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	<p align="center"><b>Minutes of Berwickshire Housing Association Limited</b>  <b>Board of Directors</b>  <b>Tuesday, 04 February 2025, at 17:30</b>  <b>Hybrid meeting – in person and via video conference</b></p>	
<p><b>PRESENT</b></p>	<p><b>IN ATTENDANCE</b></p>	
<p><b>In person</b>  Hugh Carr (Chair)  Jim McDevitt  John Campbell</p>	<p><b>In person</b>  Michelle Meldrum (MM), Chief Executive (CE) (joined 18:25)  Richard Hukin (RH), Executive Director – Business Support (EDBS) (joined 18:25)  Evie Copland (EC), Director of Customer and Communities (DOCC) (joined 18:25)  Nikki Allman (Minute Taker), Executive Assistant</p>	
<p><b>Via Teams</b>  Andrea Beavon  Karen Featherstone (joined at 17:38)  John Urwin  Claire McMillan  Calum Boag  Clair Elliott (left at 18:45)  Jordan Manning (left at 18:30)</p>	<p><b>Via Teams</b>  Joanna Voisey (JV) Director of Assets and Sustainability (DOAS) (joined 18:25)</p>	
<p><b>PARA</b></p>		<p><b>ACTION</b></p>
	<p><b>Executive Team Salary Benchmarking Review with Campbell Tickell – Confidential Item</b></p>	
<p>1</p>	<p>No members of the Executive Team were present for this agenda item.</p>	
<p>2</p>	<p>Board Members reviewed the Executive Pay and Reward report presented by Campbell Tickell.</p> <p><i>Karen Featherstone joined at 17:38</i></p> <p>The review of the pay element for the Executive roles did highlight some variance to Campbell Tickell’s assessment of the current market median, and while the differences for individual (except DOCC) are not substantial, they are still noticeable.</p> <p>The Board felt confident that its approach to Executive rewards will enable BHA to attract and retain the senior talent that is required to ensure the continued success of the association.</p>	
<p>3</p>	<p>The Board agreed with Campbell Tickell’s recommendation to develop a policy and procedure for pay and reward for the Executive Team, to provide clear framework and minimise reputational risk. <b>[1]</b></p>	<p><b>Board Dev Committee / EDBS</b></p>
<p>4</p>	<p><b>RESOLVED</b> that the Board:</p> <p>a) By voting approved the CE &amp; EDBS receive the increased recommended median payments in addition to the companywide 3% increase from April 2025.</p>	

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	b) Other two directors' roles to receive companywide 3% increase until the Executive Team structure is further reviewed and approved late Q1/early Q2.	
	<i>Members of the Executive Team joined at 18:25</i>	
	<b>1. Apologies for Absence &amp; Declarations of Interest</b>	<b>Noting</b>
5	Apologies were received from Carolyn Wood and Anneka Gill.	
	<b>2. Declarations of Interest</b>	<b>Noting</b>
6	There were no declarations of interest.	
	<i>Jordan Manning left the meeting at 18:25</i>	
	<b>3. Minutes of meetings held on the 26th of November 2024 and Matters Arising</b>	<b>Approval</b>
7	The Board approved the minutes of the meeting of the 26th of November 2024 as a true record of the meeting.	
8	<u>Matters Arising</u> All matters arising are being covered within the meeting.	
	<b>4. Five-Year Financial Plan and 2025/26 Budget</b>	<b>Approval</b>
9	The EDBS presented the 2025/26 budget and five-year forecast figures to the Board. The report provides projected income and expenditure, balance sheet position and cash flows along with financial health targets and projected covenant compliance.	
10	<p>The EDBS reported on the financial assumptions being set at the consulted 4.5% rent increase for 2025/26 and then CPI+1% from year two. Although inflation is reducing, some costs remain higher than in previous years.</p> <p>EDBS advised on the achievement of the financial targets being challenging with cost increases for operating costs, investment for both planned and component replacement and external cost pressures. In addition to containing rent increases at levels that are affordable for customers. Therefore, this results in single digit net operating margins.</p> <p>Following a question from the Board the EDBS confirmed that without the income from the Windfarm, based on the current plan, covenants would be broken, however, without this income, the plan would be adjusted accordingly to ensure covenant compliance. The Windfarm does currently have challenges, but there are ongoing discussions with Triodos to break away from PPA pricing restrictions to access improved rates. The CEO recommended that a full valuation of the windfarm takes place in Q2 of 2025/2026 which will feed into a wider options appraisal review of the Windfarm.</p> <p>The Board sought clarification within the budget on the £29m new re-financing. The EDBS advised this element would require to be refreshed following the profiling on the investment costs and an updated indicative development programme from Emma Garry. [2]</p>	<b>EDBS</b>
11	<b>RESOLVED</b> that the Board:	

