



MINUTES OF BRIDGEWATER HOUSING ASSOCIATION

BOARD MEETING

Date: 31st January 2024

Time: 5.30pm

Venue: BOARDROOM/TEAMS

Sederunt:		
Present	Apologies	In Attendance
John Paterson, Chair Alastair Morris, Joint Vice Chair Suzanne Austin, Joint Vice Chair Rab McNally Ken McIntosh Aileen Naismith Ken Caldwell Jim O'Neil Gavin Dayer Liz Bowden	Denise Love <u>Leave of Absence</u> Denise Love <u>Absent</u> NA	Andy Thomson, Chief Executive Ruth Brogan, Head of Housing Services Hazel Aitken, Head of Housing Services - online Angie Kennedy, Head of Finance Alison McManus, Head of Corporate Services Lorna Shaw, Research Resource (part)

GOVERNANCE		
Item	Details	Action
1.	Welcome and Chairs remarks	
	The Chair welcomed everyone to the meeting and confirmed that members had received their papers on time. The meeting was quorate.	
2.	Apologies	
2.1	Apologies were received from - Denise Love	
2.2	Leave of Absence Request (Verbal) – [REDACTED]	
	Members Granted the Leave of Absence request as PROPOSED by Rab McNally and SECONDED by Suzanne Austin.	CEO
3.	Declarations of Interest	
	Members were invited to declare any interest in any of the items on the agenda, in terms of the Association's published policy. The CEO reminded those present that tenants on the Board have a potential conflict of	

	interest in Item 8. on the agenda but are asked to be objective and consider the factors outlined in this report from a strategic point of view in determining a suitable increase amount to be implemented from 29 th March 2024. The future viability/existence of the Association is at risk should the Board not implement an appropriate rent increase.	
3.1	There were no other declarations made by those present.	
4.	Minute of the Board meeting held on 6th December 2023	
	Members were invited to consider the minute of the Board Meeting held on 6 th December 2023. A member had asked if figures noted in Item 6 on the minute of the previous meeting could be shown as percentages as this would be easier to read, showing percentage change from previous budgeted position. The HoF explained that different elements of the budget were changed at different percentages. The CEO updated that this should not be a major problem to achieve in future budgets and recommended that this be implemented from next year.	
4.1	Members APPROVED the minutes as a correct record of the meeting, as PROPOSED by Rab McNally and SECONDED by Suzanne Austin.	
5.	Matters Arising/Outstanding Actions	
	The CEO outlined the items detailed within the matters arising report, any completed matters arising will be removed from this report and an updated version will be presented to the next Board meeting for consideration. It was noted that item 19 of 27 th September 2023, to consider a garden tidy scheme or other options for tenants unable to maintain their gardens due to ill health, would not be fully complete until the estate management policy and procedures were updated. The CEO updated that this was currently under review and would be presented to the HL&PS Sub-Committee in the coming months, subject to consultation. It was agreed that this would remain on the Outstanding Actions report until this aspect was complete.	
5.1	Members NOTED the information contained within the report.	
6.	Minutes of Sub-Committee Meetings for information	
	Members were invited to consider the minutes from the Housing Land and Property Services Meeting held on 1 st November 2023 and the Finance and Corporate Services Sub Committee meeting held on 29 th November 2023. A member requested that minutes of meetings are made available to Board members as soon as possible after the meeting; following discussion it was agreed that as soon as draft minutes were available, they would be placed on the new Board SharePoint site and members advised if they wish to review prior to the next meeting papers being issued.	
6.1	Members NOTED the minutes of both meetings, these will be presented to the next scheduled Sub Committee Meetings for Approval.	
MATTERS FOR DECISION		

