

**MINUTE OF MEETING
PARTICK HOUSING ASSOCIATION BOARD
HELD IN THE PHA BOARDROOM
18 MANSFIELD STREET
6.15pm Wednesday 10 May 2023**

Present: Alan Howie (Chair)
Annette Bonar
Scott Crawford
David Downie
Alastair Firth
Arlene Robertson
Janet Naphthine (*from 6.20pm*)
Les Milne (*from 6.25pm*)
Jeremy Kemp (*from 7.45pm*)
Lauchlan Mitchell (Observer)
Sharon Flynn (Observer)
Janet Stitt (Observer)

Apologies: Helen Turner
Jennifer Young
Paul D'Arcy (Observer)

Attending: Stewart MacKenzie, Chief Executive (CEO)
John Duncan, Investment Director (ID)
John McIntyre, Finance Director (FD)
Jacqueline Main, Senior Corporate Services Assistant (SCSA) (Minutes)

Item 1	<p>Chair's Welcome The Chair welcomed everyone to the meeting, including three observers, and thanked them for their attendance.</p> <p>Apologies Apologies were noted as detailed above.</p> <p>Declaration of Interest No interests were declared.</p>	
Item 2 Doc 1	<p>Approval of Previous Minutes PHA Board – 22 March 2023 The minute of 22 March 2023 was reviewed and approved on a proposal by Scott Crawford and seconded by Arlene Robertson.</p> <p><i>Janet Naphthine joined the meeting.</i></p>	

Item 3 Doc 2	Review of Action Tracker Items on the action tracker had been completed or were covered later within the agenda for this meeting. The Board noted the action tracker.	
Item 4 Dec 1	Shareholder Membership Applications The Board: 1. Approved four new shareholder membership applications as detailed within the report. <i>Les Milne joined the meeting.</i>	
Item 5 Dec 2	CEO Report The CEO introduced this report, which included updates on Governance; New Housing Supply; Equalities; Customer Satisfaction; ICT; and Health & Safety. In terms of governance, there were no current notifiable events. Following a recent Board recruitment and succession planning process, four new members had been identified with appropriate skills and experience to fill casual vacancies on the PHA Board. The Chair invited all members and observers to introduce themselves and summarise their background, skills and experience. With reference to new housing supply, the ID reported progress reported in relation to Bearsden Road and there was discussion around pursuing development opportunities. Plans for the forthcoming rent affordability study and customer satisfaction survey were discussed, and the FD reported progress with implementing the new Home Master IT system. The Board: 1. Approved the appointment of Paul D’Arcy, Sharon Flynn, Lauchlan Mitchell and Janet Stitt to fill casual vacancies on the Board of Partick Housing Association Limited under Rule 41.	CEO

	<p>4. Agreed to appoint specialist consultant Arneil Johnston to conduct our Rent Affordability Study 2023, provide independent assurance and present findings to the PHA Board.</p> <p>5. Noted the contents of this report.</p>	CEO
<p>Item 6 Info 1</p>	<p>PHA Performance Review 2022/23 Quarter 4 The CEO presented this report, reviewing performance against a series of indicators for 2022/23 Quarter 4 (Q4).</p> <p>Generally performance remained good across a range of indicators, including positive arrears management. Void performance had been affected during Q4 due to exceptional circumstances whereby two legally disputed succession cases took prolonged periods to resolve and for non-qualifying occupants to vacate properties, which impacted adversely on relet time and void rent loss.</p> <p>The Board: 1. Noted the contents of this report.</p>	
<p>Item 7 Dec 3</p>	<p>Annual Return on the Charter 2022/23 The CEO summarised how PHA had performed against a series of prescribed Key Performance Indicators (KPIs) for the financial year 2022/23.</p> <p>Performance was strong across the range of Charter indicators and the report included contextual trend information covering 2017/18 to 2022/23 and explanatory notes. Performance had understandably dipped during the pandemic in 2020/21 and 2021/22. However PHA had made positive progress since to sustain and improve performance, and benchmarking by SHN had consistently shown that PHA performed strongly when compared to peers.</p> <p>The Board acknowledged the work and commitment of staff and thanked them for delivering positive outcomes in 2022/23.</p> <p>The Board: 1. Noted the contents of this report. 2. Approved the submission of the Annual Return on the Charter (ARC) 2022/23 to the Scottish Housing Regulator. 3. Delegated authority to the Chair and Chief Executive to review and approve the information in the ARC prior to submission to the SHR.</p> <p><i>It was agreed to consider Item 8 later in the agenda.</i></p>	CEO

