



MINUTES OF BRIDGEWATER HOUSING ASSOCIATION BOARD MEETING

Venue: Hybrid

Date: Wednesday 1st March 2023

Time: 5.30pm

Present:

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

In attendance:

Andy Thomson Chief Executive, Ruth Brogan Head of Housing and Community Engagement, Steven Ferrie Head of Property Services, Angie Kennedy Head of Finance, Scott Currie Head of Corporate Services, Alison McManus, Care and Repair Project Manager and Lesley Carr Minute Secretary.
Eleanor Biggs, Finance Consultant (PART)

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.	
2.	Apologies	
	Apologies were received from Denise Love	
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	The CEO explained that there were no individual declarations of interest, however there would be a general declaration of interest by tenant members to item 10 on the agenda, the Rent Increase and this would be NOTED .	
4.	Minute of the Board Meeting held on Wednesday 7th December 2023	
	Members were invited to consider the minute of the Board Meeting held on 7 th December 2023.	
4.1	Members APPROVED the minute as a correct record of the meeting as PROPOSED by Rab McNally and SECONDED by Suzanne Austin.	
5.	Matters Arising	
5.1	The CEO outlined the outstanding actions detailed within the report.	
6.	Minutes from November Sub Committee meetings	
	Minute of Housing, Land and Property Services Sub Committee Meeting held on 2 nd November 2022 and Finance and Corporate Services Sub Committee of 30 th November 2022.	
6.1	Members NOTED the minutes from previous Sub Committee and updates provided by the Department Managers	

7.	Minutes from February Sub Committee Meetings.	
	Minute of Housing, Land and Property Sub Committee Meeting held on 1 st February and the Finance and Corporate Services Sub Committee held on 22 nd February 2023.	
7.1	Members NOTED the minutes from previous Sub Committees and up-dates provided by the CEO.	
MATTERS FOR APPROVAL		
The CEO explained that decisions on the proposed Rent Increase for 2023/24, will be made once the Board have considered the information provided by the HOF on the detail of the budget.		
8.	Budget 2023/24	
	<p>Members were invited to consider a report by Head of Finance, the purpose of which was to provide the Board with 2023-24 Draft Budget to enable the Board to reach a decision on the rent increase options of 6% and 7% and to approve the rent and service charge revisions. This second draft of the 2023/24 budget will be discussed and it is proposed that the content of this report, along with the Chief Executives report which was discussed at the December meeting, should be considered along with the draft budget so that a decision on rent increases can be made with viability issued fully covered.</p> <p>The HOF provided those present with a presentation detailing summary of highlights for consideration within the budget and explained that this is the best estimate of where the Association will be this time next year.</p>	
8.1	Members APPROVED the Budget as PROPOSED by Alastair Morris and SECONDED by Suzanne Austin.	
9.	30 Year Financial Plan, Financial Plan and 5 year Projections	
	<p>Members were invited to consider a report by the Finance Consultant, the purpose of which was to provide the Board with the 30-year Financial Plan and Five-Year Financial Projections (FYFP) submission to the Scottish Housing Regulator (SHR) and to seek approval for its submission.</p> <p>The model provides 30-year financial projections and includes scenario testing on the pressures, efficiencies and risks associated with the business together with key outcomes in respect of:</p> <ul style="list-style-type: none"> • 30-year cash flows including five-year financial projections for the SHR • income & expenditure account and balance sheet • loan portfolio • assessment against loan covenants • minimum, maximum and average key performance indicators • a comparison of key assumptions including: rent levels, repairs and investment costs per unit, staffing numbers and management costs per unit. <p>The report provides commentary on the Association’s long term financial position over the 30-year period, outlining its ability to deliver core business activities and services in respect of its current asset and customer base.</p> <p>The Finance Consultant explained that the 30-year financial projections provide clear evidence that the business plan underpins a fundable organisation capable of delivering core business activities whilst maintaining the ability to withstand likely risks.</p> <p>The Finance Consultant concluded that the Association’s rents are pegged at RPI from 2024/25 for the duration of the plan and future rent affordability will be a key driver in ensuring that the business plan remains viable. Income and expenditure have been comprehensively reviewed and updated, however, there may be scope to reduce costs</p>	

