Minute of Board Meeting held at 5pm on Monday 31 August 2026 at the Office and Online (Teams)

Provanhall Housing Association Limited

Quorate – Yes

Members Present	Linda Cameron	(Chairperson)
	Tom Irving	(Vice Chairperson)
	Gabriel Agbola	(Secretary)
	Elizabeth McEwan	(Board Member)
	David Carse	(Board Member) - Online
	Deborah Anderson	(Board Member)
	Ayodeji Olorunsogo	(Board Member)
	Claire Mckay	(Board Member) - Online
	Jillian Fearnside	(Co-opted Member)
	Christopher Kelly	(Co-opted Member) - Online
Staff	Alan Hume	(Chief Executive)
	Mark Tedford	(Operations Manager)
	Lorraine Sommerville	(Finance Manager)
	Heather Elder	(Governance & Corporate Officer - Minute Taker)
Apologies	None	

Registrations of Interest

None

Brought Forward Item

1.2 Annual Accounts – Jennifer Spence from Azets attending

1.2.1 Paper circulated prior to the meeting.

1.2.2 The Chairperson passed on her thanks to all the Azets and PHA staff who have put in a huge amount of work for the audited accounts, particularly the FM who has had a period of absence.

1.2.3 Jennifer Spence (JS) from Azets presented the Audit Findings report. Pages 1-8 is PHAs report as a Board. All Board were asked if they are comfortable with the wording. The Board unanimously confirmed they are.

1.2.4 JS advised Housing Associations are unique as we require two audit reports in a highly regulated operating environment. Pages 9 & 10 is Internal Controls in relation to Finances and Governance. Pleased to confirm no issues identified and therefore nothing that needs brought to the Board or the Scottish Housing Regulators (SHRs) attention.

1.2.5 JS advised the Year End report starts with the Financial statements which runs over four pages. Again nothing in the accounts to flag to Board or SHR.

1.2.6 JS advised that page 11 has ‘Conclusions relating to going concern’. This confirms can trade as a going concern over the next 12 months. Azets are satisfied with PHAs cash position and planned spend.

1.2.7 Highlight on Fraud – JS advised the audit findings again found no issues of concern.

1.2.8 JS confirmed that from Page 15 onwards it is the numbers and results for the year 2025-26. These include Turnover which has increased from £2.7m to £2.8m. Mainly due to the rent increase. There is an operating deficit of £8k, however not concerned as that is mainly due to timing of planned maintenance works. There was £123k more spent this year in particular on voids. This is not a material concern.

1.2.9 The Chairperson asked if this includes contractors late billing. JS advised that with the best will in the world, there is always likely to be some invoices received after year end has closed. Can be hard to keep track of.

1.2.10 JS advised surplus before tax is £4k. All plans and forecasts look good.

1.2.11 JS advised page 17 is the Statement of Financial Position which provides a snapshot in time at 31 March 2026. Shows all the assts and liabilities. Fixed assets increased by £181k this year including strategic acquisitions. Bank balance reduced by £1.1m, however still a very healthy balance of £1.9m. Overall net assets position we would have £9.3m left if all assets had to be sold to pay debts.

1.2.12 JS confirmed page 12 to 40 are notes and more information. No changes in accounting treatment or notes. Nothing unusual this year.

1.2.13 The Chairperson asked about the current position on the pension’s deficit. JS advised this is linked to the previous final salary schemes and PHA does not have any current employees in this scheme. It is a difficult thing to account for as it changes each year and very susceptible to what’s happening in the market. PHA is doing everything right and making extra payments as required. Approx £82k left just now. There will be some additional payments from April 2026 to try and reduce further, and the impact should get less and less.

1.2.14 The Vice Chairperson asked what pension PHA provides now. CE advised PHA offers the SHAPS Defined Benefits Pension Scheme where the employer contribution is 10% and the employee contribution is 5%. JS confirmed that is an attractive pension scheme.

1.2.15 A member thanked all involved for what is a straightforward and good set of accounts. Noted that there are two figures (one of page 35 and one of page 39) missing. JS advised they were coloured as they were still to be added after final checks and clarifications. They have now been added and will be in the final set for Board to sign off.

1.2.16 CE advised that he had been trying to secure Financial training for Board through EHRA which had been unsuccessful. CE asked JS if Azets would be able to provide one afternoon later in the year. JS confirmed that is no problem and will get back to CE with some dates. Likely to be in Q3. The Vice Chairperson said

they acknowledge they can't ever be trained accountants but having a good understanding or terminology and when something looks abnormal.

