

**Minutes of Shire Board Meeting Held on 25 November 2020
at 6.30 pm via Microsoft Teams Application (Covid-19)**

PRESENT: L Campbell, H Carr, N Allan, D MacLeod, W Paterson, A Rae, S Roberts

CHAIR: L Campbell

IN ATTENDANCE: J Munro (Director), C Donnelly (Head of Corporate Services), A McGrath (Asset Management Consultant), L Urquhart (Minute Secretary) Alison Smith (Allanpark Consultant), L Gallacher (Observer)

The meeting commenced at 6.30pm

Item		Action
1.0	Formal Business	
1.1	<u>Apologies</u> None. A Malik continues to be on Leave of Absence.	
1.2	<u>Declaration of Interest</u> None.	
1.3	<u>Minutes of the Meetings held on 28 October 2020</u> The Chair presented the minutes and invited comment or corrections. The Board approved the minutes as a true and accurate record of the meeting of 28 October 2020.	
1.4	<u>Action Plan</u> - Item 4.3 26/06/19; Office Redevelopment The Board discussed the possibility of organising a one hour working group meeting in December. - Item 2.1; Confidential: Castleview Avenue, Galston [FOISA Status – Exempt under Section 36 (Confidentiality)] The Board noted the contents of the Action Plan.	
1.5	<u>Matters Arising</u> None.	
1.6	<u>Notifiable Events</u> ➤ New Rules Update The Director confirmed the Financial Conduct Authority had approved the SFHA Rules and the Regulator was satisfied with the way matters	

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	<p>had been dealt with. OSCR have also been informed.</p> <p>One further gas safety inspection failure will occur on 26 November 2020, due to the tenant having to self-isolate due to contact with someone suffering from Covid 19. The Regulator will be made aware of this.</p> <p>The Director advised the Board that there had also been a gas safety inspection failure at the Shire Office. The office boilers were not serviced within the required 12-month period. The CP12 certificate expired 27 September 2020, and the boilers were serviced on 20 November 2020. The Board expressed their concern at this. The Director confirmed he is investigating this issue and will report his findings to Board Members.</p>	
1.7	<p><u>Membership Report</u> None.</p>	
1.8	<p><u>Health & Safety Report</u> The Asset Management Consultant (AMC) presented the report to the Board and advised that there have been no general office Health and Safety issues since the last report. This report had been prepared before the gas safety inspection failure at the office.</p> <p>The Board noted the content of the Health & Safety report.</p>	
2.0	<p>Items requiring a Board Decision</p>	
2.1	<p><u>Draft 2021/22 Budget</u> The Head of Corporate Services (HCOR) presented the Draft Budget to the Board. It was noted that the Draft Budget is based on a 1% rent increase rather than 2%, which is the assumption in the 30 Year Business Plan.</p> <p>The Board questioned cyclical maintenance costs, and the HCOR confirmed that following a review of newer stock, increased spending was required. In relation to planned maintenance, The Asset Management Consultant (AMC) advised external works had been brought forward and works such as bathrooms pushed back in the programme given possible restrictions on accessing properties.</p> <p>The Board enquired if Universal Credit was still having such an adverse effect on debt and bad debt provision. The HCOR confirmed the move to the new DWP (Department for Work and Pensions) portal means a shorter delay in receiving income – we are now receiving payments much quicker. New Claims have continued to grow but there has not been the spike that was seen in March 2020 at the first Lockdown. This will be an ongoing feature and the Financial Inclusion Team are managing this well. Universal Credit does however continue to impact collection of arrears on termination.</p> <p>The Board noted the draft Budget for 2021/22 which will help shape</p>	

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2.2	<p>the final Budget and the required rent increase for the year. A final draft Budget will be presented to the Board for approval in February 2021.</p> <p><u>Rent Increase Consultation 2021/22</u> The HCOR presented the paper. The Chair noted this was a very comprehensive Report. The 30-year plan is based on a 2% rent increase, but it is important to maintain rent affordability and value for money for tenants whilst considering events this year and the current economic climate.</p> <p>The comparison between rents of other RSL's and East Ayrshire Council (EAC) was discussed. Whilst we are the least expensive RSL operating in East Ayrshire, our rents are higher than EAC. The Board discussed the rent increase levels other local and national RSLs (Registered Social Landlords) are proposing to consult tenants on. Affordability is a key consideration and the Director reminded the Board it is a key focus of the Scottish Housing Regulator. The Chair noted it was good practice to offer two options.</p> <p>The Board discussed the long-term financial impact of consulting on CPI (Consumer Price Index) plus 0.5%, which would equate to 1.2%, and also giving an option of 1%, taking account of the current economic climate. It was agreed to consult with tenants on rent increase options of 1% and 1.2% for 2021/2022, explaining to tenants that whilst the one-year impact of this was small, it had a larger impact on long-term planned investment.</p> <p>The Director confirmed that there will be no face-to-face consultation due to the pandemic. The Association will, however, consult with tenants through online surveys/virtual meetings with the tenant panel. Similar to last year, a text link to Survey Monkey will be issued to tenants.</p> <p>The Board considered the report, approving the 1% and 1.2% rent increase options which will be presented to tenants. The Board also approved the programme of consultation. Feedback from the rent consultation process will be reviewed by the Board in January 2021.</p>	
2.3	<p><u>Barbieston Road – Confidential Development Site Update</u></p> <p>[FOISA Status – Exempt under Section 33 (Commercial Interests and the Economy)]</p> <p>The Board enquired if the area behind Barbieston Road is still being maintained and the Director confirmed it is and that there are ongoing issues with fly-tipping.</p> <p>The Director confirmed to the Board that the details of this Report are confidential.</p>	