	<p>through efficiencies, improved performance or better control of costs and the Association will be developing a Value for Money strategy to address this. Given the uncertainties around the current economic climate and the public funding pressures which already exist, the main objective is to develop a long-term financial plan which is viable and fundable, and the plan is robust. The Association will ensure that it takes appropriate action and mitigates risks to protect the plan into the future.</p>	
9.1	Member's RECONFIRMED approval of a minimum cash balance of £1.5m.	
9.2	APPROVED the Financial Plan and	
9.3	APPROVED for the Five-Year Financial Projections to be submitted to the Regulator following the meeting.	
10.	Rent Increase 2023/24	
	<p>Members were invited to consider a report by the HoHCE, the purpose of which was to consider the outcome of the 2023/24 rent increase consultation and to seek approval of the recommendation of 6% increase.</p> <p>In coming to a conclusion about the proposed rent increase, the Board were asked to consider the outcome of the consultation and the Leadership Team's recommendation on rent increases which does not detrimentally affect the viability of the organisation whilst at the same time being mindful of our customers' ability to pay. The proposal reflects an increase significantly below the current rate of inflation. It is difficult to do a true comparison as some RSL's use RPI and others CPI, to summarise:</p> <ul style="list-style-type: none"> • Our proposal is in line with the Business Plan • Our consultation results show that the majority of people who took part in the consultation would be content with 6% • Although the Association does have reserves in the bank, there will be significant investment needs over the next few years. These reserves will have to be utilised to bring properties to EESSH2 and Net Zero standards in the coming years. • Our proposal is in line with most of the FLAIR Associations and is in the mid-range of GWSF members. <p>The Leadership Team are acutely aware of the Board's desire to limit rent increases as far as possible without jeopardising the viability of the Association. We are not immune to the difficulties that many of our tenants face currently because of Covid, welfare reform, inflation and the Cost of Living Crisis.</p> <p>A rent freeze was approved for 2020/21, however, another rent freeze is not sustainable. Part of the Board's decision making process is to also consider what the sector is doing in relation to rent increases, particularly those organisations most closely aligned to Bridgewater. The CEO explained that GWSF conducted a survey of 40 Association's decisions and intentions in regard to the 2023/24 rent increase which ranged from 2.55% to 7%. The majority (16) proposed 5%, followed by 9 who proposed 6% in line with Bridgewater's proposed increase.</p> <p>A member asked if 6% was the lowest rent increase that the Association was able to consider, the CEO explained that we have already had to make savings by reducing our planned maintenance activities and having a lower rent increase would further impact what we can and cannot do and would have a longer term impact on our properties and the services we deliver. He reminded those present that the Association has a requirement to carry out works within our properties to meet the EESSH2 and Net Zero standards in the coming years and there is no grant funding available for this therefore we would need to use our reserves to meet these targets. A lower increase at this time could lead to significant above inflationary increases in coming years.</p>	

	Board members considered the report in some detail and looked at alternatives to the 6 or 7% increase being proposed, after careful consideration of the Association’s financial position and that of affordability of the Associations rents, it was agreed to increase by 6% in order to protect current and future investment plans and service improvements.	
10.1	Members NOTED the content of the report.	
10.2	And following FULL discussion APPROVED the 6% rent increase for 2023/24 taking cognisance of the views of tenant’s and the requirements of the Business Plan and draft budget. This increase will apply in April 2023 meaning that in real terms the increase is 5.5%.	
10.3	NOTED that the Leadership Team is, based on tenant feedback and the business requirements recommending an increase of 6% be implemented.	
10.4	NOTED that the service charges will be changed in line with actual costs where this is available, otherwise they will increase by 6% in line with the rental increase. [REDACTED]	
11.	Annual Review of Garage Rents and Service Charges	
	Members were invited to consider the report presented by the HoHCE, the purpose of which was to provide members with information on the review of Garage Rent and Service Charges and proposed increases for 2023/24. The annual review process ensures that costs for garage rents and service charges are fully assessed to take account of all relevant costs. This exercise enables charges to be transparent and the Association accountable for the charges it applies. In reviewing the garage rents for 2023/24, the Association must ensure that rental income meets future increases in maintenance costs. It is believed that a 12.1% increase mitigates the risk of insufficient rental income for the year, while ensuring that garage rents remain affordable. The annual review process ensures that costs for garage rents and service charges are fully assessed to take account of all relevant costs. This exercise enables charges to be transparent and the Association accountable for the charges it applies. Furthermore, it allows the Association to meet its corporate objective of delivering high quality, cost efficient services. A member asked about the maintenance cost for garages and the HOHCE explained that the cost of repairs to the garages can be high but there are few repairs and there is a healthy waiting list for Garages. Garages are mainly rented by owners and are used for storage as they are not big enough to accommodate most modern cars. It was agreed that if the majority of Garages were rented by owners then this was not as much of a concern and House Rent should be a priority.	
11.1	Members NOTED and APPROVED <ul style="list-style-type: none"> • The garage rent increase of 12.1%; • Managed Properties increase of 12.1% and • The service charges increase of actual cost in line with our policy or 6% where this is not available. [REDACTED]	
12.	Business Plan Draft	
	Members of the Board were invited to consider the report presented by the CE, the	

