



DUNEDIN CANMORE HOUSING LIMITED

MEETING OF BOARD OF DIRECTORS

By video conference

At 17.00 on 10 February 2022

Present: Mary Mulligan (Chair), Mark Keane, Helen Howden, Bryan Pitbladdo, Jack Cadell, Ruth Kynoch, Jane Menzies, Anne McGovern, Jill Cronin and Alastair Murray.

In Attendance: Steven Henderson (Group Director of Finance), Hazel Young (Managing Director, Dunedin Canmore), Stephen Wright (Deputy Group Company Secretary), Alex Lamb (Head of Housing), Chris Cameron (Interim Finance Manager) and (in part) Brian Stewart (Director of Investment, Repairs and Compliance), Lindsay Lauder (Director of Development and Regeneration), Elspeth Lang (Development Manager) and John Crooks (Group Health and Safety Lead).

1. Apologies of absence

There were no apologies for absence. The Chair declared a quorum was present.

2. Declarations of Interest

The Board noted the standing declarations of interest. No new declarations of interest were made.

3. Minute of Meeting held on 11 November 2021 and Matters Arising

It was noted that there was a spelling error in apologies to be corrected.

Decided: The Board approved the minute of 11 November 2021.

4. East of Scotland partnership

[redacted]

5. a) New Group development vehicle

[redacted]

b) Five-year development programme

The Board received and considered our 5-year development programme for the period commencing 2022/23 through which we committed to develop 313 units for social rent. The Board considered the proposal and noted that the programme had been developed taking into account the Scottish housing policy context as well as uncertainties linked to Covid (materials

supply, labour) and Brexit. The Board considered the prudent financial planning assumptions but noted that we may be able to expand the programme following the outcome of current negotiations with funders.

The Board discussed the footprint of our proposed development activity and the considerations that applied across different local authorities.

Decided: The Board approved the details of the DCH five year development programme as summarised in this report.

c) DCH new build approval: Wallyford area 5 acquisition

The Board received a report which sought approval to acquire land at Wallyford Area 5.

The Board considered the report and noted that there was a housing need for all property types and sizes in this area. The Board also noted that the social rent properties will be designed to Livingwell standards and will provide assisted living accommodation and communal facilities. The Board was pleased to note that this development is situated near to our existing stock in a new development which has been successful with low turnover.

Decided: The Board

- 1) Approved that we acquire land at Wallyford Area 5 from East Lothian Developments Limited for the purpose of constructing 90 flats for £1,620,000; and**
- 2) Delegated authority to any Dunedin Canmore Housing Board member, the Group Chief Executive, Group Director of Property and Development, Group Director of Finance or the Company Secretary to approve and/or sign any contract documentation.**

6. a) Five-year investment programme

The Board received and considered the 5-year asset investment plan which underpins our strategic asset management approach and ambition to continue investing in our existing homes and communities. The Board reviewed the robust programme which included £11.3m for improvement works to vacant properties, capitalised repairs and capitalised staff to deliver the programme. The Board also welcomed the inclusion of the £1.3m Customer Voice budget which would be used to support customer-driven investment over the next 5 years.

Decided: The Board approved DC 's Five-Year Asset Investment Programme 2022-2027.

b) Heat and smoke detector update (Presentation)

Decided: The Board noted the presentation.

7. a) Rent and other charges 2022/23

The Board considered a report on the outcome of the 2022/23 rent and service charge consultation. The Board reviewed and assessed the outcome of the consultation including the increase in response rates from previous years. The Board considered the breakdown of results by area and noted that results were broadly consistent across each with the majority of tenants in each area supporting one of the increase options. The Board discussed the increase in inflation since the consultation began and the impact this would have on our business costs. Having considered the consultation feedback and the current economic pressure facing us and our customers, the Board re-affirmed our commitment to keeping rents affordable and was satisfied that the proposal for 2022/23 would help to maintain this.

The Board welcomed what was considered to be an affordable rent increase particularly taking into consideration the current rate of inflation and the sector trends. The Board also discussed the range of support and assistance we provided to tenants and the need to continue promoting this to help customers mitigate the impact of rising costs such as energy and food.

Decided: The Board

- 1) Considered the feedback received through the extensive consultation process with tenants on our 2022/23 RSL rent and service charge increase;**
- 2) Approved a 1.9% rent and service charge increase for 2022/23, with the exception of heating/lighting, community alarms, laundry or lift services which are negotiated separately with the relevant contractor;**
- 3) Approved a 1.9% occupancy and service charge increase for shared owners for 2022/23;**
- 4) Approved a 2% increase for ex-Barony tenants in line with the 3-year commitment at ballot; and**
- 5) Agreed that we formally write to tenants and shared owners to confirm this subject to Group Board approval.**

b) Five-year financial projections

The Board was presented with a report which set out the updated projections for investment in assets and services over the period to 2027 and sought approval of these updated financial projections.

