

Board Meeting Minutes

Minutes of a meeting held at 3.30pm on **Thursday 20 May 2021** via Microsoft Teams

Present Mr Mike Martin (Chair), Ms Ashley Campbell, Mr Gary Devlin, Ms Adele Erwin, Ms Julia Fitzpatrick, Mr Fraser Mitchell, Prof Sir Geoff Palmer, Dr Louise Reid, Mr Rob Rowe, Mr James Rowney, Mr Alan Stewart, Dr Margaret Whoriskey, Mrs Cathie Wyllie

In attendance Ms Angela Currie, Mr Adam Curry, Mrs Donna Henderson, Mr Chris Milburn, Ms Joanna Voisey, Mrs Emma McNeill-McCallum (minute taker)

Apologies Ms Jo Roger

31/21

Apologies

Apologies were received from Ms Roger.

32/21

Declarations of Interest

Mr Rowe declared his interest as a resident of a Hanover owned property.

33/21

Board Minutes (BRD2)

There were a couple of minor points for noting in the Minutes and no questions were raised.

Decision

The Minutes were agreed and approved as a correct record.

34/21

Partnership Committee Progress (BRD3/01)

Ms Currie provided a verbal update. The February meeting had been delayed until March. The report to the March Board meeting had covered the same points raised at the March Partnership Committee so there were no new issues to report. The Board noted the next meeting was scheduled for mid-June and a fuller update would be provided at the July Board meeting.

Decision

Board Members noted the information.

35/21

Matters Arising (BRD3/02)

Ms Currie provided a brief summary of the points raised in her report.

Mr Devlin questioned if there was a wider role for the Board to play in the whistle blowing process. Mr Curry reminded the Board that it had been agreed that the Audit Committee would look at the lessons learned and the process. Mr Martin asked that Ms Currie undertake a review of the whistleblowing process as part of her wider governance review, and determine if the Board had sufficient involvement.

There was some discussion around the changes to each directorate, and Ms Currie provided some further background on the rationale. Dr Whoriskey was keen to see digital represented and Ms Currie explained that work had started on the new digital strategy, which would see this embedded across the organisation. Mr Martin noted the new Business Transformation post incorporated the role of Company Secretary and was pleased to see this post would be filled, having been vacant for some time.

Ms Currie provided an update on the discussions with the GMB regarding the pay claim. The Board had a wider discussion on the role of the union and where this fell in terms of governance. There had been a suggestion that the Remuneration Committee would become a more broadly focused People Committee and all employee related issues would be addressed by that Committee. This was common practice, but it was early days. This would be picked up in the second half of the year and proposals brought back to the Board.

Decision Board Members noted the information.

36/21 COVID-19 Update (BRD3/03)

Mr Milburn's report reflected the positive position and that things were improving. Moray and Glasgow were to remain in Level 3 but there had been no spike in Hanover cases, which was likely thanks to the large proportion of staff and residents who had been vaccinated. East Renfrewshire was emerging as an area of concern and might move to Level 3. Dining rooms had largely re-opened with the move to 1m social distancing, and the re-opening of guest rooms and communal lounges were actively being looked at. Voids remained a challenge, and this would be discussed later in the meeting.

Decision Board Members noted the information.

37/21 Strategy & 30 Year Financial Projections (BRD3/04)

Mrs Henderson explained that her report covered the strategy and 30 year plan, the updated business plan and the final year of the three year plan. Stress testing and financial planning had been carried out and Mrs Henderson had included how each scenario would impact. The Board were asked to consider the timing of reports to them, with a revised timetable included that it was felt would be more beneficial.

The Board were reassured that Hanover was in a healthy financial position and thanked Mrs Henderson for her detailed report. Mr Devlin noted that it would appear that inflation was on the rise, and this would potentially be higher than the assumptions, which might prove a burden on the stress testing.

There was further discussion around the savings target and the void levels, and Mrs Henderson explained the position on both.

Decision Board Members noted the information and approved the revised sequence of reporting.

38/21 SHR Returns: Loan Portfolio + 5yr Viability (BRD3/05)

Mrs Henderson explained that the SHR had problems with their portal and therefore the loan portfolio was not available. The deadline for submission would be extended and it would be possible to factor this into the Board meeting cycle. Mrs Henderson asked the Board to delegate authority to the Audit Committee to sign off, with the caveat that there had been a delay in the SHAPS pension information and this could result in a further delay.

Decision Board Members approved the projections, delegated authority to approve the loan portfolio to the Audit Committee and authorised submission to the portal.

39/21 Annual Return on the Charter 2020/21 (BRD3/06)

Mr Milburn explained the annual statistical return to the SHR was a statutory requirement. The full return was available on the Board Cloud site.

Mr Martin acknowledged this had been an abnormal year but noted there were some worrying trends and it was important to address the longer term trends.

There was a discussion around gas safety compliance. It was recognised that residents had been reticent to provide access during the pandemic. Ms Voisey explained that procedures were being reviewed and she would be looking for full compliance.

Ms Fitzpatrick noted that the figures for tenancies of less than 12 months seemed high and felt it would be useful to have a breakdown of why a high number of tenancies lasted less than year, in a future performance report.

There was a discussion around internal and external validation of the figures for the ARC. Internal validation was currently carried out by Mr Milburn's team but this would form part of the new Business Transformation role, which would make it completely independent of Hanover's operational functions. Mr Milburn confirmed that all background information was retained in the event of a verification visit from the SHR.

Decision

Board Members approved the ARC 2021 for return to the SHR.