7.	Final Draft Budget 2024/25	
	<p>Members were invited to consider the final draft budget for 2024/25, prepared by the Finance Consultant and the HoF, the purpose of this report is to provide the Second Draft Budget for 2024-25 to enable the Board to consider the proposed rent increase of 6%, 7.7% increases in garage rents and managed property income and to approve rent and service charge revisions. This second draft 2024/2025 budget was discussed at tonight's Board meeting. It is proposed that the content of this report and the report on the rent consultation should be considered with the Draft Budget so that a decision on rent increases can be made with viability issues fully covered.</p> <p>The draft budget shows a surplus of £252k compared to £415k in the 2023-24 budget (excluding the SHAPS actuarial gain of £936,000). This report will provide details of the underlying assumptions made in preparing this Budget. Surpluses are required to allow the Association to plan for major expenditure in the future and to service loans.</p> <p>The HoF noted that the non-core business areas were likely to make a surplus other than the Housing Support element which is under review and a Report is likely to be considered by the Board about the future of the service in April/May once this review is complete.</p> <p>The CEO responded to queries in relation to the Factoring costs and arrears, staffing has been increased in this area due to the structural changes implemented to deal with improving customer service and dealing with issues such as high arrears and the amount of work required to manage this service. These costs have been taken into consideration in the Factoring management fee.</p> <p>A member noted that there is reference to a DLO (Direct Labour Organisation) in the budget and asked what this was in relation to. The CEO updated that this was a reference to the new FLAIR DPS (Dynamic Purchasing System) and not the set-up of a DLO. This is the procurement method being adopted by FLAIR members to allow the use of local contractors for reactive and void works.</p> <p>A member asked if the factoring fees were covering costs; the HoF updated that fees had been increased last year by circa 36% to cover increasing costs and a new staff member as part of the overall staffing restructure. The CEO stated that we were carrying around £170,000 of factoring arrears, at the end of the last billing period, this is an area we need to work on amongst others as noted in the factoring improvement plan, which is considered by the HL&PS Sub-Committee at each meeting.</p> <p>It was noted that there had been two factoring invoices issued to owners during the November/December period and this will contribute to additional administration costs. The CEO updated that this was due to an issue with the new factoring IT system being implemented and staff getting familiar with the new processes; the issue was not discovered until after the first invoice was issued and he made the decision to issue the second invoice with a letter of apology, otherwise this debt would not have been recovered until late 2024. Either way, it would have caused dissatisfaction with owners, so it was agreed internally to issue the second invoice at this point.</p>	

	<p>A member asked for a breakdown of general expenses – The HoF provided an explanation of this.</p> <p>Members sought reassurance on the level of interest charged against loans. The HoF advised that investment interest is also high, and this offsets the charges.</p> <p>The HoF provided assurance that all covenants are being met comfortably.</p> <p>There was discussion around the increase in staffing costs which reflected the Boards decision to approve the new staffing structure last year and to agree the implementation the Modern/Graduate apprenticeship programmes.</p>	
7.1	The Board CONSIDERED the final draft budget and accompanying report and APPROVED the budget for 2024/2025, as PROPOSED by Liz Bowden and SECONDED by Gavin Dayer.	HOF
8.	Rent Increase	
	<p>A presentation of the independent survey that was carried out as part of the rent consultation process was delivered by Lorna Shaw of Research Resource, who highlighted the key aspects of the consultation report provided to members in advance of the meeting.</p> <p>Following the presentation on the survey a member noted that circa 100 tenants of the 200 surveyed noted that they were not aware of the fuel support available to them, this was a significant number of those surveyed and if replicated across the tenant base this would mean that around 50% of tenants were not aware. The CEO updated that significant publicity of these schemes had been carried out by the Housing Team and that the 100 names had been provided to Ruth and when cross-checked it was clear that some had already received this support despite their response in the survey. However, we will contact those who provided their details and will continue to pursue the funding available and promote this within the tenant base. The HoH detailed the type of support that was available and provided by the Association and the Wise Group currently.</p> <p>A member asked what percentage of our properties had been fitted with insulation. The CEO stated that all flatted properties where the Association owns a majority had been fitted with EWI – External Wall Insulation and all cottage types have appropriate insulation installed to the best of his knowledge. However, this is an area that will be covered by the stock condition survey which is due to be carried out in the coming months.</p> <p>Members were invited to consider a report prepared by the HoH, the purpose of which was to consider the outcome of the 2024/25 rent increase consultation and to seek approval of the recommendation of 6% increase. Prior to proposing rent increase amounts, detailed sensitivity analysis was carried out which allowed the consideration of different levels of rent increase.</p> <p>A member asked if the 6% increase would be covered by Housing Benefit and Universal Credit; the HoH noted that this would be matched.</p> <p>The HoH updated that there would be a survey issued with the rent increase letters asking about priorities for 2024/25 and this would feed into our wider action funding applications for the next financial year, which would be managed by Community Links. A member asked if information regarding support and money advice information could be included within the letter; it was confirmed that this is normally provided along with the rent letters.</p>	

