

Board of Management Minutes

Date of Meeting: 20 May 2024

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**KINGDOM HOUSING ASSOCIATION (KHA) LTD
MINUTES OF THE BOARD OF MANAGEMENT MEETING**

**HELD ON MONDAY 20 MAY 2024
AT 5.30 PM
AT SALTIRE CENTRE, GLENROTHES
HYBRID MEETING VIA GOOGLE MEET**

PRESENT: Linda Leslie (Chair) Guy Thomson
Loretta Mordi Sinclair Young
David Redpath (Vice Chair)

**PRESENT VIA VIDEO
CONFERENCING:** Graeme Mackay
Stephen Swan

IN ATTENDANCE: Tom Barclay, Group Chief Executive
Calum Kippen, Director of Governance, Risk & Performance
Leigh Grubb, Executive Director of Finance
Tricia Hill, Development Director (*agenda item 10 only*)
Andrew Latto, Director of HR (*agenda item 10 only*)
Susan McDonald, Executive Director of Operations
Lesley Proudfoot, PA to Chief Executive & Executive Support Officer

Reference to abbreviated Job Titles in the Action Column:	BM - Board Members GCEO - Group Chief Executive DofGRP - Director of Governance, Risk & Performance EDofF - Executive Director of Finance EDofO - Executive Director of Operations EDofKSC - Executive Director of KSC HRD - HR Director PA - PA to Chief Executive & Executive Support Officer
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The Chair welcomed everyone both in person and virtually to a hybrid meeting of the Board of Management.

The Chair advised that earlier this evening we were joined by 4 representatives from the Perth and Kinross Local Area Committee.

Discussions at the meeting covered the following;

- The investment programme,
- Environmental issues,
- Concerns regarding security of tenants in the area. Engagement work will be carried out in the wider community.

The Chair commented that it had been a fruitful meeting and conversations will continue.

Like previous hybrid meetings the Chair advised that she would invite Board members who have joined virtually to ask any questions first then invite Board members in the room to ensure everyone is captured.

It was noted that Board Members had an opportunity to ask any questions ahead of the meeting and the responses are in Admincontrol and, as Appendix 1 at the end of this minute.

1. **Apologies**

Ryan Cossar, Ian Crocker, Blair Loudon, Julie McKinnon and Carol Watson.

2. **Declaration(s) of Interest**

The Chair highlighted that Board Members may have an association or working relationship with other organisations that work in partnership with Kingdom and whilst this may not be a direct conflict of interest the relationship should be declared as a standard declaration. It was noted that if Board members are in doubt about what to declare, speak to the Chief Executive or Director of Governance, Risk and Performance.

The standard declarations were noted as;
Linda Leslie - Board of Directors for KSC
Loretta Mordi - Board of Directors for KI
Tom Barclay - Board of Directors for KI and KSC

3. **To approve the minutes of the Board of Management meeting held on 18 March 2024**

The minutes from the meeting were **approved** by Loretta Mordi and Guy Thomson.

4. **Matters arising from the minutes**

The Chair advised that all items were complete, carried forward, or an update was provided as part of the papers.

5. **Update from the Committees held since the last Board meeting**

The Board noted that the Audit, Finance & Risk Committee had met on Monday 15 April 2024 and the Director of Governance, Risk & Performance advised that the papers from this meeting are held in the Audit, Finance & Risk Committee folder on admin control.

The Chair of the Audit, Finance & Risk Committee highlighted a couple of discussions which had taken place at the meeting.

ACTION BY

- Internal Audit Reports - Some of the reports are below the usual standard, however positive steps are being taken to address this in the commentary. Timescales for the proposed recommendations are being put in place and if these are not met a full explanation will need to be provided.
- External Audit - The planned scope of work is consistent with prior years for each entity and this year's fees include an inflationary uplift from RSM.

6. Chief Executive Report

The Chief Executive presented the report and highlighted the following;

Section A - Items for Specific Approval and Consideration / Discussion

1.1 - Delegated Authority, Reserved Powers, Disposals and Board Electronic Decisions

Written Resolution

The Board noted the written resolutions for Development on 13 March 2024 and Finance on 10 April 2024.

Chairs Emergency Powers

The Board noted that Chairs Emergency Powers have not been used since the last update.

Delegated Approvals

Tenancy

Four tenancy offers were noted.

Employment

Three offers of employment were noted.

The Board **noted** the decisions above.

1.2 - Fairfield Transfer Commitments Year 2 Report

The Chief Executive reported that the Year 2 Fairfield Transfer Commitments report, provided as Appendix A has today been replaced on admin control with updated figures. It was agreed that a brief commentary is provided detailing the changes to the Board so they can compare and contrast the information.

EDofO

POST MEETING NOTE:

The changes to the Fairfield transfer commitments table are summarised in Appendix 2, at the end of this minute.

1.3 - Additional June KHA Board Meeting - Fit for the Future

The Board **approved** the agenda for the June Board meeting which is being held on Monday 17 June following the Project Tour.

1.4 - Project Tour Itinerary

The Board **approved** the itinerary for the Project Tour which is being held on Monday 17 June, noting that we have taken a 'One Kingdom' approach to the project visit, covering KHA, KI and KSC properties and services.

Section B - Highlighted Items

2.1 - One Kingdom on the Road

The Chief Executive advised that he will soon be approaching the 6 month mark of the *One Kingdom on the Road* engagement events and commented that he is encouraged by the participation of staff at these events and will keep pressing to engage our staff.

The Board **noted** Section B.

Section C - Items for Update / Information

3.2 - Fife Council - Declaration of a Housing Emergency and Housing Emergency Action Plan (HEAP)

The Chief Executive highlighted the 3 themes from the Draft HEAP Outcome Plan;

1. Boosting affordable housing,
2. Making best use of existing properties,
3. Enhancing housing access & prevention of homelessness.

The Board **noted** Section C.

3.3 - Press Releases and Awards

The Chief Executive advised that on Friday 17 May at the Homes for Scotland Awards, Kingdom Housing Association was named **Home**

Builder of the Year - Affordable Housing Provider and received an award for **Development of the Year Award (Medium)** for our homes at Primrose Street, Alloa in partnership with Campion Homes.

ALL SMT

The Chair thanked all staff across the organisation past and present for helping to achieve these awards.

3.4 - Key Stakeholder Meetings & Diary Matters

GCEO

The Chief Executive advised the Board that a meeting is taking place on Wednesday 5 June with the Fife Council Leadership team and representatives from the Fife Housing Association Alliance and their Chairs before the Cabinet meeting on Thursday 6 June. An update will be provided to the Board following this meeting.

3.6 - Scottish Government Update

The Board noted the recent changes within the Scottish Government.

Discussion took place in relation to homelessness targets and why we are not meeting these.

EDofO

The Executive Director of Operations advised that she will present the current homelessness profile, providing a heat map showing the spread across the geographical areas at the August meeting. It was noted that we are not currently hitting all of these geographical areas and this will show an average across the piece.

7. **Digital Review Report**

The Executive Director of Finance presented the following Digital Transformation presentation;

THIS MINUTE HAS BEEN REMOVED AS IT CONTAINS COMMERCIALY SENSITIVE INFORMATION

8. **Annual Return on the Charter report**

The Executive Director of Operations presented the following Annual Return on the Charter (ARC) 2023/24 presentation;

Performance Improvement;

- Complaints Handling - >2000 working days saved compared to 2022/23,
- Gas Servicing - 100% compliance,
- Rent Collection - target achieved - consistent improvement Q1-Q4,

- Void Performance - not at target but significant improvement; reduction in number of days to relet, reduction in rent loss from voids,
- Factored Owners satisfaction.

The Board noted that in 2022/23 we recorded approximately 4500 working days spent on handling all complaints (Stage 1 and 2), this year following the introduction of the central complaints handling team we recorded just over 2400.

Performance Decline;

- Customer Satisfaction - with exception of repairs service,
- Tenancy Sustainment,
- Homelessness Referrals,
- Rent Arrears.

The Board noted that Customer satisfaction covers a range of the indicators with the only exception being the repairs service as the data for this comes from our inhouse follow up surveys rather than the large scale customer survey (this did show a slight decrease in customer satisfaction with repairs but this is based on a different range of questions).

Tenancy Sustainment - to give context, this indicator just looks at the factual number of tenancies which have not been sustained so includes for example tenant deaths within 1 year, certainly something that we will be looking at in terms of our tenancy support services. Homelessness Referrals - this is a bit of a technical measure and we have certainly seen that some new developments, particularly rural areas such as Gaudry and Guardbridge we have struggled to allocate to homeless applicants, so not for the want of trying.

Rent Arrears performance is clearly the most significant of these indicators and whilst there are no doubt external relevant contributory factors (cost of living etc) the peer comparison which follows later this year will be interesting to see where we are positioned.

Priority Actions;

- Customer Satisfaction - full action plan has already been developed,
- Arrears Management - new process introduced in March 2024,
- Validation Follow Up - Tenant death (review our processes), Data and reporting (low rate of successful validation).