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	<ul style="list-style-type: none"> <li>a) Approved the Five-year plan and 2025/26 Budget</li> <li>b) Approved a 3% pay award for all staff (including the Chief Executive and Executive Team)</li> </ul>	
	<b>5. Rent and Service Charge increase 2025/26</b>	<b>Noting</b>
12	The DOCC presented the report on the rent increase proposal for the next financial year 2025/26 following customer consultation during November 2024 on two options for rent increases, a 4.5% and a 6.5% increase. The DOCC provided an overview of the evaluation from the consultation resulting in a proposed increase from Monday 7 <sup>th</sup> April 2025 of a 4.5% increase and a freeze on 2024 levels for service charges, lock-up garages, and garage sites.	
	<i>Clair Elliot left the meeting at 18:45</i>	
13	The Board raised that BHA's one-bedroom rent charges are more than £12 per week less than the rest of the BHN for properties of the same size. The Board asked that a wider review is carried out of one-bedroom rents ahead of next year's consultation (including a check of our model for calculating one-bedroom rent).	<b>DOCC</b>
14	The DOCC provided an overview of the freezing of charging for service charges at 117 properties and the lock-up garages sites at 2024/25 rates to allow a full review to take place during 2025/26	
15	<b>RESOLVED</b> that the Board: <ul style="list-style-type: none"> <li>a) Approved the rent increase of 4.5% on homes and approved a freeze at 2024/25 levels for service charges, lock-up garages, and garage sites. <b>[3]</b></li> </ul>	<b>DOCC</b>
		<b>Approval</b>
16	<p><b>Section 22 (1)(b) commercial interest and the economy</b></p> <p>[REDACTED]</p> <p>[REDACTED]</p>	
17	[REDACTED]	
	<b>7. Chief Executive's Report</b>	<b>Noting</b>

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18	The CE reported on the negotiations with the owner occupier at Edgar Road, Westruther. The offer was presented, based upon the District Valuer's report. The owner has refused the offer due to the financial impact in not being able to purchase any comparable housing with the offer. Therefore, ongoing home-swap options are being explored.	
19	<b>RESOLVED</b> that the Board: a) Noted the Chief Executive's Report.	
	<b>8. Q3 Reports</b>	<b>Noting</b>
20	<u>Management Accounts</u> The EDBS reported for the Q3 the association has made a YTD surplus of £253.6k - £38k adverse to a budgeted surplus of £292k, with the contributing areas being Reactive Repairs and void costs. Current void losses are reported at £118.3k YTD being £23.6k adverse to budget. This is primarily due to properties being returned in poor condition and a larger volume of voids. Responsive Repairs are £176.9k adverse to budget due to increased volumes of repairs, higher costs, and contingency contractor costs.	
21	<u>Treasury Report</u> The EDBS reported to the Board that the treasury operations are in line with the approved policy and reported no significant treasury events and that cashflow tracking for Q3 is better than forecast.	
22	<u>Governance Update</u> The EDBS reported during Q3 the Notifiable Event relating to the inspection of the documentation of the testing of the safety valves on the pressurised system on the commercial boiler (ref 31111) was officially closed.  The Board requested with new fraud legislations in place, the relevant risks and processes should be duly reviewed by the Risk & Assurance Committee. <b>[5]</b>	<b>EDBS</b>
23	<u>Customer Report</u> The DOCC reported that there has been a 5% increase in the total applications for properties through These Homes. Arrears performance at the end of Q3 is 4.35% which is 0.15% below the position in comparison at the end of Q3 2023/24.  The DOCC reported on two new court applications being made in Q3 with court dates to be confirmed, 1 live decree which ended in conviction and one for a rent recovery case with a decree awarded for £5k with no expenses where pre-action has restarted.	
24	<u>Customer Voice Report</u> The DOCC presented the report highlighting 33% of the actions from the Repairs Review are completed and the outstanding actions are now in progress. The Scrutiny Panel presented their report & recommendations on the Allocations project to the Operations Committee on the 28th of January and a formal response will be returned by the Executive Team.	
25	<u>Asset &amp; Repairs Report</u>	

