



**LORETTO HOUSING ASSOCIATION
MINUTE OF BOARD MEETING**

Date: 10 February 2020
Time: 6.15pm
Venue: Lipton House, 170 Crown Street, Glasgow, G5 9XD

Chairperson: Douglas Robin

Present: Jean Fyfe
Allan McGuinness
Alex McKay
Pauline Gilmore
Jacqui Mallin
Archie Morrison

In Attendance: Olga Clayton, Group Director of Housing and Care
Chris Walker, Head of Housing
Margaret Ross, Financial Controller – RSLs
Moray Nichol, Governance and Secretariat Manager
Laura Henderson, Managing Director of Cube and Loretto Housing
Stephen Devine, Director of Lowther and Business Growth (in part, item 7)
Stuart Johnstone, Development Manager (in part, item 9)
Andrew Weir, Stake Holder Partner and Liaison Lead (in part, item 10)

1. Apologies for Absence

Apologies for absence were received from Nesta Gilliland.

2. Declarations of Interest

The Board noted the standing declarations. Jean Fyfe declared an interest in item 5 as a charity trustee on the Board of Keep Scotland Beautiful.

3. Minutes of Board Meeting held on 25 November 2019, matters arising and actions list

Decided: The Board approved the minute of the meeting held on 25 November 2019.

4. Director's Update (verbal)

The Board received an update on the profile of Housing First applicants and it was confirmed an update on Universal Credit will be provided at item 10.

5. Rent and Other Charges 2020/21

The Board received a report on feedback from our consultation on the 2020/21 rent and service charge increase and a presentation on our analysis of the level of rent and service charges as a percentage of household income, based on the Scottish Federation of Housing Associations (SFHA) affordability toolkit.

The Board discussed the affordability of rents for our tenants, how rents compare with other Registered Social Landlords and feedback from tenants on our rent increase proposals.

The Board commented on the comprehensive approach to the consultation process and requested further information on the proportion of Loretto Housing Association tenants in receipt of Housing Benefit

Decided: The Board:

- 1) Considered the feedback received through the extensive consultation process with tenants on our 2020/21 RSL rent and service charge increase; and**
- 2) Approved a 3.4% rent and service charge increase for 2020/21 and that we formally write to tenants to confirm this.**

6. Financial Projections 2020/21

The Board received an update on projections for investment in assets and services over the five-year period to 2025, in support of our strategic ambitions.

The Board discussed in particular our capital investment programme and planned maintenance costs associated with our cyclical maintenance programme. The Board discussed the new build funding profile, in particular the EBITDA MRI interest cover ratio, and sought assurance that cash flow is sufficient to service intra-group debt across the 5-year programme.

The Board discussed the property portfolio and requested further information relating to the reduction in valuation of £8.7M in 2021/22 be brought to the next meeting.

The Board considered the sensitivity analysis undertaken to show the potential impact of key risk factors on our business plan and discussed key assumptions including the level of rent arrears relating to the impact of Universal Credit.

Decided: The Board:

- 1) Approved the updated projections for investment in assets and services over the five-year period to 2025;**
- 2) Agreed that the projected 2020/21 figures form the basis of next year's annual budget which will be presented to the Board for final approval in March; and**
- 3) Approved the Loretto Care Financial Projections for 2020/21.**

7. Creating one care company in Wheatley Group: Progress update

The Board received an update on progress with creating a single care company in Wheatley Group. It was confirmed that changes relating to its Loretto Care subsidiary as part of this will proceed.

Decided: The Loretto Housing Board noted progress in establishing a single care company including that the changes to Loretto Care's Articles of Association, that the Board agreed previously, will be put in place in the coming months.

8. Inspiring Ambition, Unleashing Potential: Our Strategy 2020-25

The Board received the summary Loretto Housing strategy 2020-2025 following the approval of the Group strategy in October 2019 by the Wheatley Group Board. The Board reflected on the content of the summary strategy and confirmed it captured feedback provided during the Board strategy workshop.

Decided: The Board approved the summary Loretto Housing Strategy 2020-2025: *Inspiring Ambition, Unleashing Potential*.

9. Five Year Development Programme

The Board received a presentation and report on the five-year development programme. The Board discussed in particular the key risk that we do not identify a pipeline of development opportunities to realise our assumed development programme.

The Board considered our development footprint and the areas where opportunities may emerge. It was confirmed that this will be driven by local authority housing strategies and the strategic housing investment programmes that flow from them.

Decided: The Board:

- 1) Approved Loretto Housing Association's five-year development programme as summarised in this report; and**
- 2) Noted that the five-year development programme will be reviewed annually and presented for approval to the Loretto Housing Board, in conjunction with the presentation of the Group Business Plan.**

10. Universal Credit (presentation)

The Board received a presentation on the impact of Universal Credit on our tenants and customers, the challenges associated with the Department of Work and Pension's Universal Credit strategy to 2024, and our approach to mitigating the risks associated with future developments and migration of individuals onto Universal Credit.

11. Finance Report

The Board received an overview of the management accounts for the period to 31 December 2019 and a funding update on arrangements for Loretto Care's working capital facility following the creation of a single care company within the Group.

Decided: The Board:

- 1) noted the Finance Report for the period to 31 December 2019; and**
- 2) approved the intra-group facility agreement and delegate authority to the Chair, any Board member, Group Chief Executive, Group Director of Finance, Director of Treasury or Group Company Secretary to execute.**

12. Performance Report – YTD 2019/20 (Quarter 3)

The Board received a report outlining progress against the 2019/20 Delivery Plan and discussed in particular the level of sickness absence. The Board requested information is brought back to a future meeting that compares our performance with other Registered Social Landlords in the Group.

Decided: The Board:

- 1) Noted the performance report and actions to improve performance.**

13. Board Appraisal

The Board received a report on the Board appraisal process.

Decided: The Board noted the feedback from the Board appraisal process and the actions being taken in response.

14. Loretto Care Gender Pay Gap Reporting – Year 3 (presentation)

The Board received a presentation outlining key themes from Loretto Care's gender pay gap report that is to be published by the end of the financial year.

15. AOCB

There was no other competent business.