The Board discussed inflation assumptions and noted how these are regularly monitored and reviewed. The Board acknowledged that if CPI continued to remain high then we would require to review our business plan. The Board also welcomed the robust stress testing that we carried out.

Decided: The Board

- 1) Approved the updated projections for investment in assets and services over the five year period to 2027; and**
- 2) Agreed that the projected 2022/23 figures form the basis of next year's annual budget which will be presented to the Board for final approval in March.**

8. Strategic governance review

The Board was provided with an update on the outcome of the strategic governance review, the areas relevant to us and the implementation plan. The Board welcomed that the review recognised the strength of our existing governance arrangements and also provided recommendations for how we can continue to refine them.

The Board also noted the results of the Board member skills assessment which showed that we have an appropriate mix of skills and experience.

Decided: The Board

- 1) Provided feedback on the planned implementation approach of the strategic governance review;**
- 2) Agreed the proposed approach to refreshing our 3 year succession plan; and**
- 3) Provided feedback on the 2022 Board planner.**

9. Group Health and Safety policy

The Board was provided with a report on the Group-wide health and safety policy which was also to be considered and adopted by us. The Board scrutinised the report and policy in detail and confirmed its commitment to the health and safety of staff, customers, contractors and other stakeholders. The Board in particular welcomed the arrangements in place to monitor and maintain the validity and accuracy of our health and safety policy and the comprehensive health and safety management arrangements in place. The Board discussed the importance of supporting our employees particularly those who were home working and/or lone working. The Board also noted the range of support provided to employees, including through training.

Decided: The Board noted the updated Health and Safety Policy.

10. Group dampness, mould and condensation policy

The Board considered the Group-wide policy and procedure on managing dampness, mould and condensation. The Board reviewed the proposed policy approach and the analysis which helped to identify those properties and customers that may be at a higher risk for suffering from the issues linked to dampness, mould and condensation. The Board also welcomed the proposal to monitor 10 properties in the higher risk categories which would help us gain intelligence to understand and develop strategic investment priorities.

Decided: The Board note the content of this report including the group dampness policy and procedures.

11. Customer First Centre update

The Board were provided with an update on the Customer First Centre (“CFC”) since its internal launch on 1 December 2021.

The Board noted that this soft launch has given an opportunity to test the robustness and effectiveness of the new systems and practices before the more formal customer launch of the service.

The Board discussed the draft performance measures and noted that:

- since the CFC started, they have received 128k calls and delivered a first contact resolution on 93% of these;
- call abandonment rate has dropped from an average of 13% in October and November 2021 to approximately 5.5% in January 2022; and
- 75% of calls are currently being answered within 30 seconds.

The Board also discussed staff training and were pleased to note that this training has consisted of a full set of refresher training on our core business pillars (repairs, allocations, payments, etc.) as well as a programme of Customer Service Excellence training that focusses on the guiding principles that underpin our new model.

Decided: The Board noted the progress to date in establishing our Customer First Centre.

12. Performance update

The Board was provided with an update on performance towards delivering the targets in the performance framework and strategic projects for 2021/22.

The Board scrutinised the report and noted that we are still continuing to see the effects of the pandemic on our operational delivery and, in some instances, the expected impact has been greater than we anticipated. However, despite the continuing challenges posed for areas of our business, there are areas of emerging stronger performance and some areas of recovery since our last report. Whilst rent arrears have increased, they did less than projected.

The Board also discussed the spike in complaints during the second half of 2021. The Board was informed about the analysis undertaken and that we had identified a link between the varying levels of lockdown and some confusion amongst customers about the services we were able to fully reinstate and those which we were not.

Decided: The Board noted the report.

13. Finance report

The Board scrutinised the financial information for the period to 31 December 2021, including the latest 2021/22 forecast. The Board noted the statutory surplus of £2,421k for the period to 31 December is £1,005k adverse to budget with the key driver for this being lower levels of grant income and higher spend in repairs.

Decided: The Board noted the management accounts for the year to 31 December 2021.

14. Funding update

[redacted]

15. Corporate risk register

The Board received and reviewed the revised corporate risk register and noted the updates provided.

Decided: The Board reviewed and approved the revised corporate risk register.

16. AOCB

No other business.

I certify that the above minute has been approved as a true and accurate reflection of the proceedings.

Signed: _____
Chair