

**MINUTE OF MEETING  
PARTICK HOUSING ASSOCIATION BOARD  
HELD IN THE PHA BOARDROOM  
18 MANSFIELD STREET  
6.15pm Wednesday 11 May 2022**

**Present:** Alan Howie (Chair)  
Annette Bonar  
Scott Crawford  
Alastair Firth  
Jeremy Kemp  
Janet Napthine  
Helen Turner  
Jennifer Young

**Apologies:** David Downie  
Les Milne  
Patrick McGlinchey  
Yvonne MacQuarrie

**Attending:** Stewart MacKenzie, Chief Executive (CEO)  
John Duncan, Investment Director (ID)  
Georgina Kent, Operations Director (OD)  
John McIntyre, Finance Director (FD)  
Jacqueline McCutcheon, Corporate Services Manager (CSM)  
James Armit, Senior Corporate Services Assistant (Minutes)  
Julie-Ann Cloherty – SHARE (Observer)

<b>Item 1</b>	<p><b>Chair's Welcome</b> The Chair welcomed everyone to the meeting and thanked everyone for their attendance. Julie-Ann Cloherty was introduced as an observer. The Chair also confirmed he would change the order of the agenda with the items for approval discussed first.</p> <p><b>Apologies</b> Apologies were noted as detailed above. The Chair confirmed Patrick McGlinchey will be stepping down from the Board due to other commitments. The Board passed on their thanks and best wishes to Patrick for the future.</p> <p><b>Declaration of Interest</b> No interests were declared.</p>
<b>Item 2 Doc 1</b>	<p><b>Approval of Previous Minutes: PHA Board – 23 March 2022</b> The minute of 23 March 2022 was subject to the following changes:</p> <p>Item 5 – St Peters Development Update: To be updated to reflect the discussion on the financial impacts, impairment charge and associated</p>

	<p>risks. Item 7 – ICT Update: To be updated to make reference to our ICT systems.</p> <p>Subject to the above amendments, the minute was <b>approved</b> on a proposal by Annette Bonar and seconded by Janet Napthine.</p>	
<p><b>Item 3 Doc 2</b></p>	<p><b>Review of Action Tracker</b></p> <p>A number of the items on the action tracker had been completed, such as extension of the ICT hosting agreement, or were included within the agenda for this meeting.</p> <p>The Board <b>noted</b> the action tracker.</p>	
<p><b>Item 6 Dec 1</b></p>	<p><b>Annual Return on the Charter 2021/22</b></p> <p>The CEO and OD summarised performance against a range of Key Performance Indicators (KPIs) for the financial year 2021/22.</p> <p>There was some discussion on void rent loss where we were reporting 0.31% (compared to 1.05% for 2020/21) and tenancy arrears were reported as 1.56% (decreasing from 1.93% in 2020/21). Members acknowledged this strong performance given the challenging circumstances of the Coronavirus pandemic.</p> <p>There was some discussion on evictions, noting that the Scottish Government’s Coronavirus restrictions meant that legal proceedings and potential eviction actions were paused and delayed during 2020/21 and 2021/22.</p> <p>The Board discussed the importance of PHA continuing to advise and support customers where possible during the ‘cost of living crisis’, and that this should be a matter for further discussion in the future.</p> <p>The Board:</p> <ol style="list-style-type: none"> <li>1. <b>Approved</b> the submission of the Annual Return on the Charter (ARC) 2021/22 to the Scottish Housing Regulator.</li> <li>2. <b>Delegated</b> authority to the Chair and Chief Executive to review and approve the information in the ARC prior to submission to the SHR.</li> </ol>	<p><b>CEO</b></p>
<p><b>Item 7 Dec 2</b></p>	<p><b>30-Year Financial Business Plan 2022-2052 &amp; SHR 5-Year Financial Projections Return 2022-2027</b></p> <p>The FD introduced this report, summarising key points and noting a strong financial position overall.</p> <p>At the end of March 2022, we had drawn down £4.2 million of the Revolving Credit Facility (RCF) and the accrued interest on the Allia bond of around £722k meaning that our total debt was £17.9 million at 31 March 2022.</p>	

