

LORETTO HOUSING ASSOCIATION MINUTE OF BOARD MEETING

Date: Monday 28 November 2022
Time: 2pm
Venue: Wheatley House, 25 Cochrane Street Glasgow

Chairperson: Eric Gibson

Present: Archie Morrison, Alex McKay, and Lesley Bloomer

In Attendance: Laura Pluck, Group Director of Communities
Stephen Wright, Director of Governance
Laura Henderson, Managing Director
Chris Walker, Head of Housing
Sarah Stocks, Finance Manager
Frank McCafferty, Group Director of Repairs and Assets (item 10)
Danny Lowe, Director of Group Repairs, Investment and Compliance (item 10)
Helen Berry, Head of Assurance (agenda item 16)
Craig Vesey, Development Manager (agenda items 7 and 9)

1. Apologies for Absence

Apologies for absence were received from Suzanne Lavelle, Jennifer Williamson and Gregor Dunlay. It was noted Pauline Gilmore was on a leave of absence.

The Chair confirmed that a quorum was present.

The Board noted the passing of Board member Allan McGinness and acknowledged the strong contribution he had made to the Board on behalf of tenants. The condolences of the Board had been passed to Allan's family.

2. Declarations of Interest

The Board noted the standing declarations. No new declarations were made.

3. a) Minutes of Board Meeting held on September 2022 and matters arising

Decided: The Board approved the minute of the meeting held on September 2022.

b) Minute of AGM 2022

Decided: The Board approved the minute of the annual general meeting held on September 2022.

4. Chair's update

The Chair provided an update on the main business being considered by the Group Board and in particular the enhanced focus on mould and dampness as recently highlighted by press coverage. The Chair explained the steps that we were taking to enhance the policy and procedures we had introduced at the beginning of the year. The Board noted that this item would be considered under item 10 of the agenda.

5. Customer value and insight

The Board received an update on: sector wide customer satisfaction intelligence; feedback on recent customer insight and research in relation to repairs and families and our planned response to the key findings; and an update on how we will ensure the customer voice and insight is being embedded in our future strategic planning and decision making. The Board noted that the report also set out an outline programme for how the customer voice will inform Board decision making over the next 12-18 months.

The Board also considered the recent customer pulse surveys conducted on our behalf by BMG Research which aimed to understand the impact of the pandemic on our customer's satisfaction, focussing on key drivers such as repairs; quality of home; and management of the neighbourhood. The research also asked tenants their top three service priorities with the results being:

- 1) Repairs (60%)
- 2) Major home improvements (30%)
- 3) Housing Officer (20%)

The Board noted the ongoing work to improve our repairs service such as the development of *Book it, Track it, Trace it* and enhancing the customer experience of our web self-service.

The Board welcomed the work underway to improve the satisfaction of our families customer segment following the Whole Families research. It was noted that this research had established some clear strengths in our relationship with RSL tenant families and the customers who accessed the help and support on offer. The Board discussed the importance of promoting our wraparound services and was informed that we do this in a number of ways, including through our 1-2-1 customer interactions. The Board was reassured that our patch sizes help us to ensure that we have a good insight into the needs of our customers and are able to help highlight the support on offer to those in need.

Decided: The Board provided feedback on the proposed customer insight programme.

6. 2023/24 rent and service charges – consultation and engagement

The Board received an update on the Cost of Living (Protection of Tenants) (Scotland) Act and the implications for planned 2023 rent review. The Board considered our planned engagement and consultation with tenants on rent increase options in the context of this legislation.

The Board scrutinised the report and considered extensively the current cost of living crisis facing our tenants, including energy costs and increased food prices. The Board discussed the outcome of the rent focus groups and noted that the majority of participants supported an increase, with the largest number favouring 3.9%.

The Board considered the impact a 3.9% increase would have on our business plan and noted that this should enable us to maintain our front-line services but would require us to achieve efficiencies within our support services and may also require us to delay some of our investment works, such as upgrades to kitchens and bathrooms. The Board noted however that this would not affect compliance related investment which would continue as required.

Decided: The Board

- 1) **In the context of the current Scottish Government emergency legislation, approved the proposed rent increase level for Loretto set out in this report.**
- 2) **Noted the current position in relation to ongoing discussion with Scottish Government on rent consultation.**
- 3) **Noted that an additional Board meeting will be convened once the Scottish government confirm the rent cap position for 2023/24.**

7. East Lane: New Build Project

The Board considered the proposal to add 48 units for social rent at East Lane, Paisley to our 5-year development programme.

The Board considered the report and proposed project, noting that it met our development project criteria and reflects current quality standards within the sector, meeting Housing for Varying Needs and Greener Standards in compliance with Scottish Government grant funding requirements. The Board also noted that the contractual arrangements had been scrutinised and approved by the Wheatley Developments Scotland Board (WDSL).

Decided: The Board approved that 48 social rent units at East Lane, Paisley, are added to our 5-year development programme and that we acquire the site, following project approval by the WDSL Board on 17 November 2022.

8. Duke Street update

The Board received an update of our Duke Street development project.

The Board considered the project and welcomed the progress that was being made. The Board noted the particular challenges in rectifying this listed building and was informed about the approach to procuring a contractor to ensure that we achieve a suitable solution for the front elevation.

The Board discussed the impact on the tenants who had required to move out and was satisfied with the support provided, noting that most were now rehoused permanently with the exception of one tenant who remained in decant property and was intending to move back once works are complete.

Decided: The Board noted the contents of the report.

