed by the Board in January 2025.

Further updates include the number of rented and factored properties based on the latest flat acquisitions, including the sale of 23 McGonagall Square in 2025/26 as agreed by the Board in January 2025. The CSD reported the updating of service charges, adjusting the timing of drawdowns and increasing the 2025/26 Planned Maintenance Budget by £700k to reflect increased capacity as a result of the above changes.

The CSD talked through the general economic assumptions which are based on the November DTP business plan assumptions and therefore have not changed since the previous report. The updated DTP assumptions for February had been received too late to incorporate in the base case, but had been included as a sensitivity at s2.3.9. These assumptions are more advantageous to the Business Plan than the base case.

The Clepington Road and Angus Street projects will be taken forward in conjunction with Campion Homes, subject to planning approval, and will only be progressed should the costs, together with any above benchmark grant prove that the project is financially viable. These projects are assumed to have a build start date of 1 April 2025. The actual start date is likely to be slightly later due to delays in the planning process.

The Oak Gardens project is being progressed. It is currently assumed that it will be completed in early 2025/26.

Planned Maintenance and Component Expenditure is £6.7m higher than the asset management system figure over the 30 years. However, the asset management system does not allow for net zero expenditure, which will be significantly higher than £6.7m. The timing of the works is, however, an issue, with more works being required at the start of the plan.

The budget shows a surplus of £1,441.0k in year 1. It shows all covenants are met throughout the thirty-year plan. Peak debt is £28.9m in year 2, and there would be £13.4m of borrowing at the end of year 30.

Board **approved** the 2025/26 budget and 30 Year Financial Plan.

Board **agreed** that an additional £700k over the £2.209m approved in November 2024 be spent on Planned Maintenance in 2025/26.

Board **noted** that a report will be brought to AM&DC in April 2025 in relation to the detail of this expenditure.

25/02/09 Internal Management Plan: Quarter 3

The CE presented the report in comprehensive detail. The CE talked through the appendix highlighting items of particular note.

Board **noted** the progress detailed in Internal Management Plan: Quarter 3 2024/25.

25/02/10 Operational Performance Report KPIs: Quarter 3

The CE talked through the report and the KPIs in comprehensive detail. The CE talked through the report and appendix.

The CE highlighted that the Association's aspirations in terms of growth are being met by the acquisition / purchase of properties.

The CE provided a detailed update on the KPIs on income management, and in particular the excellent rent arrears performance figures, health and safety, reactive repairs, planned maintenance and development.

A Board Member queried whether the way housing payments were received had changed recently. The CE responded advising he was unaware of what he was referring to, however, the migration of Housing Benefit to Universal Credit was continuing.

Board **noted** the Operational Performance Report: Key Performance Indicators for Quarter 3 2024/25.

25/02/11 SHR Communication and Correspondence

The CE talked through the report highlighting that he had updated the SHR on the current position at Oak Gardens.

Board queried the process when a Notifiable Event has been reported to the SHR. The CE responded advising that when a Notifiable Event is reported the SHR will review it in terms of risk and may request specific information and regular updates. Once they are satisfied any concerns have been addressed, they will close the Notifiable Event.

Board **noted** the content of the communication and correspondence with the Scottish Housing Regulator.

25/02/12 Risk Management Tables: Quarter 3

The CE presented the Risk Management Tables to the Board in respect of the Ten Most Serious and Significant Risks as per Appendix 1 of the report. The CE stated updates were highlighted in blue text.

Board **approved** the Ten Most Serious and Significant Risks.

25/02/13 Fire Safety and Prevention: Fire Risk Assessments – Housing Schemes

The CE presented the report. He highlighted that, as previously reported the Fire Risk Assessments were subject to scrutiny by Internal Audit on Fire Safety and were a key piece of evidence resulting in

Internal Audit providing Full Assurance in 2022. In addition, and more recently, fire safety and prevention compliance were scrutinised as part of the Internal Audits on Risk Management, in September 2023, and Tenant Safety, in October 2023; both of which received Full Assurance.