	<p>There was significant discussion around the rent increase proposals taking account of affordability, the outcome of the consultation and the business requirements. Members noted that the 6% proposal provided a modest surplus at year end and a lower increase would reduce the surplus which is based on arrears remaining at current levels. A surplus in most cases is good practice as this will allow the Association to carry out works in future years in relation to development, planned maintenance and net zero works that the Association will be required to carry out to tenant's homes.</p> <p>A member proposed that in addition to the 6% proposal made by the Leadership Team that Board consider a lower increase of 4% taking cognisance of the outcome of the consultation showing that most tenants did not agree with the increase: with the intention of outperforming the set budget. This proposal was seconded.</p> <p>After discussion it was agreed that members vote on both resolutions, and this was presented by the chair; following a vote the motion was carried to increase rents by 6%. The motion passed with 6 members in favour of the 6% increase: 2 members in favour of the 4% increase and 2 abstentions.</p>	
	<p>Lorna Shaw left the meeting at this point.</p>	
<p>8.1 8.2 8.3 8.4</p>	<p>The Board NOTED the detail of the report and provided feedback on the contents, where appropriate.</p> <p>The Board NOTED that the Leadership Team is, based on tenant feedback and the business requirements, recommending an increase of 6% be implemented.</p> <p>The Board CONSIDERED the content of the report and after a vote on a counter proposal of 4% rent increase, APPROVED the 6% rent increase for 2024/2025 taking cognisance of the views of tenant's and the requirements of the business plan and draft budget, as PROPOSED by Aileen Naismith and SECONDED by Gavin Dayer.</p> <p>The Board NOTED that service charges will be changed in line with actual costs where this is available, otherwise they will increase by 6% in line with the rental increase.</p>	<p>HoHS</p>
<p>9.</p>	<p>Annual Review of Garage Rents and Service Charges</p>	
	<p>Members were invited to consider a report by the HoH, the purpose of which was to provide members with information on the review of Garage Rent and Service Charges and proposed increases for 2024/25.</p> <p>Garage rent increases are not subject to the same rent setting criteria as houses and consequently do not replicate the rent increases. The leasing of garages policy states that increases will generally follow the rate of inflation plus 1%. CPI as of September 2023 was 6.7%. The increase proposed for 2024/25 is therefore 7.7%.</p> <p>The HOH advised the Board that a review of service charges is being carried out and an update will be brought to the April meeting with recommendations.</p> <p>A member asked if there is flexibility to increase the garage rents further. The HOH advised that increases are applied in line with Policy. This can be further discussed at the next Policy Review. The CEO advised that demand for garages fluctuates, this should be considered when applying rent increases as it can be a fine balance between vacancies and rent levels applied.</p> <p>A member asked for an explanation of the charges associated with Turning Point. The</p>	

