

Argyll Community Housing Association

Board of Management Meeting

Thursday 14th December 2023 - Hybrid

Minute

Present:

Cathy Grant (Chair)
 Jim Milne (Vice Chair)
 Ian McIntyre (Chair of Audit Committee)
 Councillor Jan Brown
 Mike Brown
 Dan Hughes
 Esther Hughes
 Pat McVey
 Bruce Marshall
 Cllr Alastair Redman
 Betty Rhodick

Not in attendance

In Attendance:

Michelle Mundie, Chief Executive
 Bruce West, Director of Finance & IT
 Colette Benham, Director of Human Resources & Corporate Services
 Iain McLeod, Property Operational Manager (West)
 Sandra McLeod, Director of Customer Experience
 Katie Martin, Sheltered Housing Manager (Item 13)
 Lesley Lindsay, PA to Board of Management (minute)

		To be actioned by 8/2/24
1.	Apologies Mark Irvine	
2.	Minute of Previous Meeting – 16th November 2023 The Board of Management APPROVED the minute as a true and accurate record of the meeting. Proposed by: Bruce Marshall Seconded by: Pat McVey	
3.	Matters Arising Page 2 – Item 2 – Action from previous minute Page 4 – Item 7 – Acquisition funding – <i>the Chief Executive to provide Bruce Marshall with further information.</i>	Michelle Mundie

	<p>Action outstanding</p> <p>Page 3 – Item 7 – CE Presentation – Eton Avenue, Dunoon – Bruce Marshall advised he had raised the matter again with the Chair and Chief Executive as he strongly believed ACHA should be publicising the 4 wonderful homes built at Eton Avenue and referencing the contractor used for the development. He commented he hoped all future openings would be an official event. The Chief Executive advised a press release had been issued to all Argyll & Bute newspapers as well as the housing bodies but added the Association had no control over what was published in the press. She advised the article had also been emailed to the Board of Management and read out the press release. Bruce Marshall apologised as he had missed the email.</p> <p>Page 8 – Item 13 – Annual Complaint Handling Report – the Director of Human Resources & Corporate Services to arrange for the report to be published on the Association's website. Action completed.</p> <p>Page 9 – Item 19 – Employee Survey Results – the Director of Human Resources & Corporate Services to arrange for the presentations delivered by Arneil Johnston to be published on Staff Circle and Admin Control. Action completed.</p>	
4.	<p>Correspondence Letter from Scottish Housing Regulator (circulated to Board members by email on 17th November 2023). There were no comments or questions and the Board of Management NOTED the content.</p> <p>EVH Membership Renewal The Board of Management unanimously APPROVED membership renewal of Employers in Voluntary Housing at a cost of £5691 for 2024.</p>	
5.	<p>Declarations of Interest None</p>	
6.	<p>Chief Executive's Presentation The Board of Management discussed and noted the presentation delivered by the Chief Executive.</p>	
7.	<p>Community Action Fund Applications</p> <ul style="list-style-type: none"> • Soroba Community Enterprise Ltd The Board of Management unanimously APPROVED the award of £500. • Dalmally Community Company The Board of Management unanimously APPROVED the award of £500 	
8.	<p>New Membership Applications The Board of Management unanimously APPROVED one membership application.</p>	

	The Board of Management NOTED the membership total of 180 as at 5 th December 2023.	
9.	<p>Minute of Policy Committee Meeting (12/12/22) for Ratification</p> <p>The Director of Human Resources & Corporate Services advised there had been no Policy Committee meetings held during 2023 to approve the minute of the meeting held in December 2022.</p> <p>The Vice Chair stated the minute read as if no discussion or questions had taken place at the meeting. He assured the meeting that was not the case and stated he was unsure why the minute did not include the discussions held and questions asked.</p> <p>There were no questions and the Board of Management unanimously RATIFIED the minute.</p>	
10.	<p>ACHA First Draft Budget</p> <p>The Director of Finance & IT advised his report provided details on the first draft of the ACHA budget for 2024/25 and identified areas for further consideration and development. He stated that changes, outwith the Association's control could occur and confirmed the final draft budget would be presented to the Board of Management in February 2024.</p> <p>The Director of Finance & IT advised the recommendations were contained within page 2 of his report and further advised Appendix 1 set out the draft budget against the strategic objectives, Appendix 2 laid out the allowances included in the budget used to support the transformation programme and Appendix 3 contained information on the main budget.</p> <p>The Director of Finance & IT took the meeting through the elements of the draft budget.</p> <p>The Director of Finance & IT advised interest costs were higher than the Business Plan and the 2023/24 budget.</p> <p>The Director of Finance & IT stated the financial analysis at Appendix 3 summarised the budget over the main headings and set out the budget available for Property Costs based on the prioritisation framework agreed by the Board of Management on 5th October 2023.</p> <p>The Director of Finance & IT highlighted the areas that might change the first draft budget which included the pay award and changes to allowances built in for voids and bad debts.</p> <p>The Board of Management were advised a decision was not being sought at today's meeting but was to provide an overview of the current draft.</p> <p>The Chair thanked the Director of Finance & IT for a very comprehensive report.</p> <p>The Chair took the meeting through each of the recommendations contained within the report:</p> <p>Recommendation 1 The Board is requested to:</p>	

