

OFFICIAL MINUTES

NOTE TO READER:

SBHA publishes the minutes of its Board of Management meetings, unless it considers, at the time of publication, that the minutes or part of the minute are exempt from disclosure under the Freedom of Information (Scotland) Act 2002. Where minutes or part of the minutes are not published, this is noted in these minutes.

MEETING: SBHA BOARD OF MANAGEMENT

DATE: 28.11.24	TIME: 5.30pm	VENUE: Head Office, Selkirk and via Teams
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PRESENT: In Person

Robin Hill - Chair (RH)
Ian McDonald - Board Member (IMcD)
Michael Levack – Board Member (ML)
David Bell – Board Member (DB)
Philippa Brosnan – Board Member (PB)
Matt Foreman – Board Member (MF)
Ray Licence Board Member (RL)

Virtually via Teams

Tracey Glover – Board Member (TG)
Robin Dodyk – Board Member (RD)
Marjory Smith – SHR (MS)
Lynn Stewart – SHR (LS)
Joseph Quinn – SHR (JQ)

IN ATTENDANCE:

Julia Mulloy, Chief Executive (CE)
Maria Lyle - Chief Operating Officer (CO)
Carly Stewart - Director of Finance (DoF)
Emma Garry – Director of Development (DoD)
Rachel Dickson – Head of People (HoP)
Catriona Notman - Governance Officer (GO)
Via teams: Caroline Purcell - Director Property Services (DPS)

The Chair opened the meeting at 5.32pm and welcomed all in attendance. Chair introduced MS, LS and JQ from Scottish Housing Regulator (SHR) to the meeting and extended the Board's welcome for their attendance.

1.0 Apologies for absence

Apologies were received in advance of the meeting from Board Member Michael Grieve.

2.0 Declarations of Interest

No declarations were made.

3.0 Board Finance Report – Private and Confidential

3.1 Rent Setting 2025-26

The DoF presented the report, confirming that the rent setting figures had been remodelled following a steer at the Board Away Day to consult with tenants on a minimum of 4.5% to 5% rent increase. It was confirmed that consultation with Scottish Borders Tenant Organisation (SBTO) had been completed and feedback was positive. SBTO understood the drivers behind the increase, and were supportive that to assist with the repairs service that higher increase was encouraged.

Members reflected on the need to maintain financial strength in the context of the ongoing impact of below inflation rent increases and increased costs in construction, resources and the impact of the Employers National Insurance changes. It was agreed that financial strength needs to be maintained to keep capacity within the current business plan and that a minimum increase of 5% was required. Board Members received assurance on the requirement for effective communications with tenants and providing support to tenants and advice to tenants where required.

RECOMMENDATIONS: The Board of Management agreed:

- a) a minimum rent increase of 5% for Tenant consultation, with the final increase for decision by the Chair's Group.
- b) the rent restructure cap of £2 per week is continued for 2025/26.

3.2 Financial Monitoring to End of September

TG left the meeting at 5.39pm and rejoined at 5.41pm

Minute of discussion on this Agenda Item redacted

Minute of discussion on this Agenda Item redacted

Members asked that the Repairs budget for 2025-26 include benchmarking.

Members discussed the rent loss due to empty homes and were advised that the volume and content of empty homes repairs is the main cause behind this and that driving down the repair time whilst meeting the lettable standard was the priority. It was confirmed that the Empty Homes Policy is currently under review and the recent tenant scrutiny project on the repairs service will influence performance outcomes.

Minute of discussion on this Agenda Item redacted

Minute of discussion on this Agenda Item redacted

RECOMMENDATIONS: The Board of Management:

- a) noted the Management Accounts as detailed in **Appendices 3.2** of the report;
- b) *Minute of discussion on this Agenda Item redacted.*
- c) approved the write-offs in **Appendix 3.2g**

3.3 Planned Maintenance Programme Budget 2025-26

Minute of discussion on this Agenda Item redacted

Members discussed replacement gas boilers and solid fuel systems, the lifecycle of these and at what point they are replaced with greener systems to help achieve Social Housing Net Zero Standards (SHNZS). It was advised that when solid fuel systems are identified for replacement, the greener solutions are discussed with tenants for their approval and failing this, they are replaced when the property becomes an empty home.

