

**For Update
CONFIDENTIAL**

Agenda Item 6.0
Date of Meeting:25/06/25

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 the April and May 2025 Meetings, Committee were presented with detailed reports relating to this case.

2. Settlement Package

2.1 At the May Committee Meeting Committee decided to settle the case and approved that the Director could agree the content of the settlement up to the approved amount of £12,000 compensation along with a package of works and legal fees.

2.2 Both myself and the Director met with TC Young on 22/05/2025 to discuss the proposed settlement. TC Young were represented by Rona MacLeod. Rona agreed to draft the initial settlement offer for review by Rosehill.

2.2 The initial settlement offer was reviewed by myself and the Director and was subsequently approved by the Director and consisted of:

- Remedial plasterwork
- Clean
- Installation of data loggers
- £2,000 compensation
- Legal fees

2.3 We have yet to hear any feedback for the other party regarding this offer. It should be noted that TC Young's solicitor has been on annual leave.

3. Notifiable Event

- 3.1 As reported in the Decision Tracker, following the Committee’s decision at its May meeting, the Notifiable Event was updated to reflect the Committee’s decision to settle the case and a copy of the Committee Report was uploaded. The update was acknowledged by SHR. We will continue to provide updates to The Regulator until the matter is concluded.

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"> Financial – cost of defence or settlement Reputation – bad publicity regarding case and outcome Health & Safety – condensation has potential to still to occur if case settled or won 	<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">Committee Report	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 potential settlement information relating to an ongoing damp and mould case which is the subject of legal proceedings.

8.2 Risk has been considered at Section 4.

8.3 Section 5 shows how dealing with this case contributes to the delivery of our Strategic Objectives.

8.4 Section 6 shows how dealing with this case contributes to the application of our Core Values.

8.5 Section 7 shows how we comply with Regulatory requirements.

8.6 Committee is asked to note the current position with this matter. If any update is subsequently received from our solicitor, this will be reported at the meeting.