The CE highlighted the Annual Fire Risk Assessments (2.2.1) and both appendices in more detail. The CE confirmed that the Association carries out quarterly fire safety and prevention inspections on these schemes and appropriate action is taken to rectify any identified hazards / risks.

The CE talked through the Recommendation Compliance Monitor. In total there were 44 recommendations within the Annual Fire Risk Assessments, of which 32 are now complete and 12 are a work in progress as of 19 February 2025.

The CE talked through Appendix 2 which provided Members with the detailed information requested on examples of Fire Risk Assessments – Housing Schemes.

Board queried the qualifications of the Fire Risk Assessor. The CE assured Members that due diligence had been carried out on the Assessor, the CE provided details of the Assessors credentials and explained that DPD Fire Safety outsource the work to the Assessor, who has an extensive background in fire safety, in particular advising and working with architects and the qualifications recommended by the Scottish Government.

Board asked for details on the population profile of Dryburgh Gardens. The CE responded advising the profile is made up of numerous ages, the majority of which are mature tenants due to a high proportion being retirement housing tenants.

Board **noted** the update on fire safety and prevention compliance in respect of the Fire Risk Assessments carried out on the Association's Housing Schemes.

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25/02/14 Health and Safety Quarterly Report: Quarter 3

The CE talked through the report highlighting the five areas covered: Asbestos, Electrical, Gas, Legionella and Lifts. The CE advised that with the passage of time asbestos will become less of an issue due to removal of it when we encounter it. The CE provided an update on the Electrical Safety Checks stating that 100% will be difficult to achieve, due to gaining access to the properties. The position as at the end of Q3 2024/25: 1,858 (99.20%).

The Board queried electrical checks and requested an update on the 14 outstanding properties. The CE confirmed that 3 were no access – these have now been completed, 5 are recently acquired properties (buy backs) which are currently not tenanted and 6 are currently ongoing. The CE explained gas and electrical checks have the same timeline of starting 70 days prior to the due date. The CE stated the Association does carry out forced access as detailed in the KPIs.

The Board requested clarification on lift inspections / insurance reports. The CE confirmed that the insurance reports were completed in May 2024. The CE stated any lift equipment lifting people is required to be inspected every 6 months. The insurance inspection is in addition to the thorough monthly inspection conducted by Thyssen Krupp and is required by our insurers.

Following a query from a Board Member, the CE advised he will provide information on what is covered by the monthly inspections.

Board **noted** the Association's performance in respect of its health and safety obligations.

25/02/15 Rent Arrears Report: Quarter 3

The CE presented the report highlighting the excellent progress being made by the Income Team. The CE noted that, as previously reported, all figures were moving in a positive direction and improving continuously. The CE stated these are incredibly positive figures, and the Association's arrears performance continues to be in the top quartile.

The Board commented the rent arrears figures were excellent and far better than the assumptions in the 30 Year Financial Plan. The CE agreed and stated he was really pleased with the performance of the Income Team.

Board **noted** the overview of performance associated with current rent arrears throughout Quarter 3 2024/25.

25/02/16 Former Tenant Arrears Write-Offs: Quarter 3

The CE presented the report. He provided an overview of each case highlighting that the Income Team continued to pursue all avenues to recover arrears. He stressed the importance of financial transparency to ensure the Board is fully informed of all write-offs.

Board **approved** the write-off of former tenant arrears detailed in the report.

25/02/17 Voids Reasons for Termination of Tenancies

The CE presented the report. He highlighted para 2.1.1 and the Appendix which provided further details on terminations. The CE reported that there had been no terminations due to the rent being too high and highlighted the low numbers in relation to abandonment and eviction levels. The CE stressed that the Association monitored the data carefully to effectively manage the void and allocation process.