RECOMMENDATIONS: *Minute of discussion on this Agenda Item redacted*

3.4 SBBS Financial statements for Year Ending 31 March 2024

The DoF explained that although SBBS remains a dormant subsidiary company, financial statements are still required to be filed with Companies House. No discussions were required.

RECOMMENDATION: The Board of Management approved the SBBS accounts for the year ending 31st March 24 for signing as attached at **Appendix 3.4a**.

4.0 Board Operational Report

3.1 Scottish Housing Net Zero Standard

The DoPS presented this report summarising the history of the various regulatory changes from SHQS through to Social Housing Net Zero Standards (SHNZS) and the significant journey SBHA has completed to date.

Members were advised that the Business Plan currently covers costs for lifecycle replacement of heating systems and windows. Whilst some of this could contribute to the Net Zero costs, it was acknowledged that progress would rely on grant and future funding considerations. Scenarios will continue to be developed as guidance is confirmed to confirm the future implications.

Board Members welcomed the report as informative on the current position and progress to date. Members discussed the funding process and how grant funding works. Details on the number of properties falling into bands E&F were highlighted and it was advised that work is ongoing with the provider for EC04 grant funding to address these properties. Of these properties there are approximately 40 homes that the tenants have chosen not to move to greener solutions and these properties will be upgraded when the property becomes an empty home. It was confirmed that the next phase of investment would be developed in the delivery of the 2025-30 Strategic & Business Plan and the importance of developing shelf ready projects was stressed.

Assurance was given to members that there is a collective approach and discussions are held regularly with other Registered Social Landlords and specifically the South of Scotland sector to explore opportunities to progress.

RECOMENDATION: The Board of Management discussed and noted the current position on the development of the SHNZS, the current estimate of potential costs and confirmed the next steps.

3.2 Miller Street Options Proposal

The DPS delivered this report providing members with an overview of the properties and the options for the Board to review and consider. The properties are unlettable in their current state and the estimated costs for the 4 proposed options were presented.

It was recommended to Board that the properties are disposed of as plot only sales on the open market. When the sales are completed, for sales over the £120k disposal threshold, this would be advised to the SHR as a notifiable event.

RECOMMENDATION: The Board of Management approved the disposal of the properties at 51, 55 and 59 Miller Street in Innerleithen on the open market.

3.3 Minute of discussion on this Agenda Item redacted

Minute of discussion on this Agenda Item redacted

3.4 Customer Service Excellence Accreditation

The CO presented this report and confirmed that Customer Services Excellence accreditation was achieved in October 2024. It was advised that the award was obtained following assessment on 57 elements of which 2 areas obtained Compliance Plus. Members welcomed this achievement and passed congratulations to all team members.

RECOMMENDATION: The Board of Management noted the successful achievement of Customer Service Excellence Accreditation.

3.5 Gender Pay Gap Review

The CO presented this report confirming the report was voluntary and not required to be produced as SBHA has less than 250 employees. It was advised that work will continue with business partners to strengthen areas such as getting addressing the gender imbalance in construction.

Members agreed that producing this report confirms the commitment taken towards the More Inclusive Steps Strategy (EDI). Members sought confirmation of women team members who are Members of the Chartered Institute of Building engaging in the Career Advancement Programme and as this figure was not readily available at the meeting, these details will follow.

RECOMMENDATION: The Board of Management noted and commented on the 2024 Gender Pay Gap Report.

4.0 General Governance Update Report

4.3 Shareholding Membership

Board members considered four shareholding membership cancellation requests due to rule 17.1.

RECOMMENDATIONS: The Board of Management agreed the ending of memberships and cancellation of shares as noted.

4.4 Board Member Development Reviews

Chair advised Members that he will be standing down as Chair at the AGM in September due to the completion of five continuous years in post and succession planning will commence to identify suitable candidates for the post after the Board Member Development Review.

It was confirmed that the Reviews will be conducted in person during Q4 and Altair will be assisting with these. Dates for these reviews will be communicated in January 2025 and these will be in person meetings at SBHA Selkirk office.

RECOMMENDATION: The Board of Management considered the arrangements proposed and authorised the Chair to progress.

4.5 Annual Assurance Statement 2024

The CO confirmed that the 2024 Annual Assurance Statement was submitted to the Scottish Housing Regulator and published on the SBHA website.

5.0 Tenders – Private & Confidential

5.1 Window Replacement Programme

The DPS advised that the report for this item was not yet available as further appraisal of the tenders was required. An independent valuation by Procurement for Housing is currently underway. Agreement was sought from Members to delegate authority to the Chairs Group as there are no Board Meetings scheduled during December 2025.

RECOMMENDATION: The Board of Management agreed to delegate the award of contract for the windows replacement programme to the Chair's Group.

5.2 Building Material Supplies – Private and Confidential

Minute of discussion on this Agenda Item redacted

RECOMMENDATION: *Minute of discussion on this Agenda Item redacted*

6.1 Owners Recharge Policy

The DPS presented this item to the Board and advised that further analysis was required. It was also advised that the newly appointed Director of Customer Services (DCS) would share knowledge and experience to assist with the policy review.

Members obtained confirmation and agreed that the revised policy would be presented to Board on 20 March 2025.

6.2 Governing Members' Code of Conduct

6.3 Employees Code of Conduct

The CO presented the revised Codes of Conduct to Members advising that they had been updated following a Scottish Federation of Housing Association (SFHA) review of both Employee and Governing Body Members Code of Conduct models.

RECOMMENDATION: The Board of Management approved the revised Governing Members' Code of Conduct and the Employee Code of Conduct as proposed.

7.0 Key Performance Indicators Q2 2024-25

The CO presented the report highlighting the improvements and challenges over the reporting period.

Members discussed the reduced levels of stock condition surveys as some had reached the 5 year cycle in the quarter - resulting in a dip in the current reporting figure. Suggestions were given to smooth out the five yearly cycle to prevent a similar future dip. It was agreed that the Stock Condition Surveys are an excellent tool to reach out and identify potentially vulnerable tenants.

ML left the meeting at 7.27pm and rejoined at 7.29pm

Discussions continued into Customer Satisfaction levels and action team members are taking to help avoid complaints.

RECOMMENDATION: The Board commented on the Key Performance Indicator outcomes for Quarter 2 2024-25.

7.30pm The Chair advised that the meeting had reached two hours and the Board of Management agreed to continue.

5.0 Development Programme – Progress Update – Private and Confidential

RH left the meeting at 7.31pm and rejoined at 7.33pm

Minute of discussion on this Agenda Item redacted

IMcD left the meeting at 7.43pm

Minute of discussion on this Agenda Item redacted

RECOMMENDATIONS: The Board of Management:

- a) Noted the content of the development update.
- b) *Minute of discussion on this Agenda Item redacted*
- c) *Minute of discussion on this Agenda Item redacted*

**6.0 Minutes of the Board of Management meeting 12th September & 1st November 2024
February 2024**

The minutes of the Board of Management meeting held on the 12 September 2024 were approved as a true and accurate record, proposed by ML and seconded by DB.

The minutes of the Board of Management meeting held on the 1 November 2024 were approved as a true and accurate record, proposed by ML and seconded by DB.

(i) Matters Arising from the Minutes

There were no matters arising from the Minutes.

7.0 Minutes of the Audit & Compliance 7 August 2024 and draft minutes of 6 November 2024

The minutes for these meetings were noted.

8.0 Minutes of the Customer Board 29 August 2024

The minutes for this meeting were noted.

9.0 Minutes of the SBHA Plus 22 August 2024 and draft minutes of 20 November 2024

The minutes for these meetings were noted.

10.0 Board Reflection

RH commented that the new DCS is due to take up post next month and took the opportunity to congratulate the Executive Team for their great diligence and effort to manage and maintain the business operations whilst carrying a key role vacancy for a significant period.

11.0 Any Other Competent Business

Minute of discussion on this Agenda Item redacted

12.0 Date of the next meeting: 20 February 2025

LS thanked the Chair and members for allowing them to observe the meeting.

The Chair thanked all Members for their attendance and contribution, closing the meeting at 7.54pm.