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|  | | Minutes of Berwickshire Housing Association Limited Board of Directors Tuesday, 24 September 2024, at 17:30 Hybrid meeting – in person and via video conference |
| PRESENT | | IN ATTENDANCE |
| In person Jim McDevitt Hugh Carr (Chair) John Campbell | | In person Michelle Meldrum (MM), Chief Executive (CE) Richard Hukin (RH), Executive Director – Business Support (EDBS) Joanna Voisey (JV) Head of Assets and Sustainability (HoAS) Evie Copland (EC), Head of Customer and Neighbourhoods (HoCN) Nikki Allman (Minute Taker), Executive Assistant |
| Via Teams Paul Matthews Calum Boag Andrea Beavon (left at 19:00) Karen Featherstone John Urwin Claire McMillan (joined at 17:40) | | Via Teams Dan Blake (DB), Executive Director – Customer Experience (EDCE) |
| PARA | | ACTION |
| | 1. Apologies for Absence & Declarations of Interest | Noting |
| 1 | Apologies were received from Viv Cockburn, Jordan Manning, Anneka Gill and Carolyn Wood. | |
| | 2. Declarations of Interest | Noting |
| 2 | John Campbell declared his interest in BHA Enterprise. | |
| | 3. Minutes of meetings held on the 13th August 2024 and Matters Arising | Approval |
| 3 | Proposed by Jim McDevitt and seconded by John Campbell, the Board approved the minutes of the meeting of the 13 th August 2024 as a true record of the meeting. | |
| 4 | <u>Matters Arising</u> 13/08/24-05 – The HoAS provided the Board with a verbal update on the community benefits element from the new Reactive Repairs and Kitchen & Bathroom tenders. Both contracts contain a 1% community benefit in cash to BHA. This is currently being reviewed by the Procurement Consultant to ensure that these funds, in the region of Section 33 (1)(b) commercial interests and the economy are distributed back to the community and to the benefit of customers. | |
| | 4. Election of Office Bearers, Matters Reserved for the Board, Committees and Executive Remits, Committee Membership | Approval |

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| 5 | The Board elected Hugh Carr for the role of Chair of BHA to serve until the next AGM. As a Vice-Chair is not a mandatory requirement the Chair will consider this further. | |
| 6 | The Chair proposed the Appointments Panel be replaced with a Board Development Committee, and the Board agreed that a draft remit and proposal will be drafted for the next Board meeting for approval. [1] | CHAIR |
| 7 | <p>RESOLVED that the Board:</p> <ul style="list-style-type: none"> a) Elected a Chair. b) Approved the appointments to the Risk and Assurance Committee and Operations Committee and the respective Chairs. c) Approved the proposal to establish a Board Development Committee, and for a remit to be drafted for the next Board meeting d) Approved the appointment of a BHA Board representative on to the Enterprise Board. e) Approved the appointment of a BHA Board representative on to the BCR Partnership Board. f) Approved the appointment of a BHA Board representative as the Health & Safety representative. g) Approved the BHA Enterprise Board remains at three Directors. | |
| 5. Applin Cross Purchase | | Approval |
| 8 | <p>The HoAS presented the report to seek approval for the purchase of the privately owned flat at Applin Cross, following the Board decision in February 2023 not to further invest in 1-4 Applin Cross, Coldingham. This follows the structural engineers report in February 2024, reporting the building was displaying significant signs of distress to the fabric.</p> <p>The HoAS confirmed following discussions with the owner and based upon the District Valuers valuation on special assumptions, an offer of Section 33 (1)(b) commercial interests and the economy has been verbally accepted by the owner, pending Board approval.</p> <p><i>Claire McMillan (joined at 17:40)</i></p> | |
| 9 | <p>The HoAS advised that there may be potential subsidy from Scottish Government to assist with the purchase and further discussions are to take place in respect of this. BHA's Development Consultant is currently preparing high level plans for discussion with the Executive Team November and Board in Q4.</p> <p>The HoAS reminded the Board that the preferred option for BHA would be to redevelop the site for social housing, but this will be dependent upon a range of factors including an advantageous grant position from Scottish Government.</p> | |
| 10 | The Board asked if BHA foresee any negative publicity from the local community regarding the site. The HoAS advised they do not foresee any issues, given the extensive engagement with the local community council and residents, with feedback to date remaining positive. | |