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	<p>The DOAS reported that, during the introduction of the new monitoring matrix and recent internal audit on Health &amp; Safety, it was identified the water hygiene risk assessment, had not been carried out since 2021. This assessment is now complete and future inspections added to the plan.</p> <p>With further forecasts being completed the budget has been moved within the planned programme to allow more roofing works and to accommodate the outstanding adaptation works following the lower than anticipated funding offer.</p> <p>The Chair had asked how much would be carried forward to 2025/26. The DOAS identified spend is not where it should be at this point in the financial year, due to specific reasons including; delay in obtaining the valuation on the kitchen &amp; bathroom programme, which is just below £300k and awaiting finalisation for payment. Other issues included the roofing budget, having intended to carry out 2 roofs but dry rot was discovered with the extent of the works currently being assessed, although the other roof will be progressed to get on site.</p> <p>The DOAS reminded the Board on the renewable servicing spend, where problems had arisen in finding a suitable contractor. During the short term, a temporary contract was arranged, unfortunately this was not a local contractor and currently is still being established, therefore a further local contractor has been appointed to support the workload.</p>	
26	<p>The DOAS confirmed to the Board that <b>Section 22 (1)(b) commercial interest and the economy</b> was budgeted for the house purchase and related sundries for Edgar Road. However this has not yet come to fruition, and considerations are being made to alternative items could be brought forward. The recent forecast showed this at <b>Section 22 (1)(b) commercial interest and the economy</b> for Applin Cross with the recent flat purchases.</p> <p>The Chair sought assurance on how the Business Plan would be affected? The EDBS advised that the plan and the budget has assumed that these purchases had been concluded in 2024/25, but the 2025/26 would be adjusted if the transactions were delayed.</p> <p>The Chair suggested that given the delays with contractor invoices that the financial reporting on the capital programme should be adjusted to include projected spend incurred but not invoiced, to give a more realistic view within the Quarterly Management Accounts. <b>[6]</b></p>	<b>EDBS</b>
27	<p><b>RESOLVED</b> that the Board:</p> <ul style="list-style-type: none"> <li>a) Noted the all the Q3 reports</li> <li>b) Approved the Governance Calendar for 2025/26 <b>[7]</b></li> </ul>	<b>EDBS</b>
	<b>9. Board Skills and Succession Planning</b>	<b>Noting</b>
28	<p>The EDBS provided the Board with an update on the Board Skills matrix and succession planning. The EDBS advised due to Board Members stepping down, skills gaps are identified within financial planning and treasury. The Board were reminded if they have any</p>	

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	professional contacts seeking a board member appointment to contact the Chair.	
29	<b>RESOLVED</b> that the Board: a) Noted the Board Skills and Succession Planning report.	
<b>10. Write off Report</b>		<b>Noting</b>
30	The DOCC presented the Q3 report, which is on target, reporting on 13 accounts being brought for noting and provided an overview of the activity undertaken for account reviews. Sadly, many of these are due to deaths.	
31	<b>RESOLVED</b> that the Board: a) Noted the report and write off for the quarter of £6,483.31	
<b>11. Policies for Renewal</b>		
32	The EDBS presented the new Dignity at Work Policy showing that BHA is committed to providing a working environment and culture where all employees have the right to be treated with dignity and respect,	
33	<b>RESOLVED</b> that the Board: a) Approved the new Dignity at Work Policy with minor changes to reflect the inclusion of Board Members within the policy, not just the scope. <b>[8]</b>	<b>EDBS</b>
<b>12. BHA Committee Minutes</b>		<b>Homologation</b>
34	The Board homologated the following: 1) Risk & Assurance Committee (14 <sup>th</sup> January) – to be circulated	<b>EXA</b>
<b>18. Any other competent Business</b>		
	None	
<b>Date of next meeting: 25<sup>th</sup> March 2025 at 17:30</b>		
<b>The meeting closed at 19:30</b>		
Signed: _____ (Chair) Date: _____		

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**BHA BOARD ACTION LOG**

Item	DETAILS	RESPONSIBILITY	TARGET COMPLETION	STATUS
24/09/24-04	<b>Item 9 – Policies for Renewal</b> – Provide revised Financial Regulations Policy to Board with amendments to section 8.	EDBS	February-25	In progress – being presented at March Board
26/11/24-06	<b>Item 11 – Health &amp; Safety Report:</b> Highlight commercial properties compliance checks within the report	DOAS	May-25	
04/02/25-01	<b>Executive Team Salary Benchmarking Review:</b> Develop a policy and procedure for pay and reward for the Executive Team	Board Dev Team/ EDBS		
04/02/25-02	<b>Item 4 – Five Year Financial Plan &amp; Draft 2025/26 Budget:</b> Refresh budget around re-financing based upon Emma Garry’s profiling.	EDBS	25/03/25	
04/02/25-03	<b>Item 5 – Rent &amp; Service Charge Setting 25/26:</b> Conduct review of one-bedroom rents ahead of next year’s consultation with wider sector including model for calculating one-bedroom rent.	DOCC	31/10/2025	Not started
04/02/25-04	<b>Item 5 – Rent &amp; Service Charge Setting 25/26:</b> Instruct the rent increase of 4.5% on homes and freeze on 2024 levels for service charges, lock-up garages, and garage sites.	DOCC	01/04/25	Completed
04/02/25-05	<b>Item 6 – Confidential Report:</b> Action the approval from the Board	EDBS	01/03/25	
04/02/25-06	<b>Item 8 – Q3 Reports (Governance) - Review</b> new fraud legislations with Risk & Assurance Committee.	EDBS	15/04/25	Complete – added to agenda
04/02/25-07	<b>Item 8 – Q3 Reports (Asset &amp; Repairs) - Report</b> on delayed contractor invoices within the accruals in the Quarterly Management Accounts.	DOAS/ EDBS	13/05/25	
04/02/25-08	<b>Item 8 – Q3 Reports (Governance Calendar)</b> – Circulate all dates for 25/26	EDBS	ASAP	Completed
04/02/25-09	<b>Item 11 – Policies for renewal</b> – Circulate new Dignity at Work Policy	EDBS	ASAP	Completed
	Action completion overdue			
	Action ongoing and date not due			
	Action complete			

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