

Argyll Community Housing Association

Board of Management Meeting

Thursday 18 June 2020 at 10.00am via Skype

Minute

Present:

Jim Milne (Chair)
Cameron Grant (Vice Chair)
Councillor Roddy McCuish (Secretary)
Ian McIntyre (Chair of the Audit Committee)
Cathy Grant
Bruce Marshall
Nancy McDonald
Pat McVey
Betty Rhodick
Councillor Iain Shonny Paterson

Not in Attendance:

In Attendance:

Alastair MacGregor, Chief Executive
Bruce West, Director of Finance & IT
Colette Benham, Director of Human Resources & Corporate Services
Christine Gannon, Director of Housing & Neighbourhood Services
Janice Kilgour, Senior Regeneration Officer (new build) (items 1–11)
Kirsteen McGinn, Director of Investment & Regeneration (items 10–27)
Lesley Lindsay, PA to Board of Management

The Chair took the meeting through his introduction:

INTRODUCTION

Thank you all for participating in this Board Meeting.

In order to make this work there are some ground rules which I will explain shortly. First, an update on the agenda:-

Item 10 Stock Condition Survey may be delayed as Kirsteen has been called away to an urgent appointment. It is anticipated Kirsteen will join at a later stage and Item 10 will be fed into the agenda at an appropriate time.

GROUND RULES

I will be running a register. I will run through the register before we start to confirm that people are present and can hear me and other people clearly. As I go through the register just say 'Here'.

(Go through register)

Back to the Ground Rules

Each Item introduced by the lead author.

For the items requiring Board approval I will ask for comments/questions etc.

Please make your comment/question and make the content as concise as possible.
Remember that Lesley is minuting this meeting and she needs to know who is speaking and what you are saying!
Once discussion over – remind what approval is being sought
Ask for approval.
Silence = approval; Not approve = speak up.
In the event a vote is required I will go through the register list using For and Against.
Roddy proffered some good advice before the last meeting that when you are not speaking could you please mute your microphone. One of my cats inadvertently muted me during the AHFA Board and I was left speechless for a little while.
There are two AOCB. One on Future Board meetings, the other on planned timelines for the ARC return and Annual Assurance Statement.

The Chair asked if there were any other items to be added to AOCB. There were none.

1.	<p>Apologies Councillor Donnie MacMillan.</p> <p>Leave of Absence for David Carmichael and Sonja Aitken.</p> <p>Leave of Absence request for Brian Tester to be covered under Item 5 Correspondence.</p>	<p>Actions to be completed by 20/08/20</p>
2.	<p>Minutes of Meeting – 28th May 2020 The Board of Management APPROVED the minute as a true and accurate record of the meeting.</p> <p>Proposed by: Cameron Grant Seconded by: Cathy Grant</p>	
3.	<p>Matters Arising Page 3 – Item 6 – the Director of Human Resources & Corporate Services advised the message of thanks had been cascaded to staff.</p> <p>Page 5 - Item 8 – the Chair confirmed the word “worsened” had been replace with “increased”. Nancy McDonald confirmed she was in agreement with the amendment</p> <p>Page 7 – Item 10 – the Chair confirmed a letter and voucher had been issued to Yvonne Angus and read the content of the letter issued.</p> <p>Page 7 – Item 10 – Employee of the Season – the Board noted the Chair and Director of Human Resources & Corporate Service would meet on Friday 19th June to review the nomination form.</p> <p>Page 7 – Item 11 – 10 10 10 Initiative – the Director of Human Resources & Corporate Services advised a meeting had only just taken place with the Council and stated she would report back to the August Board meeting.</p> <p>Page 13 – Item 20 – Health & Safety Update – the Chair confirmed the spreadsheets had been issued to Board members.</p> <p>Page 13 - Item 23– the Chair asked that any questions be raised with himself or the Chief Executive out with the meeting.</p>	

4.	<p>Minute of Audit Committee Meeting – 6th February 2020 The Chair of the Audit Committee took the meeting through the minute of the Audit Committee meeting item by item.</p> <p>The Board of Management unanimously RATIFIED the minute of the Audit Committee for 6th February 2020.</p>	
5.	<p>Correspondence The Chair advised he had two items for discussion.</p> <p>Leave of Absence Request – Brian Tester The Board of Management unanimously APPROVED a Leave of Absence for Brian Tester until face to face Board meetings could take place safely.</p> <p>Group Appreciation Letter The Chair read out the contents of the letter being proposed to be issued to all Group Staff. The Chair advised the letter had been approved at the AHFA Board meeting. It was highlighted the letter should read “Covid-19”. Subject to that amendment, the Board of Management unanimously APPROVED the letter to be issued to staff.</p>	LL
6.	<p>Declaration of Interest None.</p>	
7.	<p>Chief Executive Presentation</p> <p>The Chief Executive advised an electronic copy of his presentation had been circulated by email on Tuesday 16th June 2020.</p> <p>The Chief Executive took the meeting through his presentation covering:</p> <ul style="list-style-type: none"> • Covid-19 Update – What we are taking forward • Other Covid-19 Related Matters • Other Business • External Updates <p>The Board of Management NOTED the contents of the presentation.</p> <p>Pat McVey asked if the furloughed staff had carried out any training. The Chief Executive advised he was not aware of any substantive training undertaken but the Director of Human Resources & Corporate Services would cover any relevant issues. The Director of Human Resources & Corporate Services advised furloughed staff had been provided with access to the Safety Media training platform. She further advised briefing papers had been made available to furloughed staff from Investment & Regeneration in advance of them returning to work. The Director of Human Resources & Corporate Services confirmed that all furloughed staff had been receiving the Business Continuity Updates.</p> <p>Bruce Marshall asked how the Supporting Communities Fund money would be distributed and who ACHA should apply to. The Chief Executive advised the Scottish Government had routed the fund through recognised organisations and advised ACHA would submit applications via the GWSF.</p>	

8.	<p>ACHA Business Plan</p> <p>The Director of Finance & IT took the meeting through his report and advised that ACHA's loan agreement with Lloyds Banking Group required ACHA to submit its business plan annually to them for approval. He advised the Business Plan, as set out in the Appendices to this Report, had been submitted to Lloyds Banking Group on 31 March 2020 and on request by Lloyds Banking Group a further document setting out some scenarios that may impact on the Business Plan as a result of Covid 19 (Appendix 6). The Director of Finance & IT advised confirmation had been received from Lloyds Banking Group that ACHA's Business Plan had received their approval.</p> <p>The Director of Finance & IT drew the Board's attention to Appendix 5 – Sensitivity Analysis and took the meeting through the main points:</p> <ul style="list-style-type: none"> • Rental Income • Voids • Bad Debts • Management Costs • Planned and Responsive Maintenance • Major Repairs • New Build Development • Interest Rates • Inflation <p>Bruce Marshall stated a huge amount of work had been done on the Business Plan and stated he would have found it easier to read in paper form. He stated it was hard to plan for such a long time in the future. The Director of Finance & IT agreed but stated the bank required a 30-year Business Plan.</p> <p>Bruce Marshall asked what the figure of £149k for rent leases referred to on page 49. The Director of Finance & IT advised that was the cost attached to the rental of offices that the Association leased. Bruce Marshall asked if that cost would be removed once ACHA had all their own offices. The Director of Finance & IT advised lease payments would cease but would be replaced with loan interest and loan repayments required to build offices. Bruce Marshall stated the cost to lease of Dalriada House was high and asked if that cost would always be there. The Director of Finance & IT advised the Association were tied into a 7-year lease with the Council but with the option to purchase at the end of the 7-year lease.</p> <p>Bruce Marshall asked what the Council Tax cost related to. The Director of Finance & IT advised that was the cost for void properties, empty for more than 6 months.</p> <p>Bruce Marshall asked who the photocopying charges were paid to. The Director of Finance & IT advised the Association paid a lease and copy charge to Cannon.</p> <p>Bruce Marshall asked if there was any way of reducing the £178k for legal fees. The Director of Finance & IT advised a re-tendering exercise was</p>	

	<p>currently taking place. He stated that the organisation operates in a highly regulated sector and often legal advice is required on a wide range of issues. The Chair stated it was his view the retainer amount paid to BTO represented good value. The Chief Executive advised the cost was good value for money in terms of the size and scale of the business. He added costs would be significantly higher if there was not a retainer and legal costs were paid on an hourly basis. The Chief Executive commented that having legal costs on a retainer also allowed for better budget planning.</p> <p>Bruce Marshall asked what the environmental charges of £47k related to. The Director of Finance & IT advised it was waste collection across all areas.</p> <p>Bruce Marshall asked if the Association continued with a rent increase of RPI plus 1% whether that would make ACHA's rents higher than average. The Director of Finance & IT advised RPI plus 1% was the current business planning assumption. He added that it was a decision for the Board to take on an annual basis the level of rent increase and what level of rental income would be required to carry out the Association's objectives.</p> <p>The Chair thanked the Director of Finance & IT and his team for all the work carried out on the report.</p> <p>The Board of Management unanimously APPROVED the Business Plan and AGREED to submit the Business Plan to the Scottish Housing Regulator.</p>	
9.	<p>AHFA Business Plan</p> <p>The Director of Finance & IT stated the AHFA Business Plan was slightly more straightforward. He advised that each year the Scottish Housing Regulator through the engagement or regulation plan requested from ACHA a copy of the AHFA business plan be submitted prior to 30 June but to date no request has been received. He advised his report sets out an approach for dealing with such a request and proposes sending the budget for one year along with the narrative from the previous Business Plan. The Director of Finance & IT advised AHFA's clear focus was to get to March 2021 and repay the remainder of the intercompany loan, have cash in the bank with assets outweighing liabilities.</p> <p>The Board noted that lockdown had got in the way of the plan for the first quarter of the year.</p> <p>The Board of Management unanimously APPROVED the approach to submit the AHFA Business Plan to the Scottish Housing Regulator.</p>	
10.	<p>Stock Condition Survey Report</p> <p>The Director of Investment & Regeneration took the meeting through the eight recommendations contained within her report:</p> <ol style="list-style-type: none"> 1. Note the scope of the report 2. Note the content of the report. 3. Note the results of the report 4. Note the assumptions for life cycle costing contained within the report 	

	<p>5. Approve the investment priorities identified in the report for the next 10 years.</p> <p>6. Approve the provision of £308,800,983 in the business plan to accommodate the investment works over the next 30 years as profiled in Appendix F.</p> <p>7. Note that the department will review the elemental costs (Appendix D - Table 1) on annual basis to reflect recent tender costs. This will lead to a review of life cycle costs. This will be reported to Board on annual basis.</p> <p>8. Approve the proposal to tender to carry out a 20% update of the stock condition survey on an annual basis for the next 5 years.</p> <p>Bruce Marshall stated he knew the outcome of the stock condition survey would not be good and added the outcome was fairly alarming. He asked if he was correct in thinking energy efficiency/heating was the biggest issue. The Director of Investment & Regeneration advised that would be more of a challenge for ACHA than many other Associations with a higher level of new build properties. She added that in addition, many properties within Argyll and Bute were not on the gas grid.</p> <p>Bruce Marshall commented it was very difficult to see into the future but wondered whether demand for ACHA properties could fall with tenants seeking a higher standard. The Director of Investment & Regeneration agreed ACHA had challenges due to the much older stock but would build on positives through investment.</p> <p>The Chief Executive stated that since stock transfer ACHA had spent around £14m per year improving homes. He advised the huge piece of work carried out highlights what areas still require investment, with energy efficiency being the biggest. He added that the vast majority of stock has demand.</p> <p>Councillor Paterson commented the highest non-compliance within the report related to Lorn & Isles and asked for the main reason. The Director of Investment & Regeneration advised there was a high level of multi tenure blocks and flats with most off the gas grid, relying on electric heating. She advised the compliance figure would improve dramatically over the upcoming 12 months through the Warm Homes Fund initiative.</p> <p>Councillor Paterson asked how many pre 1919 properties the Association owned. The Director of Investment & Regeneration advised there were 102 pre 1919 houses across all stock.</p> <p>The Board of Management unanimously NOTED the scope of the report. The Board of Management unanimously NOTED the contents of the report. The Board of Management unanimously NOTED the results of the report. The Board of Management unanimously NOTED the assumptions for life cycle costing contained within the report. The Board of Management unanimously APPROVED the investment priorities identified in the report for the next 10 years. The Board of Management unanimously APPROVED the provision of £308,800,983 in the business plan to accommodate the investment works over the next 30 years as profiled in Appendix F. The Board of Management unanimously NOTED that the department will review the elemental costs (Appendix D -Table 1) on annual basis to reflect</p>	
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	<p>recent tender costs. This will lead to a review of life cycle costs. This will be reported to Board on annual basis.</p> <p>The Board of Management unanimously APPROVED the proposal to tender to carry out a 20% update of the stock condition survey on an annual basis for the next 5 years.</p>	
11.	<p>Low Demand Properties – Drumfork Court, Helensburgh</p> <p>The Board of Management NOTED the contents of the report and unanimously APPROVED moving forward with a full options appraisal for Drumfork Court. A report back to the Board would be provided once completed.</p> <p>The Chair stated he felt passionate about Drumfork Court and asked for external advice to be taken during the options appraisal. This was agreed.</p>	
12.	<p>Review of HOME Argyll Allocations Policy</p> <p>The Director of Housing & Neighbourhood Services advised that HOME Argyll partners (ACHA, Fyne Homes, West Highland Housing Association, Dunbritton Housing Association & Argyll & Bute Council) had undertaken a review of the HOME Argyll Allocations Policy last year to ensure the Policy was legally compliant with the 2014 Housing (Scotland) Act. Which had been approved by ACHA's Board of Management at their October 2019 meeting.</p> <p>Since then Partners undertook to review the wording in the Policy relating to Domestic Abuse to ensure that the Policy reflected the changes within the Domestic Abuse Scotland Act 2018, and that the Policy recognised that a wide range of behaviour can constitute abusive behaviour.</p> <p>The Director of Housing & Neighbourhood Services advised a consultation exercise had been carried out but no responses had been received.</p> <p>The Director of Housing & Neighbourhood Services took the meeting through the proposed revised wording on Appendix 1 and advised that all partners would be required to approve the amendments to the policy before implementation.</p> <p>The Board of Management unanimously APPROVED the revised wording relating to Domestic Violence within the HOME Argyll Allocations Policy.</p>	
13.	<p>Scotland's Housing Network – Annual Membership Renewal</p> <p>The Director of Human Resources & Corporate Services advised the prospectus and invoice from Scotland's Housing Network were appendices to her report.</p> <p>The Director of Human Resources & Corporate Services asked the Board to consider membership renewal at a cost of £2,699.47 for a further year.</p> <p>The Board noted Misia Jack had retired from SHN.</p> <p>The Board of Management unanimously APPROVED membership renewal of Scotland's Housing Network for a further year.</p>	
14.	<p>Treasury Annual Report</p> <p>The Director of Finance & IT advised the Association were required to produce a Treasury Management Annual Report each year in line with the</p>	

	<p>Treasury Code of Practice.</p> <p>The Director of Finance & IT advised the report had been considered by the Senior Management Team and approved by the Audit Committee for submission to the Board.</p> <p>The Director of Finance & IT took the meeting through the key issues as highlighted on page 5 of his report.</p> <p>The Board of Management unanimously APPROVED the Treasury Management Annual Report for 2019/20 and NOTED the variation from the investment policy regarding the £6.992m held in bank accounts with Lloyds Banking Group and that action has been taken to move this over to the other financial institutions meeting our credit worthiness criteria to spread out risk.</p>	
15.	<p>ACHA/AHFA Employee Engagement Survey 2019 – Progress and Actions</p> <p>The Director of Human Resources & Corporate Services advised the action plan was still a work in progress and took the meeting through her recommendations:</p> <ol style="list-style-type: none"> 1. Approve: Delay the employee engagement survey by 6 months to allow a period of returning to business as normal to bed in and for actions to progress. 2. Note: Review the action plans developed through 'skype' employee engagement sessions during March, April and May 2020 for reassurance 3. Note: Action plans provide timescales and leads within each directorate for taking actions forward with HR as required. Some are more localised, there are also five definite key themes highlighted for review across the Group. 4. Note: The Group People plan will be updated to incorporate all local and Group actions as priority from June 2020 and to consider and recognise the "new" and wherever possible "better" normal 5. Note: Actions have identified a review of the way in which we reward all our staff, further work needs to be undertaken to scope, assess viability, and feedback on options before making recommendations for implementation 2021/22 6. Approve: Review and build a leadership competency model for individual assessment. During June and July would like to invite organisations to submit proposals to us for consideration, which will be assessed on content, cost and ability to deliver over year 1 and year 2 7. Note: Continue to provide support to the staff appraisal process and link to actions identified in the 'Reward' category <p>The Board of Management unanimously NOTED and APPROVED the 7 recommendations as required.</p>	
16.	<p>Extension To Changes In Financial Procedures</p> <p>The Director of Finance & IT advised the Board had agreed to the changes to financial procedures, as outlined in the report, at its meeting on 19th March 2020. The Director of Finance & IT advised the changes were</p>	

