



Barrhead Housing
Minute of Governing Board Meeting
Thursday 26th October 2023
BHA Offices and by Video Conference

Present

J Hamilton (Chair)	D McKinney
A Oliver (VC)	D McVey (VC)
B Connelly MBE	J Whyteside
P McIlvenney	

In Attendance

L Wilson	Chief Executive (CEO)
K Devon	Minute Taker (CSO)
C McCulloch	Director of Customer Services (DCS)
L Rice	Director of Finance and Corporate Services (DFCS)
S Stewart	Director of Assets and Communities (DAC)

Minute – BHA Governing Board Meeting	
1	The meeting started at 6.00pm Apologies & Sederunt Check Apologies were received from Lesley Anne Junner, Rena McGuire, Beth Welsh and Alan Glasgow.
2	Declaration of Interest: Board and Staff There were no declarations of interest.
3	Approval of Minutes 3a. Approval of Governing Board Minute of 19 September 2023. The Board approved the minutes as a true record. 3b. Board Action Tracker September 2023 The Board noted the action tracker. 3c. AGM Minute 19 September 2023

	The Board noted the AGM minute, to be approved at the 2024 AGM.
4	Matters arising from minutes No matters arising.
5	<p>For Approval</p> <p><u>5.1 Annual Assurance Statement</u></p> <p>The CEO reminded the Board of the process undertaken in relation to the 2023 Annual Assurance Statement, including the self-assessment and the Board scrutiny workshop held in September.</p> <p>The Board noted the action plan and approved the wording of the 2023 Annual Assurance Statement for signing by the Chair and for submission to the Regulator.</p> <p><u>5.2 Annual Procurement Report for Publication</u></p> <p>The DAC presented the Annual Procurement Plan to the Board and noted that the Board will be updated bi-annually.</p> <p>The following points were highlighted:</p> <ul style="list-style-type: none"> • BH terminated their contract with Totalis, and CGC has assumed responsibility for their jobs. The Procurement Plan will be updated to reflect this change. • The Community Benefits points system will be shared with GB members to demonstrate how the points matrix works. <p>The Board approved the Annual Procurement Report for publication.</p> <p><u>5.3 Governance and Compliance Report</u></p> <p>The CEO took the Board through the report. The following main points were highlighted:</p> <ul style="list-style-type: none"> - The Scottish Housing Regulator has released guidance regarding minute protocols. An action report stemming from the Advisory Guidance was provided to the Board. - The agenda for the Board Away Day, scheduled for Thursday 9 November, was shared with the GB for feedback. The Board acknowledged the agenda, and it was confirmed that Sally Thomas, CEO of the Scottish Federation of Housing Associations, will be the guest speaker. - Building upon the Board's feedback on the need for transparent and forward-looking succession planning, an updated plan was presented. The Board acknowledged and noted the revised plan. - A mid-year update on the Governance Excellence Plan was provided and reviewed by the board. The CSO will follow up to confirm dates with a minimum of three board members attending to go ahead with events. - Regarding the Triodos loan, DFCS noted there is a proposal to extend the drawdown period by 12 months, with a commitment fee of 0.8%.

- DFCS updated on engagement with Santander and agreement reached to align the interest cover covenant with the Triodos covenant, and that this adjustment will not incur any additional costs.
- The board discussed the balance between attending meetings in person and online and the need to allow flexibility whilst recognising the benefits of meeting in person. Board members discussed the possibility of a target for each board member to attend 30% of meetings in person per year, which would equate to two meetings per year. The GB members present were happy with this approach, and it was agreed that this would be circulated to all Board members for their input.
- Several Board Members submitted questions in advance of the meeting. We aim to make this process more efficient over time.
- The CEO presented an update on progress against the Delivery Plan, and the board acknowledged it.
- The CEO noted that a Feasibility Study was jointly commissioned through FLAIR, and the project brief was shared.

The Board: then

- **Approved** the new minute taking protocol,
- **Approved** the Board away day agenda,
- **Approved** the Board succession plan,
- **Approved** the governance excellence plan,
- **Approved** extension of the Triodos loan facility availability period by one year,
- **Approved** the adjustment of the loan covenant with Santander,
- **Noted** the six-month update on progress with Delivery Plan projects,
- **Noted** the shared services feasibility study.