<p>Item 9 Dec 5</p>	<p>SHR Annual Loan Portfolio Submission 2022/23 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's debt of £17.9 million on 31 March 2022 had decreased to £14.6 million on 31 March 2023 and PHA continued to have low levels of encumbered stock.</p> <p>The Board:</p> <ol style="list-style-type: none"> Approved the Annual Loan Portfolio Return for 2022/23 to the Scottish Housing Regulator, as set out in Appendix 2. Delegated authority to the Finance Director to use the SHR online portal to submit our Annual Loan Portfolio Return for 2022/23 electronically on behalf of the Association before 30 June 2023. 	<p>FD</p>
<p>Item 10 Dec 6</p>	<p>Annual Procurement Strategy The ID presented this report to the Board, summarising 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 2023/24, we anticipated procurement activities with an estimated value of less than £5 million, but new investment opportunities could arise so we have complied with our obligation to write and publish a Procurement Strategy and will notify Scottish Ministers accordingly.</p> <p>Within our Annual Procurement Strategy, Annex B provided details of those contracts we were expecting to procure in 2023/24. Details along with our Annual Procurement Strategy will be published on our website.</p> <p>Our most significant procurement during 2022/23 was the new housing supply project at Bearsden Road. Subject to Board approval, there could be the possibility of initiating other new supply projects during 2023/24.</p> <p>All public bodies/ contracting authorities with an annual regulated procurement spend of £5m and above must produce a Procurement Strategy, which should be produced as soon as reasonably practicable after the end of the financial year to which it relates. An annual report on procurement activities will also be prepared for 2022/23.</p> <p>Clarification was sought about the use of procurement frameworks, which the ID addressed, and it was agreed to include a reference to procurement frameworks within the finalised Procurement Strategy.</p>	<p>ID</p> <p>ID</p> <p>ID</p>

	<p>The Board:</p> <ol style="list-style-type: none"> Approved the Annual Procurement Strategy for 2023/24 as set out in Appendix 1. Noted the contents of the report. <p><i>Jeremy Kemp joined the meeting.</i></p>	
<p>Item 8 Dec 4</p>	<p>30-Year Financial Business Plan 2023-2053 & SHR 5-Year Financial Projections Return 2023-2028</p> <p>The FD introduced this report, summarising key points and noting a strong financial position overall.</p> <p>It was noted that changes in the economic climate during 2022/23 had meant that inflation and interest rates were higher than previously assumed. Recent Scottish Government intervention on rent setting had also been a consideration. Different scenarios had been tested to ensure the updated business plan was financially robust, viable and sustainable.</p> <p>At the end of March 2023, we had drawn down £0.5 million of the Revolving Credit Facility (RCF) and the accrued interest on the Allia bond of around £376k meant that our total debt was £14.6 million on 31 March 2023.</p> <p>Clarification and assurance were sought on several technical financial points and assumptions within the business plan, which the FD addressed.</p> <p>It was suggested that in future the business plan should include a reference to financial provisions around 'sustainability' to align and provide greater visibility with anticipated Scottish Government announcements on stock investment to meet new net zero requirements.</p> <p>The Board:</p> <ol style="list-style-type: none"> Approved the updated 30-Year Business Plan 2023-2053, set out in Appendices 1-5. Approved the 5-Year Financial Projections Return to the SHR for the period 2023-2028, set out in Appendix 6. Delegated authority to the Finance Director to use the SHR online portal to submit our 5-Year Financial Projections Return for the period 2023-2028 electronically on behalf of the Association before the deadline of 31 May 2022. 	<p>FD</p>

<p>Item 11 Dec 7</p>	<p>Policy Review: Housing Allocation Policy – Local Letting Initiatives</p> <p>The CEO summarised the Local Letting Initiatives abstract from PHA's Housing Allocation Policy. PHA Board last reviewed and approved the Housing Allocation Policy in August 2021, and it was next scheduled for review in August 2024.</p> <p>It was noted that the new housing supply allocation quotas had been used successfully as part of the recent St Peters new build project. This had optimised transfers amongst existing tenants who required rehousing, while secondary allocations had increased the supply of housing in a pressured local market to make best use of our housing stock.</p> <p>The Board:</p> <p>1. Approved the updated Housing Allocation Policy – Local Letting Initiatives set out in Appendix 1.</p>	
<p>Item 12 Info 2</p>	<p>Corporate Strategy: Action Plan Review Year 1 – 2022/23</p> <p>The CEO summarised key achievements from Year 1 (2022/23) of the Group Corporate Plan, including:</p> <ul style="list-style-type: none"> - continued to monitor and review customer satisfaction and implement our action plan; achieved Customer Service Excellence reaccreditation; successfully relaunched Customer Advisory Panel; and promoted positive partnership working with other agencies; - continued to invest in improving the quality of our housing stock; - continued to grow and diversify our stock portfolio; completed our new housing supply project at St Peters; started on site at Bearsden Road; and evaluated other future new supply opportunities within the West End; - implemented our updated ICT Strategy; and updated our new PHA/PWL websites to meet the changing needs and digital expectations of our customers; and - continued to benchmark our performance to be a top performing housing association, pursuing continuous improvement, good practice and value for money. <p>Priorities for Year 2 (2023/24) included:</p> <ul style="list-style-type: none"> - continue to monitor and review customer satisfaction; commission updated Customer Satisfaction Survey 2023 and Rent Affordability Study 2023; implement our updated customer satisfaction action plan; achieve Customer Service Excellence reaccreditation; promote and support the work of our Customer Advisory Panel; and promote positive partnership working with other agencies; - continue to invest in improving the quality of our housing stock; and commission our updated Stock Condition Survey 2023; - continue to grow and diversify our stock portfolio; progress towards completion at Bearsden Road; and evaluate other future new supply opportunities within the West End; 	

	<ul style="list-style-type: none"> - implement our updated ICT Strategy, including new Home Master IT system; and update our PHA/PWL websites and service offerings to meet the changing needs and digital expectations of our customers; and - continue to benchmark our performance to be a top performing housing association, pursuing continuous improvement, good practice and value for money. <p>The Board:</p> <p>1. Noted the contents of this report.</p>	
<p>Item 13 Info 3</p>	<p>Assurance Update</p> <p>The CEO presented this report to the Board providing an assurance update.</p> <p>Our plan was to submit our finalised Annual Assurance Statement 2023 to the Scottish Housing Regulator, following consideration by our Audit & Risk Committee on 8 August 2023 and approval by PHA Board on 23 August 2023.</p> <p>The Board:</p> <p>1. Noted the Assurance Update set out in Appendix 1.</p>	
<p>Item 14 Info 4</p>	<p>PHA Strategic Risk Register 2022/23 Quarter 4</p> <p>The CEO presented this update to the Board on the Strategic Risk Register 2022/23 for Quarter 4, which Audit & Risk Committee had reviewed on 2 May 2023.</p> <p>It was noted that we had updated the scoring for strategic risk numbered SR8. The Audit & Risk Committee considered this risk on 2 May 2023 in relation to the recent 'Duty of Care' internal audit, where there was limited assurance in relation to a small number of specialised accommodation units. While appropriate measures are put in place to address the auditor's recommendations, the impact of the residual risk was increased from 2 to 3 (i.e. 'minor' to 'moderate'), so the overall residual risk score was increased from 6 to 9. The Audit & Risk Committee monitor and review the Strategic Risk Register quarterly.</p> <p>The Board:</p> <p>1. Noted the contents of this report.</p>	
<p>Item 15 Info 5</p>	<p>PHA Management Accounts 2022/23 Quarter 4</p> <p>The FD presented this report to the Board outlining PHA's Management Accounts for 2022/23 Quarter 4, which showed positive financial performance against budget.</p> <p>The Management Accounts for the year to 31 March 2023 showed an overall surplus of £1,143k, which was £402k higher than budget. The accounts also reported net current liabilities of £294k and net assets at £44,924k.</p>	

	<p>There was discussion around the pension deficit; component replacement underspend in 2022/23 being carried forward to 2023/24; and the timing and profiling of ICT expenditure.</p> <p>The Board:</p> <ol style="list-style-type: none"> 1. Considered and noted PHA Management Accounts for 2022/23 Quarter 4, as set out in Appendices 1a-1h. 	
Item 16 Info 6	<p>Committee Minutes</p> <p>The Board:</p> <ol style="list-style-type: none"> 1. Noted the content of the Health & Safety Panel minute of 10 January 2023, as set out in Appendix 1. 2. Noted the content of the Investment Committee minute of 17 January 2023, as set out in Appendix 2. 3. Noted the content of the Audit & Risk Committee minute of 7 February 2023, as set out in Appendix 3. 	
	<p>The Chair thanked everyone for their attendance and contributions. The meeting closed at 8.45pm.</p>	
	<p>Next Meeting</p> <ul style="list-style-type: none"> • PHA Board – Wednesday 14 June 2023 at 6.15pm (PHA Board Room, 18 Mansfield Street). 	