	<p>There was some discussion on the delay to St Peters. There was no depreciation or amortisation of the Housing Association Grant (HAG) in the 2021/22 year end accounts, which would now start in 2022/23. An allowance of £5.2 million had been built in with respect to the additional development costs that may not be recoverable through other measures such as potential litigation. There was also a general contingency provision of £600k set aside to support development activity.</p> <p>It was suggested that a contextual comment should be included with the SHR submission in respect of the 5-year financial projections to reflect that the current economic climate, uncertainty and inflationary pressures will have an impact on financial performance in the first year of this plan as costs are likely to continue increasing at a rate significantly higher than previously expected. It was agreed that the FD would draft and circulate details to members.</p> <p>The Board:</p> <ol style="list-style-type: none"> <li>1. <b>Approved</b> the updated 30-Year Business Plan 2022-2052.</li> <li>2. <b>Approved</b> the attached 5-Year Financial Projections Return to the SHR for the period 2022-2027.</li> <li>3. <b>Delegated</b> authority to the Finance Director to use the SHR online portal to submit our 5-Year Financial Projections Return for the period 2022-2027 electronically on behalf of the Association before the deadline of 31 May 2022.</li> </ol>	<p>FD</p> <p>FD</p>
<p><b>Item 8 Dec 3</b></p>	<p><b>SHR Annual Loan Portfolio Submission 2021/22</b></p> <p>The FD introduced this report, with the return presented in the format prescribed by the SHR to provide information and assurance on PHA's Loan Portfolio position.</p> <p>It was noted that PHA drew down an additional £2.1 million during 2021/22 and incurred a full year's interest of £366k, so PHA's debt of £15.5 million at 31 March 2021 had increased to £17.9 million at 31 March 2022.</p> <p>The Board:</p> <ol style="list-style-type: none"> <li>1. <b>Approved</b> the Annual Loan Portfolio Return for 2021/22 to the Scottish Housing Regulator, as set out in Appendix 2.</li> <li>2. <b>Delegated</b> authority to the Finance Director to use the SHR online portal to submit our Annual Loan Portfolio Return for 2021/22 electronically on behalf of the Association before 31 May 2022.</li> </ol>	<p>FD</p>
<p><b>Item 9 Dec 4</b></p>	<p><b>CEO Report</b></p> <p>The CEO summarised the main headlines within the report, including updates on Coronavirus &amp; Service Delivery; Health &amp; Safety; New Housing Supply; Governance Matters; and Other Matters.</p>	

	<p>Julie-Ann Cloherty from SHARE introduced herself and gave an overview of the Board appraisal process, which will take place over the coming weeks with the full report being presented to the Board meeting in August 2022 for consideration.</p> <p>The Board:</p> <ol style="list-style-type: none"> <li>1. <b>Approved</b> the Leadership Team and Management Team remits as set out in Appendices 6a &amp; 6b.</li> <li>2. <b>Noted</b> the contents of this report.</li> </ol>	
<p><b>Item 11 Dec 5</b></p>	<p><b>Annual Procurement Strategy</b></p> <p>The ID summarised this report to the Board in relation to the Annual Procurement Strategy.</p> <p>PHA is defined as a ‘contracting authority’ for the purposes of procurement and our Procurement Policy reflects the provisions of the Procurement Reform (Scotland) Act 2014 and the subsequent Public Contracts (Scotland) and Procurement (Scotland) Regulations published in 2015 and 2016 respectively.</p> <p>During 2022/23, we anticipate procurement activities with an estimated value of more than £5 million, so we will comply with our obligation to write and publish a Procurement Strategy and notify Scottish Ministers accordingly.</p> <p>Within our Annual Procurement Strategy, Annex B provided details of those contracts we were expecting to procure in 2022/23. Subject to Board approval, these contract requirements along with our Annual Procurement Strategy would be published on our website. Work would commence on the procurement of all these contracts immediately following the Board meeting of 11 May 2022.</p> <p>Our most significant procurement during 2022/23, subject to Board approval, would be the new housing supply project to deliver 46 new homes at Bearsden Road.</p> <p>As noted above, all public bodies/contracting authorities with an annual regulated procurement spend of £5m and above must produce a Procurement Strategy. Where a Procurement Strategy is produced this should be done as soon as reasonably practicable after the end of the financial year to which the Procurement Strategy related. An annual report on procurement activities is required, but because we did not produce a Procurement Strategy in 2021/22, or in fact procure any contracts, there was no requirement for us to produce an annual procurement report on this occasion.</p> <p>The Board:</p> <ol style="list-style-type: none"> <li>1. <b>Noted</b> PHA Current Contracts, as set out in Appendix 1.</li> </ol>	<p><b>ID</b></p>

