

MINUTE
Management Board Meeting
1:00pm on 30 January 2020
Hopetoun Street, Edinburgh

Present: Michael Allan (Chairperson)
 Neil Wood
 Nigel Chapman
 Angus Lamont
 Don Jamieson (Vice-Chairperson)
 Helen Barton
 Laurence Casserly
 Lizzie Crawford

In Attendance: Jason MacGilp, Group CEO and Company Secretary
 Derek Adam, Director of Finance and Business Services
 John Davidson, Director of Customer Services
 Donna Holligan, Head of Finance
 Walter Clarkson, Head of Customer Services (Property)
 Morag Boyter, Head of Business Services
 Carolyn Owens, Governance Services Manager (Minute)

	Item	Action
1.	<p>Board Members Only Session</p> <p>Members discussed:</p> <ul style="list-style-type: none"> - ANCHO, Board membership and office bearer positions - The ongoing work of the Job Evaluations Working Group, the six point salary gradings, potential discrimination cases, risks and staff benefits package. - Agreed to add an open/closed/pending column to the Action Tracker 	
2.	<p>Apologies</p> <p>Simon Guest, Bill Gillespie and Jackie Browne (LOA)</p>	
3.	<p>Declarations Of Interest</p> <p>All staff declared an interest in Items 7.5 and 7.8 M Allan declared an interest in Item 7.1 as a tenant</p>	
4.	<p>Minutes Of Previous Meetings</p>	
4.1	Minutes of the CHA Board Meeting held on 5 December 2019 were proposed by Don Jamieson, seconded by A Lamont and approved .	Approved
4.2	Minutes of the Group Strategy Day held on 25 October 2019 were proposed by A Lamont, seconded by L Crawford and approved .	Approved
4.3	Minutes of the Audit & Performance Committee Meeting held on 26 November 2019 were noted .	Noted
4.4	The Note of the ANCHO Board meeting held on 28 November 2019 was noted .	Noted

	A member enquired if there had been any response to the Annual Assurance Statement (AAS) from the Scottish Housing Regulator. The Group CEO advised there is no formal feedback process however, during a meeting with the SHR in December they had advised they were content with the AAS.	
5.	Matters arising	
5.1	Action Tracker The Action Tracker was noted .	Noted
6.	GROUP UPDATES	
6.1	Partnership Investment Delivery Update The Head of Customer Services (Property) presented the report highlighting the increasing costs of kitchens and confirming that delivery would be within budget at Year 5. In response to member's questions:- <ul style="list-style-type: none"> - on the legal position for works carried out on property blocks with a mix of tenants/owners, members were informed that the Tenements Act can be used to force essential repairs eg; on roofs, but this approach would not be encouraged and a full response on share legislation and re-charging owners at point of sale was currently awaited. The CEO advised that ANCHO Board would revisit the issue in Spring with potential to complete the door entry works, however this approach would have financial impacts on the wider program subsidising the works. - the Director of Finance and Business Services advised that the buildings were insured through block insurance which does not cover wear and tear for roof replacements. - in relation to the £80,000 anticipated variance over 5 years, the Group CEO advised this had been discussed with the ANCHO Board and suggested a discussion at the Partnership Review Meeting in Spring, with an agreement on numbers of units v spend achieved, environmental works, and a way forward. It was confirmed that all will be delivered as promised, the only exceptions would be where access to properties had not been granted. - the Director of Customer Services confirmed the additional investment in App 1 reflected the Planned Maintenance plus investment spend totals of £8.4m. - the Group CEO advised that rather than legal obligations, partnership delivery promises were a matter of reputational and moral obligations to tenants as part of partnership promises. The report was noted .	Noted
6.2	T&C's Harmonisation The Director of Finance and Business Services advised that the T&C's harmonisation was dependent on the outcome of the benchmarking review which the Working Group was currently concluding. This would be reported to the Board after conclusion of salary agreements. He report was noted .	Noted
7.	ITEMS FOR DECISION/APPROVAL	

7.1	<p>Feedback On Rent Increase Consultation And Agree Rent Increase Draft 2020 Budget</p> <p>The Director of Customer Services presented the report detailing feedback from the rent consultation on the 2020 rent increase proposals. In response to member's question it was confirmed that next year's increase would be based on RPI. Members acknowledged the 26% of responses in favour of the higher increase and suggested that this may reflect on stock condition.</p> <p>Following consideration of the customer feedback and further discussions on affordability, the Board approved a 2.4% rent increase for all rents excluding the former Communities Scotland Tenants from 1 April 2020.</p>	Approved
7.2	<p>Draft Budget 2020/21</p> <p>The Head of Finance presented draft budget assumptions, key highlights and main proposals. Board were requested to review and comment on the appendices and Draft Budget.</p> <p>In response to members' questions it was confirmed that:-</p> <ul style="list-style-type: none"> - voids are currently 2.07% and arrears 3.17%, and there was £18.5m on deposit with the potential to refinance below 4% pending further discussions with lenders. - staff costs include overheads and rechargeable salaries. - SMT are continuing to look at savings in other areas in order to increase PM spend. - Interest payable is currently due to loan interest whilst development program is underway. - training had been reduced from 100k to 50k, impacts and benefits of training and ROI were being analysed, and other ways to deliver training such as in-house LearnPro were currently being explored. - OOM properties 75-80k would be maintained at that level, including Caberfeidh Court. - It was confirmed that the Health & Safety spend proposals were still to be finalised - CEO summarised issues for Board; training may have a short term impact on people strategy objectives, covenant compliance reducing to 121% and confidence/risk appetite, how to sustain a continued newbuild development programme after 2024, staff costs modelling 1% and potential impact on staff morale, engagement, performance etc. or look at overall structure/headcount rather than COL rise. The Chair highlighted that staff costs have to be affordable. <p>Members discussed covenant cover and risk, the planned maintenance programme, service review, overheads as % of turnover, loan interest cover, the auditors view which looked at 30 yr projection and headroom and ability to reduce other areas. It was confirmed there was no contingency for other areas held in the Salaries budget. The voids backlog in the North was discussed.</p> <p>It was agreed that a sensitivity analysis option on a continued development programme of 517 units plus potential for 30 per year for final budgets would be brought back to the March meeting. Members discussed Cairn Living, commercial income generated, and potential additional income if it could be developed/modelled on MMR units post 2023/24.</p> <p>Board noted the draft Budget, the final Group Budget together with the 30 year financial projections with different scenarios would be presented to the March Board meeting for approval.</p>	Agreed
7.3	<p>Financial Procedures and Delegated Authority</p>	

	<p>The Director of Finance and Business Services presented the report confirming that the Internal Audit had been completed and the Auditors were satisfied with procedures.</p> <p>The Financial Procedures and Delegated Authority, which the CEO advised has been previously approved by the ANCHO Board on 22 January 2020, was approved and would be signed by the Chair and Vice-Chair and will apply across the whole Group.</p>	Approved
7.4	<p>Draft Business Plan 2020-2023</p> <p>The Head of Business Services presented a draft explaining that the Business Plan was high level at this stage with the detail contained in Project Plans which members were invited to study in more detail over the coming weeks if they wished. SMT were currently looking at resourcing and capacity to deliver the proposed plan. Board members would be invited to be involved in projects when the final Plan was presented at the March meeting.</p> <p>In response to a member's question regarding partnerships with Local Authorities to develop mixed estates, the Head of Business Services advised this was a marker which may or may not develop depending on LA Local Plans.</p>	
	<p>Board noted the progress with the developing 2020-23 Business Plan.</p>	Noted
7.5	<p>2020 Annual Salary Review</p> <p>Following a request at the last meeting for sector pay increase information the Director of Finance and Business Services advised of a range of increases of 1.5%, 3%, 2% and 1.6%, and 1.6% for Ancho staff under a previously agreed EVH agreement.</p>	
	<p>Following consideration, Board approved a 1.6% salary increase for Cairn employees, effective from 1 April 2020.</p>	Approved
7.6	<p>ANCHO Board Membership</p> <p>The Governance Services Manager presented the Report summarising recent resignations and retirements, including the Chair of Ancho, S Campbell-Perry. It was also noted the outcome of a recent recruitment exercise where Ancho Board had approved two new Board memberships for Nigel Fortnum and Michael Donnelly, and the election of the new Ancho Chair Mary Black, for which approval by CHA Board (as Group parent) was recommended.</p>	
	<p>Board approved Board memberships for N Fortnum and M Donnelly, approved M Black as Ancho Chair and noted the current composition of the Ancho Board.</p>	Approved Approved Noted
7.7	<p>Service Charge – Change To Calculation And Feedback</p> <p>The Head of Finance presented the report requesting Board to approve the proposed change to the Service Charge calculations and note the feedback following consultation with Tenants.</p>	
7.8	<p>Following discussions and noting absence of the calculations in this report, Board requested more information on the calculations. It was agreed that the Head of Finance would circulate the information and seek approval via email.</p> <p>Staff Pensions – Review of Current Provider</p>	Agreed

7.9	<p>The Director of Finance and Business Services presented the report and in response to the Vice-Chair who pointed out that the actual cost of the review and changing provider would be £7,500, he clarified that it was proposed to review pensions every 5 years.</p> <p>Board approved the recommendations of the Pensions Audit and change in pensions provider.</p> <p>Growth & Partnerships Update</p> <p>Confidential item</p> <p>Board approved the proposed membership of the Growth & Partnerships Group for the year 2020 up to the AGM in 2020.</p>	<p>Approved</p> <p>Approved</p>
8.	ITEMS FOR DISCUSSION/EARLY VIEWS	
8.1	<p>Mobysoft Income Management Best Practice</p> <p>John Brownhill from Mobysoft gave a presentation on Rentsense including sector best practice and current trends. Members discussed arrears figures, staff culture and policy and practice, changes to approach in relation to 'rent in advance', profiling to assist most vulnerable tenants and the benefits system.</p> <p>John was thanked for his presented.</p>	
8.2	<p>Internal Audit Plan Discussions 2020/2021 and Tender</p> <p>The Group CEO advised members that the Audit & Performance Committee would be considering the Internal Audit Plan for the coming year and asked members for any areas for audit or improvement work for the coming year. Members were also notified that due to changes in financial legislation Scott Moncrieff would be unable to act as both internal and external auditors.</p> <p>Board approved an Internal Audit tender exercise and agreed that two members of the Audit & Performance Committee would join the interview panel along with SMT.</p>	<p>Approved Agreed</p>
9.	ITEMS FOR NOTING/PROGRESS MONITORING	
9.1	<p>Development Programme / AMWG Update</p> <p>The Head of Customer Services (Property) presented the Report and recommendations.</p> <p>Board confirmed their approval to three new projects at Culbokie, Lambhill and Blackridge.</p> <p>Members were advised that final approvals for the Chair to authorise on Granton would be received shortly and the Falkirk scheme brought the total delivery/definites to 330 out of original 400 target.</p> <p>The report was noted.</p>	<p>Approved</p> <p>Noted</p>
9.2	<p>Health & Safety Update</p> <p>Board noted the proposed changes to the previously agreed Health and Safety Action Plan for 2019/20 and the proposed actions as identified in the Health & Safety Manager's objectives for 2019/20.</p>	<p>Noted</p>

	Board noted the fire stopping requirements at retirement courts and related actions as detailed within the Report.	Noted
9.3	New risks (if any) None to report	
9.4	Strategic Goals The Report was noted	Noted
9.5	Homeworks Voids Update The Report presented by the Director of Customer Services was noted . The next meeting would take place on 20 February 2020, Docherty Consulting were currently pulling together data and the project timeline was confirmed as 12 months overall. An updated would be provided at the next Board meeting.	Noted
9.6	CHA Q3 KPI's The Head of Business Services presented the report for any questions. In response to members' questions:- <ul style="list-style-type: none"> - in relation to percentage of tenants in arrears, it was confirmed that 500 tenants accounts require actioning every week. - on staff absence and reduced targets which had been missed, the Director of Finance and Business services advised that absence figures had reduced since September 2019 but had been impacted by some long term absences and in response to a request to separate the long term and short term absences and reduce the long term from 28 days members were advised that this would be reviewed by the Audit & Performance Committee. - staff absence had impacted on call handling times and this was currently being analysed, with more realistic targets than 20 seconds to be proposed. A report would be presented to the Audit & Performance Committee for consideration prior to full Board. - ANCHO calls were due to transfer to the Contact Centre from May 2020 and a report would be brought to the next meeting. - The number of flu-jab uptakes by staff would be provided - Staff turnover statistics would be checked A member commented that the tenancies sustained and income performance was very good, the Director of Customer Services advised that if this was maintained the target would be reached. The report was noted.	Noted
9.7	ANCHO Q3 KPI's The Head of Business Services advised that the calls answered times would be explored to potentially inform CHA work. The Report was noted.	Noted
10.	GOVERNANCE, REGULATION & CORPORATE	
10.1	Chairperson's Update Report - noted	Noted
10.2	Report on Statutory Registers - none	
11.	DECISIONS TAKEN UNDER DELEGATED AUTHORITY	
11.1	Recruitment: Strategic Projects Officer Post - noted	Noted

12.	AOCB	
12.1	Following a member's question related to the development programme projections in the draft budget, members discussed the scope for re-financing. The Director of Finance and Business Services agreed to remodel what the impact would be on the Planned Maintenance programme and would present a three level scenario at the next meeting.	

The meeting closed at 4:20pm