

## Argyll Community Housing Association

### Board of Management Meeting

Thursday 24<sup>th</sup> June 2021 at 10.00am via Skype

#### Minute

#### Present:

Jim Milne  
Cathy Grant  
Ian McIntyre  
Esther Hughes  
Bruce Marshall  
Pat McVey  
Betty Rhodick

#### Not in Attendance:

Cameron Grant

#### In Attendance:

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

The Vice Chair welcomed attendees to the meeting and provided a summary of the running of the meeting; the Vice Chair will proceed through the agenda; at each item the Vice Chair will open for questions/comments. He will then move to recommendations. Silence will indicate agreement.

The Vice Chair asked that microphones be muted until there is a requirement to speak.

The Vice Chair asked that each speaker introduced themselves for the purposes of minuting the meeting.

1.	<b>Apologies</b> Councillor Roddy McCuish, Councillor Donnie MacMillan, Brian Tester, Councillor Iain Shonny Paterson David Carmichael and Sonja Aitken Leave of Absence.	<b>Actions to be completed by 19/08/21</b>
2.	<b>Minutes of Meeting – 27<sup>th</sup> May 2021</b> The Board of Management <b>APPROVED</b> the minute as a true and accurate record of the meeting.  Proposed by: Pat McVey Seconded by: Ian McIntyre	

3.	<p><b>Matters Arising</b></p> <p>Page 2 – Item 3 – Visit to Cowal Place – the Chief Executive advised a visit to Cowal Place had taken place where estate management and investment priorities had been looked at. He advised some issues which required discussion with Argyll and Bute Council had been highlighted and the Director of Investment &amp; Regeneration was liaising with Council colleagues. The Chief Executive advised an update report would be brought to the August Board meeting. The Chief Executive thanked all involved for their time and input. The Secretary and Bruce Marshall also conveyed their thanks to all involved.</p> <p>The Chief Executive advised the new build properties at Garelochhead had been allocated and positive feedback received. The Chief Executive advised he would arrange for photos to be circulated to Board members. The Director of Investment &amp; Regeneration advised the contractor was recording a video which she would circulate to Board members once received. The Vice Chair stated it was an impressive development.</p> <p>Page 5 – Item 8 – <i>The Vice Chair stated he would look through the surveys for comments and bring further information back to assist.</i></p> <p>The Vice Chair advised that having looked back through the survey data and members' comments, two areas stood out:</p> <ul style="list-style-type: none"> <li>• Understanding the big picture went from the 90% to the 50%</li> <li>• My contribution to discussion' from the 70% to 50% with 23% ticking 'wish to improve'.</li> </ul> <p>The Vice Chair stated it was his belief that both these areas had been adversely affected by a very long period of virtual Board meetings, with the last face to face Board meeting being held on 6 Feb 2020, some 17 months ago. He stated that body language, facial gestures, a nudge from your neighbour, and conversations in dark corners, all contributed to the structure of a Board meeting allowing members to get a feel for what was going on and maintaining confidence. He commented that how Esther feels taking part in meetings without actually meeting most of us he could only guess. The Vice Chair added that if a Board member perceives their understanding of the big picture is not up to scratch or they feel unable to contribute I would suggest that would sap their confidence, knowingly or unknowingly. The Vice Chair added that finally, to think positively, he did believe once face to face Board meetings resume confidence would quickly return.</p> <p>The Chief Executive stated that as training would be re-starting on 24<sup>th</sup> August 2021 he would be willing to assist in any way possible to help Board members by covering any areas they felt they were requiring further training. The Vice Chair thanked the Chief Executive and stated a discussion on 24<sup>th</sup> August would be useful.</p> <p>Page 5 – Item 8 – <i>The Vice Chair requested the PA to the Board of Management action recommendation 4.</i></p> <p>The Board were advised that copies of completed surveys had been issued on 27<sup>th</sup> May 2021.</p> <p>Page 6 – Item 9 – <i>Bruce Marshall asked if an email could be issued to</i></p>	<p>Kirsteen McGinn</p> <p>Alastair MacGregor</p> <p>Kirsteen McGinn</p>
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	<p><i>Board members asking them to highlight their preference by return.</i></p> <p>The Board noted an email had been issued on 27<sup>th</sup> May 2021.</p>	
4.	<p><b>Minute of Audit Committee for Ratification – 4<sup>th</sup> February 2021</b></p> <p>The Chair of the Audit Committee took the meeting through the minute of the Audit Committee meeting held on 4<sup>th</sup> February 2021.</p> <p>There were no questions and the Board of Management <b>RATIFIED</b> the minute.</p>	
5.	<p><b>Correspondence</b></p> <p>No correspondence.</p>	
6.	<p><b>Declaration of Interest</b></p> <p>None intimated.</p>	
6a.	<p>The Chief Executive advised as agreed previously with Office Bearers this item would be brought forward from Item 22.</p> <p><b>New Membership Application</b></p> <p>The Board of Management unanimously <b>APPROVED</b> one new membership application.</p> <p>The Board of Management <b>NOTED</b> the current membership total of 250 as at 16<sup>th</sup> June 2021.</p>	
7.	<p><b>Chief Executive Presentation</b></p> <p>The Chief Executive advised a copy of the presentation had been circulated electronically on Wednesday 23<sup>rd</sup> June 2021.</p> <p>The Chief Executive delivered his presentation covering:</p> <ul style="list-style-type: none"> <li>• Covid 19 Update</li> <li>• Progress with other business</li> <li>• External Updates</li> </ul> <p>The Board of Management <b>NOTED</b> the contents of the presentation.</p> <p>The Chief Executive advised there was £2million available within the Islands Community Fund framework which had been set up by the Scottish Government a couple of years ago. He further advised grants of up to £150k could be awarded to organisations based in Island communities. He stated it was likely ACHA would meet the criteria. He asked for approval to work with the Director of Investment &amp; Regeneration to identify areas of need with respect to the submission of application(s). The Board of Management unanimously <b>AGREED</b> the Chief Executive and Director of Investment &amp; Regeneration should progress.</p> <p>Bruce Marshall stated he was pleased to see void figures had reduced to 141 and asked for information on which areas had the largest number of voids. The Director of Finance &amp; IT advised he did not have that precise information but that information would be produced and circulated following the meeting.</p>	<p><b>Alastair MacGregor/ Kirsteen McGinn</b></p> <p><b>Bruce West</b></p>