	CEO explained that these charges varied depending on the level of personal care/housing support a client was receiving. These charges are levied by the support provider and BHA only take receipt of the management fee we charge for managing the service on the support providers behalf.	
9.1	Members APPROVED the Garage rent increase for 2024/25 at 7.7%. as PROPOSED by Ken Caldwell and SECONDED by Rab McInally.	HoHS
10.	Acquisition Programme ROTS	
	Members were invited to consider a report by the CEO, the purpose of which was to seek Board approval for a short-term acquisition programme in the absence of a full Asset Management Strategy covering acquisitions. The Bridgewater Asset Management Strategy approved in 2021 is now due for review; the strategy is generally silent on asset disposal and buy backs/opportunity acquisitions. Therefore, while this is being developed it is important that members approve the strategy for purchase under the above ROTS scheme in the short term prior to 1 April 2024 (should there be any).	
10.1	Board NOTED the contents of the report and were asked to raise any queries or concerns with the proposal. A revised Asset Management Strategy will ensure a formal strategy is in place for purchases from 1 April 2024, subject to Board approval. The CEO updated that he had attended a meeting this morning which included a discussion with the Scottish Government's More Homes Division regarding ROTS and there was a concession made that should a purchase not seem viable financially they may consider grant up to 70% where this , be demonstrated, and grant application completed by 31/03/2024.	
	Members APPROVED the following proposals: <ul style="list-style-type: none"> • Progress with the request for the establishment of a £300k acquisition plan which is to be funded from current underspends or the Association's reserves. • The funding would be utilised to purchase off the shelf properties, which fall into the criteria of the acquisition project as outlined within the report at point 2.2. • The number of properties that can be purchased (likely no more than 5) using the fund will vary depending on the property type, size and investment required for the property. A regular report will be submitted to the F&CS advising of detail and impact on project. • As grant funding is being awarded, this reduces financial risk and pressure on the association. • A budget element will be added to the 2024/25 budget and for future years. <p>As PROPOSED by Aileen Naismith and SECONDED by Alastair Morris.</p>	CEO/ HOPS
MATTERS FOR APPROVAL		
11.	Assurance Short Life Working Group	
	Members were invited to consider a report by the CEO, the purpose of which was to follow up approval by the Board in August 2023, to set up a short-life working group	

	<p>annually to assess our compliance with regulatory standards and seeks volunteers for the group.</p> <p>Members will be aware that the Regulatory Framework published by the SHR in April 2019 introduced the requirement for the Board to “assure” itself that as an organisation it complies with all relevant requirements of chapter 3 of the Regulatory Framework:</p> <p>This includes:</p> <ul style="list-style-type: none"> • Standards for Governance and Financial Management • All relevant standards and outcomes in the Scottish Social Housing Charter • All relevant legislative duties. <p>Members are invited to volunteer for this important initiative. We encourage diverse participation to ensure a comprehensive and well-rounded assessment with at least 3 Board members participating in the working group.</p>	
	Aileen Naismith and Alastair Morris left the meeting at this point.	
11.1	Board NOTED the content of the report.	CEO
11.2	<p>Members CONSIDERED volunteering for the working group and committing the time to consider the standards due for review this year.</p> <p>It was AGREED that Suzanne Austin, Jim O’Neil, and Gavin Dayer would be part of the working group, along with relevant LT members. The CEO will arrange meeting dates with the members.</p>	
MATTERS FOR ASSURANCE		
12.	Regulatory Engagement Report	
	<p>Members were invited to consider a report by the CEO, the purpose of which was to provide members with an update since the last report on our regulatory engagement with the Scottish Housing Regulator (SHR) and to provide an update with our tenant and resident safety and governance compliance.</p> <p>Members noted that a revised engagement plan was published on 15th January 2024 and noted that although the regulatory status had been amended to “Working Towards Compliance”, the new engagement plan is less demanding than the previous version and most of the actions are already in place. Subject to the ongoing tenant safety audit the Association will contact the SHR when we believe that we are now compliant with all regulatory standards. The process, which was slightly different from that in the report, was explained by the CEO following a discussion earlier today with the Association’s regulation manager.</p> <p>A member commented that one of the issues noted is the delay in policy approvals and we should be looking to get all outstanding policies complete as a matter of urgency. The CEO highlighted that this was discussed previously and there is a plan in place to address the outstanding backlog of policies caused by delays during the covid pandemic period and we are actioning the most significant policies first whilst ensuring other policies do not go out of date.</p>	
12.1	Board NOTED the contents of the report.	

13.	Notifiable Events Register	
	<p>The Notifiable Events Register was presented to the Board and updates provided. The Association is clear on its obligations under the current Scottish Housing Regulator’s Notifiable Events Guidance and keeps a register of all Notifiable Events lodged – this can be substantiated via the SHR portal.</p> <p>The CEO updated that there are no new notifiable events, NE30629 regarding a staff settlement agreement has now been closed following the submission of approved sub-committee minutes.</p>	
13.1	Members NOTED the updated notifiable events register.	
14.	Tenants Safety Report	
	<p>Members were invited to consider a report by the HoPS, the purpose of which was to provide members of the Board with an update of the Association’s status regarding tenant safety.</p> <p>This report provides updates on the current position of the following key Tenant Safety categories:</p> <ul style="list-style-type: none"> ● Asbestos Management ● Legionella Management ● Electrical Safety ● Fire Safety ● Gas Safety ● Lift Safety ● Dampness and Mould <p>The Board is asked to note the contents of the report and raise any queries or concerns with any of the items raised or the proposed methods of managing each item.</p> <p>Audit reports and action plans should be reported back to the Board in March of this year.</p>	
14.1	Members NOTED the information contained within this report.	
15.	Data Breach Report	
	<p>Members were invited to consider a report by the ICT Manager, delivered by the CEO, the purpose of which was to provide members with an update on a data breach which occurred [REDACTED] and the steps taken to mitigate and to ensure no significant impact to the Association.</p> <p>The CEO updated that this was a non-reportable Data Breach discovered during December, which was low level and did not require a full report to ICO but as we advised the SHR of the potential breach Board members are being made aware of the incident along with the actions taken.</p> <p>A member noted that there was a number of acronyms in the report and asked that a general “jargon buster” be provided to members; it was noted that there was a version available, and we would strive to make this available on the new Board portal.</p>	
15.1	Members NOTED the content of this report.	

MATTERS FOR OVERSIGHT/MONITORING

16.	CEO/Senior Officers Appraisal Report	
	<p>Members were invited to consider a report by the Chair and the CEO, the purpose of which was to provide an update to the Board on the Appraisal of the Association's Senior Officer, the CEO Andy Thomson.</p> <p>Office Bearers noted that the Board is pleased with the CEO's performance over the past year. The CEO has shown strong leadership in managing a number of significant challenges, including the change of CEO generally, a staff restructure, a new business plan, and an office move. He has also helped the Board develop a new Business Plan including new vision, values, and objectives for the Association, which will help to modernise the organisation and improve services for tenants and other customers in the longer term.</p> <p>There were specific areas included within the report for Board to note. However, overall, the Board is very pleased with the CEO's performance and is confident that the CEO will continue to lead the organisation to success in future years.</p> <p>Members noted that the appraisal update was too detailed and could have been summarised. This will be rectified going forward.</p>	
16.1	The Board is NOTED the contents of the report and were asked to raise any matters for consideration with the Chairperson.	
17.	Quarterly Business Plan 2023/24 Performance Update Q3	
	<p>Members were invited to consider a report presented by the CEO, the purpose of which was to provide the Board with a summary update on business plan performance and operational performance through our Key Performance Indicator (KPI) dashboards, action plans, and details of our most recent risk mapping review based on the new business plan.</p> <p>This report is issued quarterly to provide information on the Association's strategic performance.</p> <p>The CEO noted that there had been improvements made to some of the reporting and now the figures were being reported cumulatively in line with the ARC requirements.</p>	
17.1 17.2 17.3 17.4 17.5 17.6 17.7	<p>Members NOTED the content of the report and NOTED information contained in the following reports: -</p> <ul style="list-style-type: none"> 17.1 Strategic Delivery Report 17.2 KPI's 17.3 Strategic Risk Register 17.4 Assurance Action Plan 17.5 Governance Action Plan 17.6 Employee Engagement Action Plan 17.7 Policy Schedule <p>A member asked when the ODP's (Operational Delivery Plans) will be presented to the Board, the CEO confirmed that these will be presented to the next sub-committee meetings.</p>	