	<p>2. <b>Approved</b> the Annual Procurement Strategy for 2022/23 as set out in Appendix 2.</p> <p>3. <b>Noted</b> the contents of the report.</p>	
<p><b>Item 14</b> <b>Dec 6</b></p>	<p><b>Policy Review: Housing Allocation Policy – Local Letting Initiative</b></p> <p>The OD summarised the Local Letting Initiative abstract from PHA’s Housing Allocation Policy. It was noted that the PHA Board last reviewed and approved the Housing Allocation Policy in August 2021 and this was scheduled to be reviewed in full in August 2024.</p> <p>The Board:</p> <p>1. <b>Approved</b> the updated Housing Allocation Policy – Local Letting Initiatives set out in Appendix 1.</p>	
<p><b>Item 15</b> <b>Info 6</b></p>	<p><b>Committee Minutes</b></p> <p>The Board:</p> <p>1. <b>Noted</b> the contents of the Investment Committee minute of 18 January 2022, as set out in Appendix 1.</p> <p>2. <b>Noted</b> the content of the Audit &amp; Risk Committee minute of 8 February 2022, as set out at Appendix 2.</p>	
<p><b>Item 5</b> <b>Info 2</b></p>	<p><b>Performance Review 2021/22 Quarter 4</b></p> <p>The OD introduced this report, reviewing performance against a number of indicators for 2021/22 Quarter 4, noting continued good performance within the context of the pandemic.</p> <p>During Q4, our percentage rent loss due to empty properties was 0.31%, which was 0.05% higher than our 0.26% target. The pandemic restrictions earlier in the reporting year impacted upon our re-let performance, so our re-let time and void rent loss were affected. This had levelled out during 2021/22 and by the end of Q4 our performance was only marginally outwith our target.</p> <p>During Q4, we completed 576 of our routine reactive repairs ‘right first time’ which represented 99.33%. There were 7 occasions where we were unable to complete the works at the first time of asking, mainly due to issues with materials not being to hand. We continued to monitor this situation and discuss it at our monthly contractor’s performance meetings.</p> <p>The Board:</p> <p>1. <b>Noted</b> the contents of this report.</p>	

<p><b>Item 10</b> <b>Dec 5</b></p>	<p><b>Assurance Update</b></p> <p>The CEO presented this report to the Board to provide an assurance update.</p> <p>Our plan was to submit our Annual Assurance Statement to the Scottish Housing Regulator, following consideration by our Audit &amp; Risk Committee on 9 August 2022 and approval by PHA Board on 17 August 2022.</p> <p>The Board:</p> <p>1. <b>Noted</b> the Assurance Update set out in Appendix 1.</p>	
<p><b>Item 12</b> <b>Info 4</b></p>	<p><b>PHA Strategic Risk Register 2021/22 Quarter 4</b></p> <p>The CEO presented this update to the Board on the Strategic Risk Register 2021/22 for Quarter 4, which had been reviewed by the Audit &amp; Risk Committee on 4 May 2021.</p> <p>It was noted that we had updated the scoring for strategic risk numbered SR6. This risk was discussed specifically at the Audit &amp; Risk Committee on 8 February and 3 May 2022 in relation to the ongoing 'cost of living crisis' and how this may impact on our business. The likelihood of the inherent risk had been increased from 3 to 4 (i.e. 'possibly' to 'likely') and residual risk from 2 to 3 (i.e. 'unlikely' to 'possibly'). This meant that for SR6 the overall inherent risk had increased from a score of 12 to 16, and the overall residual risk had increased from a score of 6 to 9.</p> <p>Reference was made to staff returning to the workplace post-pandemic and it was noted that this had been noted and was being managed within the context of the operational risk register.</p> <p>The Board:</p> <p>1. <b>Noted</b> the contents of this report.</p>	
<p><b>Item 13</b> <b>Info 5</b></p>	<p><b>PHA Management Accounts 2021/22 Quarter 4</b></p> <p>The FD presented this report to the Board outlining PHA's Management Accounts for 2021/22 Quarter 4, which showed financial performance against budget.</p> <p>The Management Accounts for the year to 31 March 2022 showed an overall deficit of £549k, which was £1,663k below budget. The deficit had occurred as a result of an impairment charge for the St Peters development in 2021/22. The total amount of the impairment charge during this year was £2,465,292.</p> <p>The accounts also reported net current liabilities of £739k and net assets at £43.3m.</p>	

	<p>There were questions on specific financial points, which were addressed by the Finance Director. It was agreed that for the next Board meeting, the Finance Director would provide further clarification and assurance in relation to the impairment charge.</p> <p>The Board:</p> <ol style="list-style-type: none"> <li>1. <b>Noted</b> PHA Management Accounts for 2021/22 Quarter 4, as set out in Appendices 1a-1h.</li> </ol>	<b>FD</b>
	<p>The Chair thanked everyone for their attendance and contributions. The meeting closed at 8.30pm.</p>	
	<p><b>Next Meeting</b></p> <ul style="list-style-type: none"> <li>• PHA Board meeting: Wednesday 15 June 2022 at 6.15pm.</li> </ul>	