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| 11 | The Board questioned the high value valuation, given the current condition of the property. The HoAS advised that the valuation is based upon special assumption and is not an open market valuation. | |
| 12 | The HoAS confirmed that the property continues to be inspected monthly by the Structural Engineer given the property is fully scaffolded due to the render being excessively exposed. | |
| 13 | RESOLVED that the Board: a) Approved the recommendation to purchase the privately owned flat at Applin Cross, Coldingham for £110k. [2] | HoAS |
| | 6. Annual Review of Board Effectiveness | Approval |
| 14 | The EDBS presented the report, and the Board were satisfied that the evidence confirmed that they had operated effectively during the year. | |
| 15 | The Chair recommends for best practice that the annual review of Board effectiveness is carried out externally next year, dependent upon budget restraints. [3] | EDBS |
| 16 | RESOLVED that the Board: a) Approved the annual review of board effectiveness. | |
| | 7. Chief Executive's Report – Confidential Report | Approval |
| 17 | Deferred to end of the meeting. | |
| | 8. Strategic Options Update | Discussion/ Direction |
| 18 | <i>Karen Featherstone declared her interests in Places for People.</i> The CE provided a consolidated report following key discussion points following the Board Strategy Session on 13 th August 2024, which focussed on the case for independence. The CE requested the Board to discuss and provide direction. | |
| 19 | The Board reviewed and discussed the 'Red Lines' relating to the strategic options, reviewing the four key points given these had not changed since the initial discussions. Agreeing the following non-negotiables should remain; <ol style="list-style-type: none"> 1. Increased financial and resource capacity to accelerate investment in existing homes, increase supply of new homes and improve the overall customer experience. 2. Improve organisational strength, resilience and security to ensure BHA is future proofed. The CE advised that a key focus in the short term will be reviewing the removal of the restrictive covenants in BHA's loan agreements. Discussions are due to take place with the lenders in respect of this. BHA's approach to refinancing is also a key area of focus. The EDBS confirmed an external advisor will need to be appointed to support with the re-financing activity. | |
| 20 | The Board agreed the following previous non-negotiables could be considered as desirables; | |

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| | <p>3. Cultural alignment and fit – continue to develop a strong organisational culture and enhanced reputation.</p> <p>4. Maintain local presence, leadership and visibility in Berwickshire.</p> <p>The CE advised that cultural alignment remains a key priority to BHA and that a range of measures should be used to assess and triangulate this.</p> <p>The Board agreed maintaining a local presence, in particular front-line colleagues, is particularly important but accepted in some partnership situations, the current delivery model may change.</p> | |
| 21 | <p>RESOLVED that the Board:</p> <p>a) Reviewed and discussed the “Red Lines” on non-negotiables.</p> <p>b) Agreed to remain open to partnership discussions, should any partners approach BHA</p> <p>c) Agreed, at this stage not to appoint a “lead” Board Member to support the Chief Executive and senior team until any partnership discussions are underway. The Board agreed the Chair would be involved within any initial or introductory discussions.</p> <p>d) Agreed any updates will be provided at Board Strategy Days by the Chief Executive.</p> | |
| 9. Policies for Renewal | | Approval |
| 22 | <p>The EDBS presented the revised Financial Regulations Policy in line with the period for review with the tracked updates alongside the rules and standing orders of the association.</p> <p>The EDBS advised that feedback had been received from Board Members which is captured within One Advanced, particularly around section 8 of the policy, with further clarity being required.</p> | |
| 23 | <p>RESOLVED that the Board:</p> <p>a) Agreed that the Financial Regulations Policy requires revision particularly in section 8 by February 2025, with a final version to be provided for Board approval. [4]</p> | EDBS |
| 10. Subsidiary Board Minutes | | Approval |
| 24 | <p>The Board noted the following :</p> <p>1) BCR Partnership Board Meeting (8th August 2024)</p> <p>2) BHA Enterprise Board Meeting (8th August 2024)</p> | |
| 15. BHA Committee Minutes | | Homologation |
| 25 | <p>The Board homologated the following :</p> <p>1) Operations Committee (6th August 2024)</p> <p>2) Written Resolutions (22nd August 2024)</p> | |
| 16. Any other competent Business | | |
| 26 | None | |
| 7. Chief Executive’s Report – Confidential Report | | Approval |
| 27 | The EDCE, HoAS and HoCN and Executive Assistant left the meeting at 18:45, due to the confidential nature of the report. | |

