

Board Meeting

Held: Board Room, Viewpoint Offices

Minutes of the meeting of the Board
at 4.00pm on **21 February 2024**

Paper 0
Meeting No:24/01
Date of Meeting: 21 February 2024

Board Members

Mr I Thompson (Chair)	Mr J Clyne (JC)	Ms P Russell (PR)
Mr D Mcintosh (DM)	Mr S R Mclvor (RM)	Mr L Parry (LP)
Mr T Roehricht (TR) (Vice Chair)	Mr S Robertson (SR) (virtual)	

Observing

Lesley Anderson (LA)	Jennifer Brown (JB)
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Attending

Jean Gray, Chief Executive Officer (CEO)	Howard Vaughan, Director of Finance & Business Support (DFBS)
Esther Wilson, Director of Housing and Care (DHC)	Tom Hainey, Director of Assets (DA) (Virtual)
	David Aitken, Head of Finance (HF)

Apologies received

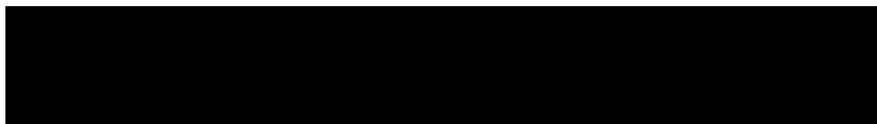
Minutes

Item	Subject	Action	Due Date
1	Welcome to Board Meeting		
1.a.	Apologies		
	<p>There being a quorum present, the Chair welcomed all and opened the meeting.</p> <p>A warm welcome to Lesley Anderson and Jennifer Brown, two prospective Board members who would be observing today's meeting.</p> <p>All attendees introduced themselves for the benefits of the two observers.</p> <p>The Chair explained that the Board's purpose was to pursue the charitable objectives of the organisation.</p>		
1.b.	Declarations/Conflicts of Interest		
	<p>There were no declarations and no conflicts of interest declared. The meeting was recorded via Teams, there were no objections to this.</p>		
2	Minutes of previous meetings and matters arising		

Item	Subject	Action	Due Date
2.a.	Minutes of previous meeting held on 19 December 2023		
	The minutes of the meeting of 19 December 2023 were reviewed and the Board unanimously approved them as an accurate record.		
2.b.	Outstanding actions		
	There were the following outstanding actions;		
	Chair to email slide deck from the recent RBC Brewin Dolphin event to DFBS and he would upload this to Convene.	Chair/ DFBS	asap
	All other outstanding actions were deemed "Review to close".		
2c.	Verbal update from Finance, Risk and Audit Committee meeting of 30 January 2023		

TR updated the Board on the key areas discussed at the meeting as follows:

The DFBS had presented the Management Accounts to 31 December 2023 which had subsequently been further scrutinised at the Finance Short Life Working Group on 9 February 2024.



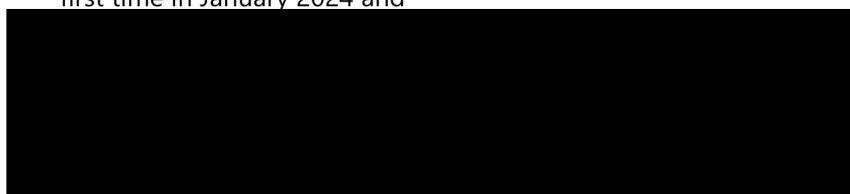
The DFBS had attended a recent EVH, Scottish Housing Association Pension Scheme webinar and had included the slide deck presentation in the Committee papers.

TR acknowledged that whilst there was some helpful detail included in the presentation there was nothing regarding the reasons as to the significant year to year fluctuations in the scheme deficit which the Board had hoped to receive.

It was however pointed out, by way of assurance that there is an EVH Employer Committee, consisting of 10 RSL members. This group represents the EVH membership and consults with the TPTRS Trustee Scheme Committee. The DFBS pointed out that as we are only an Associate member of EVH we are not eligible to be elected to this Employer Committee.