	<p>1. Consider if there are any areas of clarification they require on:</p> <ul style="list-style-type: none"> • Appendix 1 strategic objectives • Appendix 2 transformation programme • Appendix 3 financial analysis <p>No clarification was sought.</p> <p>Recommendation 2</p> <p>2. Note the overall financial position for the first draft budget for 2024/25 as set out in sections 11.1 to 11.3 of Appendix 3 Financial Analysis.</p> <p>NOTED</p> <p>Recommendation 3</p> <p>3. Note the impact of rent increases of 6%, 7% or 8% rather than 5% on the budget available for Property Costs as set out in section 11.4 of Appendix 3 Financial Analysis.</p> <p>NOTED</p> <p>Recommendation 4</p> <p>4. Agree that officers continue to review the budget as set out in section 11.6 of Appendix 3 Financial Analysis and bring forward any revisions as part of the final budget to the February Board meeting.</p> <p>Unanimously APPROVED.</p> <p>Recommendation 5</p> <p>5. Confirm whether or not they would like further work to be undertaken looking at the implications and budget released if reductions were made in the following budget allowances to release additional budget for Property Costs, on the basis these were considered less of a priority than the need to protect Property Costs, (as set out in section 11.7 of Appendix 3 Financial Analysis):</p> <ul style="list-style-type: none"> • IT Strategy - reducing the pace of IT investment in support of the IT Strategy • Office Capital - reducing the capacity to reconfigure the office estate, • Transformation Programme - reducing the capacity for further consultancy input to support the transformation programme and/or meet costs of implementing change • Loan Refinancing Consultancy – reducing/removing the budget for advice on options to refinance existing loans <p>No further work required at this stage.</p> <p>Recommendation 6</p> <p>6. Consider if there are any further matters the Board wish to instruct officers to investigate and bring forward for review along with/as part of the final budget presented to the Board in February 2024.</p> <p>No further matters to investigate at this stage.</p>	
11.	<p>AHFA First Draft Budget</p> <p>The Director of Finance & IT advised the first draft budget had been considered by the AHFA Board of Directors on Monday 11th December 2023.</p> <p>The Director of Finance & IT stated that as with the ACHA draft budget, circumstances could change before February so the budget figures would</p>	

	<p>be kept under review. He also highlighted that any changes to the ACHA budget could feed into the AHFA budget.</p> <p>The Board of Management NOTED the first draft of the AHFA budget for 2024/25.</p>	
12.	<p>Review of ACHA Business Plan</p> <p>The Director of Finance & IT advised his report highlighted the impact of changes to economic and operating assumptions on ACHA's Business Plan based on the latest recommended Business Plan assumptions and draft of the budget for 2024/25. He stated the Business Plan was reviewed and updated annually and usually reported to the Board of Management in March prior to being submitted to Lloyds Banking Group for their consideration but given the changing economic circumstances and forecasts he stated it was appropriate to provide an interim review of the Business Plan before March. He added the full review and update of the Business Plan would continue to be submitted to the March meeting and his report was to make the Board of Management aware of the impact and current economic forecasts, draft budget and to highlight key issues.</p> <p>The Director of Finance & IT took the meeting through the Changes in Economic Assumptions (paragraphs 2.1 – 2.5), Changes to Operating Assumptions (paragraphs 3.1 – 3.5), Impact on Business Plan (paragraphs 4.1 – 4.4) and Cashflow and Covenant Implications (paragraph 5.1) as outlined in his report.</p> <p>The Director of Finance & IT advised there would not be too many significant changes for the long term however there would be changes in the short to medium term as highlighted on pages 2 and 3 of the report.</p> <p>The Director of Finance & IT advised the overall impact to the changes in rental income and management costs etc. in the draft budget for 2024/25 plus the changes to economic assumptions would improve the Business Plan by around £900k which would improve the longer term capacity for spending on property costs but would be subject to changes as the budget is finalised and further changes in the economic forecasts arise.</p> <p>The Director of Finance & IT advised the budget approved in February 2024 would feed into the Business Plan and the Business Plan would continue to be reviewed between December 2023 and March 2024.</p> <p>The Director of Finance & IT advised updated figures from the Association's Treasury Advisors had been received and while there was no good news it had slightly improved since March 2023.</p> <p>The Vice Chair stated the Board of Management had been provided with a high level of information for items 10, 11 and 12 and while it was difficult to absorb all the information provided it allowed time until the February meeting to examine in depth.</p> <p>The Chair took the meeting through the recommendations contained within the report:</p>	

