

**Minute of meeting of River Clyde Homes' Board
held in hybrid format in River Clyde Homes' office and via Microsoft
Teams on Tuesday 6th February 2024 at 5.30pm**

	Name	Designation
Present	John Quinn (JQ)	Board Member (Chair)
	Chris Curley (CC)	Board Member
	Tom Ferrier (TF)	Board Member
	Charles Thompson (CT)*	Board Member
	Robert Speir (RS)	Board Member
	Elizabeth Taylor (ET)	Board Member
	Stephen Black (SB)*	Board Member
	Ellis Barilli (EB)	Board Member
	Heike Noack (HN)	Board Member
Apologies	Gillian McLees (GMcL)	Board Member
	Graeme Brooks (GB)	Board Member
	Vera Karaba (VK)	Board Member
Others in Attendance	Richard Turnock (RT)	CEO
	Tom Greenan (TG)	Director of Group Services
	Stevie McLachlan (SMcL)	Director of Housing Services
	Kevin Smith (KS)	Director of Property Services
	Derek Ferguson (DF)	Managing Director of HFS
	Steven Duffy (SD) (up to conclusion of item 5.2)	Head of Finance and ICT
	Siobhan O'Kane (SO)	Minute Taker
(* represents online attendance)		

1. Sederunt, welcome introduction and apologies

The Chair welcomed all and the sederunt was as outlined above.

2. Declarations of Interest

2.1 The Board noted the declarations of interest made by ET and JQ regarding their positions on the subsidiary company Board.

2.2 The Board also noted the declarations of interest made by EB and HN in relation to item 5.1 and HN declaration regarding item 5.3.

2.3 The Board was advised that management in attendance was not conflicted by item 5.2.

3.1 Draft Minute and Confidential Minute of meeting held on 26th September 2023

The Board:

- **Approved the minutes as a true record.**

3.2 Draft Confidential Minute of meeting held on 7th December 2023

The Board:

- **Approved the minutes as a true record.**

3.3 Action Tracker

Board:

Action 1 – the Board noted that there is an agenda item on Pensions for this meeting and therefore this action has been completed and can be removed from the tracker.

A&R Committee:

The Board noted the actions on the tracker and the timescales for completion.

SLOC:

The Board noted the actions on the tracker and the timescales for completion.

3.4 Minutes of SLOC Committee meeting on 24th October 2023

The Board noted the minutes.

4.1 Ratification of Board Approval (Confidential Item)

4.1.1 The Board ratified previous approvals given for tenancy allocations to people connected to one of our staff members and for the demolition of identified properties.

5.1 Rent and Service Charges 2024/25

5.1.1 A presentation was given to the Board focussing on the proposals; consultation process; customer feedback; and sector insight.

5.1.2 With regards to the proposals, the Board was advised that the 6.7% increase is aligned to the September CPI rate. This CPI rate is calculated on September's performance. The Board was further advised that our customer profile is considered carefully when making these recommendations and takes account of the high percentage of our customers who access welfare benefits.

5.1.3 Assurance was also given to the Board of the sector analysis undertaken by management along with a full review of the financial year to determine whether there are any variations since the previous consultation process. With regards to service charges, the Board was advised that this is based on cost covering only.

5.1.4 The consultation exercise was undertaken using a variety of formats and captured feedback from 1,629 customers. Our recommendations align to the customer sentiment from this consultation exercise. Whilst noting Service charge consultation resulted in a near 50/50 split, the recommendation aligns' with principle that increase covers the value of providing service only.

- 5.1.5 A discussion then took place in relation to rent affordability of customers who are not in receipt of benefits and that, going forward, the consultation process should be reviewed to take account of this. Assurance was given to the Board that the approach taken by RCH aligns to the Rent and Service Charge policy, others in the sector and also that our calculations are based on an affordability tool also widely used across the sector. However, we will consider supplementing our approach in future to include greater focus on those customers.
- 5.1.6 The Board sought assurance that VFM continues to be an ongoing consideration and priority for management. Confirmation was given that from a rent and service charges perspective, our rent increases have reduced from RPI (which our previous financial model was based on) and that, more generally, our VFM agenda will continue. This has been demonstrated by VFM delivery in recent years recently and we will continue to review our services to ensure VFM is achieved.
- 5.1.7 The Board requested for additional information to be provided in relation to stress testing and greater visibility of broader financial and key operational assumptions to provide assurance that the rise of 6.7% will ensure sufficient headroom and continued covenant compliance.
- 5.1.8 A discussion then took place in relation to service charges and confirmation was given that each service has its own full cost recovery model. The Board was also reminded of the ongoing factoring review which may inform changes to this service charge going forward and that the final report will be provided to the Board for consideration. The Board recommended that the factoring service charge increase should be in line with the rent and other service charges increases and agreed that this should be 6.7%.
- 5.1.9 The Board then discussed the consultation feedback and sought assurance that 'free text' feedback received is being considered and responded to. Confirmation was given that this information has been analysed and responded to where necessary.
- 5.1.10 The Board requested an amendment to the recommendations regarding service charges to clarify that the increase to heating charges excludes our District Heating Systems.

The Board:

- **Noted the various consultation activities in respect of the proposed rent and service charge increases.**
- **Approved the proposed annual increase of 6.7%, which will apply to; rents, garages, covered parking, ground sites and allotments subject to circulation of additional information as outlined in paragraph 5.1.7 above.**
- **Approved the increases in respect of other services which are charged at a level that recovers the cost of delivery. These services include wardens, 'heat with rent' charges (excluding District Heating charges which are managed separately), multi-story caretakers and tenement service provision.**
- **Approved an annual increase of 6.7% to be applied to factoring fees.**

5.2 Pension Strategy Update (see Confidential Minute)

Contained in the Confidential Minute.

5.3 District Heating – Phase 2 (see Confidential Minute)

5.3.1 The Board considered and approved implementation of phase 2 of this project.

5.4 Governance Matters (see Confidential Minute)

5.4.1 The Board considered and approved a new application for General Membership, a revised General Membership Policy and appointment to the HFS Board.

5.5 Bagatelle Court Staffing (see Confidential Minute)

5.5.1 The Board considered and approved a change in RCH staffing due to the take-over of the Housing Support Service at Bagatelle Court.

6.1 CEO Update (see Confidential)

6.1.1 The Board noted the contents of the CEO Update which focussed on staff matters, governance, key stakeholder activity, business development, media activity and the sad passing of our recently retired Chair, Jillian Moffat.

7. AOB (see Confidential Minute)

7.1.1 The Board was advised that we were recently contacted by our Regulation Analyst at the Scottish Housing Regulator (SHR) to advise that they have undertaken a review of our Board minutes from the last 12 months as part of the Governance strand of their Risk Assessment. Confirmation was received that the minutes provide the SHR with assurance in relation to SHR Standards of Governance and Financial Management. The SHR also provided a helpful observation in relation to enhancing our approach to the recording of confidential items where possible and the Board was advised that we will consider our future practice in light of their comments.

7.1.2 The Board was also provided with a Health and Safety update and discussed a gifts and hospitality matter.

Date of next meetings

Date of next RCH Group Board meeting: 26th March 2024

Date of next HFS Board meeting: 12th March 2024

Date of next Committee meetings:

R&N Committee meeting – 22nd February 2024

A&R meeting – 5th March 2024

SLOC meeting – 30th April 2024