	<p>purpose of which was to present the Board with the 2nd Draft of the new Business Plan following previous discussions and the initial approval of the Board content at the Business Planning Workshop in September.</p> <p>Our previous Business Plan was from 2019–2022 and we agreed to schedule our Business Planning process between May 2022 and March 2023. Our Business Planning Workshop took place on 29th September 2022 at the Golden Jubilee Hotel, Clydebank and this was a successful event. The Report from this event, drafted by Alison Smith of Allanpark Consultants, has been considered previously by the Board. Following our discussion in December, the CEO passed the 1st Draft Plan to Alison Smith and asked her to review the content and re-format the document as she deemed appropriate. This 2nd draft is the outcome of this review but follows the theses and structure agreed at the December meeting.</p> <p>There are no significant changes but a summary of the changes/notes are detailed within the report.</p> <p>CEO noted that once Board have considered the 2nd draft Business Plan and make amendments as required we will then enter a short period of consultation with tenants and stakeholders circa 2 weeks. This should give us enough time to review any final changes and approve the final version at our meeting on 12th April. Once this is agreed we will develop a formal version of the business plan and work on a customer summary – this will be a far more summarised version and will be distributed online and via our MyBHA portal. The additional associated documents will be completed and will come to the Board and Subs for approval in the months ahead. This will then form the basis of our business strategy and performance monitoring framework from April 2023.</p> <p>Members had been asked to review the draft plan and highlight any thoughts, concerns, amendments or suggestions on both the content and the style/design of the document to the CEO by email prior to the meeting and a summary of responses would be provided. There were no issues raised.</p> <p>A member asked if there was a requirement to produce this document, the CEO explained that it is a requirement of the SHR as well as the Associations lenders. The CEO will produce a summary document which can be provided to tenants.</p>	
12.1	Members APPROVED the draft Business Plan for a consultation period with tenants and other stakeholders. As PROPOSED by Aileen Naismith and SECONDED by Suzanne Austin.	
13.	Governance Review Tender Report	
	<p>Members were invited to consider the report presented by the CE, the purpose of which was to provide members with an update on progress with the previously approved Governance Review due to commence in April 2023.</p> <p>Due to financial levels involved, there was no requirement to tender via online frameworks and instead four suitably qualified consultants were approached with a project brief and ask to provide and appropriate, costed proposal to carry out the brief with a deadline for submission of 13th January 2023.</p> <p>Three proposals were received by the closing date and they were assessed by the CEO to ensure that they met the brief that was provided, all submissions met these</p>	