1.2.17 CE advised there had been quite a few recommendations from last years reports which are now all complete.

1.2.18 JS advised the Audit Planning Letter – shows risks identified and tests carried out. All risks identified at planning and nothing found at all, completely clean opinion on all those risks.

1.2.19 JS advised there was six misstatements and three of them were minor adjustments identified by auditors or FM. One was a timing issue; one was a reclassification and was a slight change to treatment (was received in June). Figures through the year presented to Board have been accurate with no material changes as a result of audit.

1.2.20 JS advised that section six (internal controls points) from last years audit, five are completed as previously confirmed by CE. There is only one minor recommendation from this years audit. And that is to do a final sweep of last years invoices before audit. This might have happened this year, but due to FMs planned absence there simply wasn't time.

1.2.21 JS advised the 'Letter of Representation' has also been supplied. Requested Board review and sign off. Confirmed it is very standard, no changes from last year.

1.2.22 CE asked if Board members are happy to have their electronic signatures used to sign off the final accounts. All Board confirmed they are happy with that.

1.2.23 The Board thanked JS for her hard work and for attending this evenings meeting.

1.2.24 The board had no further questions or comments and Approved the 2025-26 Year End Accounts.

** JS left the meeting at 5.39pm.

0.1 Matters Arising (Rolling Action Schedule)

0.1.1 CE still to verify the query regarding staff expenses in the Q4 accounts. Will be able to do so now FM has returned to work. Will update at next Board meeting.

0.1.2 CE been unable to provide through EHRA. Will seek to provide through Azets one afternoon in Q3.

1 Items for Decision

1.1 Previous Meeting Minutes

1.1.1 Minute of Board Meeting 29 June 2026. Circulated prior to meeting. Minutes were **Proposed by Elizabeth McEwan and Seconded by Claire McKay.**

1.2 Annual Accounts – See Brought Forward Item

1.3 Life Assurance Cover

1.3.1 Paper circulated prior to the meeting.

1.3.2 CE confirmed PHAs life assurance benefit is due for renewal. Our pension provider has advised that cover of up to ten times salary is available, with similar organisations typically offering four times salary. We currently provide cover of two times salary at an annual cost of £1,604. Increasing cover to four times salary would increase the cost to £3,208 per year, based on the current workforce. The enhanced package also includes additional benefits, such as GP24 and will writing assistance. Increasing life assurance cover would improve financial protection for employees families, demonstrate the organisation's commitment to staff wellbeing, and enhance our overall benefits package at a relatively low additional cost.

13.3. The board had no questions or comments and **Approved the Life Assurance cover to four times salary.**

1.4 Q1 Accounts

1.4.1 FM confirmed Q1 performance is significantly ahead of budget, with operating surplus of £205k compared to a budget of £38k, an improvement of £167k. The favourable position is primarily driven by substantial underspends in planned cyclical maintenance (£61k), management and maintenance administration (£46k), and reactive maintenance (£34k). Rental income is broadly on target following the 5% rent increase, while void losses remain below budget. The main adverse variances relate to Medical Adapt costs being incurred ahead of grant income recognition and lower than expected interest receivable income. Overall, the Q1 surplus is strong, although a large proportion appears to be timing-related maintenance underspends which may unwind later in the financial year. The budget for this year had been set prior to FM starting and confirmed a few things have since been tweaked. The rent increase is on target.

1.4.2 FM advised turnover performance in Q1 is broadly on target at 99.7% of budget, with total income only £2.1k below plan. Rental income has remained strong following the 5% rent increase, supported by void losses being lower than expected. The small overall shortfall is largely attributable to the non-recognition of budgeted Stage 3 grant income in the quarter. This will likely remain the case until submissions at the financial year end. Slightly higher than anticipated HAG grant amortisation. This is due to the grant received being higher than anticipated at the time of budget setting. Overall, income performance is stable and does not present any significant concerns at this stage of the financial year.

1.4.3 Operating expenditure for Q1 was £536.6k compared with a budget of £705.4k, generating a favourable variance of £168.8k (23.9%). The underspend is primarily driven by lower than anticipated expenditure on planned cyclical maintenance (£60.9k), management and maintenance administration (£45.6k) and reactive maintenance (£33.7k). Additional favourable variances were achieved within estate management, bad debts and depreciation. The only adverse variance relates to Medical Adaptation costs, however we expect to claim that back now we

have confirmation from GCC of our allocation. Overall, expenditure performance is substantially below budget, although a significant proportion of the favourable variance appears to relate to the timing of planned maintenance activity and may reverse later in the financial year.

