

**Minutes of Shire Board Meeting
Held on 27 November 2024
at 18:00 via Teams**

PRESENT: S Roberts (Chair), W Gallacher (Vice Chair), H Carr (Convenor of the Audit Committee), N Allan, B Cuthbertson, L Logan, I McKnight, R Morris, W Paterson, W White-Finnigan, M Youd

CHAIR: S Roberts (Chair)

IN ATTENDANCE: J Munro (Chief Executive, CE)
C Donnelly (Director of Corporate Services, DCOR)
J Allison (Director of Housing, DH)
J McLelland (Minute Secretary, MS)
E Vorsterman (Care and Repair Manager, CRM)
M Abbott (Partner, Brown and Wallace)

APOLOGIES: A Sutherland

ABSENT: None

Leave of Absence: R Patterson

The meeting commenced at 18.01.

The Chair welcomed members to the meeting.

Item		Action
1.0	Formal Business	
1.1	<u>Apologies</u> Apologies were received from A Sutherland. The Board acknowledged R Patterson's ongoing Leave of Absence, which was approved by the Board on 25 September 2024.	
1.2	<u>Declaration of Interest</u> None.	
1.3	<u>Minute of the Meeting held on 30 October 2024</u> The Chair presented the minute and invited any comments or corrections. One small amendment on page 1 was made. The Board approved the minute as a true and accurate record of the meeting held on 30 October 2024.	
1.4	<u>Action Plan</u> The Board noted the content of the Action Plan.	

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1.5	<u>Matters Arising</u> None.	
1.6	<u>Notifiable Events</u> None.	
1.7	<u>Membership Report</u> The DCOR presented the report to the Board The purpose of the report was to advise the Board of membership applications, withdrawals, and terminations, in line with the Model Rules 2020. The Board noted the termination under Rule 17.1.	
1.8	<u>Health & Safety Report</u> The CE presented the report to the Board. The purpose of the report was to update Board Members on Health and Safety matters since the last report on 30 October 2024. The CE confirmed that no general office related Health and Safety issues have occurred since the last meeting in October 2024. The CE confirmed that the figure of 937, within the table regarding the gas safety programme, relates to the number of properties with gas boilers. The Board noted that properties within Westgate House and in Rankinston do not have gas central heating and are therefore omitted from these figures. The Board noted the content of the Health and Safety report.	
2.0	Items Requiring a Board Decision	
2.1	<u>Office Project – RIBA Stage 2 Report</u> The CE introduced the report to the Board. The purpose of the report was to update Board Members on the work of the Office Project Team to allow Board to consider what action to take next. M Abbott, of Brown and Wallace, presented the RIBA Stage 2 report to the Board. The CE confirmed that Collective Architecture will liaise with the Community Renewable Energy Project (CoRE) to discuss potential retrofitting options should the current office building be retained. Members of the Office Working Group reiterated that the existing building is in very poor condition and that any plans for retaining the current building should take this into consideration. The Office Working Group also highlighted that any plans/ideas for what should be done with the existing building should not hold the project back if the decision is taken to move forward with building the new office. The Board discussed the CE’s recommendation to procure a consultant to model the financial and treasury implications of potentially building a new office and/or pursuing a new development at Craigs Road. The Board	

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	<p>felt strongly that gaining an external, independent perspective would be very valuable. The Board agreed that it is vital to get to a point where the Board are fully informed to allow a decision to be made. The consensus was that engaging an external consultant would be a key part of this process.</p> <p>The DCOR confirmed that £1.5 million was permitted in the Facility Agreement for a new office when the Association refinanced in 2020. However, despite this being a realistic figure at the time, costs have increased significantly, and additional finance and permission would be required should the project go ahead.</p> <p>A lengthy discussion took place about the projected costs, and whether they are value for money. The Board also discussed the costs and potential risks associated with leasing accommodation and agreed that building a new office remains the preferred option, but that alternative options would be revisited if the cost is prohibitive.</p> <p>The Board discussed the additional risk of management capacity should two big projects run in tandem.</p> <p><i>I McKnight joined the meeting at this point.</i></p> <p>The Board noted the report and the benefits and challenges of building a new office. The Board approved the procurement of consultancy support to model the financial and treasury implications of potentially building a new office at a time when the Association is also investigating the feasibility of developing new homes. The consultant's brief will include exploring treasury management solutions that could facilitate the delivery of the Association's ambitious plans. On completion of this work, the Board can decide whether to proceed with a new build office or whether to investigate alternative options.</p>	
2.2	<p><u>Draft Budget 2025/26</u></p> <p>The DCOR presented the report to the Board. The purpose of the report was to present the Draft Budget for 2025/26, providing details of the Business Plan assumptions that underpin the budget.</p> <p>The DCOR highlighted that there are fewer uncertainties within this draft budget than last year's.</p> <p>The DCOR advised the Board that National Insurance is budgeted at the new rate for 25/26, and lower starting point. We are seeking clarity on the new rules around Employment Allowance. If we continue to be eligible, there would be a £10,000 reduction in the budgeted cost.</p> <p>The DCOR clarified that the 27% insurance uplift relates to the difference between last year's budgeted cost and this year's budgeted cost. The</p>	