Board **noted** the reasons why tenants have terminated their tenancies throughout Quarter 3.

25/02/18 Void Rent Loss Report: Quarter 3

The CE presented the report. The CE highlighted the continued progress and good performance figures detailed in the report. The CE provided an overview of para 2.2.1.1 which provided the explanation for the difference between the figure in the accounts and the figure adjusted for ARC.

The CE detailed the correlation between voids and relets, emphasising the ambitious relet target of 21 days, stating the Association is currently performing well and currently sitting at 24 days.

Board **noted** the performance, and the financial implications associated with void rent loss in respect of Quarter 3.

25/02/19 Tenant Allowances Report: Quarter 3

The CE presented the report highlighting that there had been no payments made to tenants during Quarter 3.

Board **noted** that no tenant allowances were paid to tenants in Quarter 3 2024/25.

25/02/20 Procurement Quarterly Report: Quarter 3

The CSD talked through the report declaring there have been two tenders over £50k awarded within the period 1 October 2024 – 31 December 2024.

The CE advised that the Association complies with procurement legislation and takes legal advice to ensure best value is achieved for the Association.

Board **noted** the Procurement Quarterly Report: Quarter 3 2024/25.

25/02/21 Acquisitions and Disposals

The CSD presented the report and provided an update on the four purchases since the last meeting and two pending purchases. There is currently one pending disposal, an offer has been accepted on 23 McGonagall Square, and the sale of this property should be complete in mid April. As previously agreed, the funds from the sale of 23 McGonagall Square will go into the Planned Maintenance Programme, which will go towards the replacement of further boilers, kitchens, and bathrooms.

The CSD stated grant is not yet confirmed for thirteen properties purchased since 1 April 2024. Board **noted** the current position on Acquisitions and Disposals.

25/02/22 CGPR: Board Expense Allowance Rates

The CSD talked through the report. The CSD explained that the Policy sets out the circumstances under which expenses and allowances can be paid to Board Members. The specific rates are an appendix to the policy and are reviewed annually. The CSD talked through the revised rates which will take effect from 1 April 2025.

Board **approved** the Board Expense Allowance rates to take effect from 1 April 2025.

25/02/23 CGPR: Procurement Strategy

The CSD talked through the report. The CSD explained that the Procurement Reform (Scotland) Act 2014 requires that RSLs of the Association's size publish a procurement strategy annually. The Strategy was last approved in February 2024 and there were no significant changes.

Board **approved** the Procurement Strategy.

25/02/24 CGPR: Board Member Induction Policy and Procedure

The CE talked through the report. The CE advised that the Association's Board Member Induction Policy and Procedure was last approved in January 2022 and has been reviewed and updated with minimal changes.

Board **approved** adoption of the revised Board Member Induction Policy and Procedure.

25/02/25 CGPR: Board Member Recruitment Policy

The CE talked through the report. The CE advised that the Association's existing Board Member Recruitment Policy was last approved in January 2022. The CE highlighted that the Policy had been reviewed and updated to reflect updated SFHA Governing Body Member Succession Planning and Recruitment Guidance published in January 2025.

Board **approved** the revised Board Member Recruitment Policy

25/02/26 CGPR: Gifts and Hospitality Policy

The CE talked through the Policy, advising the Policy was last reviewed in February 2022. The CE advised the process is strictly monitored and that there were no significant changes.

Board **approved** the Gifts and Hospitality Policy.

25/02/27 CGPR: Procedure for Appraisal of Chief Executive

The CE talked through the report highlighting that the Policy had been comprehensively reviewed and updated with the assistance of the Chair in January 2022. There were no suggested changes.

Board **approved** adoption of the revised Procedure for the Appraisal of the Chief Executive.

25/02/28 HRPR: Flexible Retirement Policy

The CSD talked through the report highlighting that the Policy had last been reviewed in January 2022 and therefore was now due to be reviewed. The CSD explained that the Policy had been updated with minor clarifications.

