



**MINUTE OF BOARD OF DIRECTORS MEETING
HELD ON 9 FEBRUARY 2022 AT 10.30AM BY
VIDEOCONFERENCE**

Members present: Maureen Dowden (Chair), John Henderson, Michael Greaves Mackintosh, Heather Macnaughton, John McCraw and Fiona Burden.

In attendance: Steven Henderson (Group Director of Finance, Wheatley Group), Pauline Turnock (Director of Finance and Legal, Wheatley Group), Alan Glasgow (Interim Managing Director, DGHP), Eilidh Mowat (Governance Business Partner) and In Part Mark Nicol (Group Protection Lead, Wheatley Group Item 5 only), Lindsay Lauder (Director of Development and Regeneration, Item 6 only), Stuart Johnstone (Development Manager, DGHP Item 6 only), Lorna McCubbin (Head of Investment, DGHP Item 7 and 9 only) John Crooks (Group Health and Safety Lead Item 10 only) and Samantha Bett (Director of Treasury, Wheatley Group Item 16 only),

1. Apologies for absence

Caryl Hamilton.

2. Declarations of interest

The Board noted the standing declarations of interest.

3. a) Minutes of meeting on 10 November 2021 and matters arising

Decided: The Board approved the minutes of the meeting on 10 November 2021 as amended.

b) Action Tracker

Decided: The Board noted the points in the action tracker and the items scheduled to be brought back. The action referred to in Item 9, paragraph 4 is to be included in the tracker.

4. Managing Director Update (verbal)

The Managing Director updated the Board on the progress of the DGHP migration, which the Board noted had been slightly delayed due to lockdown restrictions but with no implications for the overall transition. The Board sought a full update on the progress of the hub in Dumfries. A report would be brought in March in order that the Board can maintain oversight.

The Board discussed the ongoing recruitment for a tenant board member, noting that there are a number of forthcoming tenant events, online and in person. It was agreed that the recruitment of a new tenant member must be a priority. It was agreed that a full update would be brought back to Board in March.

Decided: The Board noted the Managing Director update.

5. Lochside CIP Deployment (Presentation)

The Board received a presentation on the Lochside CIP Deployment. The Board were updated on the CIP strategic commitment to create peaceful communities, discussed the Customer Engagement (including digital engagement) and the significant customer concerns about anti-social behaviour in the Lochside and Lincluden areas of Dumfries. The Board noted the 48% return on the digital customer engagement.

The Board were appraised of the selected priorities for the Lochside community and the actions undertaken to address those priorities and noted the number of peaceful weeks in the community.

The Board discussed the definition of a peaceful neighbourhood and whether any delays in the court system are causing issues with enforcement action, noting that locally the sheriff court is working efficiently.

The Board discussed engagement with local schools and noted that they have responded positively.

The Board discussed the next steps planned for the deployment, including: enforcement activity focussed on youth anti-social behaviour, more local partnerships, working to develop a Neighbourliness charter, creating a Lochside youth development plan and creating more peaceful weeks.

Decided: The Board noted the presentation on the Lochside CIP Deployment.

6. a) Development governance

[Redacted]

Decided: The Board

6. b) Five year development programme

The Board received an update on the five- year development programme. The Board were provided with an update on a strong programme of named sites for development in the proposed five-year programme. The Board noted the planned programme delivery of 1500 units over a 10 year programme.

The Board were appraised of the impact of Covid-19, Brexit, global economic factors and material supply issues on our development programme. Material supply issues have impacted the programme throughout 2021/22. The Board

noted that this uncertainty has been considered in business plan implications of the Group five-year programme.

The Board were updated on the progress of individual sites, noting that some of these are legacy sites which are high cost. The Board acknowledged the support received from Group in respect of these legacy sites.

The Board discussed the increasing interest rates and the potential impact of interest rate rises on the development programme. The Board noted that interest rates will impact the programme. The Board noted that existing rents will not subsidise the programme, however government subsidies have been raised which will contribute to any balancing figure required. The Local Authority are supportive and acknowledge the additional costs involved with our rural area.

The Board discussed the tenure types on developments and agreed it would be helpful to specify the number of houses of each tenure on developments in future development reports. The Board emphasised it was keen to see housing choice and a mixed offer of tenure types. The Board also asked that Local Lettings Plans are provided for sites, linking into housing strategy and reflecting the mixed offering of tenures and asked that this be included in the tracker as an action.

