

BOARD MINUTES

Date of Meeting - 6 December 2021

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Minute/information removed or edited due to information relating to personal/confidential items or being commercially sensitive.

Board Minutes

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| Name of Meeting | Board Meeting | Date of Meeting | 6 December 2021 |
| Venue of Meeting | The Moorings / MS Teams | Time of Meeting | 5.15pm |

1. Welcome and Apologies

A Murray (Chair), A Baird, A McFarlane, L Wilson, M Gilfillan, K Gibb, C Hendry
S Watson (MS Teams), I Saunders (MS Teams)

In Attendance

L Wassell (Chief Executive), C Garmory (Finance & Corporate Services Director), F Smith (Customer Service Director), L Beresford (People Director), L Valentine (Customer Services Manager) Agenda Items 4.1 and 5.1, C Hotchkiss Agenda Item 6.2, C Kirkman Agenda Item 5.5, L Hughes (minute).

Apologies

E Walker, I McGowan, C Boyd

2. Declaration of Interest

- 2.1. No declarations of interest were noted, Board Members were advised an interest could be declared at any point in the meeting.

3. Minute of previous meeting & Action Log – Confidential

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3.1. Minutes of previous meeting – Confidential

- 3.1.1. A Murray introduced the minute of 04 October 2021 and of the Special Board Meeting 28 October 2021 and reminded Board Members these had been shared for comment and accuracy between meetings.
- 3.1.2. The Board **approved** the minute of the previous meeting of 04 October 2021 and of Special Board Meeting 28 October 2021.

3.2. **Board Action Log – Confidential**

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3.2.1. Board Members **approved** the action log.

4. **Strategy Development**

4.1. **Rent Increase 2022/23 – Non-Confidential**

4.1.1. C Garmory introduced the purpose of this report; to seek approval for the 2022/23 annual rent increase, and for Board Members to consider the current conditions in terms of the impact of the COVID pandemic on our customers and the economic context. She confirmed that current inflationary factors and the requirements of the financial business plan had also been considered when producing this report. She highlighted the sensitivities within section 7.6 of the report. She confirmed that the business plan could not sustain a rent increase below 2.5%. She then introduced L Valentine and asked her to speak to the report in respect of affordability for CVHA customers.

4.1.2. L Valentine confirmed that affordability for all customers had been the key consideration in terms of the rent increase proposal and there was an engagement strategy planned to consult on this with all CVHA customers.

4.1.3. C Garmory confirmed that currently the cash reserves in the bank were acceptable and these are reviewed regularly. Board Members noted this and stated that whilst cash reserves are currently good, they were significantly lower than previous years and consideration should be given to planned investment costs that are likely to increase in future years due to current market conditions.

4.1.4. C Garmory also advised that some financial provisions and assumptions are still to be included in the business plan, for example increased fuel costs, net zero target costs and impacts and future increases in capital programmes and repairs costs. L Beresford also advised Board Members that currently EVH had not negotiated the final proposed staff pay increase for next year that may be as high as 3.5%. C Garmory confirmed the Business Plan has already been updated to reflect this assumption.

4.1.5. F Smith reminded Board Members that in 2020/21 it was the intention to consult with customers on a further 5-year strategy given the success of the previous 5-year strategy. However, given the ongoing Covid pandemic the decision to do this was reviewed and it was recommended that for 2021/22 and now 2022/3 to approve a one-year rent increase and consider a longer-term strategy for 2022/23 rent review.

4.1.6. Board Members thanked the Executive Team for the level of detail and insight provided in this report. They confirmed they were content with the customer affordability review that had been included as requested the previous year. Board Members had a lengthy discussion about the rising costs of fuel, general living expenses and wage inflation. They also debated balancing of the financial business plan, current levels of RPI and CPI and what others in the sector were doing. The Board concluded that 2.5% would achieve the right balance of affordability for customers and financial affordability for the business plan requirements for the Association.

4.1.7. Board Members **approved** a rent increase of 2.5% for 2022/23 for consultation with customers and **approved** the consultation process outlined in the report.

4.2. **Agile Working Policy – Confidential**

Minute/information removed or edited due to information relating to personal/confidential items or being commercially sensitive.

5. **Performance and Risk**

5.1. **Gas Safety Action Plan – Confidential**

Minute/information removed or edited due to information relating to personal/confidential items or being commercially sensitive.

5.2. **Health and Safety Compliance Review – Confidential**

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5.3. **Q2 Performance Report – Non-Confidential**

5.3.1. C Garmory introduced the Strategic Performance Report with updated Q2 performance for 2021/22 and the new KPI Performance Report on Decision Time. Board Members agreed that they were satisfied with the new report and assured by the performance action plan attached in Appendix 2.

5.3.2. Board Members asked for more details and clarity on medical adaptations due and costs spent year to date. C Garmory confirmed L Valentine is currently reviewing current reported spend and processes as the spend performance is under reported. L Valentine is also prioritising and reviewing outstanding medical adaptations requests from customers.