	<p>Bruce Marshall asked if the two members of staff currently shielding and on furlough, which would end fairly soon, could be allocated to a desk job away from the office to allow them to return to work. The Chief Executive stated both staff members were manual employees with AHFA. He stated an option for redeployment for one member of staff was being considered but the other staff member had more significant health issues and if unable to return to work once furlough ceased that staff member would require to go onto sick pay.</p> <p>The Vice Chair stated that while the Association had opportunities for applying for grants and additional funding it must not stretch itself and over promise over the coming few months.</p>	
8.	<p><b>Video/Audio Participation in Board Meetings</b></p> <p>The Director of Finance &amp; IT stated his report may become redundant if face to face meeting were allowed from August 2021 but stated his report set out the issues around options for audio and video participation at Board meetings in response to an issue raised under AOCB at the Board meeting on 29<sup>th</sup> April 2021 where the Chair advised he had been approached with a view to holding Board meetings using Zoom. It was reported that some Board members felt meetings were becoming sterile with only audio participation. The Director of Finance &amp; IT advised Skype for Business did have the capacity to allow video functionality when switched on. He stated it was unclear what functionality Zoom provided that is not available from Skype for Business. The Director of Finance &amp; IT stated as the Association was an existing Skype for Business user there would be no additional cost but there would be an additional monthly subscription cost to subscribe to Zoom and highlighted the level of additional costs. He advised that ACHA did have a temporary Zoom account set up to allow a staff conference to take place on 25<sup>th</sup> June 2021 but it was not intended to continue subscription after that date. The Director of Finance &amp; IT stated that if there were connectivity issues using Skype for Business it was entirely possible there would still be connectivity issues with Zoom, which has been the IT Department's experience in preparing for the virtual staff conference. He added that moving to Zoom would not resolve poor connectivity issues.</p> <p>The meeting was advised that ACHA had recently agreed to purchase and implement an application, Admin Control as the platform for managing the administration of Board meetings which does not include the ability to video or audio conference so does not offer a competing service with Zoom or Skype for Business.</p> <p>The Director of Finance &amp; IT advised the meeting that Argyll and Bute Council did not allow the use of Zoom on their devices. Therefore, the Council representatives on the Board of Management would require to use a separate device.</p> <p>The Director of Finance &amp; IT stated that in considering a move to Zoom it was also worth considering the long term approach to Board meetings. He stated that whilst the cost was not significant there would also be IT input required to set up and implement Zoom. If ACHA was planning to hold Board meetings on a virtual/remote basis for the medium to longer term, then this may be a worthwhile investment. If, however the intention was to move back to predominantly face to face meetings then there would be</p>	