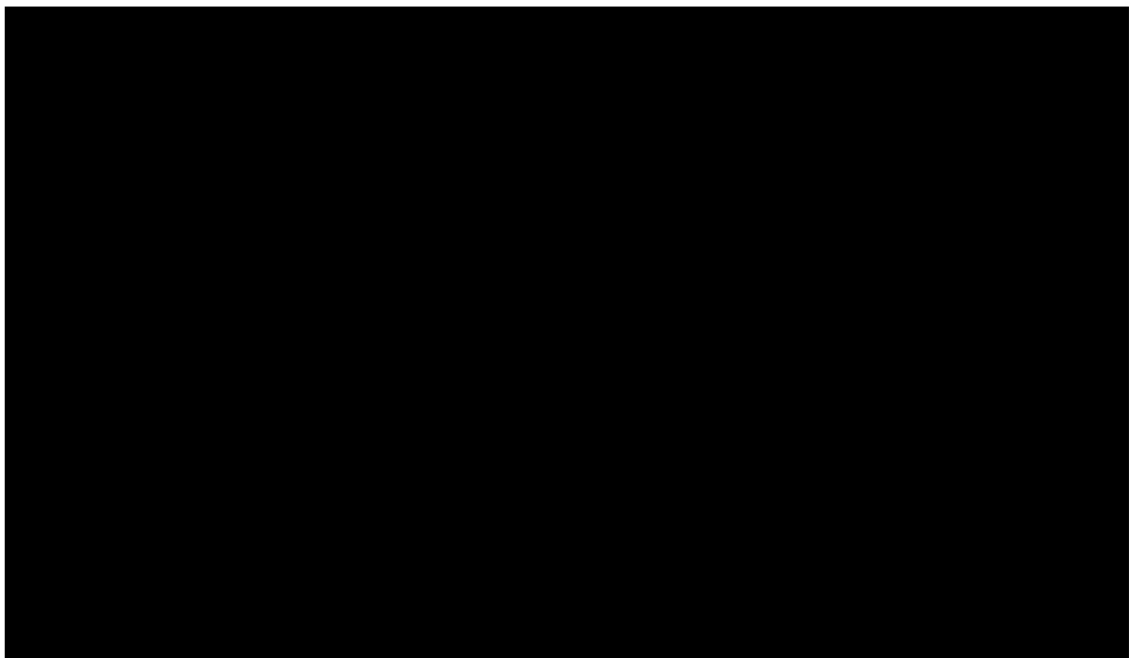
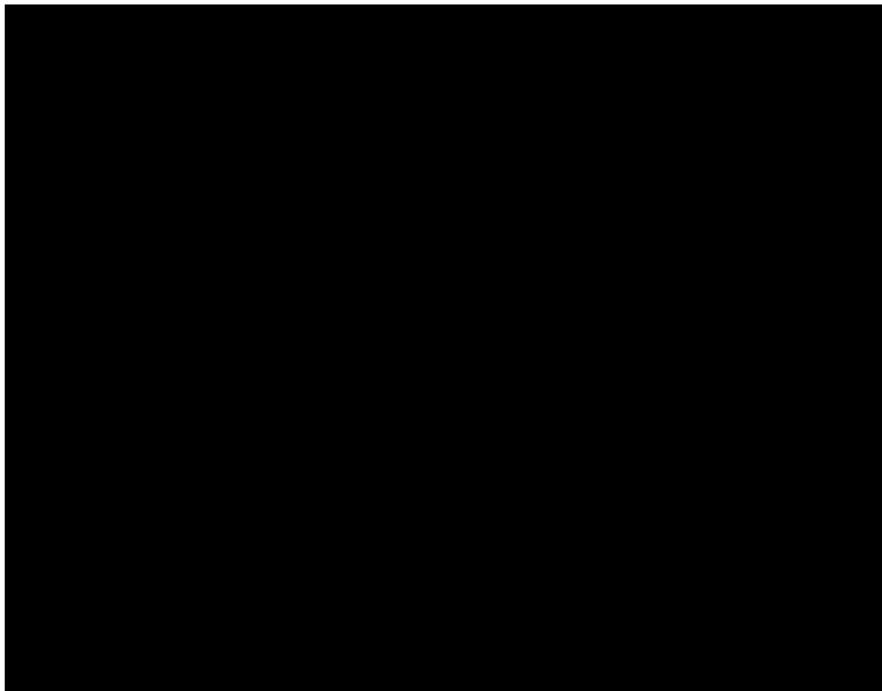
The Risk Register was reviewed and approved. There had been two changes to the risks in the quarter to 31 December 2023 –