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2.4	<p>The Board noted the content of the report.</p> <p><u>Reactive Repairs' Contract</u> The AMC presented the Report to the Board and confirmed that Turner Property Services contract has been extended to 31 March 2021. A programme has also been agreed with Ewing Sommerville, Chartered Quantity Surveyors to start the procurement process in tendering for a new contractor. A Two-stage Tendering Process is proposed, with tenders due to be returned by mid-February. The AMC confirmed that the proposed Contract Scope has not been changed as the parameters are working. Working relations have also been maintained with small local businesses.</p> <p>The AMC outlined the proposed use of a SBCC (Scottish Building Contracts Committee) as the basis of the new contract.</p> <p>A detailed discussion followed about the proposed procurement, and alternatives including Framework Models. Board Members acknowledged the current risks around procurement, and it was agreed to provide a further report to December's Management Board Meeting. AMC will also discuss how the procurement process, including the Contract Notice, will assess potential contractor's financial viability with Ewing Sommerville Partnership.</p> <p>The Board noted the progress made on the procurement of the new Reactive Maintenance Contract, particularly in relation to the Contract Form. The Board approved that the Association continue to progress this, to allow the contract to be tendered in early 2021. A further report will be presented to December's Management Board Meeting.</p>	
2.5	<p><u>Off-charge Long-term Void Properties</u> The Director presented the paper to the Board. It was noted there is an issue regarding long-term voids in specific areas. This will form part of a future Asset Management Strategy.</p> <p>Following discussion, the Board agreed to take a further 7 difficult-to-let properties off-charge. Low-demand properties will continue to be marketed and re-let if possible.</p> <p>The Board considered the report and approved the additional 7 properties in the Association's difficult-to-let areas that have been void for over 6 months to be taken off-charge.</p>	
2.6	<p><u>Confidential H.R. Report</u> See confidential minute.</p>	
3.0 3.1	<p>Items for Discussion <u>Newbiggin Terrace Update</u></p>	

Item		Action
<p data-bbox="193 573 256 607">4.0</p> <p data-bbox="193 685 256 719">5.0</p> <p data-bbox="193 797 256 831">6.0</p> <p data-bbox="193 909 256 943">7.0</p> <p data-bbox="193 943 256 976">7.1</p> <p data-bbox="193 1827 256 1861">8.0</p>	<p data-bbox="320 237 1366 315">The AMC presented the report to the Board and confirmed that the works are complete and that the property has been allocated to a new tenant.</p> <p data-bbox="320 349 1366 461">Building Control granted Occupation Completion and insurances have been notified accordingly. The only concern the AMC has is that the lawn may require to be re-laid, due to very wet weather.</p> <p data-bbox="320 495 1366 528">The Board noted the updated position.</p> <p data-bbox="320 573 1366 640">Reports for Information Only <u>None.</u></p> <p data-bbox="320 685 1366 752">Training None.</p> <p data-bbox="320 797 1366 864">Deferred Items None.</p> <p data-bbox="320 909 1366 976">AOCB <u>R Morris</u></p> <p data-bbox="320 976 1366 1088">The Director confirmed that R Morris has stepped down from the Board due to personal circumstances. The Director thanked R Morris for his contribution to the Association during his time serving on the Board.</p> <p data-bbox="320 1122 1366 1155"><u>Lockdown Update</u></p> <p data-bbox="320 1155 1366 1413">The Board also discussed the current Lockdown position and Level 4 restrictions and the impact this has on service delivery. The Director confirmed routine repairs are being logged for the time being and only Urgent and Emergency repairs are being carried out, to comply with Government guidance. The negative impact on the re-wire programme was also noted. It was confirmed that the working pattern in the office continues to work well.</p> <p data-bbox="320 1447 1366 1480"><u>Community Resilience Fund</u></p> <p data-bbox="320 1480 1366 1559">The Director advised the Board that a further bid has been submitted for the Community Resilience Fund for £37,500.</p> <p data-bbox="320 1592 1366 1626"><u>Audit Committee</u></p> <p data-bbox="320 1626 1366 1783">The Audit Committee now also require one further member after R Morris' departure and would seek to find another volunteer. It was also noted that this is Nick Allan's final year as Audit Convenor and succession planning is ongoing.</p> <p data-bbox="320 1827 1366 1895">Date of Next Board Meeting:</p> <ul data-bbox="536 1861 1054 1895" style="list-style-type: none"> • Wednesday 16 December 2020 <p data-bbox="320 1928 1366 1962">Venue: Remotely, via Microsoft Teams.</p> <p data-bbox="320 2007 1366 2040">Meeting Concluded at 9.15 pm.</p>	

Item		Action
	I confirm this Minute is a true and accurate record of the meeting: - Chair _____	