Board **approved** adoption of the revised Flexible Retirement Policy.

25/02/29 HRPR: Flexible Working Policy

The CSD talked through the Policy highlighting that it was now due for review. The CSD advised the Policy had been updated to reflect the new legislation and the subsequent EVH Model Flexible Working Policy issued in April 2024.

Board **approved** the adoption of the revised Flexible Working Policy.

25/02/30 HRPR: Lone Working Policy

The CSD talked through the Policy highlighting that it was approved in February 2022 and is now due for review. The CSD advised the EVH Model Policy was last updated in May 2019 and therefore it is the same as used previously. Following review, no changes are suggested.

Board **approved** the adoption of the revised Lone Working Policy.

25/02/31 HRPR: Recruitment and Selection Policy

The CSD talked through the Policy highlighting that the Policy was last approved in February 2022 and now due for review. The CSD advised the Policy was substantially based on the EVH Model Recruitment and Selection Policy published in February 2023. The CE advised that this completed Objective 23, Item 27 of the Internal Management Plan.

Board **approved** the adoption of the revised Recruitment and Selection Policy.

25/02/32 HRPR: Secure Handling, Use, Storage, Retention and Destruction of Disclosure Information Policy.

The CSD talked through the Policy highlighting that it was last approved in February 2022 and was now due for review. It was noted that as the Association receives disclosure information on certain employees the Policy had been updated to take account of the effects of the Disclosure (Scotland) Act 2020 and the revised Code of Conduct published in June 2022.

A Member queried if this Policy should apply to the Board in relation to Disclosure Scotland. The CE confirmed this was not a requirement for Board Members.

Board **approved** the adoption of the revised Secure Handling, Use, Storage, Retention and Destruction of Disclosure Information Policy.

25/02/33 HRPR Staff Training and Development Policy

The CSD talked through the Policy highlighting it was last approved in February 2022 and is now due for review. The policy is based on the EVH Model Training and Development Policy published in September 2014 which therefore has not changed since the Policy was last approved. It has been updated for revised terminology.

Board **approved** the adoption of the revised Staff Training and Development Policy.

25/02/34 HRPR: Unacceptable Behaviour Policy

The CSD talked through the report highlighting that the Policy was last approved in January 2022 and therefore was due to be reviewed.

The Board asked whether staff were faced with unacceptable behaviour often and the CE confirmed that it can happen relatively frequently, however staff were aware of the actions to be taken. He stressed that the Association took a firm stance on unacceptable behaviour and whilst there were certain levels of frustration that would be tolerated, staff were aware that there are levels above frustration that won't be tolerated and staff would be fully supported if action was needed.

Board **approved** adoption of the revised Unacceptable Behaviour Policy.

25/02/35 Terms and Conditions of Employment Sickness Benefit Scheme

The CE presented the report requesting implementation of a Revised Sickness Benefit Scheme of all employees employed after 26 February 2025. The CE stated all current employees would remain on the current Sickness Benefit Scheme. The CE advised that the policy would be flexible, and certain circumstances would be addressed on a case-by-case basis.

Board **approved** the implementation of the Revised Sickness Benefit Scheme which would apply to all employees after 26 February 2025.

25/02/36 Share Update

The CSO presented the report, advising of two new Share Member applications.

Board **approved** the Share Membership Register Report.

25/02/37 Board Training Updates

The CSO presented the report.

Board **noted** the Board Training Update.

25/02/38 AOB

- The CE advised that the Board Away Day will take place on Saturday 12 April 2025. The CSO will circulate details of the venue and agenda.
- The CSO will circulate potential dates for availability for the next Board Evening Event.
- The CE noted the observer had been observing Vicki as part of a qualification and noted Vicki's hard work and dedication to the Board over the past six years, stating she had been instrumental in driving health and safety forward for the Association. The Chair echoed this and thanked Vicki.

Meeting closed at 18.50hrs.