- The ICT Business Culture risk being reduced to amber from red given the work done since October in this area and with the introduction of the new Strategic IT Group who met for the first time in January 2024 and

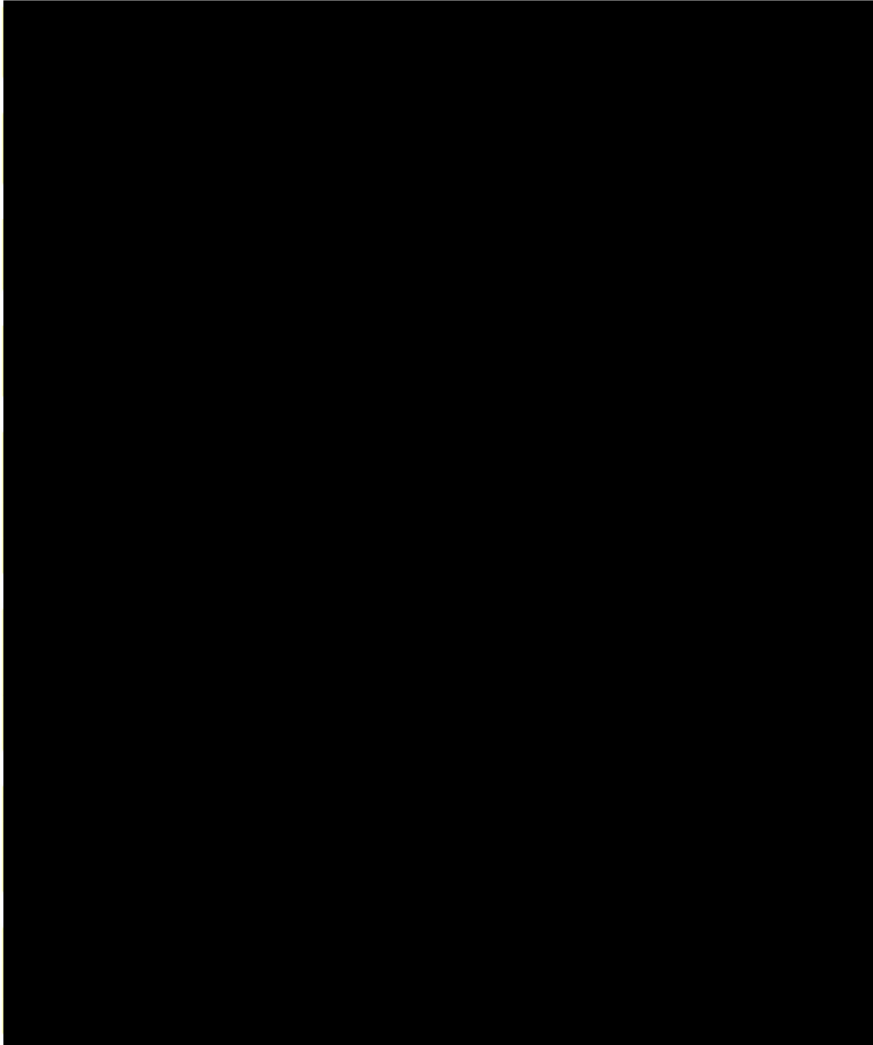


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3	Finance Papers		
3.a.	Management Accounts to 31 December 2023		

Management Accounts from 31 December 2023 were presented by DFBS. He confirmed that these had already been reviewed by both the FRAC at their January 2024 meeting and the Finance SLWG at their meeting on 9 February 2024.

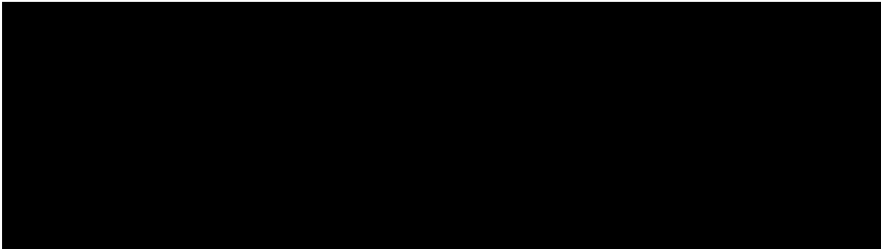


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Reforecast for the remainder of the financial year 2023/24

There has been little change to the reforecast as at the end of Q3 from the previous Q2 reforecast.