	<p>little to be gained from the cost and resource investment in setting up Zoom if it were only to be used in the short term. He also stated it would be useful to establish what functionality would be required from Zoom, the resulting level of subscription for Zoom and how both Zoom and Admin Control would work effectively together.</p> <p>The Director of Finance &amp; IT stated there were a range of security issues that would merit further investigating and assessment before committing to the use of Zoom for Board meetings and advised a number of organisations still would not use Zoom due to security concerns although many organisations did use Zoom. He stated the issue of security was not being raised simply as a barrier but ACHA is aware of the importance of IT security, data protection and cyber security and take those responsibilities seriously. He suggested that before rushing into an implementation of Zoom it would be consistent with a risk aware approach to investigate, understand the various risks and consider if these are risks ACHA is prepared to accept. He advised the appendix to his report summarised the IT security risks with Zoom.</p> <p>The Secretary stated she had not been aware of the additional costs attached to the use of Zoom. She further stated the discussion would become redundant once face to face meetings re-started and therefore she felt it would not be worthwhile pursuing the use of Zoom. Bruce Marshall agreed with the Secretary.</p> <p>Bruce Marshall asked if there were additional costs for the implementation of Admin Control. The Director of Finance &amp; IT advised there was an annual cost of £5k for the use of Admin Control. He further advised there would be an additional cost of between £8k and £12k to purchase laptops/tablets for Board members. Bruce Marshall asked what the benefits of Admin Control were. The Director of Finance &amp; IT advised there would be no need for paper copies of reports, administration was more efficient and the platform could be used as a virtual filing cabinet where previous documents could be easily accessed by Board members.</p> <p>The Vice Chair stated he was unsure if the Board meeting scheduled to be held on 19<sup>th</sup> August would proceed virtually or face to face. The Director of Human Resources &amp; Corporate Services advised it would depend on the numbers attending and social distancing guidelines. The Vice Chair stated the Board would react to relaxations as they occurred.</p> <p>The Vice Chair took the meeting through the recommendations contained within the report:</p> <p>To note this report and agree as trial to hold the board meeting on 19 August 2021 using Skype for Business with both audio and video functionality enabled and then to hold the board meeting on 30 September 2021 using Zoom with a report on each trial and future recommendations coming to the board meeting on 11 November 2021.</p> <p>Bruce Marshall stated it had been agreed earlier in the meeting not to use Zoom due to the additional costs. The Director of Finance &amp; IT reminded Board members the Association currently had a trial subscription to hold the virtual staff conference and the subscription could be extended and</p>	
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	<p>kept in place until the September Board meeting.</p> <p>The Board of Management unanimously <b>NOTED</b> the report and <b>APPROVED</b> using Skype for Business with both audio and video for the meeting on 19<sup>th</sup> August 2021 and Zoom for the meeting on 30<sup>th</sup> September 2021 with a report on each trial and future recommendations being considered by the Board at its meeting on 11<sup>th</sup> November 2021.</p>	
9.	<p><b>Community Action Fund Applications</b></p> <p><b>1. The Community Bureau</b></p> <p>The Board of Management unanimously <b>APPROVED</b> the award of £500.</p>	
10.	<p><b>AHFA /ACHA Contract Review</b></p> <p><b>Business Sensitive</b></p>	
11.	<p><b>AHFA Business Plan 2021-26</b></p> <p><b>Business Sensitive</b></p> <p>There were no questions and the Board of Management unanimously <b>APPROVED</b> the AHFA Business Plan and agreed to its submission to the SHR by 30<sup>th</sup> June 2021 in order to meet the SHR regulatory plan requirement.</p>	
12.	<p><b>ACHA Business Plan</b></p> <p>The Director of Finance &amp; IT advised that ACHA's loan agreement with Lloyds Banking Group (LBG) requires ACHA to submit its business plan annually to them for approval. The Director of Finance &amp; IT stated confirmation had been received that the business plan had been approved.</p> <p>The Director of Finance &amp; IT stated the engagement/regulation plan for ACHA usually required the business plan to be approved and submitted to the Scottish Housing Regulator by 30 June each year, although the current engagement plan makes no specific reference to that requirement for this year. Notwithstanding that he advised it would be good practice to update the SHR on the revised business plan.</p> <p>The Director of Finance &amp; IT advised the business plan submitted was based on the 2021-22 budget which had been approved by the Board of Management on 4 February 2021 and also on the draft business plan submitted to the Board of Management on 18 March 2021. He stated those documents had set out the key assumptions of the draft business plan. The business plan which was submitted to and approved by LBG is materially based on these.</p> <p>The Director of Finance &amp; IT took the meeting through the details of the headings covering:</p> <ul style="list-style-type: none"> <li>• Key assumptions</li> <li>• Key financial outcomes</li> <li>• Sensitivities – worth noting the most critical sensitivity around rental income as relatively small changes to income would have a significant impact on the Business Plan</li> <li>• Covenant compliance</li> </ul>	