5.3.3. Board Members made it clear they expect 2022/23 performance targets to be realistic but also sufficiently challenging stretch targets. The Executive Team agreed with this request and confirmed they would be reviewed by the full leadership team for next year (**Action Log**).

5.3.4. Board Members thanked F Smith for the headline Pulse Survey results and noted the improvements in a number of the key customer satisfaction indicators. C Garmory confirmed there will be early discussion with the new Director of Development and Property once recruited to review those Directorate performance indicators.

5.3.5. With no further questions Board Members **discussed** and **approved** the Strategic Performance Report for Q2.

5.4. **Strategic Risk Register – Non-Confidential**

5.4.1. C Garmory introduced Board Members to the new Strategic Risk Register (SRR) which is now on Decision Time and confirmed that Audit Committee and CVPS Board have considered the new registers and had approved both.

5.4.2. Board Members thanked C Garmory and expressed satisfaction with the new format and felt assured that risks were adequately controlled by the evidence presented of the controls and mitigations in place. Board members asked about IT security and concerns over recent cyber-attacks against Housing Associations and asked for this risk to be reviewed. In response, C Garmory confirmed '*Strategic Risk 16 - Failure to provide data quality and integrity*' would be reviewed, with the definition extended. Board Members were reminded that a copy of the operational more detailed risk register was available in the Decision Time Resource Library.

5.4.3. There was discussion about long term pandemic planning, and it was concluded that this should be included in the register. **(Action Log)**

5.4.4. Board Members **reviewed** and **approved** the Strategic Risk Register for CVHA.

5.5. **New Supply Performance Report – Confidential**

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6. **Governance – Non-Confidential**

6.1. **Governance Report – Non-Confidential**

6.1.1. C Garmory update Board Members on all governance matters within Clyde Valley Group and seek relevant approvals to promote a strong and effective governance culture. Each item for approval and noting has detailed contextual information that should be considered as a stand-alone agenda item.

6.1.2. L Beresford confirmed that cost of staffing requests in the paper would be from the underspends on operational costs this year and also additional funding that could be met from the business plan.

6.1.3. **The Board:**

- **Approved** delegation to the CEO to sign off a property allocation for a mid-market rented property at Carfin to a member of staff if eligibility criteria are met under the allocation policy
- **Approved** CVG's Entitlement, Payment & Benefits Policy update
- **Approved** additional staffing resource requests
- **Approved** the Board calendar 2022/23
- **Approved** the Board Development Plan
- **Noted** the annual Assurance Statement was submitted to Scottish Housing Regulator
- **Noted** there has been one notifiable event submitted to the SHR since the last report and currently there are 8 open Notifiable events with SHR.

6.2. **Mortgage to Rent disposals – Non-Confidential**

6.2.1. C Hotchkiss was welcomed to the meeting by Chair and asked to speak to her report. She advised she was seeking **approval** for the disposal of three properties that were acquired under the Scottish Government's Mortgage to Rent Scheme.

6.2.4 C Hotchkiss confirmed that the properties would be advertised in line with the home reports and would be sold at market value, as the market is currently buoyant a good return was expected. Board Members asked for clarity on the procedure if the

offer was below market value. C Garmory confirmed that if this did happen then Board approval would be sought via email.

6.2.5 Board Members thanked C Garmory for giving them assurance of this process and noted that they felt assured that governance was in place regarding this matter. Board Members;

- **Approved** taking the above properties 'out of management' as per the Scottish Housing Regulator's ARC guidance from the date that they became void.
- **Approved** taking the following MTR properties out of management from the date they became void pending a review of their future viability:
- **Agreed** to provide delegated authority to the Executive Team to take any future mortgage to rent properties that become void 'out of management' pending a review of their future viability.

7. Strategic Finance

7.1. Treasury Management Strategy Update & Policy – **Confidential**

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7.2. **CVPS Lease Agreements Non-Confidential**

7.2.1. C Garmory reminded the Board that they had previously approved the recommendation for Clyde Valley Housing Association (CVHA) to enter into a leasing agreement with Clyde Valley Property Services (CVPS) for the management and maintenance of a number of Mid-Market Rent (MMR) units and she sought approval on the annual increase to the lease charges to CVPS.

7.2.2. Board Members **approved** the lease charge increase for 2022/23 with effect from annual renewal dates and notify CVPS Board accordingly and otherwise **noted** the contents of the report.

8. Committee Minutes – Confidential

8.1. The Board **noted** the minutes of the Audit Committee 11 November 2021.

9. Any Other Business

9.1. No other business was noted. Board Members stayed in the meeting to review a confidential matter.

10. Date of Next Meeting

10.1. Board Strategy Day – 27 January 2022 (proposed date)

10.2. The date of the next meeting is Monday 28 February 2022 at 5.15pm.