Decided: The Board approved the five- year development programme.

7. a) Lochside, Dumfries: Demolition Approval

The Board received an update on the proposed demolition within Lochside, Dumfries. The Board noted that tenders had been received and that it is expected that the project will be delivered within the contract sum specified.

Decided: The Board

- 1) Approved that DGHP enter into a demolition contract with the successful tenderer for the demolition of the blocks identified for demolition at Lochside, Dumfries, subject to a maximum contract sum of £500,000 & VAT;**
- 2) Agreed that authority is delegated to any DGHP Board member, the Group Chief Executive, Group Director of Property and Development, Group Director of Finance or the Company Secretary to sign any contract documentation required for the demolition works.**

7. b) Ashwood Drive, Stranraer: Demolition Approval

The Board received an update on the proposed demolition at Ashwood Drive, Stranraer which is our current office building. The Board noted that the permanent office space will be rebuilt on the site and will enhance the space to the benefit of the community.

Decided: The Board

- 1) Approved that we tender the demolition contract at Ashwood Drive, Stranraer via the Scotland Excel Framework as a project enabling**

- contract in advance of construction works for the office hub and residential properties;
- 2) Approve that we enter into a demolition contract with the successful tenderer for the demolition of all site buildings at Ashwood Drive, Stranraer, subject to a maximum contract sum of £200,000 & VAT; and
 - 3) Agreed that authority is delegated to any DGHP Board member, the Group Chief Executive, Group Director of Property and Development, Group Director of Finance or the Company Secretary to sign any contract documentation required for the demolition works.

8. DGHP Asset strategy update

The Board received an update on the strategic stock appraisal that has informed our approach to investment and regeneration.

The Board noted that we have now carried out work to determine the viability of all DGHP stock, allowing us to establish a Net Present Value (NPV) for all stock. The Board were updated on the stock appraisal framework and approach, how we understand our stock performance utilising housing management intelligence and financial performance.

The Board noted the outcomes of the stock appraisal; identifying 529 DGHP properties and 27 owned properties that require demolition. A feasibility study will be commissioned for the areas where demolition has been identified. There are a number of properties which require additional investment.

The Board discussed the use of City Building within the region and noted that they are building local capacity within the region, using local contractors. The Board agreed that the Managing Director of City Building should be invited to a future meeting, to update the board on how City Building have built capacity, using subcontractors and training opportunities within the region. The Board asked that this be included as an action on the tracker.

The Board discussed the approach taken to managing the demolitions and the engagement with the community. The Board sought reassurance that a joined-up approach is being taken between housing and investment colleagues. The Board asked that a communication strategy for the demolitions be brought back as part of the May Board meeting paper.

Decided: The Board

- 1) Noted the progress on the strategic asset appraisal;
- 2) Noted the properties and areas identified as proposed demolitions;
- 3) Noted a further paper will be brought to the May Board meeting with the full findings of the feasibility studies being carried out for the proposed demolition sites;
- 4) Agreed the timescale for the enhanced investment;
- 5) Agreed the disposal of 25 properties;
- 6) Agreed that authority is delegated to the Managing Director and Chair to agree to the disposal of properties under £120,000 on the basis of the criteria set out in the report;

- 7) **Agreed that authority is delegated to the Managing Director, Company Secretary or Group Director of Finance to execute the documentation required for disposal of the properties; and**
- 8) **Noted the financial implications for the investment and proposed demolition programme.**

8. b) Five year investment programme

The Board were presented with the five-year asset investment plan which details our approach to major property improvement works across our housing asset portfolio over the next 5 years and the three broad themes: warm, high quality homes; safe homes and great neighbourhoods.

The Board were updated on the energy efficiency elements of the programme, noting that 44% of the total programme is directed at delivery of energy efficient measures. The Board discussed air source heat pumps and the support that tenants receive with installation. The Board were reassured that the installation teams provide a high level of support and can also identify tariffs. The Board noted that there is an evaluation taking place across Group around the different types of heating and the learning and findings from that evaluation will be brought back.

Decided: The Board approved the five-year asset investment programme 2022-2027.

9. Heat and Smoke Detector Update (Presentation)

The Board were provided with a presentation outlining the changes to the tolerable standard legislation in respect of smoke and heat alarms.

The Board noted and discussed the approach taken to ensure DGHP is compliant with the legislation. The Board noted the programme milestones, the engagement with customers and noted our 100% compliance with the legislation as at January 2022.

