

## LORETTO HOUSING ASSOCIATION MINUTE OF BOARD MEETING

**Date:** Thursday 9 February 2023  
**Time:** 10am  
**Venue:** Wheatley House, 25 Cochrane Street Glasgow

**Chairperson:** Eric Gibson

**Present:** Archie Morrison, Alex McKay, Gregor Dunlay, Suzanne Lavelle, Lesley Bloomer (via Teams),

**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  
Pauline Donald, Governance Business Partner  
Lindsay Lauder, Director of Development and Regeneration (item 6)  
Brian Stewart, Director of Investment, Repairs & Compliance (item 7)  
Stephen Devine, (item 12)

### **1. Apologies for Absence**

Apologies for absence were received from Jennifer Williamson. It was noted that Pauline Gilmore was on a leave of absence.

### **2. Declarations of Interest**

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

### **3. a) Minute of Board Meeting held on 28 November 2022 and matters arising b) Minute of Board Meeting held on 10 January 2023 and matters arising**

It was agreed that the minute of the meeting held on 28 November 2022 should reflect that the Board had approved the proposed rent increase 'for consultation' (at 6.1)

**Decided: The Board approved the minutes of the above meetings, subject to the above amendment.**

### **4. Rent and service charges 2023/24**

The Board received a report which provided feedback from our consultation, and sought Board approval on the 2023/24 rent, service and other charges increase.

The Board noted the extensive engagement undertaken with tenants and record number of tenants involved. The Board was advised that the corresponding feedback received had informed our proposal to apply a 3.9% rent and service charge increase with the exception of ex-Cube stock which are proposed as 1% in line with the ballot commitment. The Board further noted the benchmarking results from other areas which confirmed our increase as one of the lowest when applying our rent setting comparability analysis.

The Board considered the range of support we can provide to tenants who are experiencing hardship including through our Housing Officers actively working to provide advice in terms of any additional benefits or other support that could be available to them; the 'Here for You' fund being one example.

#### **Decided: The Board**

- 1) Considered the feedback received through the consultation process with tenants on our 2023/24 RSL rent, service and other charges increase.**
- 2) Approved a 1% rent, service charges and other charges (including garages and lock ups) increase for former Cube homes that transferred to Loretto effective from 28 March 2023.**
- 3) Approved a 3.9% rent, service charges and other charges (including garages and lock ups) for 2023/24 for all other tenants effective from the 1 April 2023.**
- 4) Agreed that we formally write to tenants to confirm this decision, subject to Group Board approval.**

#### **5. Financial projections 2023/2024**

The Board received a report on the draft five-year business plan financial projections.

The Board was advised that there was significant provision for investment in new build and existing properties, that the provision for repairs reflects the increased demand, the financial position remains strong and that the provision for the 'Here for You' Fund has been maintained for 2023/24. The Board was asked to note that the 2023/24 figures form the basis of the detailed budget that will be brought to the Board in March 2023.

Further assurance was provided that we have retained a provision for a higher number of tenants moving onto Universal Credit and an increase in rent arrears balances given the current cost of living crisis. Additionally, it was also confirmed that during the first five years of the plan we had made provision for responsive and planned repairs, which takes cognisance of the increase in customer demand for repairs seen in 2022/23. The Board noted that this funding will support the maintenance of our stock.

#### **Decided: The Board**

- 1) Approved the updated projections for investment in assets and services over the five-year period to 2028.**
- 2) Agreed that the projected 2023/24 figures form the basis of next year's annual budget which will be presented to the Board for final approval in March 2023.**

**6. [redacted]**

**7. Five-Year Capital Investment Plan in existing homes**

The Board received the report which sought approval of our updated five-year capital investment plan in existing homes for the period 2023-2028 (investment plan).

The Board noted that our investment plan details our approach to capital improvement work across our existing homes and environments over the next five years.

Assurance was provided to the Board that the plan had been considered within the 2023/24 financial projections and takes account of the proposed rent charges. Additionally, the Board noted the priority areas for investment with a focus on safety, sustainability and health and wellbeing of customers with our core investment activities continuing to focus on the delivery of improvements that will provide the greatest value for customers.

