



## MINUTES OF BOARD OF MANAGEMENT MEETING HELD ON WEDNESDAY 26 FEBRUARY 2020 IN GRIERSON HOUSE, DUMFRIES

**Members present:** Bill Robertson (Chairman), Irene Clark, Maureen Dowden, Michael Greaves – Mackintosh, John Henderson, Heather Macnaughton, John McCraw and George Thorley

**In attendance:** Alex McGuire (Interim Chief Executive Officer), Matthew Foreman (Managing Director), Hugh Carr (Director of Finance), Jayne Moore (Director of Housing Services), Andy Ashcroft (Interim Director of Repairs), Eilidh Mowat (Company Secretary), Christopher Watt, (Head of Corporate Business), Steven Henderson (Group Director of Finance, Wheatley Group), Anthony Allison (Director of Governance, Wheatley Group) Jennifer Russell (Director, Wheatley Group)

**1. Statement of conflict of Interest**

None

**2. Apologies for absence**

None

**3. Minutes of Board of Management meeting of 29 January 2020**

The Board **APPROVED** the Minutes of the Board of Management meeting of 29 January 2020.

**4. Board Action Tracker & matters arising**

The Board **AGREED** the actions marked complete to be removed from the tracker noting that a report on rechargeable repairs is to be brought back to March Board. The Board discussed the 'my repairs' branding and agreed that full consideration will have to be given by Board to an overall branding strategy at a Board away day. An update on the interim position will be brought back with the next repairs report to March Board.

**5. Chief Executive Update**

The Board noted the updated price which had been agreed on the [redacted]. The Board discussed the positive response to the development manager recruitment, Items for the Agenda at the Board Strategy Day and noted the positive response from staff to the consultation. The Board **NOTED** the Chief Executive update.

## 6. Rent Increase

The Board **APPROVED** a rent increase of 2% from April 2020 for all social rented stock, including garages and garage sites, and a 2% (£2) increase in the annual factoring charge for owner occupiers in factored properties.

## 7. DGHP's In-house Repairs Service Mobilisation Update

The Board received an update on the progress of the repairs service mobilisation and implementation.

The Board discussed the 'my repairs' branding, agreeing that this should be agreed in the context of the overall strategy for DGHP, which the Board will consider at the forthcoming strategy day.

The Board discussed the consultation that had taken place with tenant groups, and agreed that feedback questions for the new service should be based around the feedback that had come out of the consultation. The Board discussed and sought assurance on the new IT systems, noting the explanation that work had recently taken place around volumes of jobs/calls through the system, which had a positive outcome.

The Board asked about the response of the new repairs operatives to the staff consultation and noted that feedback had been positive.

The Board discussed the plan for communications to tenants around the new service, noting that there is a comprehensive plan in place, involving a series of communications during March.

The Board discussed the St. Gobain contract noting there is an overall saving of 9% compared to DGHP individually procured contracts.

The Board **NOTED** the content of the update report.

## 8. DGHP Budget 2020/21

The Board discussed the position around recharges, noting there would be none in Year 1. The Board asked that a reconciliation of total staff costs be provided.

The Board **APPROVED** the 2020/21 budget and **AGREED** the risk appetite level for DGHP Business planning is set as "open" in line with the Group risk level.

## 9. Board Governance Integration Report

The Board discussed the phased approach to governance integration and noted that a date had been set for the interviews for the position of Chair for 23 March.

The Board **AGREED** our risk appetite level in relation to governance as cautious; **APPROVED** the appointment of Anthony Allison as Company Secretary and Eilidh Mowat as an authorised Secretary; **NOTED** the Group Standing Orders agree the existing Standing Orders be retired; **NOTED** the Group policies and frameworks will now be implemented and agree the retirement of the policies as set out in Appendix 3; **APPROVED** the financial delegation levels of £3,500,000 for capital expenditure and £750,000 for revenue expenditure to the Group Chief Executive with immediate effect; **NOTED** that the existing financial delegations will remain in place until such time the Group Chief Executive approves a new Scheme of Financial Delegation; **APPROVED** the timescale and panel for the Chair recruitment process.