1.4.4 The Chairperson asked if GCC have funding left over later in the year will PHA apply for some of it? The OM confirmed yes we can if needed.

1.4.5 Net assets increase by £200k to £9.5m fully explained by the Q1 profit. Fixed assets decreased by £10k, reflecting approximately £130k component additions (cash-funded), partly offset by depreciation. Cash and cash equivalents increased by £600k, driven by:

- The operating surplus
- The cash injection for HAG due at the 25-26 year-end, received in April.

Net current assets fell by £130k, reflecting settlement of YE accrued income (HAG) materialising and reduction in debtors due to reduced arrears. A strong cash balance of £2.52m at Q1 remains. Current ratio is 3:1 which indicates strong liquidity and a healthy level of working capital.

1.4.6 The FM advised that our key Risks and Mitigations are:

- Maintenance underspend is likely timing related - Monitor closely for any trends in acceleration to combat early.
- Stage 3 cost growth exceeding funding levels - Faster turnaround on grant applications on medical adaptations.
- Lower interest Income - Look to options for high interest deposits.
- Admin cost savings not sustainable - Monitor upward trends closely as spend is likely to incur in future quarters.
- Imbalance in long-term investment profile - Refresh 30-year plan (BRIXX) to align asset need, funding, and financial capacity.

1.4.7 The Secretary asked what BRIXX is. The FM confirmed it is Financial Planning software and is used in a lot of housing associations. Helps to see the effect of percentage increases on rent over a 30-year term. Also has really good cashflow modelling.

1.4.8 FM advised that Managements focus for 2026-27 is:

- Deliver on Asset investment programme - Kitchens and bathrooms currently out to tender. Contractor should be awarded Q2 with works commencing in Q3. Any delays to Year 1 delivery can be caught up due to 3+2 years tender terms.
- Maintain strong financial control - Although Q1 is substantially ahead of budget, most of the variance appears to be timing related therefore reforecasts will be used to challenge the budget assumptions to identify recurring cost savings for future budget setting.
- Maximise rental income and minimise arrears - Rental income remains the primary source of revenue and is performing well. We want to continue to build on reducing arrears and keeping void and re-let times down.
- Strengthen long-term Asset Planning Using BRIXX - The 30-year financial plan will be refreshed using BRIXX to ensure robust long-term modelling, with clear alignment between investment requirements, asset condition, and financial capacity.

1.4.9 The FM advised that in conclusion Q1 has delivered a very strong financial performance, with rental income remaining stable and in line with expectations following the 5% rent increase, whilst void losses continue to be well controlled. The balance sheet remains robust, demonstrating good liquidity and financial resilience. The favourable outturn has been driven primarily by lower than anticipated expenditure, whilst this reflects positively on Q1 performance, management should carefully monitor whether these savings are recurring efficiencies or the result of expenditure being deferred into later quarters. Looking ahead, key priorities will be delivering the planned maintenance programme, maintaining strong rent collection performance and maximising grant funding. Overall, the organisation is in a strong financial position at the end of Q1, but continued focus will be required to sustain performance and achieve the full-year budget objectives.

1.4.10 The Chairperson asked if it makes sense for PHA to pay off more of the loan. The CE and FM both advised against it. There are no covenants attached to the loan and better to keep the cash in the bank.

1.4.11 A member said they really liked the format providing both figures and commentary. Noted that employer pension and IT costs are higher and wondered what the reasons are for that. FM advised the pension was due to how it had been previously accounted. Checked with Azets and having it sit within the salary line is the best way, and it should reduce. The IT costs were for the configuration of the new laptops. Looking to see if this cost can be capitalized.

1.4.12 FM advised there has been a big saving (Approx. £10.5k) due to the new payroll company claiming back National Insurance. This wasn't done when payroll was being done inhouse as specialist knowledge was required. The CE advised PHA is also looking into VAT recovery and will provide an update to board in the future.

1.4.13 The board had no questions or comments and **Approved the Q1 Accounts.**

2. Items for Discussion

2.1 H&S Dashboard

2.1.1 Paper circulated prior to the meeting.

2.1.2 OM confirmed PHA continues to remain 100% complaint for Compliance items including Gas annual landlord certificates and EICR's. Timescales for responding to emergency and non-emergency repairs remain comfortably within target timescales. Tenant satisfaction also remains high.

2.1.3 The OM advised updates in relation to Awaab's Law (damp and mould) have been getting uploaded to the 'Training/Useful Information' section on the portal. Board are asked to ensure they keep themselves appraised of the information being loaded there. Our damp and mould cases continue to be low and some of that will be to the installation of new windows.