	<p>The Board of Management NOTED the impact of the current economic outlook and forecasts and draft budget 2024/25 on ACHA's Business Plan.</p> <p>The Board of Management APPROVED Officers update the ACHA Business Plan based on the revised assumptions and with further revisions based on the February recommended Business Planning assumptions, and reflect these in the revised Business Plan submitted to the Board in March 2024.</p> <p>The Board of Management AGREED that officers update the Business Plan based on changes between the draft budget for 2024/25 and the final budget for 2024/25 approved by the Board in February 2024 and reflect these in the revised Business Plan to be submitted to the Board in March 2024.</p>	
13.	Confidential	
14.	<p>ACHA Management Accounts to 31 October 2023</p> <p>The Board of Management NOTED the content of the report.</p>	
15.	<p>AHFA Management Accounts to 31 October 2023</p> <p>The Board of Management NOTED the content of the report.</p>	
16.	<p>AHFA West Highland Housing Association Management Accounts</p> <p>Covered under Item 15.</p> <p>The Board of Management NOTED the content of the report.</p>	
17.	<p>OPEN Housing Progress Report</p> <p>The Director of Finance & IT advised his report provided an update on progress on the delivery of the OPEN Housing Project.</p> <p>He stated the project was on track to go live by the end of February 2024 but this would substantially increase staff workload as a huge amount of work was still required.</p> <p>The Board of Management NOTED the update, NOTED the delivery sequencing and NOTED the risks associated with the project.</p> <p>Bruce Marshall left the meeting.</p>	
18.	<p>Investment, Regeneration and Warm Homes Update</p> <p>The Property Operation Manager advised the report provided an update for noting.</p> <p>The Chair stated the installations for kitchens/bathrooms and windows/doors was very low and asked for confirmation the contracts would be accelerated. The Property Operation Manager stated regular meetings were held and he was confident the contracts would be delivered by the end of the financial year.</p> <p>The Property Operation Manager stated in relation to the paragraph 2.2, Capital Investment Works and Warm Homes Programmes, the Director of Finance & IT had covered the spend versus grant funding position.</p>	

	<p>Cllr Brown drew the meeting's attention to paragraph 4.3 and asked for an update in relation to how the claim was progressing. The Property Operation Manager advised he did not have that information but would provide post meeting.</p> <p>The Board of Management NOTED progress of the Investment and Warm Homes programmes against the targets set for 2023/24, NOTED the spend at the end of October, NOTED progress of the current development programme, NOTED proposals for future developments, NOTED all proposed developments complied with the acquisition and capital appraisal policies and NOTED the appointment of a Housing Development Consultant.</p>	Iain McLeod/ Fiona Campbell
19.	<p>Item covered after Item 13 Response to SHR Consultation on Review of Regulatory Framework The Director of Human Resources & Corporate Services advised the Scottish Housing Regulator (SHR) were consulting on changes to the Regulatory Framework with the deadline for responses being 15th December 2023.</p> <p>The Director of Human Resources & Corporate Services advised appendices 1 and 2 to her report provided the proposed response from ACHA and appendix 3 was correspondence from the Vice Chair.</p> <p>There were no questions or comments and the Board of Management unanimously APPROVED submission of the response to the Scottish Housing Regulator's consultation on the review of the Regulatory Framework.</p>	
20.	Confidential	
21.	Confidential	
22.	<p>A.O.C.B. Confidential</p> <p>Item covered after Item 13 Argyll Community Housing Association Corporate Strategy The Chief Executive advised the important strategic document set out the Group's ambition, vision and strategic direction for the upcoming 5 years. She advised the strategic objectives had been approved by the Board of Management.</p> <p>Pat McVey stated the strategy referred to housing in Argyll and there was no mention of Bute or other islands. The Chief Executive advised she would correct that inaccuracy.</p> <p>Subject to the above amendment, the Board of Management unanimously APPROVED the 2024/2029 draft Corporate Strategy.</p> <p>The Board of Management NOTED the graphics would be tidied up and the final version would be subject to professional graphic design input.</p>	Michelle Mundie

	<p>Future Meetings The Board of Management unanimously AGREED the meeting scheduled to be held on 18th April 2024 would be a hybrid meeting.</p> <p>The Chair reminded Board Members the February meeting would be a face to face meeting in Dalriada House, Lochgilphead and asked as many members to attend as possible.</p> <p>Board Info Pack The Chair stated the consultation document on a new Social Housing Net Zero Standard in Scotland was very informative and encouraged all members to read it (replaces EESSH2).</p> <p>Director of Finance & IT The Chair stated it was the Director of Finance & IT's last meeting before he retired. On behalf of the Board of Management, she thanked him for all his hard work over the years. She stated the Board would miss him greatly and wished him all the very best in his retirement.</p> <p>The Chair wished everyone a very Happy Christmas and a good New Year.</p>	
23.	<p>Date & Time of Next Meeting Thursday 8th February 2024, 10.00am in Dalriada House, Lochgilphead</p>	