



## DUNEDIN CANMORE HOUSING LIMITED

### MEETING OF BOARD OF DIRECTORS

held at 8 New Mart Road, Edinburgh

on Thursday 6 February 2020

Present: Mary Mulligan, Anne McGovern, Bryan Pitbladdo, George Cunningham, Jack Cadell, Ruth Kynoch, Mark Keane

In Attendance: Anthony Alison (Director of Governance) , Elaine Melrose (Group Director of Resources), Hazel Young ( Managing Director, Dunedin Canmore), Alan Glasgow (Locality Housing Director), Morgan Kingston (Finance Manager), and Stephen Devine (Item 8 only - Director of Business Growth), Elspeth Lang (Item 9 only - Development Manager) Mark Nicol (Item 10 only - Group Protection and Strategic Partnership Lead) and Kevin Brodie (Item 11 only - Dunedin Harbour)

#### 1. **Apologies of absence**

We received apologies from Jill Cronin

#### 2. **Declarations of Interest**

The Board noted the standing declarations of interest.

#### 3. **Minute of Meeting held on 28 November 2019 and Matters Arising**

**Decided: The Board approved the minute of 28 November 2019.**

#### 4. **Managing Director (verbal)**

The Board received an update on: senior staff recruitment; engagement staff recruitment; and the Ignite graduate programme

**Decided: The Board noted the update**

#### 5. **Rent and other charges 2020/21**

The Board received a presentation setting out the context for the proposals and comparability and affordability analysis.

The Board received feedback from the rent setting focus groups and the formal consultation, with over 68% of respondents to the formal consultation indicating support for one of the options.

The Board discussed the key themes from the tenant feedback and welcomed the expansion of the focus groups undertaken compared to the previous year.

The Board considered the affordability of the proposals, including the longer term assumptions in the business plan and inflation levels. The Board discussed how our rent setting approach can be refined in future, including how we take into account local market contexts.

**Decided: The Board:**

- 1) Considered the feedback received through the extensive consultation process with tenants on our 2020/21 RSL rent and service charge increase;**
- 2) Approved a 3.4% rent and service charge increase for 2020/21, with the exception of charges for heating, community alarms, laundry or lift services which are negotiated directly with the contractor who provides the service;**
- 3) Approved the 3.4% increase for shared owners; and**
- 4) Approved that we formally write to tenants to confirm this.**

## **6. Financial Projections 2020/21**

The Board received a presentation summarising projections relating to : planned expenditure on capital investment and development; operating costs; income and expenditure; balance sheet; cashflow; funding; and key assumptions.

The Board discussed the cross guarantee within the Group and covenant compliance. It was confirmed that the Golden Rules included a buffer to ensure and that we are compliant.

The Board discussed net cash movement over the course of the financial projections. It was explained that this related primarily to the debt funding required to support our development programme.

The Board discussed assumptions relating to staff costs, including the assumed uplifts. It was confirmed any uplifts are subject to annual review.

The Board considered our assumptions in relation to inflation, the means by which we inform our assumptions and the level of prudence within the assumptions.

**Decided: The Board:**

- 1) Approved the updated projections for investment in assets and services in over the five year period to 2025; and**
- 2) Agreed that the projected 2020/21 figures form the basis of next year's annual budget which will be presented to the Board for final approval in March.**

## **7. Inspiring Ambition, Unleashing Potential: Our Strategy 2020-25**

The Board received an update on the updates from the initial draft, including the reinforcement of the key theme of tenant engagement and our asset strategy. It was explained that a revised performance framework is under development to support the implementation of the strategy, with a stronger focus on impact measures.

The Board considered the strategy and agreed that it reflected the extensive discussions as part of its development.

**Decided: The Board approved the summary Dunedin Canmore Strategy 2020-2025: *Inspiring Ambition, Unleashing Potential*.**

## **8. Update on programme the proposal to transfer Barony housing stock**

The Board received feedback on the tax, pensions and legal due diligence undertaken.

The Board considered the feedback from the due diligence and were assured no material issues emerged. The Board further considered the planned timescale for the Transfer of Engagement.

**Decided: The Board:**

- 1) Noted the progress in developing the ToE from Barony including the positive result of the tenant ballot and findings from due diligence;**
- 2) agreed that the ToE be developed to a conclusion; and**
- 3) noted that a meeting of the Dunedin Canmore Board will be held to confirm the ToE, between the two Barony SGMs that will be held for this purpose.**

## **9. Five Year Development Programme**

The Board received a summary of the proposed 5 year programme, including: the number of units; locations; key projects; and tenure.

The Board considered the programme, our development footprint and our appraisal criteria. It was noted the programme was a rolling 5 year programme.

**Decided: The Board:**

- 1) approved the DCH five year development programme as summarised in this report; and**
- 2) noted that the five year development programme will be reviewed annually and presented for approval to the Board, in conjunction with the presentation of the Group Business Plan.**

## **10. Fire Safety update**

The Board received a presentation: recapping on our fire prevention and mitigation framework; how we are promoting and supporting fire safety; how we record, analyse and learn from incidents; and the assurance processes in place for monitoring fire safety.

The Board discussed current guidance in relation to staying within the property. It was reiterated that we follow Scottish Fire and Rescue Service (“SFRS”) policy. The Board discussed the challenges ensuring tenants are clear on the policy given the ongoing discussions relating to the Grenfell Tower enquiry.

The Board further discussed the challenges within mixed tenure blocks and how we can use the SFRS to support engagement with other occupants.

The Board sought an update on the requirement to retrofit heat detectors and smoke alarms. It was confirmed this required to be completed by 2021.

**Decided: The Board noted the annual update of the implementation of the Framework.**

## **11. Dunedin Harbour - Service Report and Governance Arrangements**

The Board received a detailed update on service delivery within Dunedin Harbour and the management and governance arrangement between Dunedin Canmore and the Group’s care subsidiary.

The Board welcomed the work undertaken to date with Loretto Care to support enhancing the service and support for service users.

**Decided: The Board noted the content of the report.**

## **12. Finance Report for the year to 31 December 2019**

The Board received an update on financial performance for the year to date and the proposed update to the structure of the on lend facility for Loretto Care.

The Board reviewed financial performance for the year to date and contemplated the proposed on lend arrangements.

**Decided: The Board:**

**1) Noted the management accounts for the period to 31 December 2019; and**

**2) Approved the intra-group facility agreement and delegated authority to the Chair, any Board member, Group Chief Executive, Group Director of Finance, Director of Treasury or Group Company Secretary to sign this agreement.**

**13. Group Delivery Plan 2019-20: Quarter 3**

The Board received a summary of financial performance for the year to date.

The Board welcomed the continued strong performance, particularly in relation to arrears.

**Decided: The Board noted the contents of this report.**

**14. Board Recruitment and Succession Planning Update (Presentation)**

The Board received an update on recruitment and succession planning, including the plans for redeployments from the Barony Board should the Transfer of Engagement conclude.

**Decided: The Board approved the updates to the 3 year succession plan.**

**15. Application for Membership**

**Decided: The Board approved the share application as set out in the report.**

**16. AOCB**

There was no other competent business.