	<p>A member commented that they were satisfied with the Associations level of complaints and how they were handled.</p> <p>A member requested to see a list of deliverables and the owner of those. The CEO confirmed that this information is provided within the ODP's as noted above and will be presented to sub-committee meetings.</p>	
MATTERS FOR CONSIDERATION		
18.	CEO Report	
	<p>Members were asked to consider a report by the CEO, the main purpose of this report was to advise the Board on a range of relevant issues currently being considered and to seek approval for matters as noted throughout the report where required.</p> <p>The CEO outline the main issues contained within the report these included:</p> <ul style="list-style-type: none"> • <u>Regulatory / Legislative / Sector updates</u> Consultation - Social Housing Net Zero Standard (SHNZS) Scottish Government Budget 2024/25 Consultation on SG's proposed revision of the Housing for Varying Needs Standards – Deadline Passed RAAC Survey • <u>Development / Asset strategy</u> Florish Road Development Safe as Houses • <u>Customer Service</u> Website • <u>Flair updates</u> FLAIR Shared Services • <u>Staffing matters</u> EVH Pay Negotiation with UNITE Union Staff Appraisals Head of Corporate Services Finance Officer Recruitment Property Services Officer Recruitment C&R Project Officer Recruitment <p>The CEO updated board members on consultation EVH have carried out in relation to a 5.5% salary increase for 2024/25. The Association had budgeted for 6%. Staff and one member (a current employee of an HA that have signed up to EVH terms and conditions) excused themselves from the meeting to allow free discussion on the matter. Following discussion, members agreed to support a wage increase of 5.5% as recommended by EVH.</p> <p>The CEO will update the board on receipt of a response from EVH.</p>	
18.1	Board NOTED the contents of the report and the update provided by the CEO.	
19.	C&R Q3 Report	
	<p>Members were invited to consider a report by the HoCS, the purpose of which was to update the Board on the progress of the current Care and Repair Contracts and other</p>	

	<p>relevant Care and Repair Team issues.</p> <p>The HoCS provides detailed reports and along with the Project Manager meets quarterly with Renfrewshire (RC), East Renfrewshire (ERC) and Inverclyde (IC) Councils to monitor contractual progress and performance.</p> <p>The quarterly statistical report included in appendix 1, summarises completions for all services showing the end of contract completions against contractual targets. This report includes statistics from the current RC and ERC 1 year contract and Inverclyde 2-year (extension) contract.</p> <p>Ahead of confirmation of the contracts being awarded by RC, ERC and IC, the HOCS requested approval from the Board that the CEO can accept the terms of the contracts on the Boards behalf.</p> <p>[REDACTED]</p>	
19.1	Members NOTED the contents of the Q3 report and APPROVED the request for the CEO to accept the awarded tenders on behalf of the Association.	CEO
ADMINISTRATION		
20.	AOCB	
20.1	A member requested a clock to be fitted in the Board Room to allow monitoring of meeting timescale. The CEO confirmed this will be arranged.	
20.2	A member requested the agenda be updated with page numbers of relevant reports within the board papers.	
	No further business.	
21.	Issues which the Chair has agreed as urgent out with Meeting Cycle.	
21.1	There were no urgent issues for consideration.	
22.	Meeting concluded - 19.30. Date of next meeting – 6 th March 2024 at 17:30	

Signed: _____(Chair)