5.4 Blackburn Square project

The CEO updated the Board on progress with the project.

A comprehensive discussion has previously taken place within the Development sub group. A strategic brief was provided for the Board's information.

A project team has been assembled in collaboration with the council for this project. BE-ST Innovation Centre has expressed an interest in providing support, and a funding proposal has been submitted to the Scottish Government for costs up to the tendering stage. The Council plans to present a report to the cabinet in December for the transfer of the land at zero value.

The next steps include conducting a site investigation and appointing a project team. The CEO will return to the Board with updates, and further approvals will be necessary.

The Board raised the following questions:

1. What are the primary obstacles we are anticipating with this project?
2. What is the level of risk associated with the site?
3. Is private financing required?

DAC stated that the main challenges would be in relation to funding and prioritising specific needs, such as addressing fuel poverty. DAC confirmed that requirement for private finance remains uncertain at this point. It was confirmed that Blackburn Square is located within the residential area of Auchenback. The technical risks associated with the site are minimal, and any potential issues will be identified during the site investigation.

The CEO highlighted the following in relation to the project:

- There is a growing political awareness regarding the project.
- We are exploring opportunities for securing additional funding through bids for government and energy efficiency funding channels.

The Board:

- **Approved** the commencement of the legal process for the transfer of land at Blackburn Square from East Renfrewshire Council to Barrhead Housing, subject to approval of the project by East Renfrewshire Council and confirmation that the land will be transferred at nil value, and
- **Approved** the appointment of the design team and procurement of a site investigation, subject to confirmation of funding from the Scottish Government.

5.5 Connor Road Option Appraisal

The CEO provided the Board with the background to the report. Connor Road is a block of twelve flats, currently leased to ERC. The council is discontinuing the service and rehousing existing residents. BH has offered to help re-housing some of the residents and a decision is required regarding the future use of the properties.

Potential options include:

- Converting the flats for use by older people. This would require the installation of a lift and result in fewer flats. This conversion would entail significant capital expenditure and reduce rental income through loss of flats for the lift installation.
- Opportunity to rent flats at mid-market rent using the subsidiary company. Connor Road is a standalone building comprising of two 2-bedroom and ten 1-bedroom units.

The following was discussed in relation to mid-market rent:

- For individuals with low to mid incomes who are unable to secure housing through the social housing list but also cannot afford to purchase a home. There is a significant gap in provision.
- The tenancy type is private residential, but the rental charge falls between the rates of social and private housing.
- Any surplus funds generated could be reinvested into BH.
- Connor Road could be the initial mid-market rental portfolio, as BH already own the building.
- Rent will be set at a commercial rate but positioned at the lower end of private rents. This approach offers flexibility, given that the market conditions can change.

- There has been a substantial increase in the waiting list, indicating a growing demand for mid-market housing solutions. BH has 131 applicants on the waiting list who are currently renting in the private sector with 70% of them joining in the last 12 months.
- Private landlords are relinquishing their properties.
- Over 150 individuals are living with relatives and have limited housing alternative.
- LPS would be registered as a private landlord.
- In terms of communication, the focus is on supporting social housing rather than improving housing options for private rentals.
- The timeline for these changes is projected to be around May 2024.
- A board member asked if having mid-market rented properties was primarily for social and housing needs, or to make money? The CEO confirmed the main priority is to meet unmet housing need, with generating a surplus a secondary goal.

The Board was enthusiastic about this prospect and decided to **approve** this option in principle, and that a draft business plan for the subsidiary, including mid-market rent, will come to a future meeting of the Board for consideration.

5.6 People at Risk Policy

The DAC informed the Board about the feedback received during the consultation process regarding the People at Risk Policy.

Two responses were received from ERC and Women's Aid South Lanarkshire suggesting minor adjustments to the wording.

The Board **approved** the new policy for training, implementation, and publication.

5.7 Write Off Report

The DCS presented the write-off report to the Board. The report indicates that the arrears are unrecoverable and untraceable.

There was a question about the possibility of having a guarantor, but it was deemed unfeasible for social housing, as it might deter vulnerable individuals from accessing our services.