- Corporate plan
- SHR guidance
- Conclusion

The Vice Chair thanked the Director of Finance & IT for the detailed and calm delivery of his report. The Vice Chair stated his personal view in relation to increasing maintenance requirements on the horizon, possibility of increase to inflation and the Scottish Government and Regulator's focus on keeping rent costs down and good value for money would be a difficult balancing act.

Bruce Marshall thanked the Director of Finance & IT for a very detailed description. He asked if there would be a strain on the budget if interest rates were to rise. The Director of Finance & IT stated the Business Plan allowed for a modest increase and had been modelled on a stepped up increase to interest rates. Bruce Marshall commented there was the possibility of going back to the horrendous interest rates of the 1970s and asked if that would be likely. The Director of Finance & IT stated it was his own personal opinion the world could not afford interest rates to rise to that position but a forecast could not be made.

Pat McVey referred to the comment made by the Director of Finance & IT in relation to the sensitivity of rental income on the Business Plan and asked if any modelling had been carried out in relation to ACHA's peer groups. He asked when ACHA would reach or surpass its peer groups rent levels. The Director of Finance & IT stated it would be dependent upon the commitments they had requiring to be included within their Business Plans. He further stated that for 2021/22, ACHA's rents remained 0.97% below the average across all RSLs in Scotland which meant the average tenant in an average house would be paying around £46 per year less than the average RSL weekly rent. He added that in terms of investment, ACHA were spending around £1000 more per year than the average RSL and a high level of investment could only take place if income streams were maintained.

Pat stated that some peer groups were having a rent freeze which would bring ACHA closer to the average rent and if that position continued ACHA would surpass the average rent charge. The Director of Finance & IT stated that could happen but the rental charge was only one side of the equation with investment required in properties being the other side. He stated that Pat was right to raise the issue but the Association couldn't lose sight of the level of income required to support investment.

