



MINUTES OF BRIDGEWATER HOUSING ASSOCIATION

BOARD MEETING

Venue: Via Zoom

Date: Thursday 24th February 2022

Time: 5.30pm

Present:

Alastair Morris Chair, John Paterson Vice Chair, Heather Stirling Secretary, Frank Bradley Board Member, Rab McNally Board Member, Ken McIntosh Board Member, Denise Love Board Member and Suzanne Austin Board Member.

In attendance:

Ian McLean Chief Executive, Angie Kennedy Head of Finance, Scott Currie Corporate Services Manager (part), Lesley Carr Minute Secretary.

Item	Details	Action
1.	Welcome and Chairs remarks	
	The Chair welcomed everyone to the meeting and confirmed that members had received their papers on time. The Chair agreed for the Chief Executive to manage proceedings on his behalf.	
2.	Apologies	
	Apologies were received from Steven Webster, Angela Westrop, Craig McGarry.	
3.	Declarations of Interest	
	Members were invited to declare any interest in any of the items on the agenda, in terms of the Association's published policy.	
3.1	There were no declarations made by those present.	
4.	Minute of the Joint Board and Audit and Risk Sub Committee 9th February 2022 – for Approval	
	Members were invited to consider the minute of the Joint Board and Audit and Risk Sub Committee 9th February 2022.	
4.1	Members approved the minutes as a correct record of the meeting as PROPOSED by Rab McNally and SECONDED by Heather Stirling.	
MATTERS ARISING		
5.	There were no matters arising.	

MATTERS FOR APPROVAL

6. Draft Budget 2022/23

Members were invited to consider the draft budget which was developed by the Head of Finance in conjunction with the Associations Independent Financial Consultant and provides information relating to the Associations financial predictions over the next financial year. All department heads have had an opportunity to input into the budget, considering their requirements for the year and their best estimates of expenditure and income.

The budget shows a surplus of £323,469 for the year and the report provides details of the underlying assumptions during the preparation. Surpluses allow for the Association to plan for major expenditure on improvements etc. in the future.

The HOF outlined the main areas for consideration within the budget as detailed in the notes appended to the Budget.

The HOF explained that the cash flow demonstrates a comfortable cash position over the coming 12 months, however, members should note that with inflation running significantly higher than was predicted even a year ago and with the uncertainties around tender costs, materials and manpower availability, it may well be necessary to comprehensively review the budget in six months-time and in particular the Associations expenditure plans.

Most costs have been increase by 3.8% to reflect inflationary increase with the exception of salary costs which have been increased by 3%. The HOF explained that at the time of writing this report, EVH salary negotiations were still underway and we have been advised by EVH that there is a possibility for salaries to increase by 3 to 3.5%.

A member pointed out that if the salary increases were to be agreed at 3.5% this would not have a major impact on the Associations Finances as there are other contingencies in place which would cover this increase.

A member also said that the Boards decision to fix the Associations loans was taken at the right time before the rise in inflation rates. The HOF said that we will benefit from having the loan on fixed terms, however, the variable rate loans will be affected by the rise in inflation due to the recent global events.

The HOF explained that the Audit and Risk Sub Committee will have the opportunity to monitor the budget closely through the Management Accounts each quarter and this will give an indication on how things are progressing on the assumptions made and whether there are any changes that are required.

6.1 Members **APPROVED** the draft Budget for 2022/23.

7. Insurance Tender – Property/Buildings Insurance 2022-2027

Members were invited to consider a report by the Head of Finance, the purpose of which was to provide members with information regarding the recent tendering process for the Association's Property and Property Owners Liability Insurance.

As part of Nationwide loan covenant compliance the Association must ensure that its property stock is adequately insured. Sufficient provision has been included in the 2022-23 Budget for all insurances.

	<p>The HOF updated that the Association is required to have a number of insurances in place to mitigate against catastrophic and other incidents. Insurance is a significant cost to the Association and the Association employs an expert firm of Insurance Brokers to negotiate the best deal they can achieve for us. The Board will recall that Bruce Stevenson was awarded a 3-year contract for the Provision of Insurance Services in 2019 following a competitive tendering process, with the provision to extend the contract by a further 2 years.</p> <p>As a consequence of Brexit, Board were previously notified that our current Property and Property Owners Liability insurance provider Ocaso had withdrawn from the UK insurance market. The Associations insurance broker, Bruce Stevenson has re-tendered this portion of insurance on our behalf.</p> <p>The tendering process was conducted electronically through the Public Contracts Scotland Website to enable us to comply with current procurement legislation. The tender was posted to the Public Contracts Scotland Website by Bruce Stevenson in December 2021. The term for insurances was 3 years with an option to extend this contract for a further 2 years. Upon completion of the tendering process on 28 January 2022, the post box was opened by Bruce Stevenson. Only one compliant bid was received from Avid Insurance Services Ltd.</p> <p>The new 2022-23 premium for Avid amounts to £38,291.68 including insurance premium tax, (with an excess of £250). The HOF explained that this is only 10% more than Avid quoted the Association in the 2019. The Avid pricing appears consistent when you consider that reinstatement sums insured have increased circa £10m since 2019 due to reinstatement sum assured index linking.</p> <p>The HOF explained that by entering into a long term 3-year agreement with the option to extend to 5 years would minimise the risk of large increases in premium above inflations, however if this was to occur and the long term agreement was broken, the Association could re-tender the insurance contract. A member agreed that the flexibility of being able to go back out to the market is beneficial to the Association.</p>	
7.1	Members APPROVED the award for the provision of Property and Property Owners Liability Insurance for the 3 years from 1 st April 2022 to 31 st March 2025, (with the option to extend to 31 st March 2027) to Avid Insurance Services Limited.	
MATTERS FOR CONSIDERATION, COMMENT AND NOTING		
8.	There were no items for consideration, comment or noting.	
MATTERS FOR BRIEFING AND INFORMTION ONLY		
9.	There were no matters for briefing or information.	
REGULATORY ISSUES		
10.	Notifiable Events	
10.1	There were no new notifiable events for consideration.	
ADMINISTRATION		
11.	Issues which the Chair has agreed as urgent	

11.1	There were no urgent issues for consideration.	
12.	Meeting concluded - 6.05pm Date of next Board Meeting – 30th March 2022	

A handwritten signature in dark ink, appearing to be 'A. M. S.', with a small mark above the 'i'.

Signed: _____(Chair)