There were no further questions on the Management Accounts or Q3 Reforecast and these were both approved by the Board.

Rent Consultation Outcome Report

DHC presented the Report. Based on the proposals agreed by the Board at their November 2023 meeting we consulted with tenants throughout December and early January. Those proposed changes to rent and service changes meant that there would be no significant change in service delivery.

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She went on to explain the Affordability Assessment. Our Rent Policy states that our rents must be “affordable” and accordingly we need to have sufficient evidence to prove this. This includes comparing our rent levels against our peer group (Bield, Trust and Hanover) who provide similar services to our own.

We also need to test our rents for affordability against “moderate incomes” which are broadly just above the income levels to be in receipt of welfare benefits. To do this, we use an affordability tool.

The DHC attended a session on the Affordability Tool from SFHA and Housemark (who designed the tool) and they explained that looking at trends from the past few years incomes have increased by 11/12% whereas household costs in the corresponding period have risen by c 44% which highlighted the challenges in continuing to deliver cost effective services at affordable rent levels.

With the majority of our housing stock being in Edinburgh it was highlighted that we are below the private rent and the Local Housing Allowance (LHA) rate.

RM queried whether we were below the average private rent level for Edinburgh and DHC confirmed that was the case and this is what we would expect the tool to show us. Also being below the LHA provides further assurance re affordability.

RM added that in his view in some parts of Scotland social rents were in fact above private rents. DHC stated that there are differing circumstances across the country in terms of quality and markets

In terms of comparability with our peer group the DHC confirmed that, with the exception of three bedroom properties of which we have very few we are broadly under the rent levels of the peer group. TR asked that given most of our properties are in Edinburgh would we not expect our average rent to be higher than our peers who have more properties across the country. DHC answered that it depends how other RSLs structure their rents but reminded the Board that as a result of our rent and service charge review back in 2018 we standardised our rent levels regardless of location so this would eliminate any Edinburgh “weighting”.

The DHC also updated the Board on where our peers are proposing their rent levels with most being in or around 6 to 7%.

In terms of the outcome of the consultation

For social housing the response rate was 17%.

The summary results were as follows;

- 57% felt rent increase was necessary (2023: 53%)
- 55% felt rent represented value for money (2023: 57%)
- 58% felt rent affordable (2023:57%)
- 56% felt service charges were fair and affordable (2023:55%)

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TR felt that the 17% response rate was pretty good.

We also asked if tenants had any financial concerns to guide us in terms of future service delivery and for example invest in additional support etc. – 45% were concerned (2023:52%)
 - 43% weren't concerned (2023:35%)

In response to JC question from November meeting DHC had extracted in Appendix 3 the General Needs data which had been more positive than she had expected.

Data on Loan stock and Shared Owners was provided in Appendix5. Chair asked if there were any further questions on the paper.

RM felt that the 57% that stated that the rent increase was necessary was only 57% of the 17% who had responded.

JC stated that this was all we could really go on and TR reiterated that, having worked in Market Research this was a good response rate and the CEO confirmed that this was better than the usual sector response rate.

JC acknowledged that many tenants who had their rent paid for by the Local Authority may be less interested in any rent increase and consequently are less likely to respond to the survey.

DHC confirmed that we do offer a call back service to any tenant who wished to discuss further their response.

DM questioned whether there could be further detailed analysis e.g. by those receiving Housing Benefit but it was acknowledged that we are limited by anonymity of many responses.

Similarly he highlighted many of the non-complimentary comments but again it is difficult to act further when these have been made anonymously.

Acknowledged that more detailed information could be gathered through future tenant satisfaction surveys.

There was discussion around fixing the date reference point for the inflation rate to be used for future year's rent increases. September would be the obvious month to use as it is near the November Board meeting for the first draft of the budget and is also the reference date used by the UK Government in assessing state pension/benefit changes.

The CEO reiterated that the proposed Budget needed to provide a sustainable position to continue to deliver and improve our services as well as provide significant investment in our properties.

