

Present: Ron Neave (Chair), Kath Mands (Vice-Chair), Paul Crichton, Ian Byers, Darren Keddie and Alan Fraser.

The following joined via Video Conferencing: Kevin Braidwood and Vicki Cutler.

In Attendance: Barry Moore (CE), Marjorie Sloan (CSD) and Clare Talbot (CSO).

24/03/01 Apologies

There were apologies received from Denis Brown.

The Chair welcomed everyone to the meeting.

24/03/02 Declarations of Conflicting Interests

A Board member declared a conflict of interest in relation to the Development of Oak Gardens. The Member declared his firm provides services for the Hadden Group.

24/03/03 Minute of Board Meeting 28 February 2024 and Tracker

The minutes from the Board Meeting will be presented at the Board Meeting on 29 May 2024.

24/03/04 Matters Arising

To be discussed at the Board Meeting on 29 May 2024.

24/03/05 Chair's Actions / Decisions between meetings

The CE presented the report and confirmed there had been no Chair's Actions since the previous Board Meeting on 28 February 2024; the Chair confirmed this to be the case.

Board **noted** the report.

24/03/06 Confidential Development Report: Oak Gardens

The CE presented the report to the Board on a small fully net zero development opportunity seeking approval to acquire / purchase the land from HG Oak Gardens Ltd and enter into a Development Contract with Hadden Construction to build the 10 affordable / social housing properties.

The CE confirmed that the actual decision on whether the Association enters into a development contract is reserved for the Board. The CE highlighted it is necessary to present this opportunity directly to the Board rather than first going to the AM&DC due to the deadline date for the decision and financial commitments being 28 March 2024.

The CE provided a comprehensive and detailed brief on the report, highlighting 2.1 and the appendices 1-5. The CE stated that he had met with Scott Hadden, Managing Director of the Hadden Group, earlier in the day and had negotiated a reduction in the land costs from ██████ to ██████. Developing 10 properties on the site would now equate to an average land cost per property of ██████. The CE went on to cover the comparison costs from that of previous developments.

The CE provided comprehensive details of the property rental income as at 3.3.2 and that of the stakeholders stating that the Scottish Government would commit a significant amount of affordable social housing grant. Angus Council are supporting the development, which is incorporated in their Strategic Housing Investment Plan (SHIP) for completion in 2024/25. RBS would have a significant interest by way of loan funding. The CE advised he and the CSD would keep RBS and SHR well informed on the progress throughout the construction phase.

ABERTAY HOUSING ASSOCIATION LIMITED

Minutes of the Board Meeting

Monday 25 March 2024 17:00

The CE reported the benchmark grant works out at £1,070,000.00 (£107,000.00 per property), this may increase slightly. The CE confirmed that the Association's estimated contribution on receipt of benchmark grant would be £1,080,000.00 and detailed the pertinent figures as per the table at 3.5.1.1.

The CE confirmed, as reported to the Audit Finance and Risk Management Committee on 14 February 2024, by way of the Management Accounts, the Association's financial position as of 31 December 2023.

The CE stated the loans secured with RBS would be the Association's primary funding mechanism. The loan secured with RBS for development was secured with the development of Mossgiel in mind. However, discussions have taken place with RBS and they would be comfortable with the requisite portion of the loan being utilised for the Oak Gardens development. The CE informed Members that Bruce Davidson, the Association's Client Manager at RBS, will attend the next AM&DC and AF&RMC Meetings.

The CE stated the Budget for 2024/25 and 30 Year Financial Plan agreed by the Board on 28 February 2024 does not include any allowance for Oak Gardens. Should the project go ahead, the CSD would provide an updated base budget and present it at the May 2024 Board meeting. As a result of the increased borrowing which would be required in 2024/25, the additional £300,000 identified for planned maintenance may not be available or may need to be reduced.

The CE reported that the cost and grant figures detailed with various discount rates over 60 years all produce a negative Net Present Value (NPV), indicating that the development would have a net cost to the Association over that period.

The CE provided comprehensive details of the risks associated with the construction phase, as well as the human resource capacity and capability to deliver the Oak Gardens development.

The CE stated the construction phase is well underway and all project management would be managed in house. There will be fortnightly informal site visits and monthly formal site meetings. In the closing couple of months of the construction phase the monthly formal site meetings will move to fortnightly formal site meetings in order to bring the development to conclusion in a timely manner.