	<p>requirements. Therefore, the tenders were assessed on pricing only.</p> <p>This report provides Board with details of tenders received and seeks approval for the successful tender from Allanpark consultants.</p>	
13.1	<p>Members APPROVED the appointment of Alison Smith of Allanpark to complete the governance review and AGREED the next steps in the process as detailed within the report.</p> <p>PROPOSED by Rab McNally and SECONDED by Ken McIntosh.</p>	
14.	Policies	
a)	Risk Control and Management (CEO)	
	<p>Members were invited to consider a revised Risk Control and Management Policy presented by the CEO, the purpose of which was to ensure that we achieve our stated business and strategic planning aims and objectives whilst reviewing the challenges and risks which may be encountered. We recognise that we will face all manners of risk some of which are so minor as to be insignificant, whereas others have the potential to seriously affect our business's continued well-being. It is therefore important to understand the likelihood and the potential consequences of our own risks, and to take sensible, cost effective mitigation measures for the more significant ones.</p> <p>This policy will be reviewed every three years, unless amendment is prompted by a change in legislation or operational requirements. Consultation with customers is not required for this policy.</p> <p>The CEO updated that operational risks would no longer come to the Board and it his intention to change the layout of the report to be presented to the Board so that members are aware of the risks.</p>	
	<p>Members APPROVED the Risk Control and Management Policy as proposed by Ken McIntosh and seconded by John Paterson.</p>	
b)	Tenant Participation Strategy (HOHCE)	
	<p>Members were invited to consider the Report presented by the HoHCE, the purpose of this was to advise the Board that the TP Strategy and Policy is due for review and the timescale for consultation.</p> <p>The HoHCS updated that the internal and external consultation will be conducted during March and April and a revised Policy and Strategy will be presented to the Board at their meeting in May 2023.</p>	
	<p>Members NOTED the content of the report.</p>	
c)	Fraud, Bribery and Corruption (HOF)	
	<p>Members were invited to consider the Fraud, Bribery and Corruption Policy presented by the HOF. This is a newly developed Policy.</p> <p>Fraud is becoming an increasing problem and as the operational environment changes, the types of fraud are becoming more sophisticated. Bridgewater Housing Association, recognises the importance of protecting its assets against financial risks, operational breaches and unethical activities.</p> <p>The Scottish Housing Regulator expects Registered Social Landlord, (RSL's) to have robust procedures in place to minimise the risk of fraud, bribery, corruption or misappropriation being successful and to safeguard the assets of the organisation.</p>	

	<p>The HOF explained that this policy sets out the responsibilities of the Chief Executive, all Heads of Department, Managers, Staff and Governing Body Members regarding the prevention of fraud and the action to be taken where a fraud is suspected or detected. The Association requires that all Heads of Department, Managers, Staff and Governing Body Members always act honestly and with integrity and to safeguard the resources for which they are responsible for.</p> <p>The Policy will be reviewed every three years unless amendment is prompted by a change in legislation, or monitoring and reporting reveals that a change in policy is required sooner and will be made available to every employee and board member and will be made freely available to any tenant or interested party.</p>	
	Members APPROVED the Policy as PROPOSED by Aileen Naismith and SECONDED by Rab McNally.	
d)	Equality and Diversity Policy (HOCS)	
	<p>The HOCS explained that there is a lot of work required to develop the Equality and Diversity Policy. The CEO and the HOCS with the full Leadership Team will be working on this.</p> <p>This Policy will be required to go out for consultation before being approved.</p>	
15.	EVH Members Consultation	
	<p>This consultation document was issued to all Full members of EVH.</p> <p>EVH are keen to ensure that the terms and conditions of employment are up to date, reflective of best practice, statutory requirements and assist with recruitment / retention for full members. This consultation is being issued as EVH have identified 2 areas of the terms and conditions where the JNC are recommending that enhancements are considered.</p> <p>This consultation seeks employers' views on the changes outlined within the document and asks specific questions on these.</p> <p>The consultation period is now open and it will close on 10th March 2023. Members were asked to respond to the following questions:-</p>	
15.1	If an organisation chooses to have a Mental Health First Aider in place would you support that the employee receives the first aid allowance set by the terms and conditions of employment?	
	Members APPROVED a staff member receiving the allowance for this role.	
15.2	Both the physical first aid and mental health first aid roles are distinct from each other, and employees must carry out the necessary training. It is unlikely that an employee would carry out both roles, however if they did would you support them receiving the allowance for each role?	
	Members AGREED that the preference is to have both roles carried out by different staff members.	
15.3	It is recommended that if an eligible parent chooses to use Shared Parental Leave that they should receive the enhanced pay outlined above (minus any maternity / adoption pay already used). Do you agree with this? The HoF informed members that the Shared Parental Leave has not been used by any staff members so far.	
	This was AGREED by those present.	
MATTERS FOR CONSIDERATION, COMMENT AND NOTING		