## 10. DGHP New Build Project Approval

The Board received a verbal update from the development committee as these schemes had been considered in detail at their last meeting. The Board recognised the high cost levels incurred by these schemes but considered that against the costs of not proceeding which would be a risk to DGHP, both financially and reputationally.

The Board discussed the update on St Medan's, noting that the use of an alternative contractor had reduced costs substantially.

The Board discussed the high level of risk in respect of the Lincluden development as DGHP will have liability for costs which may go up. The Board noted the explanation that the costs have been estimated at a high provisional level and there is an expectation that costs will come within that estimate. The Board noted that a further report will be brought back for consideration if costs are to exceed the estimate.

The Board discussed the requirement to include future development on the Agenda for the strategy day.

The Board **APPROVED** the construction of 12 new build homes for social rent at Queensberry Square, Sanquhar at a construction cost of £1,849,406 and a total development cost of £2,183,697, inclusive of land costs. DGHP will enter into a contract with our development vehicle, DGHP3 Ltd, and DGHP3 will enter a matching contract with the contractor, Ashleigh (Scotland) Ltd, to achieve VAT efficiencies; and

**APPROVED** the construction of 32 new homes for social rent at Lincluden Stables, Lincluden at a construction cost of **£6,636,007** and a total development cost of **£7,487,225** inclusive of land costs. DGHP will enter into a contract with our development vehicle, DGHP3 Ltd and DGHP3 Ltd will enter a

matching contract with the contractor, Ashleigh (Scotland) Ltd to achieve VAT efficiencies, subject to receipt of an acceptable offer of grant;

**NOTED** that we are not yet in receipt of a Scottish Government offer of grant for Lincluden Stables and approval of the project is assuming that we receive benchmark grant funding;

**NOTED** that the report on the Queensberry Square, Sanquhar new build project, Lincluden new build project and St Medan's Monreith, were approved by the Wheatley Housing Group Board on the 19 February 2020.

**NOTED** the update on the St Medan's, Monreith contract and **APPROVED** the final tender costs with City Building Glasgow LLP in the sum of £944,217.82.

## 11. Arrears management

The Board received a presentation on the Group approach to arrears management, covering promoting a payment culture, data insight, protecting income, partnership working and building confidence and resilience. The Board discussed the approach, agreeing that the 1-200 patch sizes are key to managing the approach. The Board agreed it was paramount that we ensure those officers are supported in the field and noted the Group approach to training staff on these issues. The Board discussed the wraparound services available to tenants and a debt advice service which links in with other stakeholders, particularly DWP and Citizens Advice.

The Board **NOTED** the overview on:

- o Rent Arrears
- o Performance trends and projections
- o Universal Credit and the example provided
- o that as part of the integration into the Group a review of our approach to rent arrears will be completed by the end of quarter 2.

The Board asked for a note on how much of Universal Credit is being mitigated in Scotland compared to England and the differences in approach between the two.

## 12. Scrutiny Panel

The Board **APPROVED** the draft Scrutiny Programme for 2020/21 and requested that a further report be brought back with detail on how the panel will be refreshed and detail of a training programme for the panel, together with consideration as to how the Board will receive the report from the panel and link it to our objectives.

### **13. Finance Report**

The Board **NOTED** the management accounts for the period to 31 January 2020; and **AGREED** the risk appetite level for DGHP Performance is set as “open” in line with the Group. The Board asked that the column marked ‘other’ be removed from the information as it did not assist the Board to identify those items. The Board noted that in future, specific development schemes will be identified against Allia funding in the accounts to ensure Board has full oversight of Allia fund allocation.

### **14. Performance Report**

The Board discussed the content of the Performance Information Pack and asked if there are any particular trends in complaints, noting that it is mainly the performance of contractors. The Board discussed the drafting of the comments, noting that from April, the measures will be reduced and will follow the Group performance approach. The Board **NOTED** the content of the Performance Information Pack.

### **15. Strategic Risk Management**

The Board **APPROVED** the Strategic Risk Assessment & Heat Map and **NOTED** the two Deep Dives carried out this quarter.

### **16. Draft Minutes of the Development Committee 20 January 2020**

The Board **NOTED** the Minutes of the Development committee 20 January 2020.

### **17. Draft Minutes of the Audit Committee 5 February 2020**

The Board **NOTED** the Draft Minutes of the Audit Committee 5 February 2020.