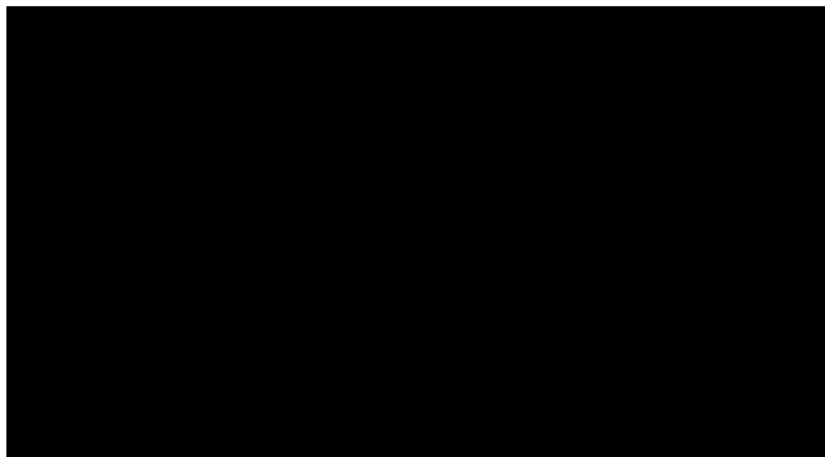
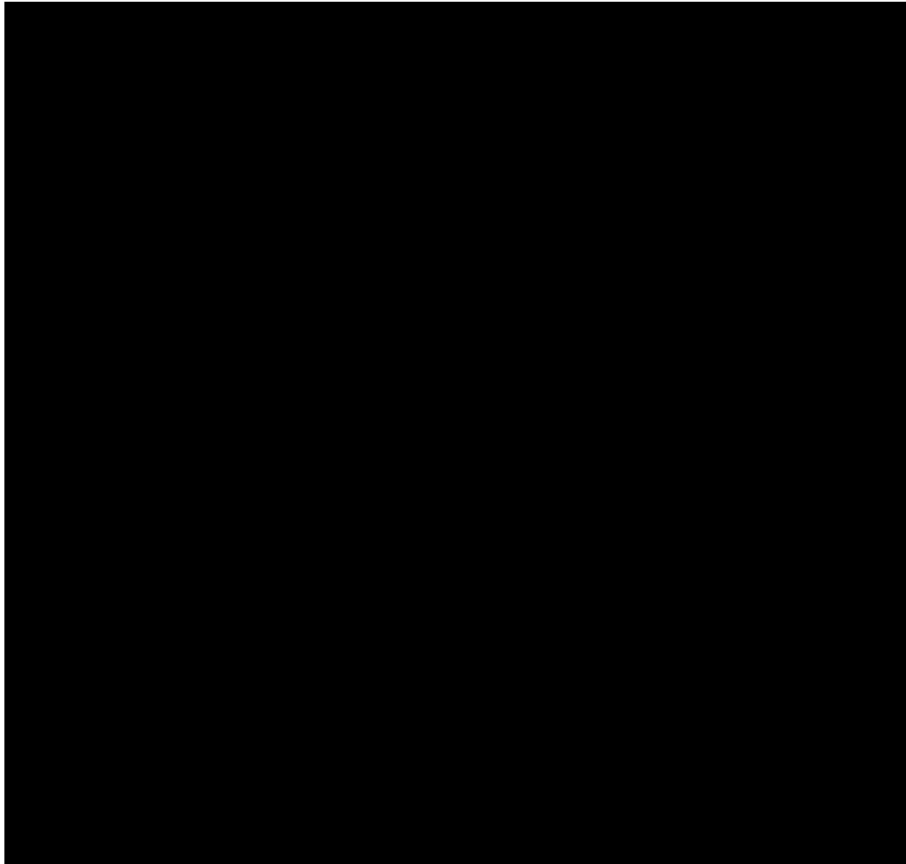