16.	Office Move Update	
	<p>Members were invited to consider a report by the HOCS, the purpose of which was to provide members with an update in relation to lease negotiations to move premises to India of Inchinnan.</p> <p>The CEO provided a report to the Board on 29 June 2022 setting out detailed proposals to deliver the preferred option of moving office premises [REDACTED]. These were approved by the Board. Subsequent updates by the CEO have explained delays to the process caused by a change of ownership of the building.. The HOCS has been in constant contact with the landlord’s surveyor ([REDACTED]) and is now able to report some forward movement.</p> <p>The HOCS explained that the next steps, should HES provide a favourable response, will be to engage our architect to prepare fully detailed drawings. The HOCS will form a staff group with representation from all departments and including the CEO, Head of Property Services and ICT Officer. The role will be to discuss and agree the layout and subdivision of the area to allow the HOCS to instruct the architect to submit Planning (Listed Building 178 Consent) and Building Warrant Applications, conclude legal paperwork and sign the Heads of Terms, provide notice to the current landlord, and obtain costs for work to new office. The landlord has offered a nine-month rent free initial period. Their building division is keen to carry out the works and we can offset the work costs against this rental period. It would be prudent to obtain an alternative cost for confirmation of value for money. Upon completion of the works, communicate with customers and prepare to move by August. If this is not achievable staff can work from home for a short time.</p> <p>Members were asked to note that there will be a review of the rent at year 5 but there is no indication what this would be, however a minimum amount of increase has been included within the budget to cover this. It should also be noted that there would be an unknown 5 year rent review were we to remain in Bridgewater Shopping Centre.</p>	
16.1	Members NOTED the content of the report.	
17.	Property Services Update	
17.1	LD2 – verbal update	
	<p>The HOPS explained that there are still 10 properties where the LD2 upgrade is outstanding, The PS team have been working hard to gain access to these properties so that the outstanding installations can go ahead. The HOPS is hoping that that these will be completed by 17th March, if not we will aim to be completed by the end of the financial year, which is target for completion set by SHR.</p> <p>Members NOTED the update provided by the HOPS.</p>	
17.2	Gutter Cleaning Tender	
	<p>Members were invited to consider a report by the HOPS, the purpose of which was to provide members with the outcome of the Gutter Cleaning Tender and to appoint the contractor.</p> <p>The Board were asked note the information contained within the report and to confirm the appointment of Patterson Safety Anchors Ltd as the Association’s gutter cleaning contractor for the new 4 year contract. Once this appointment is confirmed by the Board, the HOPS, will arrange a pre-start meeting with Patterson Safety Anchors Ltd and a planned contract start date of the 1st of April 2023.</p> <p>Members CONFIRMED the appointment of the Contractor. Proposed by Aileen Naismith and seconded by John Paterson.</p>	

17.2	12 Month Extension of Reactive and Void Contractors	
	<p>Members were invited to consider the report presented by the HOPS, the purpose of which was to request members to approve a 12 month extension of the current reactive and void contractor set up.</p> <p>The Board approved the use of local contractors to carry out the Reactive and Void Maintenance from 1st November 2022 for a period of 6 months, following the termination of the Repairs and Maintenance contract with Consileum.</p> <p>The Association appointed Sheils and Kennedy, Brican and Alwurk as day to day contractors. James Frew were appointed emergency and out of hours contractor.</p> <p>The HOPS has been working alongside IFLAIR members to develop an IFLAIR DPS contract framework, which is targeted to be completed by the end of summer 2023. In relation to the notifiable event the HOPS will inform SHR that we are looking to move forward with the IFLAIR framework.</p> <p>The performance of all local contractors has improved significantly from the previous contractor, [REDACTED].</p>	
	The Board NOTED the contents of the report and CONFIRMED the 12 month Reactive and void maintenance contractor extension as PROPOSED by John Paterson and SECONDED by Suzanne Austin.	
18.	Quarterly Business Plan 2021-2023 Performance Update Q3	
	<p>Members were invited to consider a report by the CEO, the purpose of was to provide the Board with a summary update on performance through our Key Performance Indicator (KPI) dashboards, action plans, and details of our most recent risk mapping review.</p> <p>This report is issued quarterly to provide information on the Association's strategic performance.</p>	
18.1	Members NOTED the content of the report and appendices.	
19.	C&R Contract Update (Verbal)	
	The C&R Project Manager explained that there was still no update on the current contract extension and will provide an update to the Board at their next meeting.	
MATTERS FOR BRIEFING AND INFORMATION ONLY		
20.	CEO Report	
	<p>Members were invited to consider a report by the CEO, the purpose of which was to advise the Board on a range of relevant issues currently being considered and to seek approval for matters as noted throughout the report where required.</p> <p>The Board is asked to note the contents of the report and raise any queries or concerns with any of the items raised or the proposed methods of managing each item.</p> <p>The CEO updated that the Scottish Housing Regulator has written to all RSL's to remind landlords that ensuring tenant and resident safety is a critical part of the work of social landlords in Scotland. There has been additional guidance issued for landlords to ensure tenant's homes are not affected by mould and dampness and that they have appropriate, proactive systems to identify and deal with any reported cases of mould and damp timeously and effectively.</p>	

	<p>As part of the review of the FLAIR Partnership Plan it has been proposed that each member extends an open invite to board members to attend others' board meetings as observers, to bring back ideas to their own organisation and share ideas. The CEO asked if any members would be interested in observing another landlords meetings either in person or via Zoom that they let him know. Members were happy for the CEO to extend the invite to other FLAIR board member to observe our meetings.</p> <p>Suggestions for speakers at the FLAIR conference were included in the report and the CEO asked if anyone has any ideas on anything that they would like to see covered to let him know and he will feed this back to the FLAIR CEO's.</p>	
20.1	Members NOTED the information contained within the CEO's report.	
21.	Equalities Data Collection and Monitoring (Verbal)	
	Members were invited to consider an update from the HOHCE who explained that the equalities data had been collected for Board Members and Staff and we now need to look at how we gather this information for our tenants. The HOHCE and CEO will discuss how this information is collected and will report back to the Board at a later date.	
21.1	Members NOTED the update provided.	
REGULATORY ISSUES		
22.	Notifiable Events	
	Board Agreed to suspend standing orders at 19:30 hrs to complete the meeting agenda.	
22.1	<p>There were no new notifiable events for consideration.</p> <p>The CEO reminded members that we currently have 2 open notifiable events;</p> <ul style="list-style-type: none"> • Reactive Repairs Contract, • Sheltered Housing Alarm system upgrade • and there may be potential for not meeting the deadline for the LD2 installation. <p>The CEO updated that Staff are currently working to ensure that these issues can be resolved to allow the notifiable events to be closed down by SHR.</p>	
ADMINISTRATION		
23.	Share and Board Membership Applications and use of Seal	
	Members were asked to consider Share Membership forms for:- Mrs E & Mr J Pauley, [REDACTED] Mr J O'Neil, [REDACTED] Mr O'Neil has also applied to be considered to join the Board.	
23.1	Members APPROVED Share Membership Applications along with the Application received from Mr O'Neil to join the Board. Arrangements will be made for the Secretary to seal the Share certificates at the next Board Meeting.	
24.	AOCB	
24.1	<p>Charitable Donations –</p> <p>The HOHCS update that she had received a request from the HO who had been in contact with one of our tenants who regularly raises money for CHAS (Children's Hospice Association) to ask if the Board would consider providing a donation through our current donation policy.</p> <p>The HOF updated that our current donations policy is due to be reviewed.</p>	
	Members APPROVED to provide a donation of £150.00 to CHAS in lieu of the policy threshold amounts being updated in the new draft	

25.	Issues which the Chair has agreed as urgent	
25.1	There were no urgent issues for consideration.	
26.	Meeting concluded - 7.40pm Date of next meeting – 12th April 2023	



Signed: _____(Chair)