The CE provided a thorough explanation of the table at 5.2.1 detailing the Association's available finance as at 31 December 2023. The CE stated that grant has been confirmed and we would need to submit the grant application by 26 March 2024. The CE detailed the payment of ██████ in respect of acquiring / purchasing the land would need to be made this financial year. With regard to the first valuation figure, the CE stated this figure would be adjusted and the amount would not be paid in full this financial year, an amount would be retained, and the full amount paid early April 2024.

The CE stated the Development Contract would need to be finalised at the same time as we acquire / purchase the land. There is a risk regarding the road bond, however, this is mitigated given that the road substructure is in place and the first layer of tarmac will be laid within the first week in April 2024. The CE confirmed that this will be discussed with Thorntons in terms of legal advice and risks.

The Board queried the road bond and would the Association need to contribute to this. The CE stated there is no contribution from the Association. The issue for the Association is the access to our properties which is why the road bond is necessary.

The CE clarified the position on developer's contributions and confirmed that Hadden Construction's contribution is approximately £7,000.00 per property. The CE also confirmed that the Association is under no obligation to pay this, and a letter of comfort will be issued by Angus Council.

Board asked about the other interested RSLs. The CE confirmed that they would not be in a position to make a decision until the end of April 2024. Angus Council advised the main interested RSL of the situation and they, the RSL, are content with the opportunity being presented to the Association.

Board queried the consequences on the £300,000 that had been identified for planned maintenance if they approved the development. The CE confirmed that the £300,000 was additional to what the Board had approved in respect of the Planned Maintenance Programme 2024/25 and hence it would not have an impact on the Programme.

Members had discussion on the significant expenditure that will be incurred in respect of net zero development and the achieving net zero generally.

The CE stated the properties will be ready for handover in October 2024.

The CE concluded that Board approval would be subject to legal advice and risk and should there be anything problematic in this respect, this would be brought back to Board for further consideration.

Board **approved** acquiring the land from HG Oak Gardens Ltd at a purchase price of [REDACTED].

Board **approved** entering into a Development Contract with Hadden Construction Ltd to build the 10 affordable / social housing properties at a contract sum totalling [REDACTED] [REDACTED] for the purpose of the calculations in this report – reference to paragraph 2.7.1).

24/03/07 Scheme of Delegated Authorities

The CE presented the report. The Scheme of Delegated Authorities was approved at the Board Meeting on 28 February 2024. The Scottish Housing Regulator (SHR) has since updated the Regulatory Framework and associated Statutory Guidance which comes into effect on 1 April 2024. The Notifiable Events Statutory Guidance made some amendments in relation to responsibilities for informing the SHR about a Notifiable Events, which effect the Scheme of Delegated Authorities. It was proposed that appropriate changes be made to the Scheme of Delegated Authorities to reflect this.

The CE stated this will be an item for discussion at the Board Away Day.

Board **approved** the amendments to the Scheme of Delegated Authorities.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

24/03/09 Confidential Report Bank Signatories

The CE reported that [REDACTED] is a signatory on the Royal Bank of Scotland (RBS) accounts. It is proposed to remove her as a signatory from these accounts. It is proposed to add [REDACTED], as an additional signatory.

The CE reported that [REDACTED] was also able to authorise transactions on behalf of the Association on Bankline, the online banking platform. This was cancelled on the day [REDACTED] confirmed her intention to leave the Association's employment. It is proposed to add [REDACTED], as an additional signatory.

The CE reported that [REDACTED] also holds an Association credit card. This was cancelled on the day [REDACTED] confirmed her intention to leave the Association's employment. It is proposed that a replacement card is applied for in the name of [REDACTED], with the same credit limit of [REDACTED].

Board **Approved** the changes to authorised signatories:

- A replacement credit card in the name of [REDACTED].
- Removing [REDACTED] as a signatory to the RBS accounts, including the credit card and on line banking and replacing her with [REDACTED].

We resolve that:

- if we add or remove Authorised Signatories in the "Add or Remove Authorised Signatories" section on the "About your request" page of this form, the Bank will update our mandate accordingly for the accounts we specify in this form's "About your business" section
- if we change the Signing Rules in the "Change the Signing Rules on the Mandate" section on the "About your request" page of this form, the Bank will update our mandate accordingly for the accounts we specify in this form's "About your business" section
- and the current mandate will continue as amended.

24/03/10 AOB

Meeting closed at 18.50hrs.