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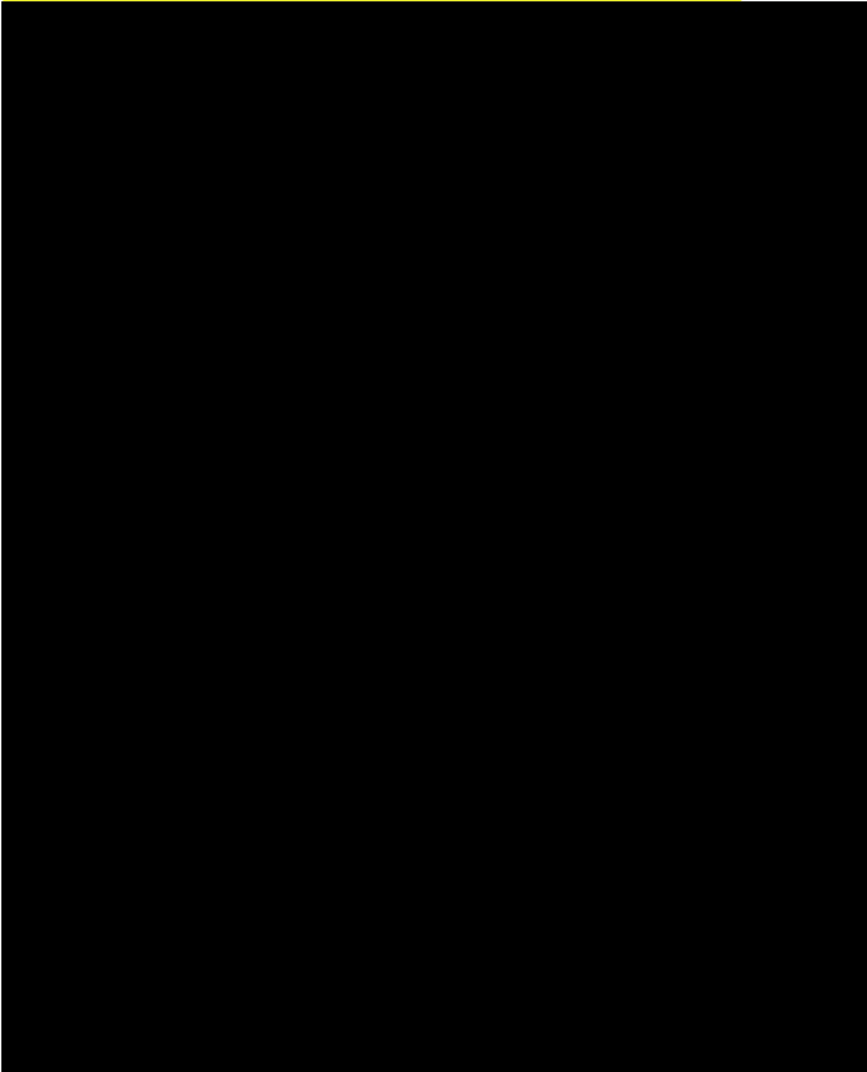


Salary Increase

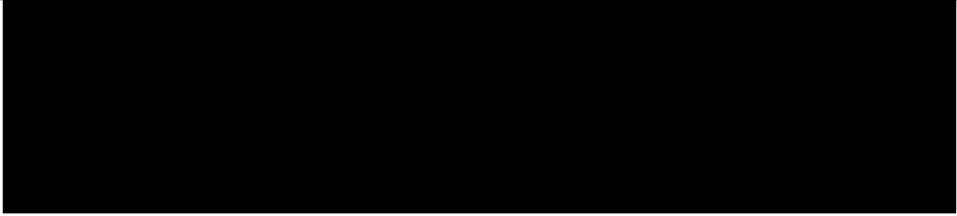
The Remuneration Committee met on 9 February 2024 to consider the salary and benefits proposals.



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The Board approved the rent and service charges increases proposed, the 9 February 2024 Remuneration Committee paper and the 2024/2025 Budget.

4	CEO Update Report		
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CEO highlighted the following points from the report;

SHR

The CEO is expecting to hear from the Regulator in early March regarding the Engagement Plan



RAAC



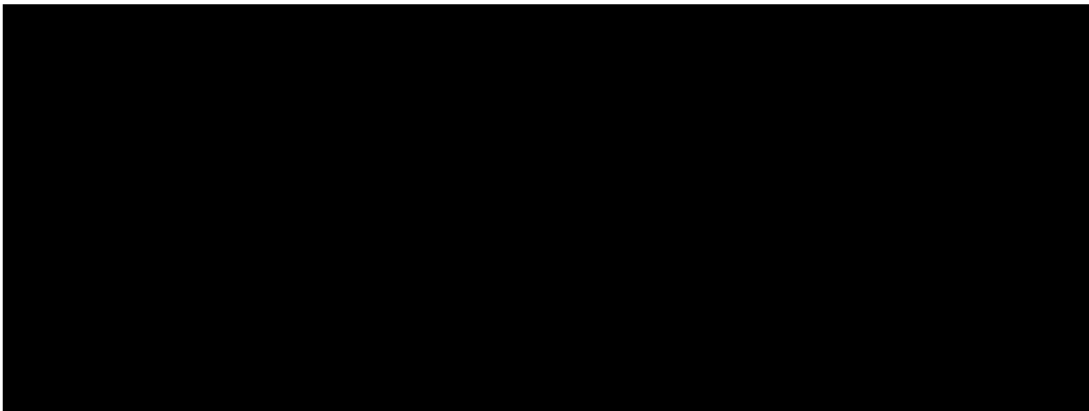
Housing Emergency

Additionally the CEO highlighted that in November 2023 the City of Edinburgh Council was the first urban council to declare a housing emergency. We will continue to work with the council and other partners and to this end CEO will attend a housing summit next week.

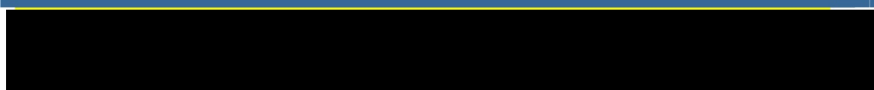
Appointment of Internal Auditors

CEO also requested that the Board approve the appointment of Wylie & Bisset as Internal Auditors from 1 April 2024 – 31 March 2027. **The Board approved this appointment.**

DFBS highlighted that Wylie & Bisset offer Board training as part of their engagement and it was agreed that this would be discussed with them in early course. DFBS asap



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5	Governance Report		
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DFBS thanked those members who had returned their Code of Conduct and Declaration of Interest forms and urged those who had yet to complete to do so as soon as possible.

The Board had no questions and noted the report.

6	Q3 Performance Report		
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DFBS explained that most indicators are heading in the right direction with only a few minor adverse variations.

DM queried the staff turnover in the quarter. TR asked how it compared with the corresponding quarter last year.

Agreed that we would ask the HR team to provide more detailed analysis for Operations Committee including reasons for leaving e.g. promotion, more money, leaving the sector etc.

DFBS asap

PR queried average cost per void. HF explained that a property can have work done across months so can be counted more than once. He suggested that it is better to look at the cumulative year to date figure.

PR also queried variations but acknowledged that Assets team are working on this and will provide necessary updates to Operations Committee.

PR also queried the 11 Adult Support and Protection Reports in the quarter. DHC explained that this was due to a more robust reporting regime introduced by the new Head of Care but we will continue to monitor trends.

7.	Policies for Review		
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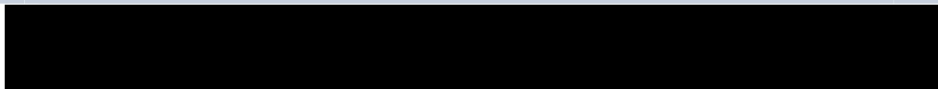
The Procurement Strategy and Policy is presented due to the new thresholds introduced in January 2024 (two yearly).

TR highlighted that FRAC has not seen any procurement reports for a while but DFBS confirmed that these now go to Operations Committee and we will be looking at a new format for the next financial year.

CEO confirmed that she has delegated authority for emergency expenditure but as far as possible we adhere to our normal procurement policy to evidence value for money.

The Procurement Strategy and Policy were approved by the Board.

Item	Subject	Action	Due Date
8.	AOCB and Date of Next Meeting		



JC asked if Tenant Conference is likely to go ahead and DHC confirmed that it was.

JC suggested that contractor no shows should be addressed – agreed to take this matter off line after the meeting. DA asap

JC – prior to Covid there was a prize for responding to surveys. Could this be reintroduced? This will be looked at. DA asap

The next meeting is scheduled for 20 March 2024, at 4pm

The formal meeting closed at 5.45pm.

Approval of the minutes

Signed as a true record of the meeting, following the approval of the draft minutes by a meeting of the Board.

Signed:

Date:

Iain Thompson, Chair