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2.3	<p>Board recalled that the insurance cost, which was not confirmed until after last year's budget, was much higher than assumed. The Board noted that the insurance cost should be much closer to this year's budgeted figure.</p> <p>The Board thanked the DCOR for a very comprehensive and detailed report.</p> <p>The Board approved the draft Budget for 2025/26, which will help shape the final Budget and the required rent increase for the year. A final Budget will be presented to the Board for approval in February 2025.</p>	
	<p><u>Rent Consultation 2025/26</u></p> <p>The DCOR presented the report to the Board. The purpose of the report was to allow the Board to consider the Annual Rent Increase Options and Rent Consultation Programme for 2025/26.</p> <p>The Board discussed the complexity of the current climate in terms of balancing the viability of the Association and affordability for tenants.</p> <p>The Board discussed the fact that historically, tenants have opted for the lower option rent increases. Despite this, the Board felt strongly that it is important to continue to give tenants options, noting that a higher increase allows for more investment in the properties. It is important to encourage engagement whilst presenting realistic options.</p> <p>The Board noted the financial impacts of the various rent increase options presented. The Board considered the report and approved to present rent increase options of 3.3% and 4.3% to tenants. The Board also approved the programme of consultation. Feedback from the rent consultation process will be reviewed by the Board in January 2025.</p>	
	<p><u>Revised Codes of Conduct</u></p> <p>The DCOR presented the report to the Board. The purpose of the report was to provide the Board with the revised Codes of Conduct for Governing Body Members and Staff, as updated by Scottish Federation of Housing Associations (SFHA).</p> <p>The Board approved the revised Code of Conduct for Governing Body Members and Code of Conduct for Staff, along with the associated supporting documents. The revised Codes of Conduct, and associated declarations, will be issued to staff and Board Members for signing.</p>	GA
2.5	<p><u>Green Sustainability Strategy</u></p> <p>The DH presented the report to the Board. The purpose of the report was to present the amended Green Sustainability Strategy and Action Plan.</p>	

Item		Action
<p data-bbox="193 757 304 824">3.0 3.1</p>	<p data-bbox="320 277 1374 344">The DH thanked Board members for the feedback following the presentation of the draft Strategy in September 2024.</p> <p data-bbox="320 389 1374 501">The DH confirmed that an update of the Action Plan will be presented to the Board annually. The Board noted that the Strategy will be reviewed/updated if any major influencing factors arise.</p> <p data-bbox="320 537 1374 604">The Board noted that a Carbon Footprint Audit will be carried in as part of the Action Plan.</p> <p data-bbox="320 645 1374 712">The Board approved the Green Sustainability Strategy and Action Plan for 2024/27.</p> <p data-bbox="320 757 663 824">Items for Discussion <u>Group Structure Update</u></p> <p data-bbox="320 828 1374 940">The DH presented the report to the Board. The purpose of the report was to update the Board on progress with the preparatory governance documentation for creating a Group Structure.</p> <p data-bbox="320 981 1374 1120">The DH confirmed that the Association was still looking at the Parent-Child Model, with Shire retaining control and influence over the subsidiary's activities. The DH also advised that the most appropriate legal entity for the subsidiary has been settled on a Company Limited by Guarantee (CLG).</p> <p data-bbox="320 1160 1374 1375">The Board noted that East Ayrshire Council have so far been unable to provide confirmation on the future procurement of the new contract or agree that if the contracting party is no longer Shire that this will not create any impediment to that contract award. The DH confirmed that staff will continue to liaise with East Ayrshire Council, the Health and Social Care Partnership, and with our solicitor.</p> <p data-bbox="320 1415 1374 1599">The DH confirmed that the Association will liaise with our auditors and tax advisors on accounting, including VAT implications, to make them aware of the proposal and take their advice on any impact on Shire. This information will be fed back to the Board before any final approval is requested.</p>	<p data-bbox="1406 537 1453 560">DH</p>
	<p data-bbox="320 1639 1374 1706">Following a discussion, the DH and CRM will investigate becoming involved in the Ayrshire Community Wealth Building Commission.</p> <p data-bbox="320 1747 1374 1814">The DH confirmed that a further update report will be brought to the Board in March/April 2025.</p> <p data-bbox="320 1854 1374 2024">The Board noted progress with the draft governance documents that support a Group Structure and Company Limited Guarantee set-up. A further report will be presented to the Board as the proposal develops and before any final recommendation to approve the creation of a Group Structure.</p>	<p data-bbox="1406 1639 1477 1706">DH/ CRM</p> <p data-bbox="1406 1747 1453 1769">DH</p>

Item		Action
4.0	Reports for Information Only	
4.1	<u>Update on New Systems Implementation</u>	
	<p>The DCOR presented the report to the Board. The purpose of the report was to provide the Board with an update on the status of the new system implementation and wider project.</p> <p>The DCOR confirmed that there are no issues or concerns at this time.</p> <p>The Board noted the update on the status of the project.</p>	
5.0	Confidential Reports	
5.1	<u>Confidential Staffing Report</u>	
	See confidential minute.	
6.0	Training	
	None.	
7.0	Deferred Items	
	None.	
8.0	AOCB	
	None.	
9.0	Date of Next Board Meeting:	
	<ul style="list-style-type: none"> Tuesday 10 December 2024 (Board Christmas Meal) 	
	Venue: Blues at The Park Hotel	
	<ul style="list-style-type: none"> Wednesday 29 January 2025 	
	Venue: Teams	
	Meeting concluded at 20.06	
	I confirm this Minute is a true and accurate record of the meeting: -	
	Chair_____	