Pat stated the level requiring to be spent was a reflection of the condition of the housing stock and commented that peers may have a higher standard of stock. The Director of Finance & IT stated it may well be the position as some RSLs had a large new build stock and therefore a better starting position. He added that if ACHA wished to invest to make properties more attractive then income would be require to do that. The Director of Finance & IT congratulated the Director of Investment & Regeneration for the excellent job she had done drawing in funding which had helped investment without impacting on tenant's rents. He stated that rent levels would definitely be a challenge.

Betty Rhodick commented the stock given to ACHA had been in a poor condition but that needed to be worked on to improve standards. She

	<p>further commented that a large majority of tenants were able to claim housing benefit.</p> <p>The Chief Executive stated there was a difficult debate to be had regarding the levels of investment being outlined by the Scottish Housing Regulator and their focus on rent affordability. He advised that within his mailbag, three issues were regularly raised; allocations/transfers, repairs and investment in homes. He stated he could not remember the last time he had received a complaint from a tenant regarding rent levels.</p> <p>The Chief Executive added that ACHA rents compared to rents in the private sector were dramatically lower. He further added that the grant funding received and work done by the Welfare Rights staff had allowed ACHA to keep rent levels below the Scottish average.</p> <p>The Chair of the Audit Committee stated his concern related to the availability of works and supplies to maintain the investment plans.</p> <p>The Vice Chair brought the discussion to a close and stated the issues being discussed would come up later in the year.</p> <p>The Board of Management unanimously <b>APPROVED</b> the Business Plan and <b>AGREED</b> to submit the Business Plan to the Scottish Housing Regulator.</p>	
13.	<p><b>Treasury Management Annual Report</b></p> <p>The Director of Finance &amp; IT advised ACHA were required to prepare a treasury management annual report each year. He advised the report had been submitted to the Audit Committee at their meeting held on 27<sup>th</sup> May 2021 for consideration and scrutiny. The Board of Management noted the Audit Committee made no further comment and approved the draft report for submission to the Board.</p> <p>The Director of Finance &amp; IT took the meeting through his report covering:</p> <p>Borrowing and Investment.</p> <p>There were no questions and the Board of Management <b>APPROVED</b> the Treasury Management Annual Report for 2020/21.</p>	
14.	<p><b>Group Recruitment Policy and Procedure</b></p> <p>The Director of Human Resources &amp; Corporate Services provided the background and advised a recruitment project team had been formed with representation from hiring managers from all services who then took the following approach to inform their recommendations:</p> <ol style="list-style-type: none"> <li>1. Stakeholder feedback – a survey of managers and candidates Identified short term and longer term possible changes to our processes</li> <li>2. Any changes would enable managers to be trained and have more control of their recruitment needs</li> <li>3. Ensure that recommendations could be moved to a technology solution to provide more robust and agile recruitment processes</li> <li>4. Explore solutions which could reduce time and cost to recruit to vacancies</li> <li>5. Research and review current good practice recruitment</li> </ol>	



