



**MINUTE OF BOARD OF DIRECTORS MEETING
HELD ON 26 MAY 2021 AT 14.00 VIA
VIDEOCONFERENCE**

Members present: Maureen Dowden (Chair), John Henderson, Michael Greaves Mackintosh, Heather Macnaughton and John McCraw.

In attendance: Tom Barclay (Group Director of Property and Development, Wheatley Group), Anthony Allison (Director of Governance, Wheatley Group), Martin Gill (Head of Housing, DGHP), Pauline Turnock (Director of Financial Reporting, Wheatley Group) and In Part Lorna McCubbin (Head of Asset Investment and Compliance, DGHP – items 1-6 only), Alan Burns (Executive Director, City Building – item 5 only), Heather Voisey (Managing Director, Lowther Homes – item 11 only) and Ranald Brown (Director of Assurance, Wheatley Group – item 15 only).

1. Apologies for absence

There were no apologies for absence. It was noted that non-attending members had met with the Chair and relevant officers to give feedback on all papers. The Chair explained that she would relay the key elements of the feedback during the meeting as appropriate.

2. Declarations of interest

The Board noted the standing declarations of interest.

3. Minutes of appointment meeting of 31 March 2021

Decided: The Board approved the minute of appointment meeting of 31 March 2021.

4. CBG update (Presentation, Alan Burns, Executive Director, CBG)

The Board received a detailed update on CBG work for us, including: work undertaken during the pandemic; the role of RSBi and how it can support the delivery of elements of our investment programme; plans to engage the local DGHP zone supply chain; and the lease of a local assembly facility which will support local employment and training opportunities.

The Board discussed the role CBG can play in our partnership commitment to deliver employment and training opportunities within Dumfries and Galloway and reiterated this is a significant commitment for the Board.

The Board discussed how we can engage the local supply chain and the need to recognise previous challenges small local contractors have had with the scale of our investment plans. It was confirmed this would be a consideration as we develop our future supply chain.

The Board discussed the potential for raw materials to also be sourced locally as part of our focus on sustainability and reducing transportation requirements. The Board discussed customer insight on investment and reiterated that the quality of our windows is a particular focus. It was confirmed our windows are all kite marked and have a strong focus on quality.

Decided: The Board noted the contents of the presentation.

5. Business and Remobilisation update

The Board received an update on the current service levels and key business activity since the previous meeting.

The Board discussed our continued support for homelessness and reiterated our continued commitment in this area.

The Board considered the successful Wheatley Care tender for Housing Support Service and how this can contribute to our wider commitment to contribute to local jobs.

The Board considered our transition to in person meetings with customers as restrictions ease. It was confirmed that we will continue to have appropriate safety protocols and engage with any tenants we plan to meet in person to provide reassurance in this regard.

The Board reiterated the importance of the plans to increase visibility in our local communities and engage with our tenants.

Decided: The Board

- 1) noted the plan for remobilising services across the business;**
- 2) noted the wayleave permission for Main Street Beattock, in line with the Disposals Policy; and**
- 3) agreed that DGHP should continue to match homeless households to suitable available homes, in advance of a wider review of our allocations policies later this year.**

6. a) Asset Management update

The Board received an update on the progress of the Strategic Return on Investment appraisal for all DGHP Stock and the Principles for the Collaborative Transformational Regeneration Area (“TRA”) at Lochside, Dumfries.

The Board welcomed the progress with the TRA and sought further detail on our plans regarding other properties in the area and engagement with tenants and stakeholders. It was explained that our approach is focused on community regeneration and how the whole community becomes sustainable and that this would include consideration of the issues raised. It was confirmed we will

engage with other RSLs with an ownership interest in the wider regeneration area.

The Board considered the potential to develop a mechanism to evidence the benefits and impact the TRA delivers over time.

The Board discussed the impact of the regeneration work on the wellbeing of those still residing in the vicinity. It was confirmed this will be an active consideration throughout the process.

Decided: The Board

- 1) noted the progress being made against the strategic return on investment appraisal which will form part of a future presentation to the Board in Autumn 2021;**
- 2) noted the progress being made with the Council to develop the principles of a TRA area in North West Dumfries. This will be considered at Dumfries and Galloway Council's Economy and Resources Committee on 15 June 2021;**
- 3) approved the consultation with the remaining 13 households living in the 12 affected blocks within Lochside;**
- 4) agreed to repurchase the 4 privately owned homes within the 12 blocks. These will be subject to independent valuations with an anticipated valuation in the region of £44,000 to £55,000 anticipated per flat;**
- 5) agreed to offer rehousing to the remaining 13 households and payment of the home loss and disturbance payments;**
- 6) approved the demolition of the 12 blocks in Lochside; and**
- 7) increased the 2021/22 demolition budget to £800k and the re-profiling of the Demolition budget following the strategic appraisal. This is the estimated costs of the proposals (subject to up to date valuations and demolition costs.**

b) DGHP Five Year Asset Investment Plan 2021-2026

The Board received a summary of our approach to developing our 5 year investment plan and the planned investment across our key themes of: Warm, High Quality Homes; Safe Homes; and Great Neighbourhoods.

The Board reiterated our investment plan is an important element of delivering our partnership commitments to tenants.

The Board discussed how we engage with tenants to ensure they can extract the benefits of more innovative investment such as air source heat pumps. It was confirmed that a priority will be showcasing this type of investment work and working with tenants to increase familiarity with how they operate. It was further explained that this should also reduce the level of repairs that nonfamiliarity can inadvertently generate.

The Board considered how our investment plan in future can evolve to potentially facilitate home working should this, as expected, become more prevalent in the future. It was confirmed that these types of factors are considered as part of the annual process and we will be in a clearer position next year.