Discussion took place and it was observed that tenants' expectations seem to have increased and this may have resulted in lower satisfaction levels.

It was noted that our performance levels should be achievable and realistic and discussion took place in relation to those being set at the right level. The Chair commented that she would be reluctant to see targets being less ambitious.

The Board **approved** the submission of the return to the Scottish Housing Regulator, with delegated authority granted to the Chief Executive to make the submission.

GCEO

9. **Treasury Management report**

The Executive Director of Finance presented the report and highlighted the following;

The Board previously approved by way of Written Resolution a funding proposal to award a £50m Revolving Credit Facility between two of our existing lenders as follows;

- Royal Bank of Scotland - £25m (see Appendix 1 for commercial terms),
- Lloyds - £25m (see Appendix 2 for commercial terms).

Following a query in relation to the reference of "Prudential" and "M&G", in the proposal, it was agreed that the Executive Director of Finance would confirm the language used in the minutes is correct.

POST MEETING NOTE:

The Executive Director of Finance confirmed to the Chair and the Chair of the Audit, Finance & Risk Committee that the Security Trust **was** an M&G structure as per the minutes for approval.

EDoFF

Following the above issue being rectified, the Board **approved** the following;

In respect of the RBS facility (£25m);

- The Amendment and Restatement Agreement (appending the Restated Facilities Agreement);
- A Fee Letter in relation to the Restated Facilities Agreement to be entered into between the Bank and the Association;
- An Officer's Certificate to be given by an authorised signatory of the Association; and
- Standard Securities over such properties as are owned by the Association and approved by the Bank to be granted by the Association in favour of M&G Trustee Company Limited as

security trustee and to be allocated for the benefit of the Bank as security for the Total Commitments (as defined in the Restated Facilities Agreement)

Appendix 3 contains the draft of a proposed minute to document the approvals listed above which the Chair agreed to sign at the end of the meeting.

Chair

In respect of the Lloyds facility (£25m);

- The Amendment and Restatement Agreement (appending the Restated Facilities Agreement);
- A Fee Letter in relation to the Restated Facilities Agreement to be entered into between the Bank and the Association;
- An Officer's Certificate to be given by an authorised signatory of the Association; and
- Standard Securities over such properties as are owned by the Association and approved by the Bank to be granted by the Association in favour of M&G Trustee Company Limited as security trustee and to be allocated for the benefit of the Bank as security for the Total Commitments (as defined in the Restated Facilities Agreement)

The Board **noted** that Appendix 5 contains the draft of a proposed minute to document the approvals listed above which the Chair agreed to sign at the end of the meeting.

Chair

The Board **noted** that this security exercise will be classed as a Notifiable Event to the Scottish Housing Regulator. This is likely to take place in July when the security arrangements are settled with the solicitors.

DofGRP

The Development Director and HR Director joined the meeting at this point.

10a. **Affordable Housing Budget Reduction - Business Impact report**

The Development Director presented the Development Programme;

THIS MINUTE HAS BEEN REMOVED AS IT CONTAINS COMMERCIALY SENSITIVE INFORMATION

The HR Director left the meeting at this point.

10b **Approval for Craigtoun Road, St Andrews**

The Development Director presented the report and highlighted the following;

- Craigtoun Road and Younger Gardens are the same project.
- The development will provide 29 mid market rent homes, which will be owned by KHA and leased to Kingdom Initiatives on completion and the remaining 12 homes will be for social rent, owned and managed by Kingdom Housing Association.

The Board **approved** the project at Craigtoun, St Andrews including the front funding requirement of £2.2m in 2024/25 subject to the receipt of a formal offer of grant of £3.508m from the Scottish Government.

The Development Director left the meeting at this point.

11 **Group Services report**

The Director of Governance, Risk & Performance presented the report.

Section A - Items for Specific Approval and Consideration / Discussion

1.1 - KHA Membership

The Board **approved** the membership of Elizabeth Preston.

1.2 - Board appraisal process 2024/25

The Board noted the update and **approved** the individual, collective, feedback on the Chair and anonymous 360 feedback questionnaires for issuing on 21 May for completion by 7 June 2024.

The Board noted that the 3 new Board members would not be required to complete the 360 feedback questionnaire at this stage.

Section B - Highlighted Items

2.1.2 - Strategy and Performance Reporting - Quarter 4

The Director of Governance, Performance & Risk asked the Board if they had any suggested improvements to the report please speak to him directly.

Signed (Chair):

Signed (Secretary):