9. Annual self-assessment and governance update

The Board was updated on the Group's Annual Assurance Statement which confirmed material compliance with the Scottish Housing Regulator's Regulatory Framework; and a membership update, following a review of our Register of Members post our Annual General Meeting.

In considering the memberships cancellations, the Board had regard to our policy and rules. In particular, the Board noted that we have a range of engagement activity with our tenants which is more effective than the formality of general meetings.

Decided: The Board:

- 1) Noted the 2022 Annual Assurance Statement which has been submitted to the Scottish Housing Regulator.**
- 2) Approved the proposed deletions of our register of members attached at Appendix 3 of the report.**

10. Property condition assurance approach

The Board was updated on our approach to property condition assurance, following the publication of The Levelling Up, Housing & Communities Committee's "*Report on the Regulation of Social Housing*". The Board was satisfied that the design of our operating model enables a proactive approach and our 'Think Yes' culture ensures that issues are resolved and/or escalated as required.

The Board sought assurance on the scale of mould and damp in our properties and noted that we are currently aware of our outstanding cases. This reflected the profile of our housing stock, which is newer than many other RSLs.

The Board discussed repairs and how customer feedback can help to shape and inform our service. The Board was informed about how we are seeking and using customer feedback including through the recent pulse surveys, through feedback cards and through Customer Voices activity.

Decided: The Board

- 1) Noted the contents of this report.**
- 2) Noted the changes to strategy measures, which will be incorporated in the strategy updates later this year.**

11. Performance report – quarter 2

The Board received an update on performance to the end of quarter 2.

The Board discussed the report and key areas including arrears performance, days to lets and complaints. The Board noted the slight increase in arrears due to a delayed payment of housing benefit that had now been received. In relation to arrears, the Board was assured that our strong messaging to customers continues to be that we are here to support them.

The Board also discussed our repairs performance, which continued to see an increase demand. It was confirmed that repairs is one of the most important services for our customers and that we continue to focus on repairs performance.

Decided: The Board noted the contents of the report.

12. Equality, Diversity, Inclusion and Human Rights Policy

The report provided an update on Equality, Diversity and Inclusion (“EDI”) activity across the group and presented the updated Group EDI and Human Rights policy which has been approved and designated as group wide by the Group Board at its meeting on 28 September. The Board was assured that, as a Group, we are strongly committed to EDI and Human Rights with a strong focus on continuous improvement and ensuring this is reflected in our organisational culture.

The Board noted the update and outcome of our first customer equalities data collection exercise and noted how this will be used to inform our decision-making and strategy workshop next year.

Decided: The Board

- 1) Noted the range of EDI related activity already underway and in progress.**
- 2) Noted the reviewed EDI and Human Rights policy and its designation as a group wide policy.**

13. Arrears and Debtors Policy

The Board were updated on the review of the Group Arrears and Debtors Framework (“the Framework”) and considered our Arrears and Debtors Policy which had been reviewed and updated to better reflect our practices and our current operating model. In particular, further emphasis has been given to the effective management of income and prevention of customer debt.

The Board discussed the reviewed policy and our aim to prevent debt accruing where possible and to reduce it quickly and effectively where it does occur. It was noted that this will be done by providing personalised support for customers to help them move back to a positive payment status as quickly as possible.

Decided: The Board

- 1) Noted the content of the report and updates to the Policy.**
- 2) Approved the Loretto Housing Arrears and Debtors Policy that has been developed based on the Group Framework.**

14. Finance report – quarter 2

The Board was provided with an overview of the financial results for the period to 30 September 2022 and the Q2 forecast, and also received an update on the

review of the new build appraisal target return rate and the new build approval criteria for Loretto project approvals by Wheatley Developments Scotland.

The Board discussed our financial results for the period with a reported a statutory surplus of £11,127k which is £220k favourable to budget. The Board also discussed our interest rate exposure given the market conditions and noted the majority of our borrowing was on the basis of fixed rate loans.

The Board discussed our repairs budget and noted that this was likely to increase next year, given the demand and industry challenges faced since the pandemic.

Decided: The Board

- 1) Noted the management accounts for the period ended 30 September 2022 at Appendix 1.**
- 2) Noted the revision to the target return rate for new build social and mid-market rent developments and agreed the criteria for Wheatley Development Scotland approving projects on our behalf is updated to reflect this.**

15. Corporate Risk Register

The Board considered the proposed changes to our Risk Register, with five risks being identified as outwith risk appetite. These were RISK019 (Cyber Security), RISK022 (Financial impact of rent control legislation), RISK010 (Group Credit Rating), RISK005(Care and support services), and RISK003 (Fire Safety).

The Board noted that the implementation of any identified actions will be monitored by management and residual risk scores will be reviewed as part of the scheduled quarterly review of all risks.

Decided: The Board

- 1) Approved the updates in this report.**
- 2) Identified any further changes to the Corporate Risk Register arising from discussion at the meeting.**

16. Group Assurance update

The Board received an update on the internal audit work performed during the first two periods of 2022/23 and the rolling Internal Audit Plan 2022/23.

The Board noted that following completion of the listed reviews, no significant matters were noted to bring to the attention of the Board. It was explained that management have agreed actions to address the improvement actions identified during each review and that the Internal Audit team will monitor completion of these actions and report progress to future meetings of the Group Audit Committee and this Board.

The Board considered the update and the areas that most affected us, noting that an update on our Neighbourhood Environmental Team services would be provided at next meeting.

Decided: The Board were asked to note the contents of this report.

17. AOCB

No other business

Signed:.....(Chair)