The Board discussed sustainability more widely and the likelihood that our future investment plans will require to take into account issues such as electric charging points for vehicles.

Decided: The Board approved DGHP's 5 Year Asset Investment Programme 2021-2026.

7. DGHP Transformation Programme

The Board received a year end update against our transformation programme and the proposed approach to align the delivery of future strategic projects as part of the delivery of our new strategy.

The Board agreed the proposed approach will effectively embed our transformation programme into our core business activities whilst retaining appropriate scrutiny and oversight at Board level.

Decided: The Board

- 1) noted the progress made to deliver the 2021/22 transformation plan; and**
- 2) agreed to the 2021/22 DGHP Strategic Delivery Plan.**

8. 2020/21 ARC return and year end performance

The Board reviewed the Annual Return on the Charter, recognising that performance has been heavily impacted by the pandemic and reflected updates over the course of the year.

The Board considered our tenancy sustainment, the impact on our allocations approach has had and the level of support available to tenants, particularly those who have been allocated a tenancy via our homelessness contribution. It was explained that as previously discussed by the Board, we are working with partners to increase the level of wraparound support for homelessness allocations.

Decided: The Board

- 1) noted the contents of this report; and**
- 2) approved the attached Annual Returns on the Charter for DGHP.**

9. Performance Framework and Strategic Projects 2021/22

The Board reviewed the proposed performance targets, including the proposed phasing over the full life of the strategy. The Board agreed the targets were overall appropriate, whilst the overarching approach retained flexibility as part of our annual review.

The Board discussed further our fire safety, where the reduction of 10% was a welcome target but that in proportionate terms would be a reduction of 2%. It was recognised that in this instance the target should be viewed within the context of the wider range of fire safety activity we are undertaking to facilitate behavioural change. It was noted a later agenda item was an example of this.

The Board discussed the potential to track whether we could monitor whether bursaries granted impacted people remaining in the area to study. It was agreed this would be explored and an update provided to a future meeting.

The profiling of vulnerable children being supported was discussed, in particular the large increase in year 5. It was agreed this would require to be further explored in future years regarding deliverability. It was confirmed this would be part of the annual review process of our targets and strategy.

The Board recognised that as we seek to reflect the communities we serve, the current demographic make up of Dumfries and Galloway continued to have comparatively low diversity.

The Board noted the earlier decision to mainstream our transformation programme into our delivery plan and the proposed group wide strategic projects. It was agreed the group projects were appropriate and would also support the delivery of our own strategy.

Decided: The Board

- 1) noted the new Group-wide performance management framework;**
- 2) approved DGHP's proposed KPIs and targets for 2021/22; and**
- 3) noted the planned strategic projects across the Group for 2021/22.**

10. Fire Prevention and Mitigation update

The Board received an update on the deployment and refinement of our fire prevention and mitigation framework, end of year performance, ongoing Fire Risk Assessment programme and planned additional reporting. It was confirmed our baseline data was established from June 2020.

The Board discussed the deployment of Fire Safety Officers and the integrated approach with Housing Officers and repairs in terms of identifying risk and vulnerability.

Decided: The Board noted

- 1) our on-going approach to the prevention and mitigation of fire during the Covid-19 pandemic;**
- 2) performance in relation accidental dwelling fires;**
- 3) progress with the continued development and implementation of the Fire Prevention and Mitigation Framework; and**
- 4) progress with Fire safety remedial works and Fire Risk Assessment (FRA) programme.**

11. [redacted]

12. Strategic governance review

The Board received an update on the scope and terms of reference of the group wide strategic governance review underway. It was clarified that any major recommendations which impact DGHP would be discussed by the Board, who would take into account customer feedback as appropriate.

The Board received feedback from the Chair of the recruitment panel regarding the proposed appointment of Caryl Hamilton.

Decided: The Board

- 1) note the Strategic Governance Review Terms of Reference; and**
- 2) approved the appointment of Caryl Hamilton as Non-Executive Director and agreed to admit Caryl to the register of members.**

13. Finance report

The Board received a summary of performance for the year to date, year end performance for 2020-21 and the draft regulatory returns.

The Board sought and received clarification on the accounting treatment of grant income, in particular how we draw down cash and release to our profit and loss.

The Board discussed the costs associated with the office move, including dilapidations. It was confirmed we have a provision in the agreed budget and the dilapidations remain subject to negotiation with the landlord.

The Board sought an update on the potential timing of transitioning to the RSL borrower group. It was explained that this is under consideration as part of our wider group funding strategy. It was further explained that issues such as investment activity would impact the timing.

The Board considered the 5 year financial projections and in particular the movement in housing depreciation and deficit. The impact of our new build programme was set out in further detail, in particular the impact of how we treat grant income and the way we account for properties in terms of gross value and valuation. It was confirmed the movements were non-cash.

Decided: The Board

- 1) noted the management accounts for the year ended 31 March 2021 and the month to 30 April 2021 at Appendix 1;**
- 2) approved the loan portfolio submission in Appendix 2 and authorised this to be submitted to the Scottish Housing Regulator and delegated to the Group Director of Finance authority to approve any factual data updates required to the data in advance of the submission; and**
- 3) approved the summary sheet and accompanying financial data and projections at Appendix 3 and authorised these to be submitted to the Scottish Housing Regulator and delegated authority to the Group Director of Finance to undertake any factual data updates required to the data in advance of the submission.**

14. [redacted]

15. Corporate Risk Register

The Board reviewed the corporate risk register, the proposed updates and agreed they reflected our current organisational risk profile.

Decided: The Board approved the revised Corporate Risk Register.

16. AOCB

There was no other competent business.

SIGNED: