

Argyll Community Housing Association

Board of Management Meeting

Thursday 19th March 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)
David Carmichael in attendance but some phone issues
Cathy Grant
Bruce Marshall
Nancy McDonald
Pat McVey
Betty Rhodick

Not in Attendance:

Councillor Iain Shonny Paterson (due to IT problems)

In Attendance:

Alastair MacGregor, Chief Executive
Kirsteen McGinn, Director of Investment & Regeneration
Bruce West, Director of Finance & IT
Colette Benham, Director of Human Resources & Corporate Services
Lesley Lindsay, PA to Board of Management

The Chair welcome attendees to the meeting and provided the following introduction:

“Thank you all for participating in this Board Meeting. In my letter to you which was so eloquently crafted by Bruce it was explained that ACHA needs to continue to deliver services and operate as a business but also to manage risk to employees, tenants and the volunteer Board. There are important approvals to be made so that the business can continue, and I hesitate to use the word, in as normal a way as possible. I suspect this will not be the last meeting held in this way.

In order to make this work there are some ground rules which I will explain shortly. Please remember that Lesley is minuting this meeting which is a new experience for some of us, like me. Firstly, an update on the agenda where there are four added items.

We will be taking items as follows;

New Item 5 – Correspondence – Update on Torlochan

Items 7; 10; 15;

New Item 16 (Post Budget Cashflow Adjustments);

17; 24;

New Item 32 (Update on the ACHA Coronavirus Situation plus approval required for a Coronavirus Contingency Fund).

New Item 32b Changes to Financial Procedures

The staff, exempt Lesley, will leave for the last **Item 11 – Group Pay Award**

GROUND RULES

Item introduced by lead person

Ask for comment following a set list. Board first, staff following.

Please respond 'No question' or make your comment/question

Then open for discussion – remember to say who you are.

Discussion over – remind what approval is being sought

Ask for approval

Silence = approval; Not approve = speak up.

In event conference or lost line failure. Replace phone and await call.

Any burning questions?"

1.	Apologies Councillor Donnie MacMillan, Sonja Aitken Leave of Absence – Brian Tester	Actions to be completed by 30/04/20
2.	Minute of Previous Meeting – 6th February 2020 DEFERRED TO APRIL MEETING	
3.	Matters Arising DEFERRED TO APRIL MEETING	
4.	Minute of Audit Committee Meeting – DEFERRED TO APRIL MEETING	
5.	Correspondence Torlochan The Board of Management NOTED the update.	
6.	Declaration of Interest Item 11 – Group Pay Award – all staff with the exception of the minute taker will leave the meeting for this item.	
7.	New Membership Applications The Board of Management unanimously APPROVED two new membership applications.	
7a.	Cancelled Memberships The Board of Management NOTED the cancellation of one membership. The Board of Management NOTED the current membership total of 257 as at 10 th March 2020.	
8.	Chief Executive Presentation APRIL INFO PACK	
9.	IT Update DEFERRED TO APRIL MEETING	
10.	GWSF Affiliation 2020/21 The Director of Human Resources & Corporate Services advised that for the past few years ACHA have been affiliated with the Glasgow and West of Scotland Forum of Housing Associations (GWSF) who undertake work on behalf of the sector in relation to lobbying elected politicians,	

	<p>representing members in a wide range of discussions with external bodies and providing members with briefings and information. She advised the GWSF had increased their rate for 2020/21 by 2% equating to a marginally increased annual fee of £24.00. She advised the affiliation fee for 2020/21 was £1,216.</p> <p>The Director of Human Resources & Corporate Services further advised the GWSF had provided very helpful information over the last week or so in relation to the Coronavirus pandemic.</p> <p>The Chair stated the letter from the GWSF was self-explanatory and it was his view the cost of affiliation for the year provided value for money.</p> <p>The Board of Management unanimously APPROVED the Association's renewal of membership to the Glasgow and West of Scotland Forum of Housing Associations for 2020/21 at a cost of £1,216.</p>	
11.	<p>Group Pay Award</p> <p>All staff with the exception of the minute taker left the meeting.</p> <p>Bruce Marshall, Chair of the Remuneration Committee took the meeting through his report highlighting the outcome of the consultation process. The Board of Management noted the 2020 EVH pay award deal was a 1.6% uplift meaning ACHA's proposed pay award was currently more favourable within the sector.</p> <p>The Chair of the Remuneration Committee stated the proposed Year 1 increase was an uplift of 2% on all salary points. The increase for Year 2 would be based on the December 2020 CPI:</p> <p>1.25% - 1.9% CPI would result in a 1.8% pay award 2% - 2.9% CPI would result in a 2% pay award 3% - 3.5% CPI would result in a 2.2% pay award</p> <p>The Chair of the Remuneration Committee took the meeting through the recommendations contained within his report:</p> <ol style="list-style-type: none"> 1. Note that the two year pay offer has been accepted by employees following consultation. The Board of Management NOTED recommendation one. 2. Note the rejection of the pay award by the Joint Trade Unions. The Board of Management NOTED recommendation two. 3. Agree to implement the uplifts in salaries effective 1st April 2020. The Board of Management unanimously APPROVED recommendation three. 4. Request a report in year two, in conjunction with finalising budgets, to confirm the pay award if CPI rates exceed 3.5% for renegotiation. The Board of Management AGREED recommendation four. <p>The Chair of the Remuneration Committee stated the decision was a good outcome.</p>	
12.	Stock Condition Survey	

	APRIL INFO PACK	
13.	Health & Safety Update APRIL INFO PACK	
14.	Cowal Place, Dunoon DEFERRED TO APRIL MEETING	
15.	<p>ACHA Business Plan</p> <p>The Director of Finance & IT advised that prior to the start of each financial year ACHA are required to submit a Business Plan to Lloyds Banking Group (LBG) for approval and advised a draft of the updated Business Plan for 2020/21 had been prepared.</p> <p>The Director of Finance & IT took the meeting through his report advising the substance of the Business Plan was very similar to the current Business Plan which would be of particular interest to LBG as there would be no difference to the date of the final loan repayment compared to the current approved Business Plan.</p> <p>The Director of Finance & IT advised the draft Business Plan showed an accounting surplus each year. He further advised the savings required would take effect from 2022/23, two years later than the current approved Business Plan due to the savings already achieved on interest costs and from insurance retendering.</p> <p>The Director of Finance & IT advised the underpinning assumptions were based on the budget approved by the Board of Management on 6th February 2020 which had been flagged up at the same meeting and were included within his report.</p> <p>The Board of Management were advised the cash covenants were all within the approved cash covenants by small amounts.</p> <p>The Director of Finance & IT stated he did not expect any difficulty with LBG approval and recommended submitting the draft Business Plan to LBG.</p> <p>Bruce Marshall stated the Association were very lucky to have such a high calibre Director of Finance & IT looking after its interests and further stated the report was very understandable in layman's terms. The Chair of the Audit Committee reiterated Bruce's statements.</p> <p>The Director of Finance & IT advised consideration was also being sought to approve one change to the draft Business Plan to carry forward up to £0.750m in cash expenditure on major repairs/investment programme and IT capital.</p> <p>The Board of Management unanimously APPROVED one change to the draft Business Plan proposal as set out in the report to allow for a carry forward of up to £0.75m in the cash expenditure on major repairs/investment programme and IT capital which will increase net operating cashflow out in 2020/21 to £5.731m which is just below the currently approved covenant and tolerance of £5.760m and will be offset by</p>	

	<p>a higher cash balance carry forward so there is no overall reduction in cash.</p> <p>The Board of Management unanimously APPROVED the draft Business Plan for submission to Lloyds Banking Group.</p>	
16.	<p>Post Budget, Business Plan and Cashflow Adjustments</p> <p>The Director of Finance & IT stated his report was a straightforward issue in terms of managing income and expenditure to meet cashflow covenants and took the meeting through his report highlighting the areas of adjustment.</p> <p>The Board of Management unanimously APPROVED the adjustments to budgets and cashflow for 2020/21</p>	
17.	<p>Treasury Management Strategy</p> <p>The Director of Finance & IT advised the Association were required to update the Treasury Management Strategy annually in order to comply with the Chartered Institute of Public Finance and Accounting (CIPFA) Code on Treasury Management and it should be scrutinised firstly by the Audit Committee before being considered by the Board of Management. He advised a draft version of the Treasury Management Strategy had been scrutinised by the Audit Committee on 6th February 2020 and approved.</p> <p>The Board of Management NOTED there were no substantive changes from the draft Treasury Management Strategy submitted to the Audit Committee on 6th February 2020. The Board of Management further NOTED the loan drawdown of £7m and renewal of the fixed rate on £5m had now been actioned as set out in the report.</p> <p>The Board of Management unanimously APPROVED the Treasury Management Strategy for 2020/21.</p>	
18.	<p>Factored Owners Conference DEFERRED TO APRIL MEETING</p>	
19.	<p>Installation of Laminate or Hard Tiled Flooring DEFERRED TO APRIL MEETING</p>	
20.	<p>Board of Management Standing Orders and Sub-Committee Terms of Reference DEFERRED TO APRIL MEETING</p>	
21.	<p>Strategic Planning Exercise DEFERRED TO APRIL MEETING</p>	
22.	<p>AHFA Management Accounts APRIL INFO PACK</p>	
23.	<p>ACHA Management Accounts APRIL INFO PACK</p>	
24.	<p>Stock Restructure</p>	

	Confidential.	
25.	Demolition Programme APRIL INFO PACK	
26.	Regeneration Update APRIL INFO PACK	
27.	Investment Update APRIL INFO PACK	
28.	ACHA's Welfare Rights Service DEFERRED TO APRIL MEETING	
29.	2018 Tenant Satisfaction Survey Action Plan Quarterly Update APRIL INFO PACK	
30.	Warm Homes Fund Update APRIL INFO PACK	
31.	Notifiable Events APRIL INFO PACK	
32.	A.O.C.B. 32a. Update on Coronavirus situation and proposal of a fighting fund The Chief Executive stated he had issued an update to Governing Body members but the situation was a fluid one. He recapped on the information previously issued and provided an update: <ul style="list-style-type: none"> • Business Continuity Team have been active since 6th March 2020 • Senior Officers working group set up 16th March 2020 meetings held daily with CEO chairing to focus on operational issues • Majority of staff to home work and hoped all those working from home will do so from 20th March 2020 • Decision taken 18th March 2020 to close offices to general public with the exception of previously arranged appointments • Offices not closed entirely to try to keep services operating but is important to note only a small number of staff working from offices • All face to face meetings cancelled with the exception of a small number with limited attendance • 20th or 21st March 2020 a letter to be issued to all tenants advising of the current position and providing contact details. Will be advising tenants not to visit offices except for pre-arranged meetings. All other enquiries should be by phone • Stakeholders letter to be issued outlining where ACHA is in relation to service delivery • Engaging with Argyll and Bute Council's emergency planning to take a view on possible joint working • Continuously updating the vulnerable tenants register and taking a view on any additional support required • Representation made to Scottish Housing Regulator advising every available resource being utilised to minimise the impact of the situation (to be circulated for information) • Received clarification from SHR they will be relaxing routine 	

	<p>engagement and returns</p> <ul style="list-style-type: none"> • Advised SHR would be liaising with landlords to ascertain any problems with service delivery • ACHA have nine staff members self-isolating based on contact and advice given • Focus on ability to collect income and being able to continue providing services (repairs, voids etc.) • Government do not expect Housing Associations to progress legal action in respect of rent arrears for tenants suffering hardship as a result of the current situation • GWSF contacted the Scottish Government to advise contingency plans would be required to mitigate the financial impact on landlords • Blue collar trades still working in the field carrying out repairs as safely as possible with assistance from the Customer Service Centre and guidance from the AHFA Managing Director and the Health, Safety & Environmental advisor <p>The Chief Executive advised the Association were trying to establish an alternative approach to new tenancy sign ups as the current process involves a face to face meeting for approximately 45 minutes. Legal advice is currently being sought to ascertain what alternatives may be available.</p> <p>The Chief Executive gave tribute to ACHA staff working tirelessly in challenging circumstances to maintain services to tenants. The Chair agreed that staff were doing as much as possible to keep as many services running as possible.</p> <p>Nancy McDonald asked if there were any special guidelines for sheltered housing complexes in relation to isolation. The Chief Executive advised that in line with the Scottish Government's public health guidance the Association had taken the decision not to close common rooms albeit external parties have been advised not to enter. It was felt it would be less helpful if groups started to congregate in tenants own homes. The Chief Executive stated he had asked the Regional Manager to establish what the current position was and a review would take place at 12 noon. Nancy McDonald advised that all meetings/groups in the Dunmar Court common room had been cancelled for the foreseeable future.</p> <p>The Chief Executive advised he would provide a written weekly update to all Board members each Friday with anything substantive in between being issued separately.</p> <p>The Board of Management NOTED the update.</p> <p>The Chief Executive advised the Director of Finance & IT would cover the contingency fund proposal.</p> <p>32b Change to Financial Procedures and Contingency Budget The Director of Finance & IT asked the Board to give consideration to setting up a contingency budget to deal with the financial consequences of Covid 19. He stated it was difficult to estimate what additional costs may arise and suggested a figure of £10k which would be held centrally within the Finance & IT budget and allocated as required. The Director of</p>	<p>Alastair MacGregor</p>
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	<p>Finance & IT advised the contingency budget would be funded from the £19k savings from interest rate fixing. The Board of Management unanimously APPROVED the setup of a contingency budget of £10k.</p> <p>The Director of Finance & IT advised a review had been undertaken of financial controls and some areas had been identified where a change to the current process owing to likely consequences of Covid 19 would help in assistant ACHA to continue to operate as effectively as possible. The changes to procedures were previously approved by the Board of Management and any review requires Board approval. The Director of Finance & IT took the meeting through the proposed changes.</p> <p>The Board of Management unanimously APPROVED the changes outlined.</p>	
33.	<p>Date & Time of Next Meeting Thursday 30th April 2020 at 10.00am in the Inveraray Inn, Inveraray</p>	