**Decided: The Board approved the Five-Year Capital Investment Plan 2023-2028.**

**8. Customer insights update**

The Board received an update on the work we do to support and strengthen neighbourhoods and customer satisfaction with the management of neighbourhoods, reflecting the feedback from customers as a result of our pulse survey late last year.

The Board noted the three key priority areas that would help improve customer satisfaction which would be taken forward and the corresponding action plan and timelines as well as the work already completed to date.

The range of customer engagement, research undertaken and research currently in commission as well the further work to ensure our Customer Voices are representative of our tenant base and that they also reflect the equality and diversity of our customers was highlighted to the Board. The Board was also encouraged to hear of the positive established relationships and continuing work with external parties to support this agenda.

The Board was advised that it was intended an update on progress would be brought back to the meeting in September 2023.

**Decided: The Board noted the content of the report.**

**9. Performance Report**

The Board received an update on performance delivery against targets and strategic projects to the end of quarter three 2022/23.

The Board were taken through the report and supporting appendices and noted our year-to-date results against target and, where relevant, the measures being taken to improve our performance.

The Board specifically noted the achievements relating to the Customer Voices indicators and the practical support provided to our tenants as they continue to face challenges associated with the current cost-of-living which has impacted on performance related to non-payment and arrears. The Board acknowledged the actions taken to support continuous improvement in performance.

**Decided: The Board noted the content of the report.**

## **10. Finance Report**

The Board received an overview of the financial results for the period to 31 December 2022, the quarter 3 forecast and an update on the review of new build appraisal target return rates. The Board noted the key variances against budget as reported.

In response to a specific point raised by the Board, it was confirmed that bad debt costs had been running favourably throughout the year to date and were related to rent arrears. The Board noted that the Managing Director and Finance work closely together to continually assess and manage arrear projections.

The Board was asked to note that the report also sought approval of proposed amendments to two finance contracts; namely:

- [redacted]

The Board received assurance that there were no related risks or concerns to be highlighted to the Board in terms of seeking the above approvals and that these transactions were supported by the Group. The Board noted that the drawdown date as detailed in section 4.5 would be 28 February 2023.

**Decided: The Board**

- 1) Noted the management accounts for the period ended 31 December 2022 at Appendix 1.**
- 2) Approved the amendments to the EIB finance [redacted]**
- 3) [redacted].**
- 4) Noted the outcome of the review of the internal rate of return targets.**

## **11. Governance Update**

The Board received an update on governance related matters including our revised Membership Policy, nomination of a new Board Member and the rolling annual Board agenda planner.

The Board noted and agreed the recommendation to appoint a new Board Member, Jackie Brock, subject to ratification by the Group Recruitment, Appointment, Appraisal and Governance (“RAAG”) Committee.

The Board noted that the next Board meeting would incorporate a stock tour and that details will be circulated in due course.

**Decided: The Board**

- 1) Approved the Membership Policy.**
- 2) Agreed recommendation to appoint a new Board Member subject to approval of the RAAG Committee.**
- 3) Noted the annual Board agenda planner.**

## **12. Group Sustainability Framework**

The Board received the Group Sustainability Framework report as approved by the Group Board on 14 December 2022.

The Board was advised that the framework will be supported by a detailed action plan and will be launched during the final quarter of 2022/23. The Board noted that the launch will be supported by a summary document of the framework which will be used as an information tool for all staff, will support communication of this agenda to our customers; supporting our staff to advise, inform and influence behavioural change across our customer base as it applies to the sustainability agenda.

The Board noted that further updates will be brought back to the Board as this programme of work progresses. Additionally, the Board was advised that a copy of the summary document will be circulated to the Board when available.

**Decided: The Board noted the Group Sustainability Framework.**

## **13. Corporate Risk Register**

The Board received the report which asked the Board to consider and approve the proposed changes to its Risk Register.

The Board specifically noted the risks outwith the risk appetite and the addition of new risk 053: Damp and Mould.

**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.**

## **14. AOCB**

No other business was raised.

**Signed:.....(Chair)**