	<p>6. Review what selection methods can help us get the best out of our applicants</p> <p>7. Recommendations tested by hiring managers before informing policy</p> <p>The Board noted the project review team had presented a series of recommendations, which were agreed by the SMT in January 2021, and presented to the Board for information. The Director of Human Resources &amp; Corporate Services advised the majority of those recommendations had been tested and inform the one stop policy in preparation for the move to a recruitment technology platform. She advised the introduction and context page within her report provided further information.</p> <p>The Director of Human Resources &amp; Corporate Services advised the policies being consolidated and replaced covered Group Recruitment and Selection Policy, Recruitment Guidance, Decision under Urgency Special Exception Request and Relocation Policy. She further advised that hiring Managers have already commenced recruitment and selection training in preparation of the launch of the new policy. She added that training would be monitored and refreshed on a regular basis.</p> <p>The Director of Human Resources &amp; Corporate Services confirmed the policy formally incorporated all the recruitment audit recommendations.</p> <p>There were no questions and the Board of Management:</p> <p>Unanimously <b>APPROVED</b> the 'One Stop' Recruitment Policy and Procedure</p> <p><b>NOTED</b> the recruitment review recommendations agreed by SMT had been incorporated and the majority tested</p> <p><b>NOTED</b> the policy replaces four approved policy and procedure documents</p> <p><b>NOTED</b> the work undertaken by the hiring Managers on the project team to test recommendations and training has already commenced</p> <p><b>NOTED</b> that separate guidance on processes and avoiding discrimination in recruitment would be made available to those using the Policy and Procedure</p> <p><b>NOTED</b> the effectiveness of the changes would be reviewed in one year's time (June 2022).</p> <p>The Vice Chair stated the Policy and Procedure had been approved by the AHFA Board of Directors at their meeting on Tuesday 22<sup>nd</sup> June 2021.</p>	
15.	<p><b>Health and Safety Committee Terms of Reference</b></p> <p>The Director of Human Resources &amp; Corporate Services advised that in order to advance the Health and Safety Committee to a more interactive form, the current Terms of Reference required to be modernised and refreshed and stated the revised document had been compiled to supercede the previous version incorporating the Health &amp; Safety Executive's guidance:</p> <p>`Consulting employees on health and safety – a brief guide to the law`</p> <p>`Involving your workforce in health and safety – Guidance for all workplaces`</p> <p>The Vice Chair stated Health &amp; Safety was an extremely important subject as AHFA had discovered following an accident where AHFA had accepted</p>	

	<p>liability and sums involved were in the region of £111k which would be met by AHFA's insurance but would most likely impact on premiums.</p> <p>The Chief Executive advised the current structure was having a Board member attending the Health &amp; Safety meetings but this would be replaced with a regular report to the Board of Management which would put a focus on Health &amp; Safety at Board meetings.</p> <p>The Director of Human Resources &amp; Corporate Services stated it would be a robust reporting procedure which would ensure Board members were receiving the key information quarterly.</p> <p>The Chair of the Audit Committee congratulated the Director of Human Resources &amp; Corporate Services on the two bodies of work which were highly detailed. The Director of Human Resources &amp; Corporate Services thanked the Chair of the Audit Committee and advised she would pass on his thanks to colleagues involved.</p> <p>The Board of Management unanimously <b>APPROVED</b> the Terms of Reference and unanimously <b>APPROVED</b> presenting to the Health &amp; Safety Committee for adoption.</p>	
16.	<b>ACHA Employee Engagement Survey 2019 – Progress and Actions Confidential</b>	
17.	<b>AHFA Management Accounts</b> There were no questions and the Board of Management <b>NOTED</b> the AHFA Management Accounts.	
18.	<b>ACHA Management Accounts</b> There were no questions in relation to the Management Accounts and the Board of Management <b>NOTED</b> the ACHA Management Accounts.	
19.	<b>Regeneration Update</b> There were no questions and the Board of Management <b>NOTED</b> the progress and anticipated outcome of the development programme against the targets for 2021/22. The Board of Management <b>NOTED</b> the anticipated private finance requirement for 2021/22 of £0.924m.	
20.	<b>Investment Update</b> There were no questions and the Board of Management <b>NOTED</b> progress of the Investment Programme against the targets for 2020/21. The Board of Management further <b>NOTED</b> that all Investment Contracts had been impacted by lockdown.	
21.	<b>Notifiable Events</b> There were no questions and the Board of Management <b>NOTED</b> the Notifiable Events contained within the report submitted since the previous update.	
22.	<b>A.O.C.B.</b> Covered new membership application under Item 6a.	
21.	<b>Date &amp; Time of Next Meeting</b>	

	Thursday 19 <sup>th</sup> August 2021 at 10.00am via Skype which will be the first meeting using Admin Control	
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