

**For Update  
CONFIDENTIAL**

Agenda Item 6.1  
Date of Meeting:29/10/25

**To:** The Management Committee  
**From:** The Technical Services Manager  
**Subject:** Damp and Mould Case

---

**1. Introduction/Purpose**

1.1 The purpose of this report is to update Committee with the current position relating to an ongoing damp and mould case which is the subject of legal proceedings. At each of the April to September 2025 Meetings, Committee were presented with detailed reports relating to this case.

**2. Settlement Package Update**

2.1 We received an email from our solicitor on 01 October informing us that the pursuer was rejecting our offer of £3,000 compensation, works and associated legal fees and was looking for £7,500 along with the scheduled works and associated legal fees.

2.2 Both myself and the Director met with our solicitor, TC Young, on 02 October, to discuss and agree our next offer. During the meeting it was agreed that the offer of compensation be increased to £5,500. Our solicitor also advised that they would make a minute of tender and set that with a compensation limit of £6,000. This means that the legal fees will be capped based on that value of award should agreement not be reached. This is also an indication of both parties wishing to get to a resolution.

2.3 The revised offer made by our solicitor now consists of:

- Insulation/ plaster works around front door and to kitchen wall along with making good finishes etc
- Replacement mastic to all windows.
- Installation of data loggers
- £5,500 compensation
- Legal fees
- Non – disclosure agreement

- 2.4 On 10 October we received an email from our solicitor advising that the pursuer was accepting the offer of £5,500 along with the works and other items as noted above. They also advised that it was only the mastic to the two bedroom windows that was required and that works would need to be completed within 3 months.
- 2.5 The court has discharged the hearing which was assigned for 16 October and the three-day proof diet at the end of this month, and the action has been sisted for settlement. We have transferred funds for settlement to TC Young and the works have commenced in the property. Once these works have been completed we will advise TC Young. We currently await the legal costs from the pursuer and our solicitor is in the process of drafting the non disclosure agreement.
- 2.8 We have requested that our solicitor inform our insurance companies solicitor that settlement has been made to enable an assessment of any potential coverage from our insurance policy. As advised previously it is envisaged that this is unlikely to be cover by our policy.

### 3. Notifiable Event

- 3.1 As Committee is aware that since the Director submitted a Notifiable Event to The Regulator on 2<sup>nd</sup> May 2025 about this case, she has been keeping The Regulator updated on the matter. This latest report will be uploaded to The Regulator’s portal shortly.

### 4. Risk

- 4.1 When considering this case we have identified the main risks under the following risk categories and the measures we could take to mitigate such risks.

Risk Category	Mitigating Measure
<ul style="list-style-type: none"> <li>• Financial – cost of defence or settlement</li> <li>• Reputation – bad publicity regarding case and outcome</li> <li>• Health &amp; Safety – condensation has potential to still to occur if case settled or won</li> </ul>	<p>Early settlement or win case</p> <p>Win case but no guarantee of outcome; settlement may keep the case ‘quieter’</p> <p>Monitor property with data loggers to find route cause(s) of condensation</p>

## 5. Delivery of our Strategic Objectives

Area	Related Strategic Objective(s)
Defending our position that we have a wind and watertight home	1. Provide high quality affordable homes
The decision to settle or defend	6. Use resources efficiently and effectively

## 6. Application of our Core Values

Area	Related Core Value(s)
Defending or settling this case	Accountable and Compliant Fair and Approachable Efficient and Responsible

## 7. Compliance and Assurance

7.1 Discussing our options to either defend or settle details how we meet our Regulatory requirements with reference to the following:

Compliance Source	Details
The Standards of Governance and Financial Management for RSLs Standard 5 - The RSL conducts its affairs with honesty and integrity.	GS5.1 - The RSL conducts its affairs with honesty and integrity and, through the actions of the governing body and staff, upholds the good reputation of the RSL.
The Scottish Social Housing Charter	4. Quality of Housing 5. Repairs, maintenance and improvements 13. Value for Money

7.2 Evidence Bank

Evidence	Assurance Exercise Location
<ul style="list-style-type: none"> <li>Committee Report</li> </ul>	Regulatory Standard 5 – GS 5.1 The Scottish Social Housing Charter

7.2.1 Committee is reminded that our Assurance Exercises are available in

the Committee Log-in Area of our website, which Committee can access at any time.

## **8. Summary**

- 8.1 In summary, Committee has been updated with the settlement information relating to an ongoing damp and mould case which is the subject of legal proceedings.
- 8.2 The current position with the open NE is set out in Section 3.
- 8.3 Risk has been considered at Section 4.
- 8.4 Section 5 shows how dealing with this case contributes to the delivery of our Strategic Objectives.
- 8.5 Section 6 shows how dealing with this case contributes to the application of our Core Values.
- 8.6 Section 7 shows how we comply with Regulatory requirements.
- 8.7 Committee is asked to note the current position with this matter.