The DCS confirmed that the aim is to gather more comprehensive information about personal finances and personal debt from tenants at the outset of their tenancy to enable early intervention.

The Board **approved** the write offs as per the report recommendations.

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For Discussion

6.1 Six Monthly Strategic Foresight

The CEO took the Board through the presentation.

The primary emphasis was placed on the six upcoming trends

- Need for social cohesion
- New global markets
- Rising inequalities
- Artificial intelligence
- Citizen participation
- New skills for a sustainable future.

The Board divided into pairs to deliberate on the prioritisation of forthcoming trends, and noted their assessments, which the CEO will document and incorporate into planning for the board away day.

6.2 Annual Review of Risk Strategy

The DFCS presented the annual report to the Board.

The Board raised the following questions:

Risk No 14. ROTS – Is the residual risk level of four influenced by the availability of suitable properties on the open market?

Risk No 24. Loan Interest – Is the residual risk level of five determined by how the risk calculator is configured to establish an acceptable range?

Is the scoring linked to risk appetite? We are acknowledging items that have low risk and high impact – for example, when multiplied (3 x 5), it results in an acceptable score of 15.

DFCS will examine our assessment process in the matrix and will evaluate whether a risk is either acceptable and should be reported as a primary concern or if it is acceptable and doesn't require reporting. This will involve a review of how BH score and consider our risk tolerance.

The Board suggested adopting a RAG (Red, Amber, Green) approach, which is visually more straightforward to indicate risk levels.

The CEO highlighted the connection between risk appetite and the scoring process. The Board exhibits risk aversion in specific areas but is more receptive to risk in others.

The Board noted the report.

	<p><u>6.3 Customer Participation Framework Annual Report</u></p> <p>The DAC updated the Board with progress in relation to customer participation.</p> <ul style="list-style-type: none"> • Tenant scrutiny and customer participation initiatives are in place. • 51 individuals have expressed their interest in getting involved in the Service Improvement Group. The initial meeting focused on vacant properties (voids). • You can access CEO's YouTube videos through our BH YouTube channel. <p>The Board expressed their pride in this community participation framework. The Board noted the position.</p> <p><u>6.4 CEO Verbal Update</u></p> <p>The CEO provided the following updates:</p> <ul style="list-style-type: none"> • ERC Cabinet meeting took place on 7 September. The CEO acknowledged support from the Housing Convenor at the Cabinet meeting in asking for support in securing land for development. • Cabinet meeting January 2024 – ERC/ BH new strategic agreement is scheduled. • Meetings are in place between the CEO and the new Director of Environment at ERC. • The Chair and CEO met with Tom Arthur MSP and he has subsequently written to the Housing and Net Zero ministers on our behalf. • Iain's retirement leaving lunch is on Wednesday 8 November. An email invitation will be issued to the Board. • The FLAIR annual meeting is on 20 November at 6pm. Board members to confirm attendance. <p>The Board noted the update.</p> <p><u>6.5 Board Member Updates on Learning from Events</u></p> <ul style="list-style-type: none"> • DM and JH participated in the full-day SFHA event, which included various workshops, including a Safety Workshop. During the event, discussions revolved around data triangulation, connecting various elements, and recognising the broader role of housing associations. Board members expressed the sentiment that BH already addresses most of the topics covered during the event, with no gaps left uncovered. • AO confirmed that Sally Thomas led a seminar that focused on the community work of housing associations at an event he attended, emphasising community building, cycling, and active travel. • John Hamilton will be chairing the GWSF conference on 1 December 2023.
7	<p>Parent Monitoring</p> <p>Development</p> <p>Next meeting 16 November 2023</p>

	Audit, Risk and Health & Safety Next meeting 30 November 2023
8	AOB A board member asked for an update on discussions with Hanover Housing. The CEO confirmed that due diligence information is currently being collated by our advisors.
9	Board Check-Out The meeting ended at 8.05pm

Date and time of next meeting(s):

Board Away Day 9 November 2023
Governing Board 14 December 2023 at 6.00pm

The Minute was approved by the Board at the meeting on 14 December 2023.

Signed by Chairperson: _____

Date: _____