2.1.4 The Board had no comments or questions and **Noted.**

2.2 KPI Update (Full Report)

2.2.1 Paper circulated prior to the meeting.

2.2.2 A member asked about section 5 refusals and if there were any reasons for those refusals. The OM stated that PHAs tenancy sustainment is good and we meet with GCC regularly to ensure referrals are appropriate for our area. Therefore, if any referrals aren't appropriate, PHA refuses them.

2.2.3 OM advised SHR report shows fewer voids within the sector, people are choosing not to move and it's resulting in pressure in the system. PHA received great feedback from SHR recently regarding our 100% tenancy sustainment and it is due to the hard work PHA puts in with visits, helping tenants settle in and the wider network such as the Connie, Sports Centre and Health Centre.

2.2.4 The Board had no further comments or questions and **Noted.**

2.3 Staff Attendance Report

2.3.1 Paper circulated prior to the meeting.

2.3.2 The CE confirmed we had staff off in June, staff were fully supported and managed in line with the policy, and this does not represent a concern.

2.3.5 The Chairperson thanked all staff for their continued hard work during a period of reduced staff.

2.3.6 The Board had no further comments or questions and **Noted.**

2.4 Q1 Board Training Report

2.4.1 Paper circulated prior to the meeting.

2.4.2 CE asked Board members to please ensure they complete their Virtual College training.

2.4.3 The Vice Chairperson said he has found some of the courses very helpful. Recommends Board members have a look at other courses that are available to them out with the ones assigned by PHA.

2.4.4 The Board had no further comments or questions and **Noted.**

2.5 Q1 Complaints FOI & DSAR Analysis 2026-27

2.5.1 Paper circulated prior to the meeting.

2.5.2 CE noted all completed within target and one lesson learned however majority not upheld.

2.5.3 The Board had no comments or questions and **Noted.**

2.6 Risk Register Review

2.6.1 CE asked the Board to review and consider what risks can be removed and what risks we should be adding. Intends to have a session with Board to create a new risk register.

2.6.2 A member said they were having difficulty understanding the letters and how they related to the scores applied. The CE advised this was a recommended risk register model which could be better. Will work with Board to create a new style of register soon. This is based on feedback from the latest internal audit which will be taken to the next board meeting.

2.6.3 The Board had no further comments or questions and **Noted.**

2.7 Away Day Report

2.7.1 Paper circulated prior to the meeting.

2.7.2 CE thanked everyone for attending. Everyone seems to have enjoyed it and there was some though provoking discussions. As mentioned earlier, intends to hold a sub away day with Board and Senior Management to review the Risk Register and the Business Plan. CE asked Board members to have a think about when would suit them best.

3. Items for Noting

3.1 EDI update

3.1.1 Updates published on the Board portal. Board requested to read and keep themselves informed. **Noted.**

3.2 EVH update

3.2.1 Updates published on the Board portal. Board requested to read and keep themselves informed. **Noted.**

3.3 SFHA update

3.3.1 This is a confidential statement and available to Board members separately.

3.4 EHRA update

3.4.1 The Chairperson advised she is staying on as Chair of EHRA as well. There is a quarterly meeting and AGM on 9 September 2026 and all Board members welcome to attend. Expects there to be some significant changes within EHRA in the next quarter.

3.5 GWSF update

3.5.1 CE & OM will be speaking at a GWSF event in October regarding recent involvement in affordable housing supply.

3.6 Membership

3.6.1 Membership applications 880, 881, 882 & 883 received and **Approved.**

3.7 Correspondence Received

3.7.1 CE confirmed the email discussed earlier from SHR providing positive feedback on PHAs 100% tenancy sustainment which was identified by the SHR scrutiny panel.

3.8 A.O.C.B.

3.8.1 This is a confidential statement and available to Board members separately.

3.8.2 This is a confidential statement and available to Board members separately.

3.8.3 This is a confidential statement and available to Board members separately.

3.9 Review of Meeting

3.9.1 Board felt the meeting was incredibly informative and really pleased to see such a healthy set of annual accounts. Accounts were easy to understand and can see the huge amount of work that has been done within the last year. A big thank you again to all the staff involved.

3.10 Date of Next Meeting

3.10.1 The next Board Meeting is after the AGM on Wednesday 23 September 2026 at the Connie.

There being no further business the meeting was brought to a close at 6.59pm.

Signed by (Chairperson)

Date 23 September 2026