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| | The Board, Chief Executive and EDBS discussed the Senior Interim Leadership Team Structure proposal. <i>Andrea Beavon (left at 19:00 – but approved the proposal)</i> | |
| 28 | RESOLVED that the Board: a) Approved the Senior Interim Leadership Team structure proposal. [5] | CE |
| | Date of next meeting: 26 th November 2024 at 17:30 | |
| The meeting closed at 19:15 | | |
| Signed: | (Chair) | Date: |

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BHA BOARD ACTION LOG

| Item | DETAILS | RESPONSIBILITY | TARGET COMPLETION | STATUS |
|-------------|--|----------------|-------------------|---|
| 13/02/24-08 | Item 9 – Risk Management Framework: Refresh on risk appetite at the November Board Strategy Day. | EDBS | 11/10/24 | To be provided in November 2024 |
| 21/05/24-13 | Item 12 – Strategic Risk Report: Clarify risk appetite ratings associated with SR-2 | EDBS | October 2024 | To be provided at Risk & Assurance in October 2024 |
| 21/05/24-14 | Item 12 – Strategic Risk Report: (see also action - 13/02/24-08) arrange risk management training | EDBS | October 2024 | In progress - External support required for Risk Session to the Board |
| 13/08/24-05 | Item 6 – Tenders for Approval : Provide the Board with details of the community benefits from both the tenders. | HoAS | 24/09/24 | Completed |
| 13/08/24-07 | Item 10 – Management Services Agreement : Examine all BHA resources associated with agreements to ensure they are correctly re-charged. | EDBS | November-24 | In Progress - work has yet to be completed on this and propose to bring back to Board Meeting in November |
| 13/08/24-08 | Item 12.4 – Q1 Report Governance : Research potential Board Traineeships with other RSLs. | CE | November-24 | In Progress |
| 13/08/24-10 | Item 14 – Policies for Renewal : Include Contractors within Staff Code of Conduct | HoAS/ EDBS | November-24 | In Progress |
| 13/08/24-11 | Item 14 – Policies for Renewal : Review SFHA policies for both staff and Board Members and look to adopt these, if appropriate | EDBS | November-24 | Completed – confirmed the codes of conduct do reflect the model codes provided through the SFHA |
| 24/09/24-01 | Item 4 – Committee and Executive Remits : Provide draft Board Development Committee remit proposal for next Board meeting. | Chair | 26/11/24 | |
| 24/09/24-02 | Item 5 – Applin Cross Purchase : Instruct lawyers to progress with purchase | HoAS | ASAP | |
| 24/09/24-03 | Item 6 – Annual Review of Board Effectiveness : Source external provider to support external review of Board Effectiveness | EDBS | November-24 | |
| 24/09/24-04 | Item 9 – Policies for Renewal – Provide revised Financial Regulations Policy to Board with amendments to section 8. | EDBS | February-25 | |

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| 15/10/24-02 | ACTION CARRIED OVER FROM R&A IN OCTOBER - Item 1 – Rent Consultation Proposal – fuller analysis is brought to Board in February on whether there is a direct correlation between rent level charged and perceived VFM. | DoCC | February - 25 | |
| 24/09/24-05 | Item 7 – Chief Executive (Senior Interim Leadership Proposal): Introduce new interim Senior Leadership Structure. | CE | 01/11/24 | Completed |
| | Action completion overdue | | | |
| | Action ongoing and date not due | | | |
| | Action complete | | | |