The Board congratulated officers on the excellent work undertaken to date to ensure our compliance.

Decided: The Board noted the heat and smoke detector update presentation and noted the 100% compliance.

10. a) Rent and other charges 2022/23

The Board were provided with feedback from our consultation on the 2022/23 RSL rent and service charge increase.

The Board considered the feedback from the consultation and noted that 69% of those who responded expressed a view in favour of the proposals.

Decided: The Board

- 1) Considered the feedback received through the consultation process with tenants on our 2022/23 RSL rent and service charge increase;**

- 2) Approve a 2% rent and service charge increase for 2022/23; and
- 3) Agree that we formally write to tenants to confirm this subject to Group Board approval.

10. b) Business Plan Financial Projections Reforecast

The Board were provided with the business plan financial projections reforecast which set out the updated projections for investment in assets and services over the five year period to 2027.

The Board were appraised of the challenging period of inflation which is placing pressure on our operations costs and capital investment spend. The Board were updated on the cost inflation assumptions and discussed the impact of the revised financial projections.

Decided: The Board

- 1) Approved the updated financial projections for investment in assets and services over the five year period to 2027; and
- 2) Agree that the projected 2022/23 figures form the basis of next year's annual budget which will be presented to the Board for final approval in March.

11. Governance Update

The Board received an update on the progress of the strategic Governance review, noting the implementation plan which was comprehensive. The Board agreed that a number of the changes are a refinement of our current governance framework. The Board discussed the requirement to amend our Articles of Association, to particularly take account of our quorum given the change to the composition of the Board.

Decided: The Board

- 1) Provided feedback on the planned implementation approach of the strategic governance review;
- 2) [redacted]
- 3) Agreed the proposed future Board composition of 6 Independent members and 3 tenant members and that we commence a wider review of our Articles of Association; and
- 4) Approved the 2022 Board planner.

12. Group Health and Safety policy

The Board received an update on the refreshed Group Health and Safety Policy. The Board noted the policy strengthens the provisions around lone working and home working due to our new operating model.

Decided: The Board noted the updated Health and Safety Policy at Appendix 1.

13. Group dampness, mould and condensation policy

The Board received an update on the Group dampness, mould and condensation policy. The Board were advised that DGHP has no current procedure and we will now be in line with the Group. The Board sought an update on the impact of this policy on complaints as part of the overall complaints update.

Decided: The Board noted the Group dampness, mould and condensation policy and procedures.

14. Customer First Centre Update

The Board received an update on the new Customer First Centre. The Customer First Centre delivers a 24 hours a day, 7 days a week model which will deal quickly and efficiently with customer enquiries at the first time. It will offer a personalised service and is where our customers will find all of the advice and support they need and in the one place.

The Board noted that as part of the creation of the CFC, housing officers from DGHP have joined the CFC.

The Board noted that a further update report on the impact of the Customer First Centre would be brought to the May Board meeting.

Decided: The Board noted the progress to date in establishing our Customer First Centre.

15. Performance Report

The Board received an update on the Quarter 3 performance measures and projects in the performance framework and strategy. The Board discussed strong performance, despite challenging conditions around repairs, homeless lets and major adaptations.

The Board discussed the high number of stage 2 complaints, noting that these are mostly repairs related. The Board were advised that there are workshops due to take place during March for investment and repairs staff, focussing on working as a team. The Board sought a further detailed report on complaints.

Decided: The Board noted the contents of the report

16. Finance Report

The Board received a summary of the financial performance for the year to date. The Board reviewed performance for the year to date and discussed the key variances, which were broadly in line with expectations. The Board noted the full covenant compliance.

Decided: The Board

1) Noted the management accounts for the period to 31 December 2021 at Appendix 1; and

2) Noted the covenant measures for the nine months of 2021/22.

17. Funding Update

[redacted]

18. Corporate Risk Register

The Board received a revised Corporate Risk Register.

The Board reviewed the revised risk register, noting the increased risks and changes and agreeing that the amendments to the existing controls are appropriate in the circumstances. The Board noted that there will be a risk workshop held in early Spring which will provide an opportunity to look again at our risks.

Decided: The Board reviewed and approved the revised corporate risk register.

AOCB

The Chair confirmed that the March Board meeting will take place in person and be followed by a stock tour.

Chair's feedback from the Group Board

[redacted]

SIGNED: