

MINUTE
Management Board Meeting
1:00pm on 17 June 2021
Meeting held via Teams

Present via Teams: Don Jamieson (Chair)
 Angus Lamont (Vice-Chair)
 Neil Wood
 Laurence Casserly
 Bill Gillespie
 Simon Guest
 Nigel Chapman
 Lizzie Crawford
 Helen Barton
 Mary Black (Ancho)

In Attendance: Jason MacGilp, Group CEO and Company Secretary CEO
 (All from Item 2 onwards) Derek Adam, Director of Finance & People Services DFPS
 Meg Deasley, Director of Property Services DPS
 Morag Boyter, Director of Business Services DBS
 Sean Connor, Director of Customer Services DCS
 Carolyn Owens, Governance Services Manager GSM (*Minute*)

	Item	Action
1.	<p>Board Members only session</p> <p>Board Members discussed the day's agenda and what issues should be prioritised. Members also agreed that the upcoming Board Appraisals would not have a member of staff present and a note would be taken by the Chair and agreed by the individual Board member. The Vice Chair updated members on the work of the Improvement Plan sub-group.</p>	
1.1	<p>CEO Objectives – Confidential</p>	
1.2	<p>Special Audit Update - Confidential</p>	
2.	<p>Apologies</p> <p><i>Staff members joined the meeting</i></p> <p>None</p>	
3.	<p>Declarations of Interest</p> <p>Simon Guest declared an interest as a Director of Cairn Homes & Services Ltd (trading as Cairn Living).</p> <p>Mary Black declared an interest as Ancho Board nominee.</p>	<p>Noted</p> <p>Noted</p>

4.	Minutes of Previous Meetings	
4.1	CHA Board Meeting – 25 March 2021 The Minutes of the Board meeting held on 25 March 2021 were proposed by Simon Guest, seconded by Bill Gillespie and approved .	Approved
4.2	Ancho Board Minute – 11 March 2021 Minutes of the Ancho Board meeting held on 11 March 2021 were noted . Mary Black confirmed they had been approved by the Ancho Board	Noted
4.3	Audit & Performance Committee Minute – 30 March 2021 Minutes of the Audit & Performance Committee meeting held on 30 March 2021 were noted . Angus Lamont confirmed they had been approved by the Audit & Performance Committee	Noted
4.4	Constitutional Review WG Meeting – 1 April 2021 Minutes of the Constitutional Review WG meeting held on 1 April 2021 were noted .	Noted
4.5	Asset Management & Development Committee Minute - 20 May 2021 The draft Minutes of the Asset Management & Development Committee meeting held on 20 May 2021 were noted .	Noted
5.	Matters Arising None.	
5.1	Action Tracker <u>Item 1</u> – the DPS advised that a final proposal to progress the Port of Leith project was expected within the next two weeks.	
6.	GROUP UPDATES	
6.1	Partnership Investment Delivery Update The DPS presented the report, which had been presented to the Ancho Board at their last meeting, advising that all the contracts held over from last year due to the Covid pandemic restrictions had now resumed. The kitchen programme was progressing and the investment deliver was on track for the bulk of the tenant promises, particularly the main element of the kitchens, to be done this year. Mary Black, Ancho Chair advised the Ancho Board had been satisfied with the report and would monitor future potential cost increases. The report was noted .	Noted
6.2.	Covid Update Service Route Map The CEO gave a verbal update advising that most elements of the service were being delivered as previously, particularly on repairs and investment although there were still some restrictions and the offices were still closed. The IMT continued to meet as required, a staff survey has been conducted to inform a	

6.3	<p>return to the office potentially in a staged approach, most likely based on team agreements and corporate requirements which would be worked out over the next couple of months.</p> <p>In response to a members' question related to discussions at the AMDC on intelligence received relating to the shortage of materials impacting on voids and repairs, including timber, the DPS advised there had not been any issues so far and stock levels were being monitored.</p> <p>The Report was noted.</p> <p>Pentland Transfer - Confidential</p>	Noted
7.	ITEMS FOR DECISION/APPROVAL	
7.1	<p>Five Year Financial Projections (FYFP) & Loan Portfolio SHR Submission</p> <p>The DFPS presented the Report and a brief overview, advising that the loan portfolio submission had been delayed until 31 August due to an SHR portal issue, and requested delegated authority to seek approval from Chair/Vice-Chair for submission following review by the Audit & Performance Committee in August 2021.</p> <p>In response to a member's question on high cash in the bank in the first few years the DFPS advised that the minimum level was £3m and is higher at the end of the year due to restrictions on drawdown dates of loans. The current deposit rate on a 95 day deposit was slightly less than the interest paid on the loan, and the asset value held in the accounts is cost and increases with inflation.</p> <p>Board approved the annual Five Year Financial Plan (FYFP) for submission to the Scottish Housing Regulator (SHR) and delegated authority for the Chair/Vice-Chair to approve the loan portfolio submission.</p>	Approved
7.2	<p>Constitutional Review: Project for Transfer of Engagements and Governance Efficiencies</p> <p>The Group CEO presented the report and gave an update on the consensus at the Constitutional Review WG and Ancho Board meetings as detailed in the report.</p> <p>Members discussed the number of members present at the joint meetings, timings, boardpack sizes, and logistics of Teams/in-person meetings. The Ancho Chair gave an update on views from the Ancho Board in favour of a hybrid approach considering the timing of the constitutional review.</p> <p>Board approved that there was a shared intent by both boards to commence a detailed project in September 2022, with the objective of preparing a business case and seeking the implementation, by April 2024, of a Transfer of Engagements from Ancho into Cairn HA to form a single registered social landlord for the Group, (all subject to regulatory requirements, lender approvals, consultations and related board approvals at key stages.</p>	Approved

	<p>The Chair invited members to vote on the options at 12.1, 2, as detailed in the Report. There were 8 votes for option B and 1 for option C, thereby Option B was carried.</p> <p>Board approved new governance administration arrangements to be put in place from October 2021, based on Option B; hybrid arrangements for Board meetings, where Ancho and Cairn continue to have separate Board meetings as present, but with co-terminus joint governing body meetings every second or third meeting.</p>	Approved
7.3	<p>Group Business Continuity Plan</p> <p>The DBS presented the Group BCP which was consolidated for the Group and included recommendations from the recent BCP internal audit.</p> <p>The Board as Group parent approved the Group Business Continuity Plan.</p>	Approved
7.4	<p>Former Tenants Arrears Write-Off</p> <p>The DCS presented the Report and summary of the former tenants arrears written off during the financial year 2020-2021, allocated for within bad debt provision, and advised that debts were still recoverable for up to 5 years and would continue to be pursued where possible.</p> <p>In response to a members' questions:-</p> <ul style="list-style-type: none"> - on the upper limit under delegated authority for the DCS to write off, the DFPS would confirm this figure - on the current level of bad debt provision, trends and expected increases due to Covid the DFPS advised the former and current arrears was £722,000 of which £419,000 was provided for in the accounts, plus an adjustment for the recalculation of UC. In the previous year it was 52% this year 58% of current arrears was provided for as bad debt <p>The report was noted.</p>	<p>Action DFPS</p> <p>Noted</p>
7.5	<p>Adoption of SFHA Model Rules 2020</p> <p>The GSM presented the Report with an overview of the revisions to the CHA Rules and Ancho Rules which had been aligned to the SFHA Model Rules (2020), along with the approvals processes and timelines.</p> <p>Board approved the amended CHA Rules and Ancho Rules (as Group parent).</p>	Approved
7.6	<p>Legal Services Contract Extension</p> <p>The GSM presented the report and prompted members to consider the timing of legal service procurement. In response to members' questions a summary of the fee structure was provided, the total spend over the current 4 year contract would be circulated by the DFPS, and the CEO advised that the specialist resource and independent legal opinion of an external provider were more beneficial than employing a full time member of staff. Members discussed performance of the current provider, procurement policy, timings, and preference for continuity on the Pentland and Ancho projects and avoiding unnecessary changes at critical stages, and the benefits of conducting a performance/contract review meeting.</p>	Action DFPS

	Following discussions, Board approved the extension of the legal services contract with Harper Macleod.	Approved
7.7	<p>Complaints Handling Procedure</p> <p>The DCS presented the updated Scottish Public Services Ombudsman Model Complaints Handling Procedure (SPSO MCHP) which all public bodies (except the NHS and water providers) are required to implement from 1 April 2021, advising that an abbreviated version would be provided for customers.</p> <p>Board approved Cairn Housing Group's new Complaint Handling Procedure</p>	Approved
8.	ITEMS FOR DISCUSSION/EARLY VIEWS	
8.1	Mary Black reiterated a point raised at the Ancho Board meeting on progressing improvements in equalities and tenant engagement as part of the 2021 Annual Assurance Statement, which the DBS had confirmed was underway.	
9.	ITEMS FOR NOTING/PROGRESS MONITORING	
9.1	<p>Fire at Queensgate, Inverness</p> <p>The DPS provided a verbal update on the immediate response to the incident referring to the business continuity planning processes, assistance given to residents including potential upgrades to the LV2 fire alarms for all residents, and intended buy-back of the property.</p> <p>In response to a member's question on communications to Board members the Group CEO confirmed the Chair and Vice-Chair were informed promptly, and members should have been informed via the usual press release email and a final report, and apologised to members not receiving these.</p> <p>The Report was noted.</p> <p><i>[Post meeting note: the CEO and Chair emailed members on 24/06/2021 to advise that the Business Continuity Plan would be amended to include reference to the Communications Manager to issue a summary briefing note for Board Members following any major incident involving significant service disruption, significant damage to property, serious injury or loss of life, once the immediate issues are resolved].</i></p>	Noted
9.2	<p>Cairn Connect – Service Update</p> <p>The DCS presented the report and responded to members' questions on:-</p> <ul style="list-style-type: none"> - Identification of the tenants preferred methods of contact and software to track these, there were numerous channels available and reported on each week, data could be extrapolated from the current CRM system which tracked preferred contact methods. - number of average calls p/a against staff numbers equating to 3-4 calls per hour per staff member, the DCS said they were the calls dealt with, other tasks emails and web chats were designated to staff, and transformation plans were for first point of contact resolution, there were 6.5FTE and one FT member and resource planning was being progressed. - proposals to appoint a new overseer the position would be a team leader - targets which were 43,000 calls p/a and £40,000 of income payments processed per month. 	

	<ul style="list-style-type: none"> - sickness absence advising that meetings were ongoing, performance of the out of hours provider on 114 calls per week would be analysed and provided to future Board meetings - potential for partnering with other HA's could be explored in the future, PHA and Ancho staff would increase staff numbers. - staff were all home-working since Covid, the service would be most effective delivered from a shared environment. <p>The Report was noted</p>	
9.3	<p>Care & Repair – Annual Report</p> <p>The DPS gave an update on the Care & Repair service including KPI report, highlighting the previously circulated response to a member's question on the grant funding shortfall and client contributions. A member commended the team for the good service particularly during the pandemic.</p> <p>The Report was noted.</p>	Noted
9.4	<p>Development Programme / AMDC Update</p> <p>The DPS presented the report advising that costs and materials were being monitored with contractors and the development programme was going well, an overview of the Port of Leith contract and other items within the report was provided.</p> <p>In response to member's questions; on sprinkler costs the DPS confirmed the costs were within the budget envelope and would be included; the 161 units were still expected to be completed this year but it was under constant review.</p> <p>The Report was noted.</p>	Noted
9.5	<p>Q4 Management Accounts</p> <p>The DFPS presented Q4 Management Accounts for CHA, Ancho and CHS. He gave an overview of the holiday pay accrual, impairment for Morlich Court, adjustment for pension liability, loan breakage costs and increased bad debt provision, confirming that there was still an earnings before interest tax depreciation in line with the budget, albeit the deficit at year end is £3.8m worse than originally anticipated. Banking interest cover covenants, overheads as % of rent and staff costs as a % of rent were all being met. Total employment costs were shown within the I&E as requested.</p> <p>In response to members' questions; on SHAPS pensions and realignment, the DFPS explained the annual actuarial valuation assumptions, past service deficit costs and exit fees from the SHAPs scheme; on management issues leading to holiday accruals the CEO agreed there was an issue and explained the management approach taken and the 5-days maximum carryover. The Q4 management accounts for CHA, Ancho and CHS were noted.</p>	Noted
9.6	<p>KPI's</p> <p><u>CHA</u> - the Chair raised issues with YTD figures in the current year not reflecting the past year's performance on indicators. This would be discussed further by A&P Committee members and the DBS, with a view to producing two tables including rolling targets and indicators as well as ARC defined.</p>	

	<p><u>Ancho</u> – Mary Black highlighted one issue raised by the Ancho Board on missing a complaint target and ensuring adequate staffing during absences. The DBS advised the Ancho customer service KPI's will increasingly be integrated with CHA's</p> <p>The CHA and Ancho KPI's were noted.</p>	Noted
9.7	<p>Health & Safety Strategy 6-month update</p> <p>The DBS presented an update on the Health & Safety Strategy. The Chair commented that he would like to see a quarterly organisational Health & Safety update report. The Report was noted.</p>	Noted
9.8	<p>Gifts and Hospitality Register</p> <p>The GSM presented the annual report and register. The 2021 Gifts & Hospitality Register was noted.</p>	Noted
9.9	<p>Annual Declarations of Interest Register</p> <p>The GSM presented the annual declarations of interest Register. Following a discussion it was agreed to review the List of Contractors to remove the larger and inactive companies where there would be no possible direct benefit. The 2021 Declarations of Interest Register was approved.</p>	Approved
9.10	<p>Shareholding Membership Review</p> <p>The GSM verbally reported no changes to the shareholding membership advising that a further review would be presented in December 2021. The Report was noted.</p>	Noted
9.11	<p>External Audit Contract Extension</p> <p>Angus Lamont advised the Audit & Performance Committee had approved the extension for a final two year period. The Report was noted.</p>	Noted
9.12	<p>Budget Scenarios</p> <p>The DFPS presented scenarios requested at the previous meeting, advising the current interest cover covenant was 110% and confirming to members there were no concerns with the financial projections going forward. The Report was noted.</p>	Noted
9.13	<p>Service Charge Update</p> <p>The DFPS presented the report and a discussion took place on provision to write off, affordability for tenants, impact on voids, recovering the deficits over a period of time, service charges included in rents, current complex processes for cost allocations for schemes, pooling and previous tenant feedback. The CEO referred to the Business Plan and timing of both the work and implementation of recommendations. The DFPS would contact Arneil Johnston for advice/scoping from national organisations in the meantime, reminding members of the previous decision to delay the service charge review and presentation. It was agreed the DFPS would circulate a scoping paper. The Report was noted.</p>	Action DFPS Noted

	Risk Register and new risks	
9.14	The DBS advised the Audit & Performance Committee had requested a review of Risks 10 & 12 for August 2021.	
10.	GOVERNANCE, REGULATION & CORPORATE	
10.1	Chairperson's Update Report The Chair gave an update on various meetings attended and video launch of the Business Plan. The Report was noted .	Noted
10.2	Governance Update The GSM presented the report. The CEO advised a notifiable event had been submitted to SHR on the recent fraud incident. Board noted the report and approved final sign-off for the Governance Improvement Action Plan.	Noted Approved
10.3	Group Meetings Schedule/Forward Planner – in Teams - noted	Noted
11.	DECISIONS TAKEN UNDER DELEGATED AUTHORITY	
11.1	MetLife Shelf Facility The DFPS advised that the facility was signed on 4 June 2021 resulting in £50m available over the next 3 years to drawdown as required.	
11.2	ARC submissions signed under Chair/Vice Chair approval The CEO confirmed the submissions and highlighted one change to the Ancho submission.	
11.3	Allocation Of A Property To A Member Of Staff The DCS provided an overview of the approvals	
12.	AOCB	
12.1	None.	
13	DATE OF NEXT MEETING	
13.1	Special Board Meeting to be held on 29 July 2021 at 2:00pm	
13.2	Board Meeting to be held on 9 September 2021 at 1:00pm	