40/21

Satisfaction Survey & Action Plan (BRD3/07)

Mr Milburn explained that the majority of the questions asked were prescribed by the SHR, who asked for a survey at least every three years. Hanover had been carrying out annual surveys to keep their finger on the pulse. The Action Plan from the last survey had been disrupted by the pandemic but in the areas where targeted interventions had been possible, it had made a positive difference to levels of satisfaction.

It was proposed to create a cross departmental customer satisfaction Action Plan over a two-year period and to change the frequency of the satisfaction surveys, with the next one taking place in early 2023. This would allow time to develop and implement the plan. Transactional surveys would be instituted to give a better picture of how satisfaction was progressing throughout the year.

The Board were encouraged to hear of the move towards more sophisticated and dynamic information. There was concern that if the annual survey was removed this could impact on residents' feeling they were not being listened to. It was noted that two-way communication would be important – "you told us/we are doing".

Decision

Board Members noted the information.

There was a short break, and Mr Devlin, Dr Reid and Mr Rowney gave their apologies for the remainder of the meeting.

41/21

Development Activity Update (BRD3/08)

Ms Voisey had some further updates since the report had been written which she provided verbally.

Mr Martin asked if there were problems with materials and/or pricing following Brexit and/or as a result of the pandemic. Ms Voisey explained that the full situation was not yet clear but there was an indication of issues with materials, particularly metal, but she would keep the Board updated on the situation.

The green agenda (EEESH 2, zero carbon and fuel poverty) remained an area of key focus. EEESH 2 was guidance rather than regulation so there were areas where the Board would need to make a decision. It was expected that forms of

heating other than gas would also need to be investigated. This would all be explored more at the strategy session in June.

Decision Board Members noted the information.

42/21 Redistribution of Sale Income (BRD3/09)

Ms Voisey explained this was a complex area that she would try to explain as best she could. An issue had been identified with the sale process of Sheltered Housing Manager (“SHM”) flats in developments that were equity share. The majority of these developments had a clause that allowed for the flat to be sold and the income redistributed amongst the other flats. However, three equity share developments did not have this clause.

Advice had been sought from TC Young, and the word “unique” had been used on several occasions in regard to the tenure type. The current model had been created at a time when the owners were not able to choose another factor but the law had changed in the interim creating issues around control and risk, given Hanover owned parts of the building. TC Young were investigating how this might be resolved in the future.

Decision Board Members noted the information.

43/21 Annual Assurance Statement 2021 (BRD3/10)

Mrs Henderson explained that her report was intended to provide the Board with some detail around the plans and timetable for submission of the Annual Assurance Statement. Work was underway on a Teams site and a video to explain to the Board a bit more of the detail and how to navigate the Teams site. The Board welcomed the continued work on the Assurance Statement and felt the continual assurance throughout the year was a good approach.

Decision Board Members noted the information.

44/21 Investors In Diversity (BRD3/11)

The report was an update to the Board that Hanover had started on the IID journey and got through the first hurdle. The focus was now on the Action Plan and delivering on this. A group had been set up to work on this and they would report in to the Senior Management Team. Sir Geoff was the Portfolio Lead, although another Board Member to work alongside him on this would be welcomed. Sir Geoff stated he was delighted to be involved in this work as he felt it was important for both staff and residents.

Decision Board Members noted the information and approved the Investors In Diversity Action Plan.

45/21 Strategy Day Summary (BRD3/12)

Ms Currie provided a summary of the strategy day held in April.

Decision Board Members noted the information.

46/21 Procurement of Agency Services (BRD3/13)

Mr Milburn explained that this procurement exercise in Moray was for a small number of agency staff that might be needed to fill emergencies, however, it was a large amount of spend. Work was underway to actively reduce the agency spend.

Decision Board Members noted the information and approved the awarding of the agency contract to Newcross Healthcare Solutions.

47/21 Governance Matters (BRD3/14)

The key part of the report was the section on the changes to the model Rules, the remainder was for noting. Ms Currie explained the four main changes and the rationale behind each. The changes were relatively minor and, if approved by the Board, would be put to members at an SGM, currently proposed for just prior to the Board meeting in July. This would allow planning for a virtual AGM.

It was acknowledged that there may require to be a Plan B, but it was hoped that, if the current road map was followed, an appropriate socially distanced in person SGM could be held in Hanover's Conference Centre, with the Chair holding proxy votes for the majority of members.

Decision Board Members noted the information and approved the proposal to hold the SGM in July prior to the Board meeting.

48/21 Any Other Business

Dr Whoriskey drew attention to the modern slavery statement. She had become aware that organisations with a turnover of more than £35m should take steps to prevent this in both their business and supply chain. Ms Currie undertook to further investigate this and report back to the Board.

Mrs Henderson explained that Hanover had a bank account with CCLA, investment managers who held £0.5m. The signatory list was outdated, with the only active signatory being Mr Milburn. She proposed herself and Ms Currie be added to the signatory list and asked that Mr Martin and Mr Devlin sign the documentation on behalf of the Board. Although Mr Devlin had left the meeting, Mrs Henderson had discussed this with him and he had given his agreement. Similarly, Mr Martin gave his agreement to sign the documentation to approve the changes.

Mr Martin looked forward to seeing as many Board members as possible at the Strategy Session on Thursday 17 June 2021.

Date of Next Meeting

The next meeting was scheduled for Thursday 15 July 2021 as follows:

- 15:00 Pre-Meeting (if required - Board Members only)
- 15:30 Board Meeting

Details of how the above meetings would be held to be circulated in due course. Board Members should note the proposal to hold an SGM prior to this meeting.

Chairperson:



Date:

15 July 2021