	<p>agreed as a temporary measure until 31st July 2020 as a result of Covid 19. He stated that as Covid 19 restrictions are only now beginning to be lifted and are likely to remain in place at some level until a new normal has been established he asked for approval to extend the temporary changes to 31st October 2020.</p> <p>The Board of Management unanimously APPROVED the extension of the changes to the financial procedures, as highlighted in the report, on a temporary basis until 31st October 2020.</p>	
17.	<p>OPEN Housing Implementation The Chair advised a supplementary update had been circulated by email on Wednesday 17th June. Board members confirmed receipt.</p> <p>The Director of Finance & IT advised the meeting with Capita had gone well and there was a willingness to work with the Association.</p> <p>The Board of Management NOTED the contents of the report and supplementary update.</p>	
18.	<p>AHFA Unaudited Accounts The Director of Finance & IT took the meeting through his report.</p> <p>The Board of Management NOTED the extracts from the AHFA Unaudited Accounts.</p>	
19.	<p>ACHA Unaudited Accounts The Director of Finance & IT took the meeting through his report.</p> <p>The Board of Management NOTED the extracts from the ACHA Unaudited Accounts.</p>	
20.	<p>AHFA Management Accounts The Director of Finance & IT took the meeting through the Management Accounts highlighting a health warning that it was early in the financial year and there still a number of accruals from last financial year. He provided a further supplementary health warning that due to the implications of Covid 19 and lockdown there had been reduced activity and reduced spend. The Director of Finance & IT advised AHFA had continued to receive the monthly retainer from ACHA for planned maintenance.</p> <p>The Director of Finance & IT stated in overall terms AHFA were showing a profit for the first 2 months of the financial year. He added the Group were operating in very odd times and there would be a number of challenges requiring to be addressed over the remaining 10 months of the financial year.</p> <p>There were no questions and the Board of Management NOTED the content of the AHFA Management Accounts to period ending 31st May 2020.</p>	
21.	<p>ACHA Management Accounts The Director of Finance & IT took the meeting through the Management Accounts. He advised that due to the Covid 19 lockdown there would be</p>	

	<p>implications for the Association that have not currently come to light.</p> <p>The Board were advised that allocations have not been able to take place, voids were still accruing and planned demolitions at Eton Avenue and Columhill had been held back due to lockdown.</p> <p>There were no questions and the Board of Management NOTED the content of the ACHA Management Accounts to 31 May 2020.</p>	
22.	<p>Regeneration Update</p> <p>The Director of Investment & Regeneration advised that due to the Coronavirus lockdown there was not much update to the report.</p> <p>The Board of Management NOTED progress of the development programme against the targets and NOTED the proposals for potential future developments.</p>	
23.	<p>Investment Update</p> <p>The Director of Investment & Regeneration advised that due to the Coronavirus lockdown there was no real update to the report.</p> <p>She advised the Association were currently working with contractors to get back on-site.</p> <p>The Board of Management NOTED progress of the Investment Programme against the targets.</p>	
24.	<p>2018 Tenant Satisfaction Survey Action Plan 2019-2021 Quarterly Update</p> <p>The Director of Housing & Neighbourhood Services advised there had been delays due to the pandemic but good progress had been made.</p> <ul style="list-style-type: none"> • The Board of Management NOTED the progress and actions taken in line with the outcomes of the 2018 Tenant Satisfaction surveys. • The Board of Management NOTED feedback on performance would be provided via Tenants Newsletters, Landlord Report, ACHA's website Facebook etc. 	
25.	<p>Notifiable Events</p> <p>The Director of Human Resources & Corporate Services provided an update on all Notifiable Events reported since the last Board meeting:</p> <p>(RIDDOR) Fall from height – AHFA operative – reported to Health and Safety Executive 5th June and Scottish Housing Regulator 8th June 2020.</p> <p>The Board of Management NOTED the update.</p>	
26.	<p>A.O.C.B. Board Meetings</p> <p>The Board were asked to consider a proposal regarding future Board meetings. The proposal was as follows:</p> <p><i>“Seeking your approval that Board Meetings will continue using Skype, or other virtual media, until such time as the CEO, following Scottish Government advice, puts forward proposals to enable the Board to meet</i></p>	

	<p><i>safely on a face to face basis.”</i></p> <p>The Director of Human Resources & Corporate Services advised she had a telephone meeting with Drew Anderson from the Inveraray Inn on Friday 19th June to clarify where the hotel was going forward for the use of meeting rooms. She advised she would share the outcome of the discussion.</p> <p>The Board of Management unanimously APPROVED the proposal.</p> <p>Annual Return on the Charter and Annual Assurance Statement Timeline</p> <p>The Chair provided the planned timelines for the Annual Return on the Charter and Annual Assurance Statement as;</p> <p>Annual Return on the Charter – Papers issued to the Board of Management 23rd July 2020 Discussed at Board of Management meeting 30th July 2020</p> <p>Annual Assurance Statement – Papers issued to Audit Committee 27th July 2020 Discussed at Audit Committee 5th August 2020 Papers issued to the Board of Management 13th August 2020 Discussed at Board of Management 20th August</p> <p>The Board of Management NOTED the timelines.</p>	CB
27.	<p>Date & Time of Next Meeting</p> <p>Thursday 30th July 2020 at 10.00am (one item agenda covering ARC Return)</p> <p>Thursday 20th August 2020